CORPORATE GOVERNANCE

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Group Managing Director

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Non-Independent Non-Executive Director

Yong Teck Ming
Independent Non-Executive Director

Rali Mohd Nor
Independent Non-Executive Director

Aryati Sasya Dato' Ahmad Sebi
Non-Independent Non-Executive Director

Kam Kin Foong
Independent Non-Executive Director

AUDIT COMMITTEE

Yong Teck Ming
Chair

Rali Mohd Nor
Member

Kam Kin Foong
Member

RISK MANAGEMENT COMMITTEE

Yong Teck Ming
Chair

Aryati Sasya Dato' Ahmad Sebi
Member

Kam Kin Foong
Member

NOMINATION COMMITTEE

Kam Kin Foong
Chair

Puan Sri Datin Masri Khaw Abdullah
Member

Rali Mohd Nor
Member

REMUNERATION COMMITTEE

Rali Mohd Nor
Chair

Aryati Sasya Dato' Ahmad Sebi
Member

Kam Kin Foong
Member

COMPANY SECRETARY

Ho Tsae Feng (MAICSA 7028522)

REGISTERED OFFICE

Ground Floor, Synergy 9
9 Jalan Kajibumi U1/70
Temasya Glenmarie
40150 Shah Alam
Selangor
Tel : 03-5192 8822
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SHARE REGISTRAR

Sectrars Management Sdn Bhd
Lot 9-7 Menara Sentral Vista
No. 150 Jalan Sultan Abdul Samad
Brickfields
50470 Kuala Lumpur
Tel : 03-2276 6138/ 6139/ 6130
Fax : 03-2276 6131

AUDITORS

Baker Tilly Monteiro Heng PLT
Chartered Accountants
Baker Tilly Tower
Level 10, Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur
Tel : 03-2297 1000
Fax : 03-2282 9980

PRINCIPAL BANKERS

CIMB Bank Berhad

Affin Bank Berhad

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

WEBSITE

www.asb.com.my

Our Board

Dato' Ahmad Sebi Bakar

Group Chair (age 73)

Dato ' Ahmad Sebi Bakar is a Non-Independent Non-Executive Director and the Group Chair of Advance Synergy Berhad. He was appointed to the Board on 9 April 1991 and redesignated from Executive Chair to Group Executive Chair on 28 September 2012. On 1 September 2017, he was redesignated to Non-Executive Group Chair.

Dato' Ahmad Sebi holds a Bachelor of Arts (Hons) from the University of Malaya, Kuala Lumpur, a Diploma in Journalism from the Thomson Foundation, United Kingdom and a Master of Arts from Michigan State University, United States of America.

He was the Editor of the Malay Mail, a member of the New Straits Times Press Group from 1976 to 1982 and subsequently the Group Editor of Berita Harian from 1983 to 1986. From 1986 to 1989, he was the Managing Director of Sistem Televisyen Malaysia Bhd and a director of the New Straits Times Press Group from 1988 to 1989.

He was also the Non-Executive Chair of Unified Communications Holdings Limited (now known as Captii Limited), an indirect subsidiary of Advance Synergy Berhad which is listed on the Singapore Exchange Securities Trading Limited, from December 2003 to June 2006. Besides, he had held both the positions as Executive Chair and Managing Director of Kumpulan Powernet Berhad from 12 January 2002 to 28 August 2015.

He was conferred the Ahli Mangku Negara (A.M.N.) by the Yang Di-Pertuan Agong, DYMM Tuanku Haji Ahmad Shah Al-Mustain Billah Ibni Almarhum Sultan Abu Bakar in 1983, the Justice of Peace (J.P.) by DYMM Sultan Azlan Muhibbuddin Shah Ibni Almarhum Sultan Yusoff Izzuddin Shah Ghafarullah, Sultan of Perak, in 1986 and the Dato' Setia Diraja Kedah (D.S.D.K.) by DYMM Tuanku Alhaj Abdul Halim Mu'adzam Shah Ibni Almarhum Sultan Badlishah, Sultan of Kedah, in 1988.

He is actively involved in social and charitable work and is the Chair of several non-profit organisations, namely, the privately funded Orphanage Foundation of Malaysia (YATIM) and in the past the Bosnia Action Front, Malaysia. He was also the President of the Malaysian National Writers Association (PENA) from 1992 to 2008.

Dato' Ahmad Sebi Bakar (continue)

Dato' Ahmad Sebi is a substantial shareholder of Advance Synergy Berhad. He is also a substantial shareholder and a director of Suasana Dinamik Sdn Bhd and Bright Existence Sdn Bhd, companies that are also substantial shareholders of Advance Synergy Berhad.

Except for his daughter, Sasya, who is a Non-Independent Non-Executive Director and his son, Anton, who is the Group Executive Deputy Chair, Dato' Ahmad Sebi does not have any family relationship with any other director or major shareholder of Advance Synergy Berhad. And he has no conflict of interest with Advance Synergy Berhad.

Dato' Ahmad Sebi has not been convicted for any offences within the past 5 years and no public sanction or penalty has been imposed by the relevant regulatory bodies during the financial year.

Anton Syazi Dato' Ahmad Sebi

Group Executive Deputy Chair (age 43)

Mr Anton Syazi Dato' Ahmad Sebi was appointed to the Board on 27 February 2017 and was subsequently redesignated as Executive Deputy Chair on 1 September 2017.

Anton graduated from the London School of Economics, University of London, with a Bachelor of Science in Economics. He has a Master of Arts in Finance and holds an Investment Management Certificate awarded by the UK Society of Investment Professionals.

Anton is also Group Executive Director of Captii Limited ("Captii"), a 58.3%-owned subsidiary of Advance Synergy Berhad and Chair of Captii Ventures Pte Ltd and Postpay Sdn Bhd, both Captii subsidiaries. He has been a member of the Captii Board since 22 June 2006 and was previously Group Chief Executive Officer of Captii from 10 August 2010 to 31 August 2017 and Group Deputy Chief Executive Officer from December 2005 to 9 August 2010.

Anton is Chair of Paydee Sdn Bhd and Qurex Sdn Bhd, the fintech subsidiaries of the Group and sits on the Board of various other subsidiary and joint venture companies of the Group. He has also been a Non-Executive Director of SJ Securities Sdn Bhd since 20 September 2005 and a Director of SJ Capital Berhad, a non-listed public company since 2 March 2020.

Prior to joining Advance Synergy Berhad in June 2001, Anton was with the South East Asia Investment Banking Division of Credit Suisse First Boston.

Anton Syazi Dato' Ahmad Sebi (continue)

He does not have any family relationship with any director and/or major shareholder of Advance Synergy Berhad, nor has he any conflict of interest with Advance Synergy Berhad, except that his father, Dato' Ahmad Sebi, is the Group Chair and substantial shareholder of Advance Synergy Berhad. Anton is a director of Bright Existence Sdn Bhd and Suasana Dinamik Sdn Bhd, substantial shareholders of Advance Synergy Berhad. His father, Dato' Ahmad Sebi, is also a substantial shareholder and director of Bright Existence Sdn Bhd and Suasana Dinamik Sdn Bhd. His sister, Sasya, is also a Non-Independent Non-Executive Director of Advance Synergy Berhad. Anton has had no convictions for any offences within the past 5 years and no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Lee Su Nie

Group Managing Director (age 60)

Ms Lee Su Nie is a Non-Independent Director and the Group Managing Director of Advance Synergy Berhad. She was appointed to the Board on 9 July 2007 and redesignated from Executive Director/Chief Executive Officer to Group Managing Director on 28 September 2012.

Su Nie holds a Bachelor of Commerce (Accounting) degree from the University of Birmingham, United Kingdom and a Master of Science (Business Administration) from the University of Bath, United Kingdom. She is also a Fellow Member of The Association of Chartered Certified Accountants, United Kingdom.

In 1985, she joined Kassim Chan Management Consultants Sdn Bhd, where she provided management consultancy services. She joined the Corporate Finance Department of Rakyat Merchant Bankers Berhad in 1989. In 1991, she left Rakyat Merchant Bankers Berhad to join Perdana Merchant Bankers Berhad. She subsequently left her position as First Vice President, Corporate Finance of the Bank to join Advance Synergy Berhad in 1995 as Assistant General Manager, Corporate Planning & Finance. She was subsequently appointed the Group General Manager, Operations of Advance Synergy Berhad prior to her appointment as Chief Executive Officer on 22 April 2004.

She is a Non-Independent Non-Executive Director of Captii Limited, an indirect subsidiary of Advance Synergy Berhad which is listed on the Singapore Exchange Securities Trading Limited. She also sits on the Board of other subsidiaries and an associate company of Advance Synergy Berhad.

She does not have any family relationship with any director and/or major shareholder of Advance Synergy Berhad nor has she any conflict of interest with Advance Synergy Berhad. She has no convictions for any offences within the past 5 years and no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Puan Sri Datin Masri Khaw Abdullah

Non-Independent Non-Executive Director (age 68)

Puan Sri Datin Masri Khaw Abdullah is a Non-Independent Non-Executive Director of Advance Synergy Berhad. She was appointed to the Board on 6 January 1995.

Puan Sri Datin Masri was one of the first Asians to complete the General Manager's Programme at the Holiday Inn University in Memphis, USA in 1976. In 1982, she completed a summer course on Hotel Development & Design at Cornell University, USA and had undergone Hotel training in Singapore and Canada.

She was awarded the Best Marketing Person of the Year for Holiday Inn Hotels Asia Pacific in 1985. Puan Sri Datin Masri played a key role when Antara Holiday Villas Sdn Bhd garnered several awards namely, the Special Award for Quality Management in the Industry Excellence Award 1997 (organised by the Ministry of International Trade and Industry and received this prestigious award from the former Prime Minister Tun Dr. Mahathir Mohamad on 18 December 1997), the National HR Excellence Award 2004 and the Industry Excellence Award 2005 - Export Excellence (Services). Her experience in the hotel industry dates back to 1969 and she has since contributed significantly to the development of new hotels. She was the co-founder of Holiday Villa chain in 1987 with the opening of the 1st Holiday Villa Cherating.

She is presently the Managing Director and Chief Executive Officer of Antara Holiday Villas Sdn Bhd and Holiday Villas International Limited, subsidiaries of Advance Synergy Berhad. She also sits on the Board of other subsidiaries including Cherating Holiday Villa Berhad, which is a non-listed public company.

Puan Sri Datin Masri is a member of the Nomination Committee of Advance Synergy Berhad.

She does not have any family relationship with any director and/or major shareholder of Advance Synergy Berhad, nor has she any conflict of interest with Advance Synergy Berhad. She has no convictions for any offences within the past 5 years and no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Yong Teck Ming

Independent Non-Executive Director (age 67)

Mr Yong Teck Ming was appointed to the Board on 9 July 2007. He is an Independent Non-Executive Director of Advance Synergy Berhad. He also serves as Chair of the Audit Committee and Risk Management Committee.

He holds a Bachelor of Commerce Degree from the University of Auckland, New Zealand. He is a member of Chartered Accountants Australia, New Zealand and a member of the Institute of Chartered Secretaries and Administrators, United Kingdom.

Teck Ming started his career in New Zealand in 1973 and worked in several accounting positions before returning to Malaysia in February 1979. From March 1979 to January 1995, he served in various positions in the Berjaya Group of Companies including as Group Executive Director from February 1988 until January 1995. He currently sits on the Board of several private limited companies.

He does not have any family relationship with any director and/or major shareholder of Advance Synergy Berhad, nor has he any conflict of interest with Advance Synergy Berhad. He has had no convictions for any offences within the past 5 years and no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Rali Mohd Nor

Independent Non-Executive Director (age 67)

Mr Rali Mohd Nor is an Independent Non-Executive Director of Advance Synergy Berhad. He was appointed to the Board on 10 March 2016.

Rali holds a Master of Business Administration (Finance) from Brunel University London, Advance Post Graduate Diploma in Management Consultancy from Henley Business School, University of Reading, United Kingdom, Diploma in Management (Merit) from Malaysian Institute of Management, Kuala Lumpur and Diploma in Syariah (Merit) from University of Malaya, Kuala Lumpur.

He was formerly the Managing Director and Chief Executive Officer of Proton Parts Centre Sdn Bhd, a subsidiary of PROTON Holdings Berhad since 2003 until his retirement in February 2015. Prior to that, he was the Chief Financial Officer of Proton Parts Centre Sdn Bhd for more than 10 years. He joined PROTON in 1985 as a Production Planning Manager and progressed to serve in International Business Division as a Senior Manager of Parts Business for 6 years. He started his career in Dunlop Malaysian Industries Berhad in 1977 as a Management Trainee and later on served as Planning Superintendent in the Planning Department. He has worked in Dunlop for 8 years before joining PROTON.

Rali Mohd Nor (continued)

He is a Fellow Member of the Institute of Leadership and Management, United Kingdom. He is also a member of the Chartered Institute of Marketing, United Kingdom, the Malaysian Institute of Management and the Harvard Business School Alumni Club of Malaysia. He has attended Senior Management Development Program at Harvard Business School Alumni Club of Malaysia and Advance Management Program at Henley Business School.

Rali is a member of the Audit Committee and Nomination Committee. He is also the Chair of the Remuneration Committee of Advance Synergy Berhad.

He does not have any family relationship with any director and/or major shareholder of Advance Synergy Berhad, nor has he any conflict of interest with Advance Synergy Berhad. He has no convictions for any offences within the past 5 years and no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Aryati Sasya Dato' Ahmad Sebi

Non-Independent Non-Executive Director (age 46)

Ms Aryati Sasya Dato' Ahmad Sebi is a Non-Independent Non-Executive Director of Advance Synergy Berhad. She was appointed to the Board on 7 March 2013.

Sasya holds a Bachelor of Commerce from Deakin University, Australia, a Diploma in Economics from La Trobe University, Melbourne and a Master of Finance from RMIT University, Melbourne.

She worked at SJ Securities Sdn Bhd, Malaysia as a Research Analyst before joining the retailing industry in 2002. From late 2002 to 2005, she entered the retail industry and under took a consulting position with a local specialised men's retailer in Melbourne where she was responsible for the day-to-day management of the company as well as preparing sales and market forecasting for the board of directors. Within the same period, she was appointed as a Director of Tantalum Australia NL, now known as ABM Resources NL, a public listed company in Australia. During her time at ABM Resources NL, she gained considerable knowledge of the mining sector as well as expanded her financial analysis skills to include some technical analysis of the commodities sector. She resigned from the Board in 2006.

Presently, she continues to be involved in the corporate industry in a consulting capacity. She has over 9 years' experience in corporate management and finance in various companies ranging from hospitality, mining to manufacturing. She also sits on the Board of various companies incorporated in Malaysia and overseas.

Sasya is the Chief Executive Officer of The Language House (an education subsidiary of Advance Synergy Berhad); a member of the Risk Management Committee and Remuneration Committee of Advance Synergy Berhad.

Aryati Sasya Dato' Ahmad Sebi (continued)

She does not have any family relationship with any director and/or major shareholder of Advance Synergy Berhad, nor has she any conflict of interest with Advance Synergy Berhad, except that her father, Dato' Ahmad Sebi, is the Group Chair and substantial shareholder of Advance Synergy Berhad. Her brother, Anton, is the Group Executive Deputy Chair and also a director of Bright Existence Sdn Bhd and Suasana Dinamik Sdn Bhd, both companies are substantial shareholders of Advance Synergy Berhad. Her father, Dato' Ahmad Sebi, is also a substantial shareholder and director of Bright Existence Sdn Bhd and Suasana Dinamik Sdn Bhd. She has had no convictions for any offences within the past 5 years and no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Kam Kin Foong

Independent Non-Executive Director (age 54)

Ms Kam Kin Foong is an Independent Non-Executive Director of Advance Synergy Berhad. She was appointed to the Board on 12 July 2018.

Kin Foong holds a Bachelor of Science degree in Business Administration majoring in Finance and a Master of Science in Industrial Management from the Central Missouri State University, United States of America.

From 1991 to 1995, she was the Assistant Manager in NJ Metal Stamping Sdn Bhd. She joined Powernet Industries Sdn Bhd in 1995 as a Personal Assistant to the Managing Director and was subsequently promoted to the post of Export Manager in 1997. In 1999, she was appointed as the Executive Director of Powernet Industries Sdn Bhd. Kin Foong was appointed as an Executive Director of Kumpulan Powernet Berhad ("KPB") on 12 January 2002. She left KPB in October 2005 and since then she has been self-employed in investment and management of properties and financial assets. She is presently a Director of Megalpha Sdn Bhd, Megalpha Limited and L F Kim Holdings Sdn Bhd.

Kin Foong is a Chair of Nomination Committee and member of the Audit Committee, Remuneration Committee and Risk Management Committee of Advance Synergy Berhad.

She does not have any family relationship with any director and/or major shareholder of Advance Synergy Berhad, nor has she any conflict of interest with Advance Synergy Berhad. She has no convictions for any offences within the past 5 years and no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Our Company Secretary

Ho Tsae Feng

Company Secretary and Group Secretarial Manager (age 51)

Ms Ho Tsae Feng, is the Company Secretary and Group Secretarial Manager of Advance Synergy Berhad. She joined Advance Synergy Berhad on 2 September 2003 as the Group Secretarial Manager and assumed an additional position as Company Secretary on 28 October 2003. Tsae Feng is an Associate Member of The Malaysian Institute of Chartered Secretaries and Administrators.

Prior to joining Advance Synergy Berhad, she was with The Malayan United Industries Berhad Group as an Assistant Company Secretary from March 2000 until August 2003. From April 1997 to March 2000, she was a Senior Secretarial Assistant with Corporatehouse Services Sdn Bhd, an affiliate to PricewaterhouseCoopers providing corporate secretarial services.

From September 1995 to April 1997, she was attached to Ekovest Berhad, a public listed company, as Assistant Company Secretary. She has more than 20 years' experience in corporate secretarial services.

Tsae Feng does not hold any directorship in public company.

She does not have any family relationship with any director and/or major shareholder of Advance Synergy Berhad, nor has she any conflict of interest with Advance Synergy Berhad. She has had no convictions for any offences within the past 5 years and no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Our Key Management

CORPORATE OFFICE

Dato' Ahmad Sebi Bakar
Group Chair

Anton Syazi Dato' Ahmad Sebi
Group Executive Deputy Chair

Lee Su Nie
Group Managing Director

Sng Ngiap Koon
Chief Operating Officer - Asset Development

Yap Chee Kong
General Manager - Corporate Services

Lim Kok Siong
Senior Finance Manager

Ho Tsae Feng
Group Secretarial Manager

Jennifer Ong Mei Fen
Legal Associate / Compliance Officer

HEADS OF GROUP DIVISIONS

HOTELS & RESORTS

ALANGKA-SUKA HOTELS & RESORTS SDN BHD

Tan Sri Dato' Azman Shah Haron
Chair

Puan Sri Datin Masri Khaw Abdullah
Managing Director & Chief Executive Officer

INVESTMENT HOLDING

ADVANCE SYNERGY CAPITAL SDN BHD

Yap Chee Kong
Financial Controller

TRAVEL & TOURS

ORIENT ESCAPE TRAVEL SDN BHD

Cheah Ping Huey
Executive Director

SYNERGY TOURS SDN BHD

Cheah Ping Huey
Chief Executive Officer

BUS-BODY FABRICATION

AVIVA MASTER COACH TECHNOLOGY SDN BHD

Yap Chee Kong
Managing Director

INFORMATION & COMMUNICATIONS TECHNOLOGY

CAPTII LIMITED

Wong Tze Leng
Group Executive Chair

Anton Syazi Dato' Ahmad Sebi
Group Executive Director

PROPERTY DEVELOPMENT & INVESTMENT

ADVANCE SYNERGY REALTY SDN BHD

Sng Ngiap Koon
Executive Director / Chief Operating Officer

FINANCIAL SERVICES

PAYDEE SDN BHD & QUREX SDN BHD

Anton Syazi Dato' Ahmad Sebi
Chair

Cheah Foo Choong
Executive Director & Chief Executive Officer

EDUCATION

METROPRIME CORPORATION SDN BHD

Aryati Sasya Dato' Ahmad Sebi
Chief Executive Officer

THE LANGUAGE HOUSE

Patricia Mary Jayasuriya @ Cecilia
Principal

Our Group
Senior Management

Tan Sri Dato' Azman Shah Haron *(age 70)*

• Chair of Alangka-Suka Hotels & Resorts Sdn Bhd

Tan Sri Dato' Azman Shah Haron is the co-founder of Holiday Villa hotels and resorts and presently, the Chair of Alangka-Suka Hotels and Resorts Sdn Bhd which owns and manages the Holiday Villa hotel chain operating in Malaysia and abroad. He was appointed the Chair on 26 August 1996.

Tan Sri Dato' Azman was educated in Japan and Australia and has received extensive training in general hotel management in the United States of America.

Tan Sri Dato' Azman has held various senior appointments in major hotels. Prior to this, he was the Managing Director and shareholder of Central Holdings Berhad, the company which owns and manages the three Holiday Inn hotels in the Klang Valley, namely Holiday Inn On The Park Kuala Lumpur, Holiday Inn City Centre Kuala Lumpur and Holiday Inn Shah Alam over two decades. His excellent leadership brought the three Holiday Inn hotels to great heights. During his tenure, he received numerous awards and accolades, among them were Holiday Inn International Torchbearer's Award (The Holiday Inn Systems Worldwide Performance Award for the Top 50 hotels), Gold Award for Inter-Hotel Performance and Productivity, Tourism Gold Award for Hotel Performance and Service - 1st Class Category by the Malaysian Ministry of Tourism.

He was the President of the Malaysian Association of Hotels for over a decade and a Member of the Malaysia Tourism Board for over 12 years. He was also the President and Board Member of ASEANTA (Asean Tourism Association) and Asean Hotel & Restaurant Association (AHRA) and contributed a lot in the promotion and expansion of tourism activities in the ASEAN region. He was the Past President of International Organisation of Employers (IOE) Geneva and Asean Confederation of Employers (ACE), Past Alternate Member of Asia Pacific Economic Corporation (APEC)/Business Advisory Council (ABAC) Malaysia, Past Member of PEMUDAH Malaysia (A Special Task Force to Facilitate Business), Past Board Member of Malaysian Industrial Development Authority (MIDA), Past Board Member of Employees Provident Fund (EPF) and Emeritus President (Immediate Past President) of Malaysian Employers Federation (MEF).

Tan Sri Dato' Azman Shah Haron
(continued)

Tan Sri Dato' Azman is currently the Chair of the Industry Advisory Council for Department of Polytechnic & Community College Education, Ministry of Higher Education Malaysia. Co-Chair of the Industrial Skills Committee, Ministry of International Trade & Industry (MITI). Board Member of Malaysia Productivity Corporation (MPC), Board Member of MARA Corporation Sdn Bhd, Substantive Member on National Labour Advisory Council (NLAC), Council Member of the National Wages Consultative Committee (NWCC), Ministry of Human Resources, Member of the Public Services Commission of Malaysia (Suruhanjaya Perkhidmatan Awam (SPA)), Member of Yayasan Kebajikan Anak-Anak Yatim Malaysia (YATIM), and as Treasurer of Rumah Bakti Dato' Harun Idris, Ulu Klang, Selangor (Orphanage).

In recognition of his immense contribution and excellent service, Tan Sri Dato' Azman received awards of Ahli Mahkota Selangor (AMS) Award by His Highness, The Sultan of Selangor, Datuk Paduka Tuanku Jaafar (DPTJ) Award by His Highness, The Yang Di Pertuan Negeri Sembilan, Darjah Kebesaran Panglima Setia Mahkota (PSM) Award by His Majesty, The Yang Di Pertuan Agong XIV Tuanku Al-Haj Abdul Halim Mu'adzam Shah and Darjah Kebesaran Sultan Sharafuddin Idris Shah Kelas Kedua "Dato" by His Highness, The Sultan of Selangor, Sultan Sharafuddin Idris Shah (D.S.I.S).

Tan Sri Dato' Azman also sits on the Board of various subsidiaries of Advance Synergy Berhad, including Cherating Holiday Villa Berhad, which is a non-listed public company.

He does not have any family relationship with any director and/or major shareholder of Advance Synergy Berhad, nor has he any conflict of interest with Advance Synergy Berhad, save for his spouse, Puan Sri Datin Masri, is a Non-Independent Non-Executive Director of Advance Synergy Berhad.

He has no convictions for any offences within the past 5 years and no public sanction or penalty imposed on him by the relevant regulatory bodies during the financial year.

Wong Tze Leng *(age 56)*

• Group Executive Chair of Captii Limited

Mr Wong Tze Leng was appointed the Group Executive Chair of Captii Limited, a 58.3%-owned subsidiary of Advance Synergy Berhad which is listed on the Singapore Exchange Securities Trading Limited, on 10 August 2010. He previously served as Group Chief Executive Officer of Captii Limited, a position he held since 22 December 2002 until his appointment as Executive Chair.

Tze Leng has over 20 years' experience in the information technology industry, with specific expertise in the telecommunications sector. He started his career in 1988 as an Engineer in the Singapore Institute of Standards & Industrial Research's design and development centre. He gained specialised expertise in computer telephony technology when he joined Federal Computer Services Pte Ltd in 1990 as a Software Engineer and later progressed to the position of Software Manager.

In 1993, he joined Dialogic as an Applications Engineer and was later promoted to the position of Business Development Director for the Asia Pacific region. During his career with Dialogic, he established a close rapport and working relationship with numerous IT companies and telcos in the Asia Pacific region. In 1998, he left Dialogic and founded the Captii Limited Group.

Tze Leng graduated from Monash University, Victoria, Australia, with a Bachelor's degree in Computer Science in 1985 and subsequently obtained a Bachelor's degree in Electrical and Electronic Engineering in 1987 from the same university.

Tze Leng also sits on the Board of various private limited companies including subsidiaries and associated company of Advance Synergy Berhad. He does not hold any directorship in other public companies.

He does not have any family relationship with any director and/or major shareholder of Advance Synergy Berhad, nor has he any conflict of interest with Advance Synergy Berhad, save for his substantial shareholding in Captii Limited. He has no convictions for any offences within the past 5 years and no public sanction or penalty imposed on him by the relevant regulatory bodies during the financial year.

Sng Ngiap Koon *(age 73)*

• Chief Operating Officer - Asset Development of Advance Synergy Berhad
• Executive Director/Chief Operating Officer of Advance Synergy Realty Sdn Bhd

Mr Sng Ngiap Koon was appointed the Executive Director/Chief Operating Officer of Advance Synergy Realty Sdn Bhd on 14 July 2007 and the Chief Operating Officer - Asset Development of Advance Synergy Berhad on 28 September 2012.

Ngiap Koon is an Associate Member of the Institute of Chartered Accountants in England and Wales.

Prior to 1984, he was working in London, England. Between 1984 to 1985, he was the Group Accountant of Innovest Berhad. He joined Advance Synergy Berhad in 1986 as the Group Accountant. In 1987, he was appointed the Group Financial Controller of Advance Synergy Berhad. Prior to his appointment as the Executive Director of Advance Synergy Berhad in 2003 till 2006, he held the positions of Senior Group General Manager and Company Secretary. He was also a Director of Advance Synergy Berhad from 1988 to early 1991.

Ngiap Koon currently sits on the Board of various subsidiaries of Advance Synergy Berhad including Cherating Holiday Villa Berhad, which is a non-listed public company.

He does not have any family relationship with any director and/or major shareholder of Advance Synergy Berhad, nor has he any conflict of interest with Advance Synergy Berhad. He has no convictions for any offences within the past 5 years and no public sanction or penalty imposed on him by the relevant regulatory bodies during the financial year.

Yap Chee Kong *(age 53)*

- *General Manager - Corporate Services of Advance Synergy Berhad*
- *Financial Controller of Advance Synergy Capital Sdn Bhd*
- *Managing Director of Aviva Master Coach Technology Sdn Bhd (formerly known as Quality Bus & Coach (M) Sdn Bhd)*

Mr Yap Chee Kong was appointed as a Financial Controller of Advance Synergy Capital Sdn Bhd on October 2001 and General Manager - Corporate Services of Advance Synergy Berhad on 28 September 2012. He was appointed as the Managing Director of Aviva Master Coach Technology Sdn Bhd (formerly known as Quality Bus & Coach (M) Sdn Bhd) on 27 March 2017.

He is a qualified accountant by training and prior to joining Advance Synergy Capital Sdn Bhd, he was an audit manager with PricewaterhouseCoopers. During his time with PricewaterhouseCoopers, he gained extensive experience in auditing where he held a portfolio of public listed companies involved in diverse range of industries, which included financial institutions and stock broking companies. He also has experience in financial advisory work and was actively involved in due diligence review, technical research, training and recruitment. He was also involved in special audit and special business approval certification of stock broking companies.

He also sits on the Board of various subsidiaries and an associate company of Advance Synergy Berhad. He does not hold any directorship in public companies.

Chee Kong is a member of the Malaysian Institute of Accountants and a fellow member of the Association of Chartered Certified Accountants, England.

He does not have any family relationship with any director and/or major shareholder of Advance Synergy Berhad, nor has he any conflict of interest with Advance Synergy Berhad. He has no convictions for any offences within the past 5 years and no public sanction or penalty imposed on him by the relevant regulatory bodies during the financial year.

Cheah Ping Huey *(age 49)*

• Executive Director of Orient Escape Travel Sdn Bhd
• Chief Executive Officer of Synergy Tours Sdn Bhd

Ms Cheah Ping Huey (Agnes) joined the Travel and Tours Division of Advance Synergy Berhad in 2004 and was appointed the Executive Director of Orient Escape Travel Sdn Bhd on 12 April 2007. Since joining the Group, she has held several positions in the Group including the current positions.

With over 20 years' working experience, Agnes has served at management level in various international hotels including Guoman Hotels Group and Nikko Hotel.

Upon graduating from Stamford College with a Diploma in Business Administration in early 90's, she began her career as a Banquet Sales Secretary in Istana Hotel. She accumulated her experience in sales as a Sales Executive and worked her way up the corporate ladder while studying Hotel Management Diploma Course. She was awarded the Youngest Director of Sales, Corporate Division by Nikko Hotel in 2000 and Most Outstanding Sales Achievement in 2001. Her other accomplishments include spearheading the hotels pre-opening Sales & Marketing Team of Guoman Hotels Group in Port Dickson and Hanoi.

In 2002, Agnes took on a new challenge and joined the travel industry. She was appointed as General Manager in a Japanese-owned travel agency, Intersect Travel and Tour Sdn Bhd. Her acute insight and quick execution was quickly noted and in 2004, she was appointed the General Manager of Orient Escape Travel Sdn Bhd, a subsidiary of Advance Synergy Berhad and has since grown the company into one of the leading travel agency in Malaysia. In 2007, she was promoted to her current position as the Executive Director of Orient Escape Travel Sdn Bhd. Agnes was appointed the Chief Executive Officer of Synergy Tours Sdn Bhd on 1 January 2016.

Agnes does not hold any directorship in public companies.

She does not have any family relationship with any director and/or major shareholder of Advance Synergy Berhad, nor has she any conflict of interest with Advance Synergy Berhad. She has no convictions for any offences within the past 5 years other than traffic offence (if any) and no public sanction or penalty imposed on her by the relevant regulatory bodies during the financial year.

Patricia Mary Jayasuriya @ Cecilia *(age 64)*

• Principal of The Language House

Ms Patricia Mary Jayasuriya is the Principal of Pusat Bahasa The Language House ("TLH"), the education unit of Advance Synergy Berhad.

Patricia brings almost four decades of experience in education both in Malaysia and Hong Kong to TLH.

A psychology graduate of the University of Manchester, Patricia went on to take a postgraduate qualification in business administration from Cranfield University. She has both professional and academic qualifications in Teaching of English as a Second Language and has successfully completed the American Hotel and Lodging Institute's Certified Hospitality Educator programme.

Patricia takes a hands-on approach in management and is passionate about maintaining quality in education especially in teaching standards and curricular.

Patricia does not hold any directorship in public companies.

She does not have any family relationship with any director and/or major shareholder of Advance Synergy Berhad, nor has she any conflict of interest with Advance Synergy Berhad. She has no convictions for any offences within the past 5 years other than traffic offence (if any) and no public sanction or penalty imposed on her by the relevant regulatory bodies during the financial year.

Cheah Foo Choong *(age 47)*

• Executive Director & Chief Executive Officer of Paydee Sdn Bhd and Qurex Sdn Bhd

Mr Cheah Foo Choong (Darren) was appointed as Executive Director and Chief Executive Officer of Qurex Sdn Bhd ("Qurex") in August 2019. He joined Qurex in August 2018 as General Manager of Business Development. He was also serving as Head of Merchant Business for Paydee Sdn Bhd ("Paydee") since August 2018, and was appointed as Director of Paydee in December 2019 and subsequently he was redesignated as Executive Director on 28 October 2020 and Chief Executive Officer on 23 December 2020.

Cheah Foo Choong (continued)

Darren started his career in 1996 in the advertising and promotions department of The Store and progressed to the position of Assistant Manager of their loyalty rewards programme. In 2004, he joined Unrealmind Interactive Berhad, a pioneer in the premium SMS business in Malaysia as Manager in the Advertising & Promotions department where he led and managed the advertising and promotion activities of the company's core products. In 2006, Darren was with R&D Media Malaysia Sdn Bhd, a Dutch premium SMS business as their Regional Manager-Marketing and Content. He then progressed to the position of General Manager in 2008, reporting to the Group CEO based in Amsterdam before joining the Captii Group in June 2010 as General Manager for Mobilization Sdn Bhd (now known as Postpay Sdn Bhd) and was responsible for the overall business operations.

On 1 June 2017, Darren was appointed as the General Manager of Service Management under Unified Communications Sdn Bhd ("UC") and was promoted to the position of Deputy Head of Business Development, and subsequently redesignated as Head of Business Development of UC and also the Country Head as well as Chief Executive Officer for UC Pakistan.

Darren holds a Masters in Business Administration (MBA) degree from Nottingham Trent University.

Darren does not hold any directorship in public companies.

He does not have any family relationship with any director and/or major shareholder of Advance Synergy Berhad, nor has he any conflict of interest with Advance Synergy Berhad. Darren has no convictions for any offences within the past 5 years other than traffic offence (if any) and no public sanction or penalty imposed on her by the relevant regulatory bodies during the financial year.

Notes:

The above Key-Senior Management are all Malaysian. The profiles of the following Key Senior Management who are also Directors of Advance Synergy Berhad are set out in the Directors' Profile on pages 56 to 58 and 60 to 61 of this Annual Report:

1. **Puan Sri Datin Masri Khaw Abdullah**
   - *Managing Director & Chief Executive Officer of Alangka-Suka Hotels & Resorts Sdn Bhd*
2. **Mr Anton Syazi Dato' Ahmad Sebi**
   - *Group Executive Director of Captii Limited*
   - *Chair of Paydee Sdn Bhd and Qurex Sdn Bhd*
3. **Ms Aryati Sasya Dato' Ahmad Sebi**
   - *Chief Executive Officer of Metroprime Corporation Sdn Bhd*

Governance

The Board has included **gender balance** as one of the main criteria for appointment of new directors to promote the representation of women in the composition of the Board. Currently, we have four (4) women directors representing 50% of the Board of eight (8) members.

COMMITTED TO THE HIGHEST STANDARDS

Responsibility for good governance lies with the Board. The Board is accountable to shareholders and is committed to the highest standards of corporate governance as set out in the Malaysia Code on Corporate Governance (“the Code”). This Corporate Governance Overview Statement describes how the Board has applied the main practices of good governance, as set out in the Code, during the year under review.

BOARD COMPOSITION AND SUCCESSION

The Board is made up of eight (8) members, comprising the Group Chair, the Group Executive Deputy Chair, the Group Managing Director, two (2) Non-Independent Non-Executive Directors and three (3) Independent Non-Executive Directors. The age of our Board members ranges from 43 to 73 years. The current Directors bring a wide range of business and financial experience, skills and knowledge necessary for the effective stewardship of the Group. Profiles of the Directors are set out on pages 55 to 61 of this Annual Report.

HOW WE GOVERN THE COMPANY

The Board leads the Group’s governance framework; it is responsible for setting the strategic targets for the Group, monitoring progress made, approving proposed actions and for ensuring that the appropriate internal controls are in place and that they are operating effectively.

The Board is assisted by four (4) principal committees (Audit, Nomination, Remuneration and Risk Management), each of which is responsible for reviewing and dealing with matters within its own terms of reference. At scheduled Board meetings, the minutes of all committee meetings are circulated. All the non-executive directors are members of all principal committees. Individual reports from each principal committee can be found on pages 79 to 88.

The roles and responsibilities of the Board and the Board Committees as well as the relationship with the management are clearly set out and with clear accountability.

BOARD COMPOSITION AND SUCCESSION (continued)

Each of the Independent Non-Executive Directors is considered independent of management and free of any relationship that could materially interfere with the exercise of their independent judgement. The Board considers that each Independent Non-Executive Director brings their own senior level of experience, gained within their field.

Although the Group Chair, Dato' Ahmad Sebi Bakar, is also a major shareholder, the Board believes that the Group Chair has always acted and will continue to act at all times in the best interest of shareholders as a whole and will strive to protect and enhance the long-term shareholder values and the financial performance of the Group.

Succession planning for the Board is an on-going process to ensure the Board's continued effective performance through leadership continuity. The Board assesses the competencies and composition of the Board taking into consideration the challenges faced by the businesses of the Group and also assesses the competencies of each existing director. Succession planning at executive management level is also being reviewed on an on-going process basis and at present is stable.

Diversity and gender balance

The Board recognises diversity in the boardroom as a critical element for efficient functioning of the Board and good governance practices. The Board also believes that diversity leads to the consideration of all facets of an issue and, consequently, better decisions and performance. Hence, the appointment of Board members and senior management not only takes into consideration the objective criteria and merit but also gives due regard for diversity in skills, experience, age, cultural background and gender.

The Board has included gender balance as one of the main criteria for appointment of new directors to promote the representation of women in the composition of the Board. Currently, we have four (4) women directors representing 50% of the Board of eight (8) members.

The remuneration for all Directors including Executive Directors is determined at levels so as to ensure that the Company attracts and retains the right calibre of Directors needed for the successful performance of the Group. The Remuneration Committee Report is set out on pages 86 to 88.

LEADERSHIP AND RESPONSIBILITIES

The Board is committed to ensuring that it provides leadership to the business as a whole, having regards to the interests and views of its shareholders and other stakeholders. It is also responsible for setting the Group's strategy, value and standards.

The Board has a formal schedule of matters reserved for its decision as follows:

- Strategy and management
- Communication
- Board membership and other appointments
- Remuneration
- Financial reporting and controls
- Delegation of authority
- Internal controls
- Corporate governance matters
- Contracts/acquisitions/disposal
- Dividend Policy
- Capital structure
- Other matters

LEADERSHIP AND RESPONSIBILITIES (continued)

The Board acknowledges its overall responsibility for maintaining a sound risk management framework and internal control system to safeguard shareholders' investments, the Company's assets, and the need to review the adequacy and integrity of these systems regularly. The effectiveness of the Group's risk management and internal controls framework is reviewed periodically by the Risk Management Committee ("RMC") and Audit Committee. The Risk Management and Audit Committee reports can be found on pages 43 to 52 and pages 79 to 81 respectively.

The presence of three (3) Independent Non-Executive Directors making up more than one-third (1/3) of the total number of Directors fulfills a pivotal role in ensuring that there is balance of power and authority. Although all the Directors have an equal responsibility for the Group's operations, the role of the Independent Non-Executive Directors is particularly important in ensuring that the strategies proposed by the executive management are fully deliberated upon, and take into account the long term interests of the shareholders, employees, customers, suppliers and the many communities in which the Group conduct sits business. Together, their representations on the Board fairly reflect the investment of the minority shareholders of the Company and in addition carry sufficient weight for decision making.

INDEPENDENCE OF DIRECTORS

The Board, through the Nomination Committee, evaluates the independence of its independent directors annually in accordance with the criteria as prescribed by the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the Independent Directors are required to affirm their commitment to bring independent and objective judgement upon their appointments and annually thereafter.

During the financial year ended 31 December 2020, the Board, through the Nomination Committee, has conducted such assessment on all the Independent Directors and each Independent Director has confirmed his/her independence to the Nomination Committee. Based on the said assessment, the Board is satisfied with the level of independence demonstrated by all the Independent Directors and their ability to act in the best interest of the Company during deliberation at meetings of the Board and Committees.

The Code stipulates that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board subject to re-designation as a Non-Independent Director.

That notwithstanding, the Nomination Committee is tasked by the Code, to assess and assist the Board in recommending and providing justification for shareholders' consideration and approval in the event such an Independent Director is to remain independent after serving a cumulative nine-year term.

INDEPENDENCE OF DIRECTORS (continued)

The shareholders of the Company had at the 96th Annual General Meeting ("AGM") which was held on 23 July 2020 approved to retain Mr Yong Teck Ming as an Independent Non-Executive Director of the Company beyond the twelfth (12th) year through a two-tier voting process (i.e. approval by controlling and non-controlling shareholders). Mr Yong Teck Ming has served more than thirteen (13) years as an Independent Non-Executive Director of the Company since his appointment to the Board on 9 July 2007.

On 3 March 2021, the Nomination Committee resolved that during Mr Yong Teck Ming's long service to the Company, his performance as an Independent Non-Executive Director was excellent and there is no reason to believe that he will not continue to act independently and to contribute to the Company taking into consideration the following:

(a) he fulfilled the Independent Director criteria under the Listing Requirements of Bursa Securities and thus is able to function as a check and balance and to bring an element of objectivity to the Board;

(b) he is a member of the Chartered Accountants, Australia, New Zealand and a member of the Institute of Chartered Secretaries and Administrators, United Kingdom. He has vast experience in accounting and a diverse range of business which will enable him to provide the Board with constructive opinion;

(c) he has been with the Company for more than thirteen (13) years and is familiar with the Company's business operations which will enable him to contribute actively and effectively during deliberation at meetings of the Board and Board Committees;

(d) he has exercised his objective and independent judgement on all Board deliberations;

(e) he has devoted sufficient time and attention to his professional obligations for informed and balanced decision making;

(f) he has exercised due care during his tenure as Independent Non-Executive Director of the Company and carried out his professional duties in the best interest of the Company and shareholders; and

(g) he has been providing invaluable contributions to the Board in his role as an Independent Non-Executive Director and Chair of the Audit Committee and RMC.

In view of the above, the Nomination Committee recommended to the Board that a resolution for the retention of Mr Yong Teck Ming as an Independent Non-Executive Director of the Company be tabled for shareholders' approval to be obtained through a two-tier voting process at the forthcoming 97th AGM of the Company. The Board is unanimous in supporting this recommendation.

SUFFICIENT PROVISIONS

The Company recognises that its 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 Listing Requirements of Bursa Securities, the Directors upon appointment, and from time to time during their tenure, will notify the Company Secretary of their directorship in other companies for disclosure to the Board at Board meetings.

The Board is of the opinion that the provisions of the Companies Act 2016 ("Act") and Listing Requirements of Bursa Securities are sufficient to ensure adequate commitment given by the Directors to perform their duties without it being formally regulated.

To facilitate the Directors' time planning, a planned annual meeting calendar is prepared and circulated to them before the beginning of each year. It provides the scheduled dates for meetings of the Board and Board Committees as well as the AGM.

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities and this is demonstrated by the attendance record of the Directors at the meetings of the Board and Board Committees for the financial year ended 31 December 2020 as set out below:

Name of Directors	Board	Audit Committee	Nomination Committee	Remuneration Committee	Risk Management Committee
Dato' Ahmad Sebi Bakar	5 / 5	-	-	-	-
Anton Syazi Dato' Ahmad Sebi	5 / 5	-	-	-	-
Lee Su Nie	5 / 5	*4 / 4	-	-	*4 / 4
Puan Sri Datin Masri Khaw Abdullah	5 / 5	-	2 / 2	*1 / 1	-
Yong Teck Ming	5 / 5	4 / 4	-	-	4 / 4
Rali Mohd Nor	5 / 5	4 / 4	2 / 2	2 / 2	*4 / 4
Aryati Sasya Dato' Ahmad Sebi	5 / 5	*4 / 4	-	2 / 2	4 / 4
Kam Kin Foong	5 / 5	4 / 4	2 / 2	2 / 2	4 / 4

** Attended the meetings by invitation.*

CONTINUAL TRAINING FOR DIRECTORS

The Board acknowledges the importance of continual education and training to enhance its competencies, to broaden its perspectives, skills, knowledge and to keep abreast of the relevant changes in law, regulations and the business environment.

In addition to the relevant regulatory and governance updates provided by the Company Secretary and the Directors each updating themselves by attending relevant courses/ seminar, the Board also evaluates the training needs of its members on a continuous basis pursuant to the Listing Requirements of Bursa Securities and is updated on quarterly basis on the training programmes/courses/seminars attended by Directors.

The Directors have also been regularly updated on developments in corporate governance, relevant laws, regulations and business practices as a continuing effort to train and equip themselves to effectively discharge their duties.

INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

For corporate reporting to our shareholders and stakeholders, our Board ensures that information are complete and accurate and are disseminated in a timely manner. The Company has established a dedicated section for investor on its website. This section provides information relating to corporate governance, annual reports, announcements to Bursa Securities and Board Charter. Contact details are provided on the Company's website to address queries from its shareholders and stakeholders.

The Board acknowledges the importance of 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, and release of quarterly financial results, press releases and announcements.

The AGM is the principal forum for dialogue with shareholders. There is an open 'question and answer' session in which shareholders may pose questions regarding the resolutions being proposed at the meeting and also on matters relating to the Group's businesses and affairs.

The Board members are in attendance at general meetings to provide explanations to all shareholders' queries and shareholders are encouraged to participate in discussions and to give their views to the Directors. The Chair of the Audit, Nomination, Remuneration and Risk Management Committees are also in attendance to provide meaningful response to questions.

ACTIVITIES AND FOCUS OF THE BOARD DURING THE YEAR AND FOR THE COMING YEAR

During the financial year ended 31 December 2020, five (5) Board meetings were held where the Board deliberated upon and considered a variety of matters including the Group's corporate developments, financial results, investments, impact on the performance of various business units arising from the COVID-19 outbreak, short and long term plans to deal with such impact to the Group, frameworks, policies and procedures to enhance good governance systems and business behavior, reports on risk management and internal audits of the Group. For Board meetings, the Directors receive complete meeting materials within a reasonable period prior to the meeting. All proceedings from the Board meetings are minuted and signed by the Chair of the meeting.

ACTIVITIES AND FOCUS OF THE BOARD DURING THE YEAR AND FOR THE COMING YEAR (continued)

The Board, through the Nomination Committee, also reviewed the training programmes attended by the Directors to keep abreast with the current developments in laws, regulations and business practices to aid them in discharging their duties and management's proposal on changes in the Nomination Committee and Remuneration Committee as set out in the Nomination Committee Report on pages 82 to 85.

The Remuneration Committee met to review the annual fixed fee structure of members of the Board taking into consideration the increasing responsibilities and time commitment expected from the Directors and the remuneration packages of the Group Chair, Group Executive Deputy Chair, Group Managing Director and Chief Operating Officers of the Company and advised the Board accordingly.

During the financial year ended 31 December 2020, the Audit Committee met with the external auditors twice without the presence of the Executive Directors to discuss the audit plan, audit findings and the Company's audited financial statements.

The RMC assisted the Board in assessing the risk registers, key risk areas and internal controls to ensure that the Group Risk Management Framework was sufficiently robust in addressing and mitigating the various risks of the Group. This includes monitoring the impact of COVID-19 pandemic to the Group businesses and reviewing the risk registers to ensure the controls in place as stated in the risk registers are executed accordingly by the management. Besides, the RMC also assisted the Board in the assessment of anti-bribery and anti-corruption risk and ensuring adequate processes are in place for monitoring of such risk as part of the Group risk management exercise.

The Board will continue with assessment, implementation and monitoring of strategies and plans that are in place for the turnaround and growth of the Group businesses, and pursuing measures to protect the Group's financial position for speedier recovery from the COVID-19 pandemic. This includes on-going assessment of the business risks, effectiveness of the governance, risk management frameworks and internal control systems as well as the material ESG issues against the changing business environment, stakeholder opinions, and emerging global and local trends to keep abreast of critical issues.

This report is to be read together with the Corporate Governance Report 2020 of the Company which is available on the Company's website. The Corporate Governance Report 2020 provides the details on how the Company has applied each practice as set out in the Code during the financial year 2020.

Audit Committee Report

Key objectives are the provision of effective governance over the appropriateness of the Group's financial reporting, including the adequacy of related disclosures, the performance of both the internal and external audit functions, and the management of the Group's systems of internal control, business risks and related compliance activities.

COMPOSITION

The Audit Committee comprises a Chair, and two (2) members, all of whom are independent non-executive directors duly appointed by the Board following recommendations by the Nomination Committee after the annual Board performance evaluation.

Each member of the Audit Committee brings an appropriate balance of senior level financial and commercial experience, combined with a good understanding of the Company's business and is therefore considered by the Board to be competent. Members of the Audit Committee also undertake ongoing training as required.

OBJECTIVES

The Audit Committee's key objectives are the provision of effective governance over the appropriateness of the Group's financial reporting, including the adequacy of related disclosures, the performance of both the internal and external audit functions, and the management of the Group's systems of internal control, business risks and related compliance activities.

TERMS OF REFERENCE ("TOR") OF AUDIT COMMITTEE

The duties and functions of the Audit Committee are set out in its TOR under Schedule 1 of the Board Charter. The Board Charter is accessible via the Company's website at www.asb.com.my by referring to the 'Corporate Governance' section under the 'Investors' section.

MEETINGS AND ATTENDANCE

The Audit Committee met four (4) times during the year under review and members' attendance at the meetings is set out in the table below:

Name of Directors	Attended
Yong Teck Ming *Chair*	4 / 4
Rali Mohd Nor *Member*	4 / 4
Kam Kin Foong *Member*	4 / 4

SUMMARY OF ACTIVITIES

During the financial year ended 31 December 2020, the principal activities of the Audit Committee comprised:

(a) Financial Reporting

(i) Reviewed the quarterly unaudited financial results and turnaround plan for non-performing subsidiaries prior to tabling of the same to the Board for approval.

(ii) Reviewed the draft announcements on quarterly and yearly unaudited financial results of the Group prior to tabling the same to the Board for approval.

(iii) Reviewed the annual audited financial statements for the financial year ended 31 December 2019 prior to submission to the Board for approval.

(iv) Reviewed the applicability of the new accounting standards and new financial reporting regime issued by the Malaysian Accounting Standards Board.

(b) Internal Audit

(i) Reviewed and approved the objectives, adequacy and coverage of the internal audit ("IA") activities of the IA Plan for 2020 after taking into consideration the risk based approach based on the Group businesses and activities. A total of twelve (12) internal audit assignments were approved for the 2020 internal audit plan.

(ii) Reviewed on a quarterly basis the IA reports and follow-up audits presented by the Internal Auditors.

(iii) Reviewed the resource requirements of the internal audit function.

(iv) Reviewed a subsidiary's compliance on Anti-Money Laundering and Counter Financing of Terrorism ("AML/CFT") polices, process and procedures.

(c) External Audit

(i) Convened meetings with the external auditors on 26 February 2020 and 25 November 2020 without the presence of the management to review and deliberate on various matters including Directors' statement on risk management and internal control, the audit planning memorandum and audit review memorandum prepared by the external auditors. These memorandums include significant audit findings, auditing and accounting issues, fraud related matters, adequacy of management's response and other key matters arising from the statutory audit for the financial years ended 31 December 2019 and 2020.

(ii) Reviewed the audit fees payable to the external auditors.

SUMMARY OF ACTIVITIES (continued)

(c) External Audit (continued)

(iii) Considered and recommended to the Board the re-appointment of external auditors.

(d) Related Party Transactions and Recurrent Related Party Transactions

Reviewed the Group's related party transactions and recurrent related party transactions as well as conflict of interest situations that may arise within the Company or the Group and to ensure that the transactions are conducted in the best interest of the Company, on fair and reasonable as well as on normal commercial terms and are not detrimental to the interest of the minority shareholders.

(e) Audit Committee Report

Reviewed the Audit Committee Report and recommended to the Board for inclusion in the Annual Report for the financial year ended 31 December 2019.

INTERNAL AUDIT FUNCTION

The Audit Committee has adopted a top-down, risk-based approach in the implementation and monitoring of internal controls of the Group. This approach was achieved through critical in-depth review and deliberation of the reports and relevant issues presented during the Audit Committee meetings. This top-down, risk-based approach has enabled the Audit Committee to identify any major breakdown in the risk management and internal controls of the Group and to make the necessary recommendations to address the issues.

The Audit Committee is assisted by the Internal Auditors (outsourced) to provide an independent appraisal and assurance to ensure the maintaining of a sound system of internal control to safeguard shareholders' investment. The Internal Auditors conducts regular systematic reviews of the system of controls in accordance with the Internal Audit Plan approved by the Audit Committee and independently reports directly to the Audit Committee.

During the financial year ended 31 December 2020, the Internal Auditors carried out various operational, system and risk assessment reviews to review and appraise the effectiveness of the risk management and internal control processes within the Group. Follow-up audits were also performed by the Internal Auditors to ensure that audit recommendations and corrective action plans were implemented accordingly. A total of seven (7) IA reports in relation to IA Plan for year 2020 were presented to the Audit Committee during the financial year ended 31 December 2020. The Internal Auditors also reviewed the related party transactions entered into by the Company and its subsidiaries to ensure that the transactions were carried out on an arm's length basis.

The costs incurred for the internal audit function of the Group in respect of the financial year ended 31 December 2020 was RM52,133.20.

Nomination Committee Report

The Nomination Committee considers candidates for directorship proposed by the Executive Directors and, where practicable, by any other senior executive or any director or shareholder or any suitably qualified candidates from independent sources.

COMPOSITION

The Nomination Committee's role is to review the size and structure of the Board, considers succession planning and makes recommendations to the Board on potential candidates for the Board. Its key objective is to ensure that the Board comprises individuals with the necessary skill, knowledge and experience to ensure that the Board is effective in discharging its responsibilities, to recommend proposed appointments to the Board for approval and to assess the contribution of each Director on an on-going basis.

The Chair of our Nomination Committee is an Independent Non-Executive Director. The Board believes that the existing Chair of the Nomination Committee is competent to chair the Nomination Committee by virtue of her vast experience and is capable to lead the Nomination Committee in ensuring that the Board composition meets the needs of the Company.

For financial year ended 31 December 2020, the Nomination Committee consists of three (3) Non-Executive Directors:

Kam Kin Foong
Chair, Independent Non-Executive Director
(Redesignated on 1 January 2020)

Puan Sri Datin Masri Khaw Abdullah
Member, Non-Independent Non-Executive Director

Rali Mohd Nor
Member, Independent Non-Executive Director
(Redesignated on 1 January 2020)

With the establishment of the Nomination Committee, a formal transparent procedure is in place for the appointment of new Directors to the Board. The Nomination Committee is responsible for making recommendations on any nomination to the Board and to Committees of the Board. The Nomination Committee considers candidates for directorship proposed by the Executive Directors and, where practicable, by any other senior executive or any director or shareholder or any suitably qualified candidates from independent sources. This procedure involves identification of candidates for directorship, evaluation of suitability of candidates, deliberation by the Nomination Committee and recommendation to the Board.

COMPOSITION (continued)

Its key objective is to ensure that the Board comprises individuals with the necessary skill, knowledge and experience to ensure that the Board is effective in discharging its responsibilities, to recommend proposed appointments to the Board for approval and to assess the contribution of each Director on an on-going basis.

DUTIES AND FUNCTIONS

The duties and functions of the Nomination Committee are set out in its TOR which is reviewed annually by the Nomination Committee and approved by the Board before the same was uploaded to the Company's website under Schedule 1 of the Board Charter.

The Nomination Committee will assess annually, the effectiveness of the Board as a whole, the Committees of the Board and the contribution of each individual Director.

The Board, through the Nomination Committee, reviews annually its required mix of skills and experience and other qualities, including core competencies, which Non-Executive Directors should bring to the Board.

The Nomination Committee will also review the term of office and performance of the Audit Committee and each of its members annually to ensure that the Audit Committee has carried out their duties in accordance with their TOR.

PRINCIPAL ACTIVITIES

During the financial year ended 31 December 2020, the Nomination Committee assisted the Board to assess the independence of independent directors including a director who has served on the Board for a cumulative term of more than thirteen (13) years and to recommend to the Board for approval to retain the said director.

The Nomination Committee also reviewed the following training programmes/courses/seminars attended by Directors and concluded that all Directors have attended programmes/courses/seminars to keep abreast with the current developments in laws, regulations, corporate governance and business practices to aid them in discharging their duties:

Directors	Date	Programmes/courses/seminars/ conferences attended	Organiser
Dato' Ahmad Sebi Bakar	18.02.2020	Half-day In-house Training on "Corporate Liability Provision on Corruption under the MACC Act 2009"	Malaysian Institute of Corporate Governance

PRINCIPAL ACTIVITIES (continued)

Directors	Date	Programmes/courses/seminars/ conferences attended	Organiser
Anton Syazi Dato' Ahmad Sebi	18.02.2020	Half-day In-house Training on "Corporate Liability Provision on Corruption under the MACC Act 2009"	Malaysian Institute of Corporate Governance
	21.05.2020	Webcast on "Impact of COVID-19 on Goodwill Impairment - An Asian Perspective"	Duff & Phelps
	26.11.2020	Webinar on "The Future of London Residential Real Estate"	HSBC Private Banking United Kingdom
Lee Su Nie	18.02.2020	Half-day In-house Training on "Corporate Liability Provision on Corruption under the MACC Act 2009"	Malaysian Institute of Corporate Governance
	03.11.2020	Webcast on "Fraud Risk Management Workshop"	PwC Consulting Services (M) Sdn Bhd
	17.11.2020	Webcast on "2020 Baker Tilly Tax & Budget Seminar"	Baker Tilly Malaysia
	09.12.2020	Webcast on "Transfer Pricing Updates on Embrace Change in Turbulent Times"	Deloitte Tax Services Sdn Bhd
Puan Sri Datin Masri Khaw Abdullah	18.02.2020	Half-day In-house Training on "Corporate Liability Provision on Corruption under the MACC Act 2009"	Malaysian Institute of Corporate Governance
Yong Teck Ming	29.07.2020	CA ANZ Deloitte Joint Webinar on "Critical Moves to Navigate the Financial Impact of COVID-19"	Chartered Accountants Australia and New Zealand and Deloitte
	11.08.2020	Asialink Business Joint Webcast on "Winning in Asia on Creating Long-Term Value"	Asialink Business
Rali Mohd Nor	31.01.2020	Half-day Training on "Anti-Bribery and Corruption Awareness"	Zaiyadal Keluarga Sdn Bhd
	17.11.2020	Webcast on "IPO Due Diligence, How to Ace It"	Boardroom Corporate Services Sdn Bhd
Aryati Sasya Dato' Ahmad Sebi	18.02.2020	Half-day In-house Training on "Corporate Liability Provision on Corruption under the MACC Act 2009"	Malaysian Institute of Corporate Governance

PRINCIPAL ACTIVITIES (continued)

Directors	Date	Programmes/courses/seminars/ conferences attended	Organiser
Kam Kin Foong	18.02.2020	Half-day In-house Training on "Corporate Liability Provision on Corruption under the MACC Act 2009"	Malaysian Institute of Corporate Governance

DIVERSITY

The Nomination Committee and the Board have sought to ensure that the best candidates are appointed to promote the success of the Group and the appointments are based on merit, with due regard for the benefits of diversity on the Board.

Further information regarding Board diversity can be found on page 73 and gender diversity in the Group as a whole on page 73.

LOOKING AHEAD

In the year ahead, the Nomination Committee will continue to assess the Board composition and how it may be enhanced.

Remuneration Committee Report

The policy for variable compensation is to recognise corporate performance and individual achievement of objectives through discretionary bonus.

COMPOSITION

For the financial year ended 31 December 2020, the Remuneration Committee consists of three (3) Non-Executive Directors:

Rali Mohd Nor
Chair, Independent Non-Executive Director

Aryati Sasya Dato' Ahmad Sebi
(Appointed on 1 January 2020)
Member, Non-Independent Non-Executive Director

Kam Kin Foong
Member, Independent Non-Executive Director

Puan Sri Datin Masri Khaw Abdullah
(Cessation of office on 1 January 2020)

The Remuneration Committee is responsible for setting the remuneration policy for all directors including the executive directors and other senior executives in the Group. The Remuneration Committee ensures that the Directors are fairly remunerated or rewarded for the contributions or individual level of responsibilities. Additionally, the Remuneration Committee is responsible for determining the overall Remuneration Policy applied to the Group, including the quantum of variable remuneration and the method of delivery. In carrying out its delegated responsibilities, the Remuneration Committee receives advice, when they consider it to be appropriate, on remuneration, tax, accounting and regulatory issues from external advisers and internally from the Human Resources, Compliance, Risk and Finance departments.

REMUNERATION POLICY FOR EXECUTIVES

The Remuneration Committee believes strongly that total remuneration should take into account the competition for talent in an industry where successful people are rewarded and mobile. The Group compensates employees through both fixed and variable compensation.

Fixed compensation comprises principally base salaries and the Remuneration Committee reviews these as part of their overall annual review taking into account the performance of the individual, comparisons with peer group companies within the industry, the experience of the individual and their level of responsibility. Other elements related to base salary include an employer's contribution to the Employees Provident Fund.

REMUNERATION POLICY FOR EXECUTIVES (continued)

The policy for variable compensation is to recognise corporate performance and individual achievement of objectives through discretionary bonus. Discretionary variable compensation can be delivered in two main forms:

- Annual cash bonus; and
- Long-term incentive award.

The executive directors and other senior executive assess individual performance through clearly defined objectives and structured process of review and feedback. In particular, the aggregate fixed and variable remuneration by individual is determined with regard to the performance of the individual, performance of the area or function of the business in which the individual works or for which the individual is responsible, the profitability of the Group and levels of reward for comparable roles in the external market.

Executive directors and members of the senior management team do not participate in decisions concerning their own remuneration.

REMUNERATION FOR THE YEAR

The remuneration breakdown of individual Directors which includes fees, salary, bonus, benefits-in-kind and other emoluments for the financial year ended 31 December 2020 are as follows:

(a) Remuneration of Directors received from the Company:

Name of Director	Fees RM	Salaries, Bonuses, Allowances and other emoluments RM	Benefits-in-kind RM	*Total RM
Executive				
Anton Syazi Dato' Ahmad Sebi	-	670,320	-	670,320
Lee Su Nie	-	772,464	46,871	819,335
Sub-total	-	1,442,784	46,871	1,489,655
Non-Executive				
Dato' Ahmad Sebi Bakar	75,000	-	15,500	90,500
Puan Sri Datin Masri Khaw Abdullah	-	-	-	-
Yong Teck Ming	37,600	-	-	37,600
Rali Mohd Nor	34,400	-	-	34,400
Aryati Sasya Dato' Ahmad Sebi	24,000	-	-	24,000
Kam Kin Foong	36,000	-	-	36,000
Sub-total	207,000	-	15,500	222,500
Grand total	207,000	1,442,784	62,371	1,712,155

REMUNERATION FOR THE YEAR (continued)

(b) Remuneration of Directors received from the Group:

Name of Director	Fees RM	Salaries, Bonuses, Allowances and other emoluments RM	Benefits-in-kind RM	*Total RM
Executive				
Anton Syazi Dato' Ahmad Sebi	-	717,780	-	717,780
Lee Su Nie	-	772,464	46,871	819,335
Sub-total	-	1,490,244	46,871	1,537,115
Non-Executive				
Dato' Ahmad Sebi Bakar	218,949	271,320	22,700	512,969
Puan Sri Datin Masri Khaw Abdullah	171,425	411,837	-	583,262
Yong Teck Ming	37,600	-	-	37,600
Rali Mohd Nor	34,400	-	-	34,400
Aryati Sasya Dato' Ahmad Sebi	24,000	57,630	-	81,630
Kam Kin Foong	36,000	-	-	36,000
Sub-total	522,374	740,787	22,700	1,285,861
Grand total	522,374	2,231,031	69,571	2,822,976

* *After taking into consideration the voluntary reduction of annual board fees or salaries as part of the leadership's response following the Covid-19 pandemic.*

(c) Remuneration of top five (5) senior management:

In view of the competitive nature of the human resource market, the remuneration of the top five (5) senior management which includes salary, bonus, benefits in-kind and other emoluments for the financial year ended 31 December 2020 is disclosed in bands of RM50,000:

Remuneration Range	Number of Senior Management staff
Between RM350,001 - RM400,000	1
Between RM450,001 - RM500,000	2
Between RM600,001 - RM650,000	1
Between RM900,001 - RM950,000	1

Directors' responsibility statement
in respect of the audited financial statements

In presenting the annual financial statements and quarterly announcement of results, the Board aims to present a balanced and understandable assessment of the Group's position and prospects. This also applies to other price sensitive public reports and reports to regulators. The Audit Committee assists the Board in scrutinising such reports to ensure accuracy and adequacy. The Audit Committee meets on a quarterly basis to review the integrity and reliability of the quarterly announcement of results. At least twice a year, the Audit Committee will meet to review the integrity and reliability of the Group's annual financial results in the presence of the external auditors without the management, prior to recommending them for the Board's approval and issuance to shareholders.

As part of the Directors' responsibility for preparing financial statements, the Directors are required by the Act to prepare financial statements for each financial year which have been made out in accordance with applicable approved financial reporting standards in Malaysia and the Act so as to give a true and fair view of the financial position of the Group and the Company at the end of the financial year and of the financial performance and cash flows of the Group and the Company for the financial year. The Directors have the responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Group and the Company and which enable them to ensure that the financial statements comply with the Act.

In preparing the financial statements, the Directors have:

- Selected suitable accounting policies and applied them consistently;
- Made judgments and estimates that are reasonable and prudent;
- Ensured that all applicable financial reporting standards have been followed; and
- Prepared financial statements on a going concern basis as the Directors have a reasonable expectation, having made enquiries that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future.

Additional Compliance Information

1. UTILISATION OF PROCEEDS

a. As at 31 December 2020, the status of utilisation of proceeds raised from the disposal of Helenium Holdings Limited is as follows:

	Proposed Utilisation GBP'000	Utilisation to-date GBP'000	Balance Unutilised GBP'000	Intended timeframe for Utilisation from 18.07.2019	Extended timeframe for Utilisation
Refurbishment of hotels and working capital	3,000	293	2,707	Within 12 months	Additional 24 months
Operating expenses of the Group	1,600	1,600	-	Within 12 months	-
Expenses for the disposal	150	145	5	Within 12 months	-
	4,750	2,038	2,712		

b. As at 31 December 2020, the status of utilisation of proceeds raised from the disposal of a property by AESBI Power Systems Sdn Bhd, an indirect wholly-owned subsidiary of the Company is as follows:

	Proposed Utilisation RM'000	Utilisation to-date RM'000	Balance Unutilised RM'000	Intended timeframe for Utilisation from 08.11.2019	Extended timeframe for Utilisation
Repayment of borrowings	61,340	61,336	4	Within 3 months	-
Working capital of the Group	51,900	25,895	26,005	Within 12 months	Additional 24 months
Expenses for the disposal	10,760	10,760	-	Within 3 months	-
	124,000	97,991	26,009		

c. As at 31 December 2020, the status of utilisation of proceeds raised from the disposal of a land in Arosa by Posthotel Arosa AG, an indirect 65%-owned subsidiary of the Company is as follows:

	Proposed Utilisation CHF'000	Utilisation to-date CHF'000	Balance Unutilised CHF'000	Intended timeframe for Utilisation from 04.12.2020
Working capital of the Group	5,300	35	5,265	Within 24 months
Expenses for the disposal	650	650	-	Within 12 months
	5,950	685	5,265	

2. AUDIT AND NON-AUDIT FEES PAID OR PAYABLE TO EXTERNAL AUDITORS

For the financial year ended 31 December 2020, the following audit and non-audit fees are paid or payable by the Company and the Group:

Description	Company	Group
Audit Fees paid or payable to the external auditors, Messrs Baker Tilly Monteiro Heng PLT ("BTMH")	RM100,300	RM398,900
Non-Audit Fees paid or payable to BTMH, or a firm or corporation affiliated to BTMH (Note 1)	RM9,000	RM9,000

Note 1 The amount disclosed included non-audit fees incurred for reviewing the statement on risk management and internal control and other information included in the annual report.

3. MATERIAL CONTRACTS INVOLVING THE INTERESTS OF THE DIRECTORS, CHIEF EXECUTIVE WHO IS NOT A DIRECTOR OR MAJOR SHAREHOLDERS

Save as disclosed below, there were no material contracts entered into by the Group which involved the interest of the directors, chief executive who is not a director or major shareholders, either still subsisting at the end of the financial year ended 31 December 2020 or entered into since the end of the previous financial year:

Dato' Ahmad Sebi Bakar, director, Group Chair and major shareholder of the Company, with effect from 29 October 2010 became the ultimate owner of the 100% equity interest in Leeds Property Limited ("Leeds Property") which owns the Holiday Villa Hotel and Suites London ("Hotel"), has an indirect interest in the Lease Agreement dated 23 September 2015 entered into by Holiday Villa (UK) Ltd ("HVUK"), together with Alangka-Suka Hotels and Resorts Sdn Bhd ("ASHR") as guarantor, with Leeds Property for the lease of the Hotel operated by HVUK ("HVUK Lease"). HVUK is a wholly-owned subsidiary of the Company [held via Holiday Villas International Limited, a wholly-owned subsidiary of ASHR, which in turn is a wholly-owned subsidiary of the Company]. Mr Anton Syazi Dato' Ahmad Sebi, director and Group Executive Deputy Chair of the Company and son of Dato' Ahmad Sebi Bakar, is a director of Leeds Property.

The HVUK Lease commenced on 16 December 2015 and expired on 14 August 2020.

FINANCIAL STATEMENTS

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Directors' Report

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2020.

PRINCIPAL ACTIVITIES

The principal activities of the Company are that of investment holding and the provision of full corporate and financial support to its subsidiaries. The principal activities of the subsidiaries are disclosed in Note 10 to the financial statements.

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

RESULTS

	Group RM'000	Company RM'000
(Loss)/Profit for the financial year, net of tax	(33,172)	1,548
Attributable to:		
Owners of the Company	(34,299)	1,548
Non-controlling interests	1,127	-
	(33,172)	1,548

DIVIDENDS

Since the end of the previous financial year, a first and final single tier dividend of 0.35 sen per ordinary share totalling RM3,252,178 in respect of the financial year ended 31 December 2019 was paid on 18 August 2020.

DIVIDENDS (CONTINUED)

At the forthcoming Annual General Meeting, a first and final single tier dividend of 0.15 sen per ordinary share in respect of the financial year ended 31 December 2020 will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2021.

RESERVES AND PROVISIONS

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

BAD AND DOUBTFUL DEBTS

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

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

CURRENT ASSETS

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

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

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

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

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

(ii) any contingent liabilities 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, except as disclosed in the financial statements,

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

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

ISSUE OF SHARES AND DEBENTURES

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

OPTIONS GRANTED OVER UNISSUED SHARES

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

DIRECTORS

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

Dato' Ahmad Sebi Bakar
Anton Syazi Dato' Ahmad Sebi
Lee Su Nie
Puan Sri Datin Masri Khaw Abdullah
Aryati Sasya Dato' Ahmad Sebi
Yong Teck Ming
Rali Mohd Nor
Kam Kin Foong

The Directors of the Company's subsidiaries in office during the financial year and during the period from the end of the financial year to the date of this report are:

Dato' Ahmad Sebi Bakar
Anton Syazi Dato' Ahmad Sebi
Lee Su Nie
Tan Sri Dato' Azman Shah Haron
Puan Sri Datin Masri Khaw Abdullah
Rali Mohd Nor
Aryati Sasya Dato' Ahmad Sebi
Ahmad Kamal Ali Merican
Alain Cheseaux
Ann Wan Kuan
Arneda Haji Udin
Chee Chong Fatt
Chew Lee Fong
Chin Wei Li
Chuah Seong Phaik
Cheah Foo Choong
Datuk Hardew Kaur a/p Hazar Singh
Frank Michael Turrisi
Ho Ting Sai
Ir. Haji Mansor Salleh @ Md Salleh
Karen Khoo Kah Mei
Lee Buck Chye
Lee Chien Siong
Lim Hong Hoo

DIRECTORS (CONTINUED)

The Directors of the Company in office during the financial year and during the period from the end of the financial year to the date of this report are (Continued):

Md Nazirul Mubin Julkiflee
Ng Sai Kit
Nina Karina Azman Shah
Phang Deng Sheng
Phuah Peng Hock
Sng Ngiap Koon
Triandi Putranta Soewando
Wong Kwai Yim, Woo
Wong Tze Leng
Yap Chee Kong
Yap Wai Shoong
Yong Choon Vooi

REMUNERATION COMMITTEE

The Remuneration Committee is responsible for setting the remuneration policy for all directors including the executive directors and other senior executives in the Group. The Remuneration Committee ensures that the Directors are fairly remunerated and rewarded for the contributions or individual level of responsibilities. Additionally, the Remuneration Committee is responsible for determining the overall Remuneration Policy applied to the Group, including the quantum of variable remuneration and the method of delivery.

The members of the Remuneration Committee at the end of the financial year ended 31 December 2020 are as follows:

• Rali Mohd Nor	(Chair, Independent Non-Executive Director)
• Aryati Sasya Dato' Ahmad Sebi	(Member, Non-Independent Non-Executive Director)
• Kam Kin Foong	(Member, Independent Non-Executive Director)

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings required to be kept by the Company under Section 59 of the Companies Act 2016 in Malaysia, the interests of the Directors in office at the end of the financial year in the shares of Advance Synergy Berhad ("ASB") and shares of its related corporations during the financial year ended 31 December 2020 are as follows:

	Number of ordinary shares			
	At 1.1.2020	**Bought**	**Sold**	**At 31.12.2020**
The Company				
Direct Interests				
Dato' Ahmad Sebi Bakar #	76,810,009	-	-	76,810,009
Kam Kin Foong	900,000	-	(900,000)	-
Aryati Sasya Dato' Ahmad Sebi	-	22,308,000	-	22,308,000
Deemed Interests				
Dato' Ahmad Sebi Bakar #	[*1]139,391,853	-	-	[*1]139,391,853
Anton Syazi Dato' Ahmad Sebi	[*2]30,467,000	-	-	[*2]30,467,000
Lee Su Nie	[*3]365,000	-	-	[*3]365,000
Puan Sri Datin Masri Khaw Abdullah	[*4]12,000,000	-	(500,000)	[*4]11,500,000

	Number of ordinary shares			
	At 1.1.2020	**Bought**	**Sold**	**At 31.12.2020**
Subsidiary				
Captii Limited ("Captii")				
Direct Interests				
Anton Syazi Dato' Ahmad Sebi	517,600	-	-	517,600
Lee Su Nie	20,000	-	-	20,000
Deemed Interests				
Kam Kin Foong	[*5]55,000	-	-	[*5]55,000

	Number of ordinary shares			
	At 1.1.2020	**Bought**	**Sold**	**At 31.12.2020**
Segi Koleksi Sdn. Bhd. ("SKSB")				
Deemed Interests				
Dato' Ahmad Sebi Bakar	[*6]105,000	-	-	[*6]105,000
Anton Syazi Dato' Ahmad Sebi	[*7]105,000	-	-	[*7]105,000
Aryati Sasya Dato' Ahmad Sebi	[*7]105,000	-	-	[*7]105,000

DIRECTORS' INTERESTS (CONTINUED)

	Number of ordinary shares			
	At 1.1.2020	Bought	Sold	At 31.12.2020
Subsidiary (Continued)				
Metroprime Corporation Sdn. Bhd. ("MCSB")				
Deemed Interests				
Dato' Ahmad Sebi Bakar	*8 350,000	-	-	*8 350,000
Anton Syazi Dato' Ahmad Sebi	*9 350,000	-	-	*9 350,000
Aryati Sasya Dato' Ahmad Sebi	*9 350,000	-	-	*9 350,000
Temasya House Sdn. Bhd. (formerly known as Cosmocourt.com (Malaysia) Sdn. Bhd.)				
Deemed Interests				
Anton Syazi Dato' Ahmad Sebi	-	*10 150,000	-	*10 150,000
Aryati Sasya Dato' Ahmad Sebi	-	*10 150,000	-	*10 150,000
Yap Ah Shak House Sdn. Bhd. (formerly known as Advansa Sdn. Bhd.)				
Deemed Interests				
Anton Syazi Dato' Ahmad Sebi	-	*10 15,000	-	*10 15,000
Aryati Sasya Dato' Ahmad Sebi	-	*10 15,000	-	*10 15,000
Primo Espresso Sdn. Bhd. (formerly known as Bornion Sawmill Sdn. Bhd.)				
Deemed Interests				
Anton Syazi Dato' Ahmad Sebi	-	*10 600,000	-	*10 600,000
Aryati Sasya Dato' Ahmad Sebi	-	*10 600,000	-	*10 600,000
Osteria Gamberoni Sdn. Bhd. (formerly known as Rewardstreet.com (Malaysia) Sdn. Bhd.)				
Deemed Interests				
Anton Syazi Dato' Ahmad Sebi	-	*10 345,000	-	*10 345,000
Aryati Sasya Dato' Ahmad Sebi	-	*10 345,000	-	*10 345,000

DIRECTORS' INTERESTS (CONTINUED)

	Number of ordinary shares			
	At 1.1.2020	Bought	Sold	At 31.12.2020
Subsidiary (Continued)				
Acrylic Synergy Sdn. Bhd.				
Direct Interests				
Anton Syazi Dato' Ahmad Sebi	1	-	-	1

	Number of ordinary shares of CHF500.00 each			
	At 1.1.2020	Bought	Sold	At 31.12.2020
Posthotel Arosa AG ("Arosa")				
Deemed Interests				
Anton Syazi Dato' Ahmad Sebi	[*10]3,150	-	-	[*10]3,150
Aryati Sasya Dato' Ahmad Sebi	[*10]3,150	-	-	[*10]3,150

	Number of ordinary shares of GBP1.00 each			
	At 1.1.2020	Bought	Sold	At 31.12.2020
57-59 Philbeach Gardens Limited ("PGL")				
Deemed Interests				
Anton Syazi Dato' Ahmad Sebi	[*11]1	[*11]99	-	[*11]100
Aryati Sasya Dato' Ahmad Sebi	[*11]1	[*11]99	-	[*11]100

	Number of ordinary shares of GBP1.00 each			
	At 1.1.2020	Bought	Sold	At 31.12.2020
Beaver Hotels Limited ("BHL")				
Deemed Interests				
Anton Syazi Dato' Ahmad Sebi	[*12]1,100	-	-	[*12]1,100
Aryati Sasya Dato' Ahmad Sebi	[*12]1,100	-	-	[*12]1,100

[#] By virtue of his interest in ASB, Dato' Ahmad Sebi Bakar is also deemed to be interested in the shares of all investee companies (including subsidiaries) to the extent that ASB has an interest.

[*1] By virtue of his interest in Bright Existence Sdn. Bhd. ("BESB") and Suasana Dinamik Sdn. Bhd. ("SDSB"), Dato' Ahmad Sebi Bakar is also deemed to be interested in the ordinary shares of ASB to the extent that BESB and SDSB have an interest respectively.

[*2] By virtue of his interest in Eighth Review (M) Sdn. Bhd. ("ERSB"), he is also deemed to be interested in the ordinary shares of ASB to the extent that ERSB has an interest.

DIRECTORS' INTERESTS (CONTINUED)

*3 This is her spouse's interest in the ordinary shares of ASB which shall be treated as her interest in the ordinary shares of ASB pursuant to Section 59(11)(c) of the Companies Act 2016 in Malaysia.

*4 By virtue of her interest in ASH Holdings Sdn. Bhd. ("ASH"), Puan Sri Datin Masri Khaw Abdullah is also deemed to be interested in the ordinary shares of ASB to the extent that ASH has an interest.

*5 This is her spouse's interest in the ordinary shares of Captii which shall be treated as her interest in the ordinary shares of Captii pursuant to Section 59(11)(c) of the Companies Act 2016 in Malaysia.

*6 This is the interest of his children (Ms Aryati Sasya Dato' Ahmad Sebi and Mr Anton Syazi Dato' Ahmad Sebi) in SKSB which shall be treated as his interest in the ordinary shares of SKSB pursuant to Section 59(11)(c) of the Companies Act 2016 in Malaysia.

*7 By virtue of their interest in Pacific Existence Sdn. Bhd. ("PESB"), Ms Aryati Sasya Dato' Ahmad Sebi and Mr Anton Syazi Dato' Ahmad Sebi are also deemed to be interested in the shares to the extent that PESB has an interest in SKSB.

*8 By virtue of his interest in SKSB pursuant to Section 8 of the Companies Act 2016 in Malaysia, Dato' Ahmad Sebi Bakar is also deemed to be interested in the shares to the extent that SKSB has an interest in MCSB.

*9 By virtue of their interest in SKSB via PESB, Ms Aryati Sasya Dato' Ahmad Sebi and Mr Anton Syazi Dato' Ahmad Sebi are also deemed to be interested in the shares to the extent that SKSB has an interest in MCSB.

*10 By virtue of their interest in Kibar Konsep Sdn. Bhd. ("KKSB"), Ms Aryati Sasya Dato' Ahmad Sebi and Mr Anton Syazi Dato' Ahmad Sebi are also deemed to be interested in the shares to the extent that KKSB has an interest in Temasya House Sdn. Bhd. (formerly known as Cosmocourt.com (Malaysia) Sdn. Bhd.), Yap Ah Shak House Sdn. Bhd. (formerly known as Advansa Sdn. Bhd.), Primo Espresso Sdn. Bhd. (formerly known as Bornion Sawmill Sdn. Bhd.), Osteria Gamberoni Sdn. Bhd. (formerly known as Rewardstreet.com (Malaysia) Sdn. Bhd. and Arosa.

*11 By virtue of their interest in Arosa via KKSB, Ms Aryati Sasya Dato' Ahmad Sebi and Mr Anton Syazi Dato' Ahmad Sebi are also deemed to be interested in the shares to the extent that Arosa has an interest in PGL.

*12 By virtue of their interest in PGL via Arosa, Ms Aryati Sasya Dato' Ahmad Sebi and Mr Anton Syazi Dato' Ahmad Sebi are also deemed to be interested in the shares to the extent that PGL has an interest in BHL.

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

DIRECTORS’ BENEFITS

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors shown in the Directors’ Remuneration and 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 other than any deemed benefit which may arise from transactions as disclosed in Note 34 to the financial statements.

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

INDEMNITY TO DIRECTORS AND OFFICERS

During the financial year, the total amount of indemnity insurance coverage and insurance premium paid for the Directors and officers of the Company were RM30 million and RM36,368 respectively.

DIRECTORS’ REMUNERATION

The details of Directors’ remuneration are disclosed in Note 28 to the financial statements.

SUBSIDIARIES

The details of the Company’s subsidiaries are disclosed in Note 10 to the financial statements.

The available auditors’ reports on the accounts of the subsidiaries did not contain any qualification.

SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE FINANCIAL YEAR

Details of the significant events during and subsequent to the financial year are disclosed in Note 39 to the financial statements.

AUDITORS’ REMUNERATION

The details of the auditors’ remuneration are disclosed in the Note 28 to the financial statements.

AUDITORS

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

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.

LEE SU NIE
Director

YONG TECK MING
Director

Selangor
Date: 7 April 2021

Statements of Financial Position

as at 31 December 2020

		Group		Company	
		2020	**2019**	**2020**	**2019**
	Note	**RM'000**	**RM'000**	**RM'000**	**RM'000**
ASSETS					
Non-current assets					
Property, plant and equipment	5	199,018	179,132	79	23
Right-of-use assets	6	47,153	47,329	5,030	-
Investment properties	7	44,935	54,572	-	-
Intangible assets	8	92,684	93,724	-	-
Investment in subsidiaries	10	-	-	617,802	672,904
Investment in associates	11	12,757	12,971	-	-
Investment in a joint venture	12	-	-	-	-
Investment securities	13	51,546	55,789	-	-
Deferred tax assets	14	4,841	5,864	-	-
Total non-current assets		452,934	449,381	622,911	672,927
Current assets					
Inventories	15	45,225	51,089	-	-
Trade and other receivables	16	59,207	102,461	3,024	999
Other assets	17	18,244	16,702	-	-
Current tax assets		2,401	3,721	-	771
Investment securities	13	5,162	1,400	1,085	-
Financial assets held for trading	18	8	462	-	-
Cash and bank balances and short term deposits	19	121,017	127,820	6,829	26,952
Total current assets		251,264	303,655	10,938	28,722
TOTAL ASSETS		704,198	753,036	633,849	701,649

as at 31 December 2020 (continued)

	Note	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	20	381,377	381,377	381,377	381,377
Other reserves	21	24,870	19,941	-	-
Retained earnings	21	42,827	80,378	12,091	13,795
Shareholders' funds		449,074	481,696	393,468	395,172
Non-controlling interests		67,659	69,072	-	-
Total equity		516,733	550,768	393,468	395,172
Non-current liabilities					
Borrowings	22	38,347	38,614	-	-
Lease liabilities	23	50,506	48,847	4,548	-
Deferred tax liabilities	14	4,017	5,146	-	-
Provision for retirement benefit obligations	24	1,386	1,923	-	-
Trade and other payables	25	9,294	9,753	-	-
Total non-current liabilities		103,550	104,283	4,548	-
Current liabilities					
Borrowings	22	19,111	10,163	-	-
Lease liabilities	23	6,339	8,090	501	-
Current tax liabilities		5,013	5,545	2	-
Trade and other payables	25	48,918	67,461	235,330	306,477
Other liabilities	17	4,534	6,726	-	-
Total current liabilities		83,915	97,985	235,833	306,477
Total liabilities		187,465	202,268	240,381	306,477
TOTAL EQUITY AND LIABILITIES		704,198	753,036	633,849	701,649

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

Statements of Comprehensive Income

for the financial year ended 31 December 2020

		Group		Company	
		2020	**2019**	**2020**	**2019**
	Note	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Revenue	26	117,240	275,517	10,701	16,710
Cost of sales	27	(72,294)	(189,187)	-	-
Gross profit		44,946	86,330	10,701	16,710
Other operating income		26,619	121,511	250	683
Distribution costs		(4,526)	(5,907)	-	-
Administrative expenses		(52,709)	(60,829)	(4,628)	(4,738)
Other operating expenses		(38,111)	(36,397)	(3,442)	(5,124)
Operating (loss)/profit	28	(23,781)	104,708	2,881	7,531
Finance costs	29	(5,175)	(9,498)	(1,267)	(4,137)
Share of results of associates		142	404	-	-
(Loss)/Profit before tax		(28,814)	95,614	1,614	3,394
Income tax expense	30	(4,358)	(14,285)	(66)	(108)
(Loss)/Profit for the financial year		(33,172)	81,329	1,548	3,286
Other comprehensive income, net of tax					
Items that will not be reclassified subsequently to profit or loss:					
Fair value loss on equity instruments designated at fair value through other comprehensive income		(2,203)	(80)	-	-
Revaluation of land and buildings		1,067	(3,920)	-	-
		(1,136)	(4,000)	-	-

		Group		Company	
		2020	2019	2020	2019
	Note	RM'000	RM'000	RM'000	RM'000
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translation of foreign operations		5,013	(1,028)	-	-
		5,013	(1,028)	-	-
Other comprehensive income/(loss) for the financial year		3,877	(5,028)	-	-
Total comprehensive (loss)/income for the financial year		(29,295)	76,301	1,548	3,286
(Loss)/Profit attributable to:					
Owners of the Company		(34,299)	74,944	1,548	3,286
Non-controlling interests		1,127	6,385	-	-
		(33,172)	81,329	1,548	3,286
Total comprehensive (loss)/income attributable to:					
Owners of the Company		(29,370)	70,801	1,548	3,286
Non-controlling interests		75	5,500	-	-
		(29,295)	76,301	1,548	3,286
(Loss)/Earnings per ordinary share attributable to owners of the Company (sen)					
-Basic	31	(3.69)	8.07		
-Diluted	31	(3.69)	8.07		

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

Statements of Changes In Equity

for the financial year ended 31 December 2020

Group	Share Capital RM'000	Revaluation Reserve RM'000	Foreign Currency Translation Reserve RM'000	Fair Value Reserve RM'000	Retained Earnings RM'000	Total RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
At 1 January 2020	381,377	14,547	6,728	(1,334)	80,378	481,696	69,072	550,768
(Loss)/Profit for the financial year	-	-	-	-	(34,299)	(34,299)	1,127	(33,172)
Fair value of equity instruments through other comprehensive income	-	-	-	(2,203)	-	(2,203)	-	(2,203)
Revaluation of land and buildings	-	1,067	-	-	-	1,067	-	1,067
Exchange differences on translation of foreign operations	-	-	6,065	-	-	6,065	(1,052)	5,013
Total comprehensive income/(loss) for the financial year	-	1,067	6,065	(2,203)	(34,299)	(29,370)	75	(29,295)
Transactions with owners:								
Dividends paid (Note 32)	-	-	-	-	(3,252)	(3,252)	-	(3,252)
Dividends paid to non-controlling interests of a subsidiary	-	-	-	-	-	-	(1,488)	(1,488)
Total transactions with owners	-	-	-	-	(3,252)	(3,252)	(1,488)	(4,740)
At 31 December 2020	381,377	15,614	12,793	(3,537)	42,827	449,074	67,659	516,733

Group	Share Capital RM'000	Revaluation Reserve RM'000	Foreign Currency Translation Reserve RM'000	Fair Value Reserve RM'000	Retained Earnings RM'000	Total RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
At 31 December 2018, as previously reported	381,377	18,467	6,871	(1,254)	16,725	422,186	64,705	486,891
Effects of adoption of MFRS 16	-	-	-	-	(8,968)	(8,968)	-	(8,968)
Restated balance	381,377	18,467	6,871	(1,254)	7,757	413,218	64,705	477,923
Profit for the financial year	-	-	-	-	74,944	74,944	6,385	81,329
Fair value of equity instruments through other comprehensive income	-	-	-	(80)	-	(80)	-	(80)
Revaluation of land and buildings	-	(3,920)	-	-	-	(3,920)	-	(3,920)
Exchange differences on translation of foreign operations	-	-	(143)	-	-	(143)	(885)	(1,028)
Total comprehensive income/(loss) for the financial year	-	(3,920)	(143)	(80)	74,944	70,801	5,500	76,301
<u>Transactions with owners:</u>								
Dividends paid (Note 32)	-	-	-	-	(2,323)	(2,323)	-	(2,323)
Dividends paid to non-controlling interests of a subsidiary	-	-	-	-	-	-	(1,133)	(1,133)
Total transactions with owners	-	-	-	-	(2,323)	(2,323)	(1,133)	(3,456)
At 31 December 2019	381,377	14,547	6,728	(1,334)	80,378	481,696	69,072	550,768

Company	Share Capital RM'000	Capital Reserve RM'000	Retained Earnings RM'000	Total RM'000
At 1 January 2019	381,377	69	12,763	394,209
Total comprehensive income				
for the financial year	-	-	3,286	3,286
Realisation of capital reserve	-	(69)	69	-
Transaction with owners:				
Dividends paid	-	-	(2,323)	(2,323)
Total transactions with owners	-	-	(2,323)	(2,323)
At 31 December 2019	381,377	-	13,795	395,172
Total comprehensive income				
for the financial year	-	-	1,548	1,548
Transaction with owners:				
Dividends paid	-	-	(3,252)	(3,252)
Total transactions with owners	-	-	(3,252)	(3,252)
At 31 December 2020	381,377	-	12,091	393,468

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

Statements of Cash Flows

for the financial year ended 31 December 2020

	Note	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES:					
(Loss)/Profit before tax		(28,814)	95,614	1,614	3,394
Adjustments for:					
Amortisation of intangible assets		1,403	1,396	-	-
Bad debts written off		2	4	-	-
COVID-19 related rent concession income		(2,345)	-	-	-
Depreciation of property, plant and equipment		6,878	5,838	15	9
Depreciation of right-of-use assets		8,370	9,425	144	-
Effect of modication to lease terms		6	-	-	-
Fair value change in:					
- investment in associates		-	7,810	-	-
- foreign currency held for trading		-	1	-	-
- held for trading investments		308	-	322	-
- unquoted investment securities		1,752	(8,687)	-	-
Gain on disposal of:					
- property, plant and equipment		(6,568)	(90,281)	-	-
- investment in an associate		-	(830)	-	-
- held for trading investments		(813)	-	(243)	-
Increase in/(Reversal of) impairment loss on:					
- amount owing from associates		2,108	-	-	-
- goodwill		736	-	-	-
- development expenditure		34	-	-	-
- property, plant and equipment		4	2,247	3	-
- investment in associates		355	-	-	-
- investment in subsidiaries		-	-	1,195	3,150
- trade and other receivables		3,371	(4)	1,921	-
Insurance claim compensation		-	(17,649)	-	-
Interest expenses		5,175	9,498	1,267	4,137
Interest income		(2,050)	(2,944)	(201)	(410)
Inventories written down		2,157	3	-	-
Net unrealised (gain)/loss on foreign exchange		(518)	2,524	-	(359)
Property, plant and equipment written off		1,219	1,534	-	-
(Reversal)/Provision for retirement benefits plan obligations		(536)	318	-	-
Reversal of provision		(854)	-	-	-
Share of results in associates		(142)	(404)	-	-
Operating (loss)/profit before working capital changes		(8,762)	15,413	6,037	9,921

		Group		Company	
		2020	2019	2020	2019
	Note	RM'000	RM'000	RM'000	RM'000
Changes in working capital:					
Inventories		3,707	(5,870)	-	-
Receivables		29,112	15,977	46,485	(58,737)
Financial assets at fair value through profit or loss		455	(146)	-	-
Payables		(19,907)	(1,891)	(67,671)	75,124
Net cash generated from/(used in) operations		4,605	23,483	(15,149)	26,308
Retirement benefits paid		-	(61)	-	-
Tax (paid)/refunded		(3,175)	(8,356)	707	(105)
Net cash generated from/(used in) operating activities		1,430	15,066	(14,442)	26,203
CASH FLOWS FROM INVESTING ACTIVITIES:					
Acquisition of intangibles assets		(1,113)	(926)	-	-
Acquisition of held for trading investments		(6,981)	(990)	(2,324)	-
Acquisition of unquoted investment securities		(220)	(1,909)	-	-
Acquisition of a subsidiary, net of cash acquired		-	(56,180)	-	-
Addition of investment properties		(11,860)	(2,545)	-	-
Interest received		2,050	2,944	201	410
Withdrawal/(Placement) of pledged deposits		683	(1,989)	-	-
Proceeds from disposal of unquoted investment securities		528	1,639	-	-
Proceeds from disposal of held for trading investments		4,899	-	1,159	-
Proceeds from disposal of property, plant and equipment		26,804	121,544	-	-
Proceeds from disposal of an associate		-	24,176	-	-
Purchase of property, plant and equipment	(a)	(15,672)	(9,377)	(74)	(9)
Net cash (used in)/generated from investing activities		(882)	76,387	(1,038)	401

for the financial year ended 31 December 2020 (continued)

	Note	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES:	(b)				
Repayments of bankers' acceptance		-	(900)	-	-
Dividends paid		(3,252)	(2,323)	(3,252)	(2,323)
Dividends paid to non-controlling interests of a subsidiary		(1,488)	(1,145)	-	-
Drawdown of term loans		2,475	-	-	-
Interest paid		(5,175)	(9,498)	(1,220)	(4,137)
Repayments of lease liabilities		(4,664)	(9,384)	(171)	-
Repayments of term loans		(4,333)	(30,494)	-	-
Drawdown/(Repayments) of revolving credit		13,000	(41,000)	-	-
Net cash used in financing activities		(3,437)	(94,744)	(4,643)	(6,460)
Effects of exchange rate changes		(1,319)	(760)	-	-
NET CHANGE IN CASH AND CASH EQUIVALENTS		(4,208)	(4,051)	(20,123)	20,144
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR					
As previously reported		90,619	94,438	26,952	6,808
Effect of exchange rate changes		548	232	-	-
		91,167	94,670	26,952	6,808
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR		86,959	90,619	6,829	26,952

(a) Purchase of property, plant and equipment

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Cash payments on purchase of property, plant and equipment	15,672	9,377	74	9

(b) Reconciliation of liabilities arising from financial liabilities

	1.1.2020	Cash flows	Lease modification	Addition	COVID-19 related rent concession income	Exchange difference	31.12.2020
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revolving credit	-	13,000	-	-	-	-	13,000
Term loans	45,962	(1,858)	-	-	-	-	44,104
Lease liabilities	56,937	(4,664)	(2,067)	9,131	(2,345)	(147)	56,845
	102,899	6,478	(2,067)	9,131	(2,345)	(147)	113,949

	1.1.2019	Cash flows	Adoption of MFRS 16	Addition	Reclassification	Exchange difference	31.12.2019
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Bankers' acceptance	900	(900)	-	-	-	-	-
Finance lease payable	23,017	-	-	-	(23,017)	-	-
Hire purchase payables	134	-	-	-	(134)	-	-
Revolving credit	41,000	(41,000)	-	-	-	-	-
Term loans	76,456	(30,494)	-	-	-	-	45,962
Lease liabilities	-	(9,384)	65,170	309	134	708	56,937
	141,507	(81,778)	65,170	309	(23,017)	708	102,899

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

Notes to the Financial Statements

31 December 2020

1. GENERAL INFORMATION

The principal activities of the Company during the financial year are that of investment holding and the provision of full corporate and financial support to its subsidiaries. The principal activities of the Company's subsidiaries are stated in Note 10 to the financial statements. There have been no significant changes in the nature of these principal activities during the financial year.

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

The registered office of the Company is located at Ground Floor, Synergy 9, 9 Jalan Kajibumi U1/70, Temasya Glenmarie, 40150 Shah Alam, Selangor.

The principal place of business of the Company is located at Synergy 9, 9 Jalan Kajibumi U1/70, Temasya Glenmarie, 40150 Shah Alam, Selangor.

The financial statements are expressed in Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand ('000) except when otherwise stated.

The financial statements were approved and authorised for issue by the Board of Directors in accordance with a resolution of the directors on 7 April 2021.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

2. BASIS OF PREPARATION (CONTINUED)

2.2 Adoption of new MFRS, amendments/improvements to MFRSs

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

Amendments/Improvements to MFRSs	
MFRS 3	Business Combinations
MFRS 7	Financial Instruments: Disclosures
MFRS 9	Financial Instruments
MFRS 16	Leases*
MFRS 101	Presentation of Financial Statements
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
MFRS 139	Financial Instruments: Recognition and Measurement

* Early adopted the amendment to MFRS 16 Leases issued by the Malaysian Accounting Standards Board ("MASB") on 5 June 2020.

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

Amendment to MFRS 16 Leases

The amendment exempts lessees from having to consider individual lease contracts to determine whether rent concessions occurring as a direct consequence of the Coronavirus ("COVID-19") pandemic are lease modifications and allows lessees to account for such rent concessions as if they were not lease modifications.

The Group and the Company elected the practical expedient not to assess whether a rent concession received from landlord is a lease modification.

	Group RM'000
COVID-19 related rent concession income	2,345

Upon the early adoption of Amendments to MFRS 16, the Group has recognised a Covid-19 related rent concession income of RM2,344,516 during the financial year as disclosed in Note 28 to the financial statements.

2. BASIS OF PREPARATION (CONTINUED)

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

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

		Effective for financial periods beginning on or after
New MFRS		
MFRS 17	Insurance Contracts	1 January 2023
Amendments/Improvements to MFRSs		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2022^/ 1 January 2023#
MFRS 3	Business Combinations	1 January 2022/ 1 January 2023#
MFRS 4	Insurance Contracts	1 January 2021/ 1 January 2023
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2023#
MFRS 7	Financial Instruments: Disclosures	1 January 2021/ 1 January 2023#
MFRS 9	Financial Instruments	1 January 2021/ 1 January 2022^/ 1 January 2023#
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 15	Revenue from Contracts with Customers	1 January 2023#
MFRS 16	Leases	1 January 2021/ 1 January 2022^
MFRS 17	Insurance Contracts	1 January 2023
MFRS 101	Presentation of Financial Statements	1 January 2023/ 1 January 2023#
MFRS 107	Statements of Cash Flows	1 January 2023#
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2023
MFRS 116	Property, Plant and Equipment	1 January 2022/ 1 January 2023#

2. BASIS OF PREPARATION (CONTINUED)

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

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

		Effective for financial periods beginning on or after
Amendments/Improvements to MFRSs (Continued)		
MFRS 119	Employee Benefits	1 January 2023#
MFRS 128	Investments in Associates and Joint Ventures	Deferred/ 1 January 2023#
MFRS 132	Financial instruments: Presentation	1 January 2023#
MFRS 136	Impairment of Assets	1 January 2023#
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2022/ 1 January 2023#
MFRS 138	Intangible Assets	1 January 2023#
MFRS 139	Financial Instruments: Recognition and Measurement	1 January 2021
MFRS 140	Investment Property	1 January 2023#
MFRS 141	Agriculture	1 January 2022^

^ The Annual Improvements to MFRS Standards 2018-2020
 # Amendments as to the consequence of effective of MFRS 17 Insurance Contracts

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

Annual Improvements to MFRS Standards 2018—2020

Annual Improvements to MFRS Standards 2018—2020 covers amendments to:

- MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards* — simplifies the application of MFRS 1 by a subsidiary that becomes a first-time adopter after its parent in relation to the measurement of cumulative translation differences.
- MFRS 9 *Financial Instruments* — clarifies the fees an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability.
- Illustrative Examples accompanying MFRS 16 *Leases* — deletes from Illustrative Example 13 the reimbursement relating to leasehold improvements in order to remove any potential confusion regarding the treatment of lease incentives.

2. BASIS OF PREPARATION (CONTINUED)

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

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

Amendments to MFRS 3 Business Combinations

The amendments update MFRS 3 by replacing a reference to an old version of the Conceptual Framework for Financial Reporting with a reference to the latest version which was issued by Malaysian Accounting Standards Board in April 2018.

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

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

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

Amendments to MFRS 9 Financial Instruments, MFRS 139 Financial Instruments: Recognition and Measurement, MFRS 7 Financial Instruments: Disclosures, MFRS 4 Insurance Contracts and MFRS 16 Leases

The *Interest Rate Benchmark Reform - Phase 2* amends some specific requirements in MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16, with respect to issues that affect financial reporting during the reform of an interest rate benchmark.

The amendments provide a practical expedient whereby an entity would not derecognise or adjust the carrying amount of financial instruments for modifications required by interest rate benchmark reform, but would instead update the effective interest rate to reflect the change in the interest rate benchmark. On hedging relationship, entities would be required to amend the formal designation of a hedging relationship to reflect the modifications and/or changes made to the hedged item and/or hedging instruments as a result of the reform. However, the modification does not constitute discontinuation of the hedging relationship nor the designation of a new hedging relationship.

2. BASIS OF PREPARATION (CONTINUED)

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

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

Amendments to MFRS 101 Presentation of Financial Statements

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

The amendments require an entity to disclose its material accounting policy information rather than significant accounting policies. The amendments, amongst others, also include examples of circumstances in which an entity is likely to consider an accounting policy information to be material to its financial statements. To support this amendments, MFRS Practice Statement 2 was also amended to provide guidance on how to apply the concept of materiality to accounting policy information disclosures. The guidance and examples provided in the MFRS Practice Statement 2 highlight the need to focus on entity-specific information and demonstrate how the four-step materiality process can address standardised (or boilerplate) information and duplication of requirements of MFRSs in the accounting policy information disclosures.

Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors

The amendments revise the definition of accounting estimates to clarify how an entity should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important because the changes in accounting estimates are applied prospectively to transactions, other events, or conditions from the date of that change, but changes in accounting policies are generally also applied retrospectively to past transactions and other past events.

2. BASIS OF PREPARATION (CONTINUED)

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

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

Amendments to MFRS 116 Property, Plant and Equipment

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

Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets

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

2.4 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 RM, which is also the Company's functional currency, and has been rounded to the nearest thousand, unless otherwise stated.

2.5 Basis of measurement

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

2.6 Use of estimates and judgement

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

2. BASIS OF PREPARATION (CONTINUED)

2.6 Use of estimates and judgement (Continued)

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. The financial statements of the subsidiaries, associates, and joint venture 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 loses control of the acquirees.

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

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

- the fair value of the consideration transferred, calculated as the sum of the acquisition-date fair value of assets transferred (including contingent consideration), the liabilities incurred to former owners of the acquiree and the equity instruments issued by the Group. Any amounts that relate to pre-existing relationships or other arrangements before or during the negotiations for the business combination, that are not part of the exchange for the acquiree, will be excluded from the business combination accounting and be accounted for separately; plus

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation (Continued)

(a) Subsidiaries and business combination (Continued)

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

- the recognised amount of any non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date (the choice of measurement basis is made on an acquisition-by-acquisition basis); plus
- if the business combination is achieved in stages, the acquisition-date fair value of the previously held equity interest in the acquiree; less
- the net fair value of the identifiable assets acquired and the liabilities (including contingent liabilities) assumed at the acquisition date.

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

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

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation (Continued)

(a) Subsidiaries and business combination (Continued)

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

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

(b) Non-controlling interests

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

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

(c) Associates

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

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

Under the equity method, the investment in associate is 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.

Investment in an associate is accounted for at fair value through profit or loss financial assets in accordance with the financial reporting standard on financial instruments.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation (Continued)

(c) Associates (Continued)

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

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

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

(d) Joint arrangements

Joint arrangements arise when the Group and another party or parties are bound by a contractual arrangement, and the contractual arrangement gives the Group and the other party or parties, joint control of the arrangement. Joint control exists when there is contractually agreed sharing of control of an arrangement whereby decisions about the relevant activities require the unanimous consent of the parties sharing control.

Joint arrangements are classified and accounted for as follows:

- A joint arrangement is classified as a "joint operation" when the Group has rights to the assets and obligations for the liabilities relating to the arrangement. The Group accounts for its share of its assets (including its share of any assets held jointly), its liabilities (including its share of any liabilities incurred jointly), its revenue from the sale of its share of the output arising from the joint operation, its share of the revenue from the sale of the output by the joint operation and its expenses (including its share of any expenses incurred jointly).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation (Continued)

(d) Joint arrangements (Continued)

Joint arrangements are classified and accounted for as follows (Continued):

- A joint arrangement is classified as "joint venture" when the Group has rights to the net assets of the arrangements. The Group accounts for its interests in the joint ventures using the equity method in accordance with MFRS 128 *Investments in Associates and Joint Ventures*.

The Group has assessed the nature of its joint arrangement and determined it to be joint ventures and accounted for its interest in the joint ventures using the equity method.

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

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

3.3 Foreign currency transactions and operations

(a) Translation of foreign currency transactions

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Foreign currency transactions and operations (Continued)

(a) Translation of foreign currency transactions (Continued)

At the end of each reporting date, 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 average exchange rates for the financial year.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Foreign currency transactions and operations (Continued)

(b) **Translation of foreign operations (Continued)**

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

3.4 Financial instruments

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

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

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract; it is a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured as fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with the policy applicable to the nature of the host contract.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset hosts together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Financial instruments (Continued)

(a) Subsequent measurement

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

(i) Financial assets

For the purposes of subsequent measurement, financial assets are classified in four categories:

- 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 models for managing those assets change.

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 method and are subject to impairment. The policy for the recognition and measurement of impairment 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)

(a) Subsequent measurement (Continued)

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

(i) Financial assets (Continued)

Debt instruments (Continued)

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 (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) to the financial statements. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Financial instruments (Continued)

(a) Subsequent measurement (Continued)

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

(i) Financial assets (Continued)

Debt instruments (Continued)

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 (Continued):

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

  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.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Financial instruments (Continued)

(a) Subsequent measurement (Continued)

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

(ii) Financial liabilities (Continued)

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 effective interest method. Gains and losses are recognised in profit or loss when the financial liabilities are derecognised and through the amortisation process.

(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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Financial instruments (Continued)

(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 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.

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; and either (a) the Group and the Company have transferred substantially all the risks and rewards of the asset, or (b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Financial instruments (Continued)

(d) Derecognition (Continued)

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 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.

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.

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) to the financial statements.

Certain freehold lands and buildings are measured at fair value, based on valuations by external independent valuers, less accumulated depreciation on buildings and any impairment losses recognised after the date of revaluation. Valuations are performed with sufficient regularity to ensure that the fair value of the freehold lands and buildings does not differ materially from the carrying amount. Any accumulated depreciation as at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

A revaluation surplus is recognised in other comprehensive income and credited to the revaluation reserve. However, the increase shall be recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss. If the asset’s carrying amount is decreased as a result of a revaluation, the decrease shall be recognised in profit or loss. However, the decrease shall be recognised in other comprehensive income to the extent of any credit balance existing in the revaluation reserve in respect of that asset.

The revaluation reserve is transferred to retained earnings as the assets are used. The amount of revaluation reserve transferred is the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset’s original cost.

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5 Property, plant and equipment (Continued)

(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 their 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.

Hotel properties (buildings)	50 years
Buildings	2%-5%
Plant and machinery	10%-20%
Motor vehicles	20%
Furniture, fittings and equipment	10%-25%
Renovation	10%-20%
Computer equipment and software	20%-33.33%
Crockeries, glassware, cutleries, linen and kitchen utensils	10%
Telecommunications, research and development equipment	20%-33.33%

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

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

(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

(a) Definition of lease

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

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

(b) Lessee accounting

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

The Group and the Company present right-of-use assets and lease liabilities as separate lines in the statements of financial position.

<u>Right-of-use asset</u>

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Leases (Continued)

(b) Lessee accounting (Continued)

Lease liability

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

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

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option, if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Leases (Continued)

(b) Lessee accounting (Continued)

Lease liability (Continued)

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

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

Short-term leases and leases of low value assets

The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low value assets. The Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(c) Lessor accounting

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.

When the Group is an intermediate lessor, they account for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. If a head lease is a short-term lease to which the Group applies the exemption described in Note 3.6(b) to the financial statements, then it classifies the sub-lease as an operating lease.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Leases (Continued)

(c) Lessor accounting (Continued)

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

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

3.7 Investment properties

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

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Fair value is arrived at by reference to market evidence of transaction prices for similar properties and is performed by registered independent valuers having an appropriate recognised professional qualification and recent experience in the location an category of the properties being valued.

Gains and losses arising from changes in the fair values of investment properties are recognised in profit or loss for the period in which they arise.

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

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property carried at fair value to the owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of the change in use. For a transfer from owner-occupied property to an investment property, any difference arising on the date of the change in use between the carrying amount of the item immediately prior to the transfer and its fair value is recognised directly in equity as a revaluation of property, plant and equipment.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

In respect of equity-accounted associates and joint venture, 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) Intellectual property

The intellectual property consists of the acquisition costs of the exclusive rights and titles relating to mobile software.

The intellectual property is amortised on a straight-line basis over the period of 5 years during which their economic benefits are expected to be consumed. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.12(b) to the financial statements.

(c) Deferred development costs

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

- it is technically feasible to complete the intangible asset so that it will be available for use or sale;
- the Group and the Company intend 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.8 Goodwill and other intangible assets (Continued)

(c) Deferred development costs (Continued)

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

Deferred development costs are measured at cost less accumulated amortisation and accumulated impairment losses. Deferred development costs mainly comprises staff costs, operating expenses and depreciation expenses for the development of the Group's proprietary mobile software and has an average remaining amortisation period of 2 years which their economic benefits are expected to be consumed. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.12(b) to the financial statements.

(d) Licenses

Licenses acquired are recognised at fair value at the acquisition date, which have finite useful lives, are measured at cost less any accumulated amortisation and any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.12(b) to the financial statements.

3.9 Inventories

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

Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- raw materials: purchase costs on a first-in first-out basis;
- finished goods and work-in-progress: costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. These costs are assigned on a weighted average cost basis.

<u>Property under development</u>

Cost includes:

- leasehold rights for land;
- amounts paid to contractors for construction;
- borrowing costs, planning and design costs, costs for site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.9 Inventories (Continued)

Property under development (Continued)

The cost of inventory recognised in profit or loss is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative sale value of the property sold.

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

3.10 Contract assets/(liabilities)

Contract asset is the right to consideration in exchange for goods or services transferred to the customers when that right is conditioned on something other than the passage of time (for example, the Company's future performance). The policy for the recognition and measurement of impairment losses is in accordance with Note 3.12(a) to the financial statements.

Contract liability is the obligation to transfer goods or services to customers for which the Group and the Company have received the consideration or have billed.

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.

3.12 Impairment of assets

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

Financial assets measured at amortised cost, financial assets measured at fair value through other comprehensive income (FVOCI), contract assets, 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 losses are the weighted average of credit losses with the respective risks of a default occurring as the weights.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.12 Impairment of assets (Continued)

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

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

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

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

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, 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 to 90 days past due.

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

- the borrower 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.12 Impairment of assets (Continued)

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

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.

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 borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; and
- it is becoming probable that the borrower 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.12 Impairment of assets (Continued)

(b) Impairment of non-financial assets

The carrying amounts of non-financial assets (except for inventories, contract assets, deferred tax assets, assets arising from employee benefits) 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 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 exceeds 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.12 Impairment of assets (Continued)

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

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. Reversal of impairment loss is restricted by the asset's carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

3.13 Share capital

Ordinary shares

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

3.14 Employee benefits

(a) Short-term employee benefits

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

(b) Defined contribution plans

As required by law, the Group and the Company contribute to the Employees Provident Fund ("EPF"), 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.14 Employee benefits (Continued)

(c) Defined benefit plans

The Group operates defined benefit pension plans (funded) and provides a post-employment healthcare benefit (unfunded) plan to employees as provided in the employment agreements between the companies in the Group and their employees.

The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related defined benefit obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability) and the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in other comprehensive income. Remeasurements are not reclassified to profit or loss in subsequent periods.

The net interest is calculated by applying the discount to the net balance of the defined benefit obligation and fair value of plan assets.

The Group recognises the following costs in profit or loss:

- Service costs comprising current service costs, past service costs, gains and losses on curtailments and non-routine settlements
- Net interest expense or income

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.15 Provisions (Continued)

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

3.16 Revenue and other income

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

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

The Group and the Company measure revenue from the sale of good or service 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, adjusted for the effects of any variable consideration, constraining estimates of variable consideration, significant financing components, non-cash consideration and consideration payable to the customer. If the transaction price includes variable consideration, the Group and the Company use the expected value method by estimating the sum of probability-weighted amounts in a range or possible consideration amounts, or the most likely outcome method, depending on which method the Group and the Company expect to better predict the amount of consideration to which it is entitled.

Revenue from contracts with the customers is recognised by reference to each distinct performance obligation in the contract with the customer, i.e. when or as a performance obligation in the contract with the 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.16 Revenue and other income (Continued)

Revenue from contracts with customers

Revenue from contracts with customers is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer net of sales and service tax, returns, rebates and discounts. The Group recognises revenue when (or as) it transfers control over a product or service to the customer. An asset is transferred when (or as) the customer obtains control of the asset. Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time. The credit terms offered by the Group range from 30 to 90 days (2019: 30 to 90 days).

(a) **Property development**

The Group develops and sells residential and commercial properties. Contracts with customers may include multiple distinct promises to customers and therefore accounted for as separate performance obligations. If the contract with customer contains more than one performance obligation, when the stand-alone selling price are not directly observable, they are estimated based on the expected cost plus margin approach.

Revenue from residential and commercial properties are recognised as and when the control of the asset is transferred to the customer. Based on the terms of the contract and the laws that apply to the contract, control of the asset is transferred over time as the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. 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 property development costs incurred for work performed to date bear to the estimated total property development costs (an input method).

The consideration is due based on the scheduled payments in the contract, therefore, no element of financing is deemed present. When a particular milestone is reached in excess of the scheduled payments, a contract asset will be recognised for the excess of revenue recognised to date under the input method over the progress billings to-date and include deposits or advances received from customers. When the progress billings to-date and include deposits or advances received from customers exceeds revenue recognised to date then the Group recognise a contract liability for the difference.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.16 Revenue and other income (Continued)

Revenue from contracts with customers (Continued)

(a) **Property development (Continued)**

Consistent with market practice, the Group collects deposit from customers for sale of properties. A contract liability is recognised for the customer deposits as the Group has obligations to transfer the goods or services to the customer in respect of deposits received. Customer deposits would be recognised as revenue upon transfer of goods or services to the customer.

For residential properties, as part of the statutory requirements, the Group's obligations to repair and made good of any defect, shrinkage or other faults in the building or in the common property which have become apparent within a period of 24 months after the customer takes vacant possession of the building are recognised as a provision.

(b) **Interest income**

Interest income is recognised using the effective interest method.

(c) **Dividend income**

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

(d) **Rental income**

Rental income from investment property is recognised on a straight-line basis over the term of the lease. Lease incentive granted is recognised as an integral part of the total rental income, over the term of the lease.

3.17 Borrowing costs

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

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

Borrowing costs 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.17 Borrowing costs (Continued)

The Group begins capitalising borrowing costs when the Group has incurred the expenditures for the asset, incurred related borrowing costs and undertaken activities that are necessary to prepare the asset for its intended use or sale.

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

3.18 Taxes

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.18 Taxes (Continued)

(b) Deferred tax (Continued)

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

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

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

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

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

3.19 Earnings per share

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.19 Earnings per share (Continued)

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

3.20 Operating segment

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

3.21 Fair value measurements

The 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.

There were no transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.22 Contingencies

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

Contingent liability is also referred to 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.

3.23 Contract costs

(a) **Recognition and measurement**

Contract costs include costs of obtaining and fulfilling a contract.

The incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer which they would not have incurred if the contract had not been obtained. The incremental costs of obtaining a contract with a customer are recognised as part of contract costs when the Group expects those costs are recoverable.

The costs incurred in fulfilling a contract with a customer which are not within the scope of another MFRSs, such as MFRS 102 *Inventories*, MFRS 116 *Property, Plant and Equipment* or MFRS 138 *Intangible Assets*, are recognised as part of contract costs when all of the following criteria are met:

(i) the costs relate directly to a contract or to an anticipated contract that can be specifically identified;
(ii) the costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
(iii) the costs are expected to be recovered.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.23 Contract costs (Continued)

(b) **Amortisation**

The costs of obtaining and fulfilling a contract are amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. The amortisation shall be updated subsequently to reflect any significant change to the expected timing of transfer to the customer of the goods or services to which the asset relates in accordance with MFRS 108 *Accounting Policies, Changes in Accounting Estimate and Errors.*

(c) **Impairment**

Impairment loss are recognised in profit or loss to the extent that the carrying amount of the contract cost exceeds:

(i) the remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the asset relates; less
(ii) the costs that relate directly to providing those goods or services and that have not been recognised as expenses.

Before an impairment loss is recognised for contract costs, the Group shall recognise any impairment loss for assets related to the contract that are recognised in accordance with another MFRSs, such as MFRS 102, MFRS 116 and MFRS 138. The Group shall include the resulting carrying amount of the contract costs in the carrying amount of the cash-generating unit to which it belongs for the purpose of applying MFRS 136 Impairment of Assets to that cash-generating unit.

An impairment loss is reversed when the impairment conditions no longer exist or have improved. Such reversal is recognised in profit or loss.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

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

(a) Impairment of goodwill on consolidation

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of CGU to which the goodwill is allocated. Estimating a value-in-use amount requires management to make an estimation of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Further details of the key assumptions applied in the impairment assessment of goodwill are disclosed in Note 9 to the financial statements.

The carrying amounts of the Group's goodwill key assumptions used to determine the recoverable amount for different cash-generating units, including sensitivity analysis, are disclosed in Note 9 to the financial statements.

(b) Impairment of right-of-use assets

The Group assesses impairment of non-financial assets whenever the events or changes in circumstances indicate that the carrying among of an asset exceeds its recoverable amount. Recoverable amount is measured at its value-in-use is the net present value of the projected future cash flows derived from the asset discounted at an appropriate discount rate. The significant judgement is required in determining the discount rates applied in the recoverable amount calculation and assumptions supporting the underlying cash flow projections, including forecast growth rate and profit margin. Cash flows that are projected based on those inputs or assumptions may have a significant effect on the Group's financial positions and results if the actual cash flows are less than the expected.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

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

(c) Fair value of unquoted investments

If the financial asset is not traded in an active market or if the quoted price is not readily and regularly available, the fair value is established by using valuation techniques that are appropriate in circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. The fair value measurement requires the selection among a range of different valuation methodologies, making estimates about expected future cash flows and discounted rates. The models are tested for validity by calibrating to prices from any observable current market transactions in the same instrument when available. Where cost is used as an estimate of fair value, significant judgement is required where management considers various indicators where cost might not be representative of fair value.

The carrying amount of the Group's fair value of unquoted investments are disclosed in Notes 11 and 13 to the financial statements respectively.

(d) Impairment in investment in a subsidiary

The Company determines whether there is any indication of impairment in investment in a subsidiary. If any of such indication exist, the Company makes an estimate of the recoverable amount of the investment in a subsidiary.

The recoverable amount of investment in a subsidiary was determined based on value-in-use which involves exercise of significant judgement on the discount rates applied and the assumption supporting the underlying cash flow projections which include future revenue, gross profit margin and operating expenses.

5. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land	Buildings	Short term leasehold building	Hotel properties -Freehold lands	Hotel properties -Buildings	Plant and machinery	Furniture, fittings and equipment	Renovation	Motor vehicles	Computer equipment and software	Crockeries, glassware, cutleries, linen and kitchen utensils	Telecom-munications and research and development equipment	Construction work-in-progress	Total
2020	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Cost/Valuation														
At 1 January 2020	19,451	12,838	1,671	85,393	39,041	7,503	33,145	16,922	2,304	9,620	1,976	33,166	447	263,477
Additions	-	-	-	-	-	287	1,560	4,796	-	2,407	626	622	5,374	15,672
Disposals	(19,556)	-	-	-	-	-	(161)	(9)	-	(83)	-	-	-	(19,809)
Written off	-	-	(1,636)	-	-	-	(1,366)	(2,661)	-	(210)	-	(1,248)	-	(7,121)
Reclassification	-	20,807	-	-	(1,004)	-	-	7,430	-	(11)	-	3	-	27,225
Revaluation	-	-	-	590	(1,242)	-	-	-	-	-	-	-	-	(652)
Exchange differences	512	9	(35)	866	412	-	109	195	3	(3)	-	(126)	-	1,942
At 31 December 2020	407	33,654	-	86,849	37,207	7,790	33,287	26,673	2,307	11,720	2,602	32,417	5,821	280,734
Representing:														
Cost	407	33,654	-	-	-	7,790	33,287	26,673	2,307	11,720	2,602	32,417	5,821	156,678
Valuation	-	-	-	86,849	37,207	-	-	-	-	-	-	-	-	124,056
Total	407	33,654	-	86,849	37,207	7,790	33,287	26,673	2,307	11,720	2,602	32,417	5,821	280,734

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Freehold land	Buildings	Short term leasehold building	Hotel properties -Freehold lands	Hotel properties -Buildings	Plant and machinery	Furniture, fittings and equipment	Renovation	Motor vehicles	Computer equipment and software	Crockeries, glassware, cutleries, linen and kitchen utensils	Telecom-munications and research and development equipment	Construction work-in-progress	Total
2020	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Accumulated Depreciation														
At 1 January 2020	-	2,632	1,153	-	1,478	6,243	28,785	4,974	2,040	5,856	955	20,585	-	74,701
Depreciation for the financial year	-	275	19	-	957	225	874	2,393	88	288	278	1,481	-	6,878
Disposals	-	-	-	-	-	-	(161)	(9)	-	(208)	-	-	-	(378)
Written off	-	-	(1,147)	-	-	-	(1,331)	(2,098)	-	(77)	-	(1,249)	-	(5,902)
Reclassification	-	(666)	-	-	(1,004)	-	8	(225)	-	4	-	20	-	(1,863)
Revaluation	-	-	-	-	(1,226)	-	-	-	-	-	-	-	-	(1,226)
Exchange differences	-	(1)	(25)	-	(73)	-	107	(31)	3	(4)	-	(93)	-	(117)
At 31 December 2020	-	2,240	-	-	132	6,468	28,282	5,004	2,131	5,859	1,233	20,744	-	72,093
Accumulated Impairment Loss														
At 1 January 2020	-	-	-	-	-	-	352	1,225	-	-	-	8,067	-	9,644
Impairment loss for the financial year	-	-	-	-	-	-	3	-	-	-	-	1	-	4
Exchange differences	-	-	-	-	-	-	-	-	-	-	-	(25)	-	(25)
At 31 December 2020	-	-	-	-	-	-	355	1,225	-	-	-	8,043	-	9,623
Carrying Amount at 31 December 2020	407	31,414	-	86,849	37,075	1,322	4,650	20,444	176	5,861	1,369	3,630	5,821	199,018
Representing:														
Cost	407	31,414	-	-	-	1,322	4,650	20,444	176	5,861	1,369	3,630	5,821	75,094
Valuation	-	-	-	86,849	37,075	-	-	-	-	-	-	-	-	123,924
Total	407	31,414	-	86,849	37,075	1,322	4,650	20,444	176	5,861	1,369	3,630	5,821	199,018

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group 2019	Freehold land RM'000	Buildings RM'000	Short term leasehold building RM'000	Hotel properties -Freehold lands RM'000	Hotel properties -Buildings RM'000	Plant and machinery RM'000	Furniture, fittings and equipment RM'000	Renovation RM'000	Motor vehicles RM'000	Computer equipment and software RM'000	Crockeries, glassware, cutleries, linen and kitchen utensils RM'000	Telecom-munications and research and development equipment RM'000	Construction work-in-progress RM'000	Total RM'000
Cost/Valuation														
At 1 January 2019														
- as previuosly reported	27,168	20,283	1,617	61,232	31,142	7,143	37,111	25,137	3,051	6,241	1,919	31,975	634	254,653
- effect of adoption of MFRS 16	-	-	-	-	-	-	-	-	(561)	-	-	-	-	(561)
Adjusted balance at 1 January 2019	27,168	20,283	1,617	61,232	31,142	7,143	37,111	25,137	2,490	6,241	1,919	31,975	634	254,092
Additions	-	-	-	-	67	360	1,723	1,151	107	3,517	57	1,735	660	9,377
Acquisition of a subsidiary	-	-	-	45,218	10,962	-	-	-	-	-	-	-	-	56,180
Disposals	(26,761)	(5,983)	-	-	-	-	(2)	(7,258)	(192)	-	-	-	-	(40,196)
Written off	-	-	-	-	-	-	(5,803)	(1,985)	(103)	(133)	-	-	-	(8,024)
Reclassification	19,044	(1,400)	-	(19,044)	-	-	-	-	-	-	-	(343)	(847)	(2,590)
Revaluation	-	-	-	(2,002)	(3,057)	-	-	-	-	-	-	-	-	(5,059)
Exchange differences	-	(62)	54	(11)	(73)	-	116	(123)	2	(5)	-	(201)	-	(303)
At 31 December 2019	19,451	12,838	1,671	85,393	39,041	7,503	33,145	16,922	2,304	9,620	1,976	33,166	447	263,477
Representing:														
Cost	19,451	12,838	1,671	-	-	7,503	33,145	16,922	2,304	9,620	1,976	33,166	447	139,043
Valuation	-	-	-	85,393	39,041	-	-	-	-	-	-	-	-	124,434
Total	19,451	12,838	1,671	85,393	39,041	7,503	33,145	16,922	2,304	9,620	1,976	33,166	447	263,477

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group 2019	Freehold land RM'000	Buildings RM'000	Short term leasehold building RM'000	Hotel properties -Freehold lands RM'000	Hotel properties -Buildings RM'000	Plant and machinery RM'000	Furniture, fittings and equipment RM'000	Renovation RM'000	Motor vehicles RM'000	Computer equipment and software RM'000	Crockeries, glassware, cutleries, linen and kitchen utensils RM'000	Telecom-munications and research and development equipment RM'000	Construction work-in-progress RM'000	Total RM'000
Accumulated Depreciation														
At 1 January 2019														
- as previuosly reported	-	3,990	1,097	-	3,630	6,041	32,439	9,647	2,552	5,633	731	19,509	-	85,269
- effect of adoption of MFRS 16	-	-	-	-	-	-	-	-	(318)	-	-	-	-	(318)
Adjusted balance at 1 January 2019	-	3,990	1,097	-	3,630	6,041	32,439	9,647	2,234	5,633	731	19,509	-	84,951
Depreciation for the financial year	-	363	19	-	1,271	202	907	998	100	221	224	1,533	-	5,838
Disposals	-	(1,672)	-	-	-	-	(1)	(4,051)	(192)	-	-	-	-	(5,916)
Written off	-	-	-	-	-	-	(4,691)	(1,693)	(104)	(2)	-	-	-	(6,490)
Reclassification	-	(9)	-	-	-	-	-	-	-	-	-	(314)	-	(323)
Revaluation	-	-	-	-	(3,570)	-	-	-	-	-	-	-	-	(3,570)
Capitalisation to intangible assets	-	-	-	-	-	-	5	11	-	2	-	28	-	46
Exchange differences	-	(40)	37	-	147	-	126	62	2	2	-	(171)	-	165
At 31 December 2019	-	2,632	1,153	-	1,478	6,243	28,785	4,974	2,040	5,856	955	20,585	-	74,701
Accumulated Impairment Loss														
At 1 January 2019	-	-	-	-	-	-	-	3,017	-	-	-	7,402	-	10,419
Impairment loss for the financial year	-	-	-	-	-	-	352	1,225	-	-	-	670	-	2,247
Disposals	-	-	-	-	-	-	-	(3,017)	-	-	-	-	-	(3,017)
Reclassification	-	-	-	-	-	-	-	-	-	-	-	(5)	-	(5)
At 31 December 2019	-	-	-	-	-	-	352	1,225	-	-	-	8,067	-	9,644
Carrying Amount at 31 December 2019	19,451	10,206	518	85,393	37,563	1,260	4,008	10,723	264	3,764	1,021	4,514	447	179,132
Representing:														
Cost	19,451	10,206	518	-	-	1,260	4,008	10,723	264	3,764	1,021	4,514	447	56,176
Valuation	-	-	-	85,393	37,563	-	-	-	-	-	-	-	-	122,956
Total	19,451	10,206	518	85,393	37,563	1,260	4,008	10,723	264	3,764	1,021	4,514	447	179,132

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	**Computer equipment**	**Motor vehicles**	**Furniture, fittings and equipment**	**Renovations**	**Total**
2020	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Cost					
At 1 January 2020	117	-	191	-	308
Additions	26	-	2	46	74
At 31 December 2020	143	-	193	46	382
Accumulated Depreciation					
At 1 January 2020	108	-	177	-	285
Depreciation for the financial year	8	-	6	1	15
At 31 December 2020	116	-	183	1	300
Accumulated Impairment loss					
At 1 January 2020	-	-	-	-	-
Impairment loss for the financial year	-	-	3	-	3
At 31 December 2020	-	-	3	-	3
Carrying Amount at 31 December 2020	27	-	7	45	79
2019					
Cost					
At 1 January 2019	108	5	191	-	304
Additions	9	-	-	-	9
Disposals	-	(5)	-	-	(5)
At 31 December 2019	117	-	191	-	308
Accumulated Depreciation					
At 1 January 2019	105	5	171	-	281
Depreciation for the financial year	3	-	6	-	9
Disposals	-	(5)	-	-	(5)
At 31 December 2019	108	-	177	-	285
Carrying Amount at 31 December 2019	9	-	14	-	23

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(a) Included in property, plant and equipment of the Group are assets pledged to the licensed banks to secure credit facilities granted to the Company and its subsidiaries as disclosed in Note 22 to the financial statements with the following carrying amounts:

	Group	
	2020	**2019**
	RM'000	**RM'000**
Hotel properties	24,000	25,750
Buildings	29,295	8,010
	53,295	33,760

(b) Had the revalued assets been carried at cost less accumulated depreciation, the carrying amounts would have been as follows:

		Accumulated	**Carrying**
Group	**Cost**	**depreciation**	**amount**
2020	**RM'000**	**RM'000**	**RM'000**
Hotel properties			
- lands	20,234	-	20,234
- buildings	31,595	(10,131)	21,464
	51,829	(10,131)	41,698
2019			
Hotel properties			
- lands	28,479	-	28,479
- buildings	31,469	(9,174)	22,295
	59,948	(9,174)	50,774

(c) Fair value information

Fair values of revalued properties are categorised as follows:

Group	**Level 3**	**Total**
2020	**RM'000**	**RM'000**
Hotel properties		
- lands	86,849	86,849
- buildings	37,207	37,207
	124,056	124,056
2019		
Hotel properties		
- lands	85,393	85,393
- buildings	39,041	39,041
	124,434	124,434

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(c) Fair value information (Continued)

Valuation techniques and significant other observable inputs

Hotel property 1

Valuation technique for recurring fair value measurements	Comparison with market evidence of recently transaction prices for similar properties
Significant unobservable inputs	Price per square feet: RM71
Relationship of unobservable inputs to fair value	The higher the price per square feet, the higher the fair value

Hotel property 2

Valuation technique for recurring fair value measurements	Comparison with market evidence of recently transaction prices for similar properties
Significant unobservable inputs	Price per square feet: RM694
Relationship of unobservable inputs to fair value	The higher the price per square feet, the higher the fair value

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(c) Fair value information (Continued)

Valuation processes applied by the Group

The Group's finance department evaluates the valuation of land and buildings required for financial reporting purposes, including Level 3 fair value, and reports directly to the senior finance manager.

The fair value of revalued properties has been determined based on the valuation report dated in December 2020 carried out by accredited independent valuers with recognised and relevant qualification and recent experience in the location and assets being valued. The valuation method used was Comparison Method that makes reference to recent transactions and sales evidences involving other similar properties in the vicinity. The most significant input to this valuation approach is the price per square feet of comparable properties.

Policy on transfer between levels

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

Fair value hierarchy

Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical properties that the entity can access at the measurement date.

Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the properties, either directly or indirectly.

Level 3 fair value

Level 3 fair value is estimated using unobservable input for the properties.

The Group does not have non-financial assets measured at Level 1 and Level 3 hierarchy.

Transfer between levels of fair value hierarchy

There is no transfer between levels of fair values hierarchy during the financial year.

Highest and best use

In estimating the fair value of the land and buildings, the highest and best use of the land and buildings is their current use.

6. RIGHT-OF-USE ASSETS

The Group leases several assets including land and buildings.

Information about leases for which the Group are lessees is presented below:

Group	Buildings RM'000	Hotel properties RM'000	Motor Vehicle RM'000	Total RM'000
2020				
Cost				
At 1 January 2020	2,557	53,954	561	57,072
Additions	9,131	-	-	9,131
Effect of modification to lease terms	(309)	(7,674)	-	(7,983)
Exchange difference	(1)	1,257	-	1,256
At 31 December 2020	11,378	47,537	561	59,476
Accumulated Depreciation				
At 1 January 2020	647	8,666	430	9,743
Depreciation for the financial year	1,374	6,867	129	8,370
Effect of modification to lease terms	(112)	(5,799)	-	(5,911)
Exchange difference	1	120	-	121
At 31 December 2020	1,910	9,854	559	12,323
Carrying Amount at 31 December 2020	9,468	37,683	2	47,153
2019				
Cost				
At 1 January 2019				
- as previously reported	-	-	-	-
- effect of adoption of MFRS 16	2,248	53,954	561	56,763
Adjusted balance at 1 January 2019	2,248	53,954	561	56,763
Additions	309	-	-	309
At 31 December 2019	2,557	53,954	561	57,072
Accumulated Depreciation				
At 1 January 2019				
- as previously reported	-	-	-	-
- effect of adoption of MFRS 16	-	-	318	318
Adjusted balance at 1 January 2019	-	-	318	318
Depreciation for the financial year	647	8,666	112	9,425
At 31 December 2019	647	8,666	430	9,743
Carrying Amount at 31 December 2019	1,910	45,288	131	47,329

6. RIGHT-OF-USE ASSETS (CONTINUED)

	Building
Company	**RM'000**
2020	
Cost	
At 1 January 2020	-
Additions	5,174
At 31 December 2020	5,174
Accumulated Depreciation	
At 1 January 2020	-
Depreciation for the financial year	144
At 31 December 2020	144
Carrying Amount at 31 December 2020	5,030

The right-of-use assets are initially measured at cost, which comprise the initial amount of lease liabilities adjusted for any lease payments made at or before the commencement date of the leases.

After initial recognition, right-of-use assets are stated at cost less accumulated depreciation and accumulated impairment losses, if any, and adjusted for any re-measurement of lease liabilities.

The right-of-use assets are depreciated on a straight-line basis over the earlier of the estimated useful lives of the right-of-use assets or the end of the lease term. The principal depreciation periods are as follows:

Buildings	over the lease period from 4 to 9 years
Hotel properties	over the lease period from 10 to 16 years
Motor vehicle	over 5 years

7. INVESTMENT PROPERTIES

	Group	
	2020	2019
	RM'000	RM'000
At fair value:		
At 1 January	54,572	49,789
Additions	11,860	2,545
Reclassified from property, plant and equipment	5,849	2,238
Reclassified to property, plant and equipment	(27,346)	-
At 31 December	44,935	54,572

The fair value of the shop office 1 was measured based on the highest and best use method to reflect the actual market state and circumstances as of the end of the reporting year. The fair value was based on a valuation made by C H Williams Talhar & Wong, a firm of independent professional valuers, which hold a recognised and relevant professional qualification with sufficient recent experience in the location and category of the investment property being valued. There has been no change to the valuation technique during the year. Management determined that the highest and best use of the assets is the current use and that it would provide maximum value to market participants principally through its use in combination with other assets.

The fair value of the commercial building was measured based on the highest and best use method to reflect the actual market state and circumstances as of the end of the reporting year. The fair value was based on a valuation made by SMY Valuers & Consultants, a firm of independent professional valuers, which hold a recognised and relevant professional qualification with sufficient recent experience in the location and category of the investment properties being valued. There has been no change to the valuation technique during the year. Management determined that the highest and best use of the assets is the current use and that it would provide maximum value to market participants principally through its use in combination with other assets.

The fair values of the shop office 2 and 3, commercial bungalow 1, commercial bungalow 2, residential house and residential condominium were derived using the sales comparison prices of comparable buildings in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable buildings.

7. INVESTMENT PROPERTIES (CONTINUED)

Strata title of the shop office 1 has not been issued by Department of Director General of Lands and Mines in Malaysia as at 31 December 2020.

Details of the Group's investment properties are as follows:

Descriptions	Location	Existing use
Shop office 1	Lot 3A-5-1, 5th floor, block 3A, Plaza Sentral, Kuala Lumpur, Malaysia	Generate rental income
Shop office 2	167 Jalan Kenari 23A, Bandar Puchong Jaya, 47100 Puchong, Selangor, Malaysia	Generate rental income
Shop office 3	20, Jalan Menara Gading 1, Taman Connaught, Cheras, 56000 Kuala Lumpur, Malaysia	Generate rental income
Commercial building	17, Jalan Yap Ah Shak, Kuala Lumpur, Malaysia	Under renovation
Commercial bungalow 1	No.9, Jalan SS3/39, 47300 Petaling Jaya, Selangor, Malaysia	Vacant
Commercial bungalow 2	16, Jalan Othman, 46000 Petaling Jaya, Malaysia	Generate rental income
Residential house	17, Jalan CH 5C, Canary Residensi, Taman Cheras Hartamas, Cheras, Selangor, Malaysia	Generate rental income
Residential condominium	Secoya Residences, Jalan Pantai Murni 7, Kuala Lumpur, Malaysia	Generate rental income

The following amounts are recognised in the profit or loss:

	Group	
	2020	2019
	RM'000	RM'000
Rental income	209	10
Direct operating expenses arising from investment properties that generate rental income	(190)	(146)

Included in investment properties of the Group are assets pledged to the licensed banks to secure credit facilities granted to the Company and its subsidiaries as disclosed in Note 22 to the financial statements with the following carrying amounts:

	Group	
	2020	2019
	RM'000	RM'000
Land and buildings	42,642	52,334

7. INVESTMENT PROPERTIES (CONTINUED)

Fair value information

Fair value of investment properties is categorised as follows:

	Level 3 RM'000	Total RM'000
Group		
2020		
Land and buildings	44,935	44,935
2019		
Land and buildings	54,572	54,572

Valuation processes applied by the Group

The Group's finance department evaluates the valuation of land and buildings required for financial reporting purposes, including Level 3 fair value, and reports directly to the senior finance manager.

Valuation techniques and significant other observable inputs

Shop office 1

Valuation technique for recurring fair value measurements:	Comparison with market evidence of recently transaction prices for similar properties
Significant observable inputs:	Price per square foot of RM872 (2019: RM868)
Sensitivity on management's estimates - 10% variation from estimate:	Impact-lower by RM704,273 (2019: RM700,000); higher by RM704,273 (2019: RM700,000)

Shop office 2

Valuation technique for recurring fair value measurements:	Comparison with market evidence of recently transaction prices for similar properties
Significant observable inputs:	Price per square foot of RM282
Sensitivity on management's estimates - 10% variation from estimate:	Impact-lower by RM168,610; higher by RM168,610

7. INVESTMENT PROPERTIES (CONTINUED)

Valuation techniques and significant other observable inputs (Continued)

Shop office 3

Valuation technique for recurring fair value measurements:	Comparison with market evidence of recently transaction prices for similar properties
Significant observable inputs:	Price per square foot of RM506
Sensitivity on management's estimates - 10% variation from estimate:	Impact-lower by RM262,088; higher by RM262,088

Commercial building

Valuation technique for recurring fair value measurements:	Comparison with market evidence of recently transaction prices for similar properties
Significant observable inputs:	Price per square foot of RM852 (2019: RM852)
Sensitivity on management's estimates - 10% variation from estimate:	Impact-lower by RM2,700,000 (2019: RM2,700,000); higher by RM2,700,000 (2019: RM2,700.000)

Commercial bungalow 1

Valuation technique for recurring fair value measurements:	Comparison with market evidence of recently transaction prices for similar properties
Significant observable inputs:	Price per square foot of RM1,008
Sensitivity on management's estimates - 10% variation from estimate:	Impact-lower by RM275,000; higher by RM275,000

Commercial bungalow 2

Valuation technique for recurring fair value measurements:	Comparison with market evidence of recently transaction prices for similar properties
Significant observable inputs:	Price per square foot of RM253
Sensitivity on management's estimates - 10% variation from estimate:	Impact-lower by RM146,609; higher by RM146,609

7. INVESTMENT PROPERTIES (CONTINUED)

Valuation techniques and significant other observable inputs (Continued)

Residential house

Valuation technique for recurring fair value measurements:	Comparison with market evidence of recently transaction prices for similar properties
Significant observable inputs:	Price per square foot of RM438 (2019: RM436)
Sensitivity on management's estimates - 10% variation from estimate:	Impact-lower by RM139,911 (2019: RM139,067); higher by RM139,911 (2019: RM139,067)

Residential condominium

Valuation technique for recurring fair value measurements:	Comparison with market evidence of recently transaction prices for similar properties
Significant observable inputs:	Price per square foot of RM851
Sensitivity on management's estimates - 10% variation from estimate:	Impact lower by RM89,376; higher by RM89,376

Policy on transfer between levels

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

Fair value hierarchy

Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical investment properties that the entity can access at the measurement date.

Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the investment property, either directly or indirectly.

Level 3 fair value

Level 3 fair value is estimated using unobservable input for the investment property.

The Group does not have non-financial assets measured at Level 1 and Level 3 hierarchy.

7. INVESTMENT PROPERTIES (CONTINUED)

Transfer between levels of fair value hierarchy

There is no transfer between levels of fair values hierarchy during the financial year.

8. INTANGIBLE ASSETS

Group	Goodwill on consolid-ation RM'000 (Note 9)	Intellectual property RM'000 (Note a)	Deferred development costs (under development) RM'000 (Note b)	Deferred development costs (completed) RM'000 (Note b)	Licenses RM'000 (Note c)	Total RM'000
2020						
Cost						
At 1 January 2020	98,576	-	243	28,008	844	127,671
Additions	-	52	1,061	-	-	1,113
Capitalisation of development equipment	-	-	18	-	-	18
Reclassification	-	-	(868)	868	-	-
Exchange differences	-	-	2	504	-	506
At 31 December 2020	98,576	52	456	29,380	844	129,308
Accumulated Amortisation and Impairment						
At 1 January 2020	7,873	-	-	25,681	393	33,947
Amortisation for the financial year	-	18	-	935	450	1,403
Impairment for the financial year	736	34	-	-	-	770
Exchange differences	-	-	-	504	-	504
At 31 December 2020	8,609	52	-	27,120	843	36,624
Carrying Amount at 31 December 2020	89,967	-	456	2,260	1	92,684

8. INTANGIBLE ASSETS (CONTINUED)

Group 2019	Goodwill on consolidation RM'000 (Note 9)	Intellectual property RM'000 (Note a)	Deferred development costs (under development) RM'000 (Note b)	Deferred development costs (completed) RM'000 (Note b)	Licenses RM'000 (Note c)	Total RM'000
Cost						
At 1 January 2019	98,576	-	331	26,948	844	126,699
Additions	-	-	926	-	-	926
Capitalisation of development equipment	-	-	46	-	-	46
Reclassification	-	-	(1,060)	1,060	-	-
At 31 December 2019	98,576	-	243	28,008	844	127,671
Accumulated Amortisation and Impairment						
At 1 January 2019	7,873	-	-	24,275	368	32,516
Amortisation for the financial year	-	-	-	1,396	-	1,396
Exchange differences	-	-	-	10	25	35
At 31 December 2019	7,873	-	-	25,681	393	33,947
Carrying Amount at 31 December 2019	90,703	-	243	2,327	451	93,724

8. INTANGIBLE ASSETS (CONTINUED)

(a) Intellectual property

Intellectual property comprises rights and titles relating to mobile software.

(b) Deferred development costs

The deferred development costs mainly comprises staff costs, operating expenses and depreciation expenses for the development of the Captii Group's proprietary mobile software and has an average remaining amortisation period of 2 years (2019: 2 years).

(c) Licenses

The licenses comprise compliance and testing costs of bus models and have an average amortisation period of 5 years.

9. GOODWILL ON CONSOLIDATION

Management reviews the business performance based on the type of products and services of the strategic business units which represent its reportable operating segments. For the purpose of impairment testing, goodwill acquired through business combinations is allocated to the following Group's cash generating units ("CGUs") which are also reportable operating segments, which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes.

The carrying amounts of goodwill allocated to the Group's CGU are as follows:

	Group	
	2020	**2019**
	RM'000	**RM'000**
Information and communications technology - CGU 1	83,684	83,684
Hotels and resorts - CGU 2	2,348	2,348
Travel and tours - CGU 3	3,659	3,659
Others	276	1,012
	89,967	90,703

9. GOODWILL ON CONSOLIDATION (CONTINUED)

CGU 1

The recoverable amount of the CGU was determined based on its value-in-use. Cash flow projections used in the value-in-use calculations were based on financial budgets and forecasts approved by management covering a five-year period using a discount rate of 16.7% (2019: 16.1%). The forecasted growth rate used to extrapolate cash flow projections beyond the five-year period is 2.0% (2019: 1.5%).

The discount rate applied to the cash flow projections is pre-tax and reflects management's estimate of the risks specific to the CGU at the date of assessment. Management determined the forecasted growth rate and budgeted gross margin based on past performance and its expectations of market developments.

Based on the sensitivity analysis performed, management believes that no reasonably possible change in base case key assumptions would cause the carrying values of the CGU to exceed its recoverable amounts.

The value in use was determined by management using the discounted cash flow valuation technique. The key assumptions used for value in use calculations are as stated above.

CGU 2 and CGU 3

The recoverable amount of the CGUs was determined based on its value-in-use. Cash flow projections used in the value-in-use calculations were based on financial budgets and forecasts approved by management covering a five-year period using a discount rate of 10.9% and 13.1% (2019: 10.9% and 11.9%). The forecasted growth rate used to extrapolate cash flow projections beyond the five-year period is 3% (2019: 3%).

The discount rate applied to the cash flow projections is pre-tax and reflects management's estimate of the risks specific to the CGUs at the date of assessment. Management determined the forecasted growth rate and budgeted gross margin based on past performance and its expectations of market developments.

Based on the sensitivity analysis performed, management believes that no reasonably possible change in base case key assumptions would cause the carrying values of the CGUs to exceed its recoverable amounts.

The value in use was determined by management using the discounted cash flow valuation technique. The key assumptions used for value in use calculations are as stated above.

9. GOODWILL ON CONSOLIDATION (CONTINUED)

Other

As at 31 December 2020, the Group estimated that the carrying amount of the unit was higher than its recoverable amount and impairment loss of RM0.7 million (2019: NIL) was recognised as a result of the impact arising from COVID-19 pandemic. The impairment loss was fully allocated to goodwill and is recorded in statement of comprehensive income of the Group.

10. INVESTMENT IN SUBSIDIARIES

	Company	
	2020	**2019**
	RM'000	**RM'000**
Unquoted shares - at cost	690,948	700,874
Less: Impairment loss	(220,699)	(229,431)
	470,249	471,443
Loans that are part of net investments	147,553	201,461
	617,802	672,904

Loans that are part of net investments represent amount owing by a subsidiary which is non-trade in nature, unsecured and non-interest bearing. The settlement of the amount is neither planned nor likely to occur in the foreseeable future as it is the intention of the Company to treat these amounts as a long-term source of capital to the subsidiary. As the amount is, in substance, a part of the Company's net investment in the subsidiary, it is stated at cost less accumulated impairment loss, if any.

(a) Certain shares of subsidiaries in the Group has been charged to financial institutions for credit facilities granted to the Group as disclosed in Note 22(c) to the financial statements.

10. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(b) The details of the subsidiaries are as follows :

Name of Company	Country of Incorporation	Effective Equity Interest 2020 %	Effective Equity Interest 2019 %	Principal Activities
Direct subsidiaries				
Advance Synergy Capital Sdn. Bhd.	Malaysia	100	100	Investment holding and provision of management services
Advance Synergy Properties Sdn. Bhd.	Malaysia	100	100	Investment holding
Advance Synergy Realty Sdn. Bhd. *	Malaysia	100	100	Property development and investment
Alam Samudera Corporation Sdn. Bhd.	Malaysia	100	100	Investment holding
Alangka-Suka Hotels & Resorts Sdn. Bhd.	Malaysia	100	100	Investment holding
Ausborn Sawmill Sdn. Bhd. *	Malaysia	100	100	Inactive
Primo Espresso Sdn. Bhd. *(formerly known as Bornion Sawmill Sdn. Bhd.)* *	Malaysia	-	100	Inactive
Calmford Incorporated	British Virgin Islands	100	100	Investment holding
Datakey Sdn. Bhd.	Malaysia	100	100	To carry out computer facilities management activities, computer consultancy and other management consultancy activities
Diversified Gain Sdn. Bhd.	Malaysia	100	100	Investment holding
Excellent Arch Sdn. Bhd.	Malaysia	100	100	Investment holding
Excellent Display Sdn. Bhd.	Malaysia	100	100	Property investment, management and rental of properties
iSynergy Sdn. Bhd.	Malaysia	100	100	Inactive
Nagapura Management Corporation Sdn. Bhd.	Malaysia	100	100	Provision of management services
Sadong Development Sdn. Bhd.	Malaysia	100	100	Property development

10 INVESTMENT IN SUBSIDIARIES (CONTINUED)

(b) The details of the subsidiaries are as follows (Continued):

Name of Company	Country of Incorporation	Effective Equity Interest 2020 %	Effective Equity Interest 2019 %	Principal Activities
Direct subsidiaries (Continued)				
Segi Koleksi Sdn. Bhd.	Malaysia	70	70	Investment holding
Strategic Research & Consultancy Sdn. Bhd.	Malaysia	100	100	Investment holding
Synergy Gold Incorporated	British Virgin Islands	100	100	Inactive
Synergy Petroleum Incorporated	British Virgin Islands	100	100	Investment holding
Worldwide Matrix Sdn. Bhd.	Malaysia	100	100	Investment holding
Indirect subsidiaries held through Advance Synergy Capital Sdn. Bhd.				
AESBI Power Systems Sdn. Bhd.	Malaysia	100	100	Property investment and management services
ASC Credit Sdn. Bhd.	Malaysia	100	100	Provision of credit and leasing
ASC Equities Sdn. Bhd.	Malaysia	100	100	Investment holding and venture capital business
Paydee Sdn. Bhd.	Malaysia	100	100	Provision of payment card issuing and acquiring services
Aviva Master Coach Technology Sdn. Bhd. *(formerly known as Quality Bus & Coach (M) Sdn. Bhd.)*	Malaysia	71	71	Designing, building and fabrication of coaches
Triton-K Sdn. Bhd.	Malaysia	100	100	Provision of management services
Indirect subsidiary held through Aviva Master Coach Technology Sdn. Bhd. ***(formerly known as Quality Bus & Coach (M) Sdn. Bhd.)***				
Quality Bus & Coach Pty. Ltd. #	Australia	71	71	Designing, building and fabrication of coaches and coach certification and testing
Indirect subsidiary held through Quality Bus & Coach Pty. Ltd.				
Autobus Australia Pty. Ltd. #	Australia	71	71	Designing, building and fabrication of coaches and coach certification and testing

10. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(b) The details of the subsidiaries are as follows (Continued):

Name of Company	Country of Incorporation	Effective Equity Interest 2020 %	2019 %	Principal Activities
Indirect subsidiaries held through Alangka-Suka Hotels & Resorts Sdn. Bhd.				
Alangka-Suka International Limited	British Virgin Islands	100	100	Investment holding
Alor Setar Holiday Villa Sdn. Bhd.	Malaysia	100	100	Ceased operation since 22 June 2018
Antara Holiday Villas Sdn. Bhd.	Malaysia	100	100	Hotel management services
Asbina Hotel & Property Sdn. Bhd.	Malaysia	100	100	Inactive
Cherating Holiday Villa Berhad	Malaysia	100	100	Operates Holiday Villa Beach Resort & Spa Cherating
Grand Hotel Sudan Limited	British Virgin Islands	100	100	Inactive
Holiday Villa Assets Sdn. Bhd.	Malaysia	100	100	Investment holding
Holiday Villa Travel & Tours Sdn. Bhd.	Malaysia	100	100	Hiring of limousines
Holiday Villas International Limited	British Virgin Islands	100	100	Hotel management services
Langkawi Holiday Villa Sdn. Bhd.	Malaysia	100	100	Operates Holiday Villa Beach Resort & Spa Langkawi
Mayor Hotels Sdn. Bhd.	Malaysia	100	100	Ceased operation on 31 December 2019
Super Leisure Sdn. Bhd.	Malaysia	100	100	Investment holding
Indirect subsidiaries held through Alangka-Suka International Limited				
Asbina Shenzhen Limited	British Virgin Islands	90	90	Dormant
Holiday Villa Makkah Limited	British Virgin Islands	100	100	Inactive
Interwell Management Limited #	England and Wales	100	100	Dormant
Larkswood Assets Limited	British Virgin Islands	100	100	Inactive
P.T. Diwangkara Holiday Villa Bali *	Republic of Indonesia	94.81	94.81	Manages Wina Holiday Villa Kuta Bali

10. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(b) The details of the subsidiaries are as follows (Continued):

Name of Company	Country of Incorporation	Effective Equity Interest 2020 %	Effective Equity Interest 2019 %	Principal Activities
Indirect subsidiary held through Asbina Hotel & Property Sdn. Bhd.				
Asbina Hotel & Property (Cambodia) Pte. Ltd. #	Kingdom of Cambodia	100	100	Inactive
Indirect subsidiary held through Holiday Villa Assets Sdn. Bhd.				
Posthotel Arosa AG*	Switzerland	65	65	Investment holding
Indirect subsidiary held through Posthotel Arosa AG				
57-59 Philbeach Gardens Limited #	England and Wales	65	65	Investment holding
Indirect subsidiary held through 57-59 Philbeach Gardens Limited				
Beaver Hotels Limited #	England and Wales	65	65	Inactive
Indirect subsidiaries held through Holiday Villas International Limited				
Holiday Villa China International Limited	British Virgin Islands	100	95	Hotel management services
Holiday Villa Middle East Limited	British Virgin Islands	100	100	Hotel management services
Holiday Villa (UK) Ltd.*	England and Wales	100	100	Ceased operation on 31 July 2020
Indirect subsidiaries held through Holiday Villa China International Limited				
Changshu Holiday Villa Hotel Management Co. Ltd. *	People's Republic of China	100	95	Hotel management services
Holiday Villa Hong Kong Company Limited #	Hong Kong	100	95	Hotel management services
Indirect subsidiary held through Holiday Villa Hong Kong Company Limited				
上海豪立纬酒店有限公司 (Shanghai Holiday Villa Co. Ltd.) *	People's Republic of China	100	95	Operate Holiday Villa Hotel & Residence Shanghai Jiading P.R.C.
Indirect subsidiary held through Advance Synergy Properties Sdn. Bhd.				
Synergy Realty Incorporated	British Virgin Islands	100	100	Investment holding

10. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(b) The details of the subsidiaries are as follows (Continued):

Name of Company	Country of Incorporation	Effective Equity Interest 2020 %	Effective Equity Interest 2019 %	Principal Activities
Indirect subsidiary held through Segi Koleksi Sdn. Bhd.				
Metroprime Corporation Sdn. Bhd.	Malaysia	70	70	Managing and operating The Language House
Indirect subsidiary held through Synergy Realty Incorporated				
Builderworks Pty. Ltd. *	Australia	100	100	Inactive
Indirect subsidiaries held through Calmford Incorporated				
Yap Ah Shak House Sdn. Bhd. *(formerly known as Advansa Sdn. Bhd.)*	Malaysia	-	100	Inactive
Home Cinema Studio Pty. Ltd. *	Australia	100	100	Inactive
Indirect subsidiary held through Alam Samudera Corporation Sdn. Bhd.				
Synergy Tours (Borneo) Sdn. Bhd.	Malaysia	100	100	Tour operator
Indirect subsidiary held through Diversified Gain Sdn. Bhd.				
Orient Escape Travel Sdn. Bhd.	Malaysia	100	100	Travel and tour agent and the provision of travel related services
Indirect subsidiaries held through Orient Escape Travel Sdn. Bhd.				
Motorsports Adventure Sdn. Bhd.	Malaysia	100	100	Inactive
Qurex Sdn. Bhd.	Malaysia	100	100	Money services business
Orient Escape Travel (Penang) Sdn. Bhd.	Malaysia	100	100	Inactive
Synergy Tours Sdn. Bhd.	Malaysia	100	100	Tour operator
Indirect subsidiary held through Excellent Arch Sdn. Bhd.				
Advance Synergy Furniture Sdn. Bhd.	Malaysia	100	100	In liquidation
Indirect subsidiary held through Excellent Display Sdn. Bhd.				
Dama TCM Sdn. Bhd.	Malaysia	100	100	Inactive

10. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(b) The details of the subsidiaries are as follows (Continued):

Name of Company	Country of Incorporation	Effective Equity Interest 2020 %	Effective Equity Interest 2019 %	Principal Activities
Indirect subsidiaries held through iSynergy Sdn. Bhd.				
Temasya House Sdn. Bhd. *(formerly known as Cosmocourt.com (Malaysia) Sdn. Bhd.)*	Malaysia	-	100	Property management and rental of property
Osteria Gamberoni Sdn. Bhd. *(formerly known as Rewardstreet.com (Malaysia) Sdn. Bhd.)*	Malaysia	-	100	Run, operate and manage food and beverage business and its related business
Indirect subsidiaries held through Nagapura Management Corporation Sdn. Bhd.				
Acrylic Synergy Sdn. Bhd.	Malaysia	81	81	Inactive
Syarikat Fit and Weld Engineering (M) Sdn. Bhd.	Malaysia	70	70	In liquidation
Xgo Technik Sdn. Bhd.	Malaysia	100	100	Provision of management services
Indirect subsidiary held through Advance Synergy Realty Sdn. Bhd.				
Harta Sinergi Sdn. Bhd.	Malaysia	100	100	Investment holding
Osteria Gamberoni Sdn. Bhd. *(formerly known as Rewardstreet.com (Malaysia) Sdn. Bhd.)*	Malaysia	70	-	Run, operate and manage food and beverage business and its related business
Primo Espresso Sdn. Bhd. *(formerly known as Bornion Sawmill Sdn. Bhd.) **	Malaysia	70	-	Inactive
Temasya House Sdn. Bhd. *(formerly known as Cosmocourt.com (Malaysia) Sdn. Bhd.)*	Malaysia	70	-	Property management and rental of property
Yap Ah Shak House Sdn. Bhd. *(formerly known as Advansa Sdn. Bhd.)*	Malaysia	70	-	Inactive
Indirect subsidiary held through Sadong Development Sdn. Bhd.				
Hotel Golden Dragon Sdn. Bhd.	Malaysia	95	95	Inactive

10. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(b) The details of the subsidiaries are as follows (Continued):

Name of Company	Country of Incorporation	Effective Equity Interest 2020 %	Effective Equity Interest 2019 %	Principal Activities
Indirect subsidiary held through Hotel Golden Dragon Sdn. Bhd.				
Simpang Tiga Realty Sdn. Bhd.	Malaysia	95	95	Inactive
Indirect subsidiary held through Worldwide Matrix Sdn. Bhd.				
Captii Limited *	Singapore	58.30	58.30	Investment holding and the provision of management services
Indirect subsidiaries held through Captii Limited				
Captii Ventures Pte. Ltd. *	Singapore	58.30	58.30	Undertake investment in technology companies
Postpay Asia Sdn. Bhd. *	Malaysia	58.30	58.30	Investment holding
Unified Assets Sdn. Bhd. *	Malaysia	58.30	58.30	Investment holding
Unified Communications (OHQ) Sdn. Bhd. *	Malaysia	58.30	58.30	Provisions of management services
Unified Communications (OSS) Sdn. Bhd. *	Malaysia	58.30	58.30	Investment holding
Unified Communications Pte. Ltd. *	Singapore	58.30	58.30	Distribution of telecommunications products, the design and development of telecommunications solutions, project management, and maintenance and support services for the telecommunications industry
Unified Communications Sdn. Bhd. *	Malaysia	58.30	58.30	Research and development, software engineering, system integration, project management, and maintenance and support services for the telecommunications industry
Indirect subsidiary held through Unified Communications (OSS) Sdn. Bhd.				
GlobeOSS Sdn. Bhd. *	Malaysia	29.73	29.73	Provision of global roaming quality of service management solutions
Indirect subsidiary held through GlobeOSS Sdn. Bhd.				
GlobeOSS Pte. Ltd. *	Singapore	29.73	29.73	Provision of global roaming quality of service management solutions

10. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(b) The details of the subsidiaries are as follows (Continued):

Name of Company	Country of Incorporation	Effective Equity Interest 2020 %	Effective Equity Interest 2019 %	Principal Activities
Indirect subsidiary held through GlobeOSS Pte. Ltd.				
GlobeOSS (Brunei) Sdn. Bhd. *	Brunei Darussalam	29.73	29.73	Provision of global roaming quality of services management solutions
Indirect subsidiaries held through Unified Communications Pte. Ltd.				
Adzentrum Sdn. Bhd. *	Malaysia	58.30	58.30	Dormant
Unified Communications (Private) Limited *	Pakistan	58.30	58.30	Provision of telecommunications products, technology and customised solutions to telecommunications operators, service providers and enterprises
Indirect subsidiaries held through Unified Communications Sdn. Bhd.				
Ahead Mobile Sdn. Bhd. *	Malaysia	58.30	58.30	Software engineering, system integration, project management, and maintenance and support services for the telecommunications industry
Unified Communications (Tech) Pte. Ltd. *	Singapore	58.30	58.30	Distribution of information technology and telecommunications products
Indirect subsidiaries held through Postpay Asia Sdn. Bhd.				
Postpay Sdn. Bhd. *	Malaysia	58.30	58.30	Providing money lending services, credit profiling, pay-later solutions, and/or other incidental/relevant businesses to any telecommunications operators, service providers, enterprises, or entities of any descriptions
Postpay Technology Sdn. Bhd. *	Malaysia	58.30	58.30	Provision of telecommunications products, technology and customised solutions to telecommunications operators, service providers and enterprise

* *Audited by another firm of auditors other than Baker Tilly Monteiro Heng PLT.*

Not required to be audited in their countries of incorporation. The financial statements have been reviewed for consolidation purposes.

10. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(c) The Group's subsidiaries that have material non-controlling interest ("NCI") are as follows:

	2020				
	Captii Limited RM'000	**Posthotel Arosa AG RM'000**	**Aviva Master Coach Technology Sdn. Bhd. RM'000**	**Other individually immaterial subsidiaries RM'000**	**Total RM'000**
NCI percentange of ownership interest and voting interest	41.7%	35%	29%		
Carrying amount of NCI	59,374	21,007	(9,436)	(3,286)	67,659
Profit/(Loss) allocated to NCI	4,178	(371)	(1,867)	(813)	1,127
Summarised financial information before intra-group elimination					
Summarised statements of financial position					
As at 31 December					
Non-current assets	86,242	1	4,669		
Current assets	77,392	67,717	16,914		
Non-current liabilities	(2,117)	-	(2,757)		
Current liabilities	(19,133)	(7,698)	(56,575)		
Net assets/(liabilities)	142,384	60,020	(37,749)		
Summarised statements of comprehensive income					
Financial year ended 31 December					
Revenue	65,126	-	1,443		
Profit/(Loss) for the financial year	6,469	(1,061)	(6,438)		
Total comprehensive income/(loss)	6,744	(1,061)	(6,438)		
Summarised cash flow information					
Financial year ended 31 December					
Cash flows from/(used in) operating activities	15,555	(6,183)	(445)		
Cash flows (used in)from investing activities	(1,524)	5,950	(5,053)		
Cash flows (used in)/from financing activities	(4,774)	-	4,819		
Net increase/(decrease) in cash and cash equivalents	9,257	(233)	(679)		
Dividends paid to NCI	1,488	-	-		

10. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(c) The Group's subsidiaries that have material NCI are as follows (Continued):

	2019				
	Captii Limited RM'000	Posthotel Arosa AG RM'000	Aviva Master Coach Technology Sdn. Bhd. RM'000	Other individually immaterial subsidiaries RM'000	Total RM'000
NCI percentange of ownership interest and voting interest	41.7%	35%	29%		
Carrying amount of NCI	57,595	21,378	(7,569)	(2,332)	69,072
Profit/(Loss) allocated to NCI	5,034	4,715	(1,263)	(2,101)	6,385
Summarised financial information before intra-group elimination					
Summarised statements of financial position					
As at 31 December					
Non-current assets	86,129	19,136	586		
Current assets	77,423	72,816	14,394		
Non-current liabilities	-	-	-		
Current liabilities	(25,435)	(30,872)	(43,073)		
Net assets/(liabilities)	138,117	61,080	(28,093)		
Summarised statements of comprehensive income					
Financial year ended 31 December					
Revenue	72,362	-	1,119		
Profit/(Loss) for the financial year	8,712	13,472	(4,491)		
Total comprehensive income/(loss)	8,849	13,472	(4,491)		
Summarised cash flow information					
Financial year ended 31 December					
Cash flows from/(used in) operating activities	11,547	(22,173)	(5,841)		
Cash flows (used in)/from investing activities	(4,011)	-	1,176		
Cash flows (used in)/from financing activities	(3,811)	-	2,949		
Net increase/(decrease) in cash and cash equivalents	3,725	(22,173)	(1,716)		
Dividends paid to NCI	1,145	-	-		

11. INVESTMENT IN ASSOCIATES

	Group	
	2020	2019
	RM'000	RM'000
Unquoted shares, at cost	6,636	6,636
Impairment loss	(418)	(320)
	6,218	6,316
Share of post-acquisition reserve, net of dividends received	6,539	6,655
	12,757	12,971
Unquoted shares, at fair value	-	6,218
Fair value change	-	(5,820)
Exchange differences	-	(398)
	-	-
	12,757	12,971

11. INVESTMENT IN ASSOCIATES (CONTINUED)

(a) The details of the associates are as follows:

Name of Company	Country of Incorporation	Effective Equity Interest 2020 %	Effective Equity Interest 2019 %	Principal Activities
Indirect associate held through Advance Synergy Capital Sdn. Bhd.				
SIBB Berhad *	Malaysia	20	20	Investment dealings
Indirect associate held through Alangka-Suka Hotels & Resorts Sdn. Bhd.				
Holiday Villa Hotels & Resorts Sdn. Bhd. #	Malaysia	-	40	Dormant
Indirect associate held through Langkawi Holiday Villa Sdn. Bhd.				
M OOD Perfumes Sdn. Bhd. #	Malaysia	30	30	Inactive
Indirect associate held through Super Leisure Sdn. Bhd.				
Smile Integrated Solution Sdn. Bhd.	Malaysia	49	49	Sells and maintains hotel property management system software
Indirect associates held through Synergy Tours Sdn. Bhd.				
P.T. Panorama Synergy Indonesia *	Republic of Indonesia	49	49	Inactive
Synergy Holidays Company Limited #	Republic of The Union of Myanmar	50	50	In liquidation
Indirect associate held through Dama TCM Sdn. Bhd.				
Medical Palace Sdn. Bhd. #	Malaysia	50	50	Dormant
Indirect associate held through Strategic Research & Consultancy Sdn. Bhd.				
Kopistop Sdn. Bhd. *	Malaysia	40	40	Investment holding and the business of food and beverage
Indirect associate held through Captii Ventures Pte. Ltd.				
OOPA Pte. Ltd. *	Singapore	21.90	21.90	Provision of mobile credits top-up services with loyalty rewards

* *Audited by another firm of auditors other than Baker Tilly Monteiro Heng PLT.*

\# *The Group has discontinued recognising of its share of losses as the share of accumulated losses of the associate has exceeded the Group's investment in that associate.*

11. INVESTMENT IN ASSOCIATES (CONTINUED)

(b) The following table summarises the information of the Group's material associates, adjusted for any differences in accounting policies and reconciles the information to the carrying amount of the Group's interest in the associates:

Group **2020**	**SIBB Berhad** **RM'000**
Summarised financial information	
As at 31 December	
Non-current assets	12,496
Current assets	51,143
Non-current liabilities	-
Current liabilities	(439)
Net assets	63,200
Year ended 31 December	
Revenue	981
Profit for the financial year	699
Other comprehensive income	-
Total comprehensive income	699

	SIBB Berhad **RM'000**	**Other individually immaterial associates** **RM'000**	**Total** **RM'000**
Reconciliation of net assets to carrying amount			
Group's share of net assets	12,640	117	12,757
Carrying amount in the statements of financial position	12,640	117	12,757
Group's share of results			
Year ended 31 December			
Group's share of profit or loss	140	2	142
Other information			
Dividends received	-	-	

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

(b) The following table summarises the information of the Group's material associates, adjusted for any differences in accounting policies and reconciles the information to the carrying amount of the Group's interest in the associates (Continued):

Group **2019**	**SIBB Berhad RM'000**
Summarised financial information	
As at 31 December	
Non-current assets	11,535
Current assets	51,339
Non-current liabilities	-
Current liabilities	(372)
Net assets	62,502
Year ended 31 December	
Revenue	1,785
Profit for the financial year	1,427
Other comprehensive income	-
Total comprehensive income	1,427

	SIBB Berhad RM'000	**Other individually immaterial associates RM'000**	**Total RM'000**
Reconciliation of net assets to carrying amount			
Group's share of net assets	12,500	(9)	12,491
Exchange differences	-	480	480
Carrying amount in the statements of financial position	12,500	471	12,971
Group's share of results			
Year ended 31 December			
Group's share of profit or loss	285	119	404
Other information			
Dividends received	-	-	

11. INVESTMENT IN ASSOCIATES (CONTINUED)

(b) The following table summarises the information of the Group's material associates, adjusted for any differences in accounting policies and reconciles the information to the carrying amount of the Group's interest in the associates (Continued):

The summarised financial information of the associates is as follows:

	Group	
	2020	2019
Results	RM'000	RM'000
Revenue	1,041	2,900
(Loss)/Profit for the financial year	(306)	274
Assets and Liabilities		
Total assets	76,179	69,659
Total liabilities	10,816	3,803

12. INVESTMENT IN A JOINT VENTURE

	Group	
	2020	2019
	RM'000	RM'000
At 1 January	-	-
Share of post-acquisition reserve, net of dividends received	-	-
Exchange differences	-	-
At 31 December	-	-

The details of the joint venture are as follows:

Name of Company	Country of Incorporation	Effective Equity Interest 2020 %	Effective Equity Interest 2019 %	Principal Activities
Indirect joint venture help through Unified Communications Pte. Ltd.				
Unified Telcom Private Limited *	India	29.15	29.15	Provision of telecommunications products, services and customised solutions

* *Audited by another firm of auditors other than Baker Tilly Monteiro Heng PLT.*

The statutory reporting year end of the joint venture is 31 March. The unaudited management financial statements for the period from 1 January 2020 to 31 December 2020 of the joint venture have been used for equity accounting since it is not significant to the Group. The financial statement of the joint venture is not material to the Group.

13. INVESTMENT SECURITIES

	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Non-Current:				
Fair value through other comprehensive income financial assets:				
Designated as at fair value through other comprehensive income				
Quoted securities				
In Malaysia				
- Equity instruments, at fair value	5,791	6,433	-	-
Unquoted securities				
In Malaysia				
- Equity instruments, at fair value	-	5	-	-
Outside Malaysia				
- Equity instruments, at fair value	1,704	1,704	-	-
	1,704	1,709	-	-
Fair value through profit or loss financial assets:				
Designated as at fair value through profit or loss				
Unquoted securities				
In Malaysia				
- Convertible preference shares, at fair value	1,530	1,293	-	-
Outside Malaysia				
- Convertible preference shares, at fair value	30,256	37,430	-	-
- Convertible loan notes, at fair value	12,265	8,924	-	-
	44,051	47,647	-	-
Total non-current investment securities	51,546	55,789	-	-

13. INVESTMENT SECURITIES (CONTINUED)

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Current:				
Financial assets at fair value through profit or loss:				
Held for trading investments				
Quoted securities				
In Malaysia				
- Equity instruments, at fair value	2,680	1,400	1,085	-
Outside Malaysia				
- Equity instruments, at fair value	2,482	-	-	-
Total current investment securities	5,162	1,400	1,085	-
Total investment securities	56,708	57,189	1,085	-

14. DEFERRED TAX (ASSETS)/LIABILITIES

(a) Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The amounts of deferred tax assets and liabilities, after appropriate offsetting, are as follows:

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
At 1 January	(718)	180	-	-
Recognised in profit or loss (Note 30)	(424)	(3,471)	-	-
Recognised in equity	318	2,573	-	-
At 31 December	(824)	(718)	-	-
Presented after appropriate offsetting:				
Deferred tax assets, net	(4,841)	(5,864)	-	-
Deferred tax liabilities, net	4,017	5,146	-	-
	(824)	(718)	-	-

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

(b) The component and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows:

Deferred tax liabilities of the Group

	Property, Plant and Equipment RM'000	Others RM'000	Total RM'000
At 1 January 2020	3,561	1,585	5,146
Recognised in profit or loss	77	(1,524)	(1,447)
Recognised in equity	318	-	318
At 31 December 2020	3,956	61	4,017
At 1 January 2019	3,684	837	4,521
Recognised in profit or loss	(123)	(1,825)	(1,948)
Recognised in equity	-	2,573	2,573
At 31 December 2019	3,561	1,585	5,146

Deferred tax assets of the Group

	Unutilised tax losses and unabsorbed capital allowances RM'000	Others RM'000	Total RM'000
At 1 January 2020	4,954	910	5,864
Recognised in profit or loss	(337)	(686)	(1,023)
At 31 December 2020	4,617	224	4,841
At 1 January 2019	4,797	(456)	4,341
Recognised in profit or loss	157	1,366	1,523
At 31 December 2019	4,954	910	5,864

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

(c) The amount of temporary differences for which no deferred tax assets have been recognised are as follows:

	Group	
	2020	2019
	RM'000	RM'000
Unutilised tax losses	167,065	152,445
Unabsorbed capital allowances	24,929	24,248
Right-of-use assets	2,891	2,673
Others	4,293	3,968
	199,178	183,334

The unused tax losses are available indefinitely for offset against future taxable profits of the Group except for certain unused tax losses which will expire in the following financial years:

	Group
	2020
	RM'000
Unused tax losses arising from foreign subsidiaries	
2025	3,939
2026	110
2027	655
	4,704
Unused tax losses arising from local subsidiaries	
2025	133,894
2026	14,413
2027	13,965
	162,272

15. INVENTORIES

	Group	
	2020	2019
	RM'000	RM'000
At cost:		
Raw materials	43	43
Work-in-progress	425	1,802
Finished goods	13	13
Food and beverages	690	663
Operating supplies	6,570	6,211
Completed properties and properties under development	37,484	42,357
	45,225	51,089

Completed properties and properties under development consist of the following:

	Group	
	2020	2019
	RM'000	RM'000
Current assets		
Leasehold land	7,549	7,549
Development costs	14,522	13,958
	22,071	21,507
Completed properties	15,413	20,850
	37,484	42,357

Certain leasehold land held under development with carrying amount of RM5.00 million (2019: RM5.00 million) has been charged to financial institutions for credit facilities granted to a subsidiary as disclosed in Note 22 to the financial statements.

The cost of inventories of the Group recognised as an expense in cost of sales during the financial year was RM14.46 million (2019: RM7.77 million).

16. TRADE AND OTHER RECEIVABLES

		Group		Company	
		2020	2019	2020	2019
	Note	RM'000	RM'000	RM'000	RM'000
Current:					
Trade					
Trade receivables	(a)	36,461	65,493	-	-
Less : Impairment losses					
Trade receivables	(a)	(3,383)	(2,211)	-	-
		33,078	63,282	-	-
Non-Trade					
Other receivables	(a)	19,655	29,929	159	150
Deposits		10,500	9,441	5	5
Amounts owing from associates	(b)	29	1,665	-	-
Amounts owing from subsidiaries	(c)	-	-	3,014	844
		30,184	41,035	3,178	999
Less : Impairment losses					
Other receivables	(a)	(4,055)	(1,856)	(154)	-
		(4,055)	(1,856)	(154)	-
		26,129	39,179	3,024	999
Total trade and other receivables		59,207	102,461	3,024	999

(a) Trade and other receivables

Trade receivables are unsecured, non-interest bearing and normal credit terms offered by the Group range from 30 to 90 days (2019: 30 to 90 days). Other credit terms are assessed and approved on a case by case basis.

Trade receivables that are individually determined to be credit impaired at the reporting date relate to receivables that have defaulted on payments.

The information about the credit exposures are disclosed in the Note 37(b)(i) to the financial statements.

(b) Amount owing from associates

The amount owing from associates are unsecured, interest-free and are repayable on demand by cash.

16. TRADE AND OTHER RECEIVABLES (CONTINUED)

(c) Amount owing from subsidiaries

	Company	
	2020	**2019**
	RM'000	**RM'000**
Amount owing from subsidiaries	22,517	65,130
Less : Impairment loss	(19,503)	(64,286)
	3,014	844

The amount owing from subsidiaries are unsecured, interest-free and are repayable on demand by cash.

17. OTHER ASSETS/(LIABILITIES)

	Group	
	2020	**2019**
	RM'000	**RM'000**
Other assets		
Contract assets		
Contract assets relating to property development contracts	6,454	1,257
Contract assets relating to information technology contracts	2,126	919
	8,580	2,176
Contract costs		
Costs incurred to obtain or fulfil a contract relating to information technology	4,205	7,060
Prepayments	5,459	7,466
	18,244	16,702
Other liabilities		
Contract liabilities		
Contract liabilities relating to information technology contracts	(1,229)	(2,011)
Contract liabilities relating to travel & tour sales	(3,245)	(4,693)
Contract liabilities relating to education	(60)	(22)
	(4,534)	(6,726)

17. OTHER ASSETS/(LIABILITIES) (CONTINUED)

The movement in contract costs are as follows:

	Group	
	2020	2019
	RM'000	RM'000
At 1 January	7,060	10,639
Additions	6,146	6,327
Recognised as cost for performance obligation satisfied	(9,012)	(9,903)
Exchange differences	11	(3)
At 31 December	4,205	7,060

18. FINANCIAL ASSETS HELD FOR TRADING

	Group	
	2020	2019
	RM'000	RM'000
Financial assets held for trading designated at fair value through profit or loss:		
Foreign currencies held for sale	8	462

19. CASH AND BANK BALANCES AND SHORT TERM DEPOSITS

		Group		Company	
		2020	2019	2020	2019
	Note	RM'000	RM'000	RM'000	RM'000
Cash and bank balances		57,860	47,922	1,210	804
Short term deposits		63,157	79,898	5,619	26,148
As reported in the statements of financial position		121,017	127,820	6,829	26,952
Bank overdrafts		(354)	(2,815)	-	-
		120,663	125,005	6,829	26,952
Less:					
Deposits pledged to licensed banks	(a)	(19,634)	(20,689)	-	-
Cash held under Housing Development Account	(b)	(661)	(643)	-	-
Deposit placed with lease payable as security deposit for lease payments	(c)	(13,409)	(13,054)	-	-
Cash and cash equivalents included in the statements of cash flows		86,959	90,619	6,829	26,952

19. CASH AND BANK BALANCES AND SHORT TERM DEPOSITS (CONTINUED)

Included in the short term deposits of the Group are:

(a) an amount of RM19.63 million (2019: RM20.69 million) charged to licensed banks as security for banking facilities granted to certain subsidiaries as disclosed in Note 22 to the financial statements;

(b) included in deposits with licensed banks of the Group at the end of the reporting period was an amount of RM0.66 million (2019: RM0.64 million) held under the Housing Development Account pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966 and therefore restricted from use in other operations; and

(c) an amount of RM13.41 million (2019: RM13.05 million) pledged as security deposits on lease payments as disclosed in Note 23 to the financial statements.

The weighted average effective interest rate of the short term deposits is disclosed in Note 37(b)(iii) to the financial statements.

20. SHARE CAPITAL

	2020		2019	
	Number of Shares '000	Amount RM'000	Number of Shares '000	Amount RM'000
Issued and fully paid:				
Ordinary shares				
At 1 January/31 December	929,195	381,377	929,195	381,377

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

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one (1) vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual interest.

21. RESERVES

		Group		Company	
		2020	2019	2020	2019
	Note	RM'000	RM'000	RM'000	RM'000
Fair value reserve	(a)	(3,537)	(1,334)	-	-
Foreign currency translation reserve	(b)	12,793	6,728	-	-
Revaluation reserve	(c)	15,614	14,547	-	-
		24,870	19,941	-	-
Retained earnings		42,827	80,378	12,091	13,795
		67,697	100,319	12,091	13,795

(a) **Fair Value Reserve**

The fair value reserve includes the cumulative net change in the fair value through other comprehensive income investment held until the investment is derecognised.

(b) **Foreign Currency Translation Reserve**

The foreign currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency as well as the foreign currency differences arising from monetary items which form part of the Group's net investment in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation or another currency.

(c) **Revaluation Reserve**

The revaluation reserve represents the surplus on the revaluation of hotel properties of the Group.

22. BORROWINGS

		Group	
		2020	**2019**
	Note	**RM'000**	**RM'000**
Non-current liabilities			
Term loans	(c)	38,347	38,614
Current liabilities			
Bank overdrafts	(a)	354	2,815
Revolving credit	(b)	13,000	-
Term loans	(c)	5,757	7,348
		19,111	10,163
		57,458	48,777
Total liabilities			
Bank overdrafts	(a)	354	2,815
Revolving credit	(b)	13,000	-
Term loans	(c)	44,104	45,962
		57,458	48,777

(a) Bank Overdrafts

	Group	
	2020	**2019**
	RM'000	**RM'000**
Bank overdrafts:		
- secured	354	2,815

The bank overdrafts are secured by way of:

(i) a pledge of short term deposits;

(ii) fixed and floating charges over the assets of certain subsidiaries as disclosed in Note 7, 15 and 19 to the financial statements; and

(iii) a guarantee and an indemnity from the Company and its subsidiaries.

The weighted average effective interest rate of the revolving credit is disclosed in Note 37(b)(iii) to the financial statements.

22. BORROWINGS (CONTINUED)

(b) Revolving Credit

The revolving credit is secured by way of:

(i) a pledge of short term deposits;

(ii) fixed charges over certain hotel and property of the Group as disclosed in Note 5(a) to the financial statements;

(iii) certain shares of subsidiaries at carrying amounts of RM10.28 million (2019: RM10.28 million) and RM61.94 million (2019: RM61.94 million) respectively; and

(iv) a guarantee and an indemnity from the Company.

The weighted average effective interest rate of the revolving credit is disclosed in Note 37(b)(iii) to the financial statements.

(c) Term Loans

	Group	
	2020	2019
	RM'000	RM'000
Term loans		
- secured	44,104	45,962
Represented by:		
Current		
- not later than one (1) year	5,757	7,348
Non-current		
- later than one (1) year but not later five (5) years	16,551	12,065
- later than five (5) years	21,796	26,549
	38,347	38,614
	44,104	45,962

The term loans are secured by way of:

(i) fixed charges over certain hotel and other properties of the Group as disclosed in Notes 5(a) and 7 to the financial statements;

(ii) the entire issued and paid up share capital of certain subsidiaries;

(iii) certain shares of subsidiaries at carrying amounts of RM10.28 million (2019: RM10.28 million) and RM61.94 million (2019: RM61.94 million) respectively;

(iv) fixed and floating charges over the assets of certain subsidiaries as disclosed in Notes 15 and 19(a) to the financial statements; and

22. BORROWINGS (CONTINUED)

(c) Term Loans (Continued)

The term loans are secured by way of (Continued):

(v) a corporate guarantee by the Company and its subsidiaries.

The weighted average effective interest rate of the term loans is disclosed in Note 37(b)(iii) to the financial statements.

23. LEASE LIABILITIES

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Minimum lease payments:				
- not later than one (1) year	9,452	11,204	683	-
- later than one (1) year but not later than five (5) years	36,741	30,360	2,730	-
- later than five (5) years	26,978	33,285	2,559	-
	73,171	74,849	5,972	-
Less: Future lease interest	(16,326)	(17,912)	(923)	-
Present value of lease liabilities	56,845	56,937	5,049	-
Represented by:				
Current				
- not later than one (1) year	6,339	8,090	501	-
Non-current				
- later than one (1) year but not later than five (5) years	28,015	21,280	2,190	-
- later than five (5) years	22,491	27,567	2,358	-
	50,506	48,847	4,548	-
	56,845	56,937	5,049	-

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date. The lease payments are discounted using the Group's weighted average incremental borrowing rate of 3.6% to 5.5% (2019: 5.5%).

23. LEASE LIABILITIES (CONTINUED)

The Group determines the lease term of a lease as the non-cancellable period of the lease, together with periods covered by an option to extend or to terminate the lease if the Group is reasonably certain to exercise the relevant options. Management has considered the relevant facts and circumstances that create an economic incentive for the Group to either exercise the option to extend the lease, or to exercise the option to terminate the lease. Any differences in expectations from the original estimates would impact the carrying amounts of the lease liabilities of the Group.

The Group has recognised the lease payments associated with short term leases and low value assets on a straight-line basis over the lease terms and recognised as rental expenses as disclosed in Note 28 to the financial statements.

24. PROVISION FOR RETIREMENT BENEFIT OBLIGATIONS

The Group operates unfunded defined retirement benefit plans for some of its employees.

The total amount recognised in the statements of financial position are as follows:

	Group	
	2020	**2019**
	RM'000	**RM'000**
Present value of unfunded defined benefits obligations	1,386	1,923

The following table shows a reconciliation from the opening balance to the closing balance for the retirement benefit plan:

	Group	
	2020	**2019**
	RM'000	**RM'000**
At 1 January	1,923	1,666
Include in the profit or loss:		
- Current service cost	107	318
- Past service cost	(724)	-
- Interest expenses	80	-
	(537)	318
Others:		
Paid during the financial year	-	(61)
At 31 December	1,386	1,923

24. PROVISION FOR RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

The principal actuarial assumptions used are as follows:

	Group	
	2020	**2019**
	%	**%**
Discount rate	5.4	5.4
Expected rate of salary increase	6.0	6.0

Assumptions regarding future mortality are based on published statistics and mortality tables.

Sensitivity analysis

Reasonable possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	Group Defined benefit obligation	
	Increase	**Decrease**
2020	**RM'000**	**RM'000**
Increase/Decrease of 1% discount rate	(169)	198
Increase/Decrease of 1% expected rate of salary increase	217	(188)

Although the analysis does not account to the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

25. TRADE AND OTHER PAYABLES

		Group		Company	
		2020	2019	2020	2019
	Note	RM'000	RM'000	RM'000	RM'000
Non-Current:					
Non-Trade					
Other payables		9,294	9,753	-	-
Total non-current payables		9,294	9,753	-	-
Current:					
Trade					
Trade payables	(a)	15,857	22,044	-	-
Current:					
Non-Trade					
Accruals		14,782	20,197	472	470
Amount owing to associates	(b)	23	331	-	-
Amount owing to subsidiaries	(c)	-	-	234,858	306,007
Deposits received		1,873	1,617	-	-
Other payables		16,383	23,272	-	-
		33,061	45,417	235,330	306,477
Total current payables		48,918	67,461	235,330	306,477
Total trade and other payables		58,212	77,214	235,330	306,477

(a) **Trade payables**

Trade payables are non-interest bearing and the normal credit terms granted to the Group range from 30 to 90 days (2019: 30 to 90 days).

(b) **Amount owing to associates**

The amount owing to associates are unsecured, interest-free and are repayable on demand by cash.

(c) **Amount owing to subsidiaries**

The amount owing to subsidiaries are unsecured, interest-free and are repayable on demand by cash.

26. REVENUE

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Revenue from contract customers				
Property development & Investment	6,466	699	-	-
Hotels and resorts	19,968	55,757	-	-
Information and communications technology	65,126	72,362	-	-
Travel and tours	20,262	135,175	-	-
Bus-body fabrication	527	1,119	-	-
Financial services	4,090	8,866	-	-
Education services	107	336	-	-
Revenue from other sources				
Rental income	463	793	-	-
Interest income	201	410	201	410
Dividend income	-	-	10,500	16,300
Others	30	-	-	-
	117,240	275,517	10,701	16,710

The Group and the Company report the following major segments: investment holding, property development and investment, hotels and resorts, information and communications technology, travel and tours, financial services and others in accordance with MFRS 8 *Operating Segments*. For the purpose of disclosure, it disaggregates revenue into primary geographical markets, and timing of revenue recognition (i.e. goods transferred at a point in time or services transferred over time).

26. REVENUE (CONTINUED)

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Revenue:				
- Investment holding	686	1,162	10,701	16,710
- Property development & Investment	6,474	699	-	-
- Hotels and resorts	19,968	55,798	-	-
- Information and communications technology	65,126	72,362	-	-
- Travel and tours	20,262	135,175	-	-
- Financial services	4,090	8,866	-	-
- Others	634	1,455	-	-
	117,240	275,517	10,701	16,710
Timing of revenue recognition:				
At a point in time	35,685	143,160	10,701	16,710
Over time	81,555	132,357	-	-
	117,240	275,517	10,701	16,710

The information on disaggregation of revenue into primary geographical markets is disclosed in Note 35 to the financial statements.

27. COST OF SALES

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Property development & Investment	6,114	635	-	-
Hotels and resorts	11,108	22,411	-	-
Information and communications technology	30,771	34,620	-	-
Travel and tours	17,497	125,030	-	-
Bus-body fabrication	3,997	767	-	-
Financial services	2,558	5,187	-	-
Education services	249	537	-	-
	72,294	189,187	-	-

28. OPERATING (LOSS)/PROFIT

Operating (loss)/profit has been arrived at:

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
After charging:				
Amortisation of intangible assets	1,403	1,396	-	-
Auditors' remuneration				
- statutory audit services:				
- current financial year	946	946	100	100
- under provision in prior years	9	22	-	9
- non-statutory audit services	9	9	9	9
Inventories written down	2,157	3	-	-
Bad debts written off	2	4	-	-
Depreciation of property, plant and equipment	6,878	5,838	15	9
Depreciation of right-of-use assets	8,370	9,425	144	-
Directors' remuneration:				
- fees	522	802	207	315
- other emoluments	2,231	3,870	1,443	1,902
Expense relating to short-term lease	274	466	99	170
Impairment loss on:				
- amount owing from associates	2,108	-	-	-
- development expenditure	34	-	-	-
- goodwill	736	-	-	-
- investment in associates	355	-	-	-
- investment in subsidiaries	-	-	1,195	3,150
- property, plant and equipment	4	2,247	3	-
- trade and other receivables	3,371	-	1,921	-
Fair value change in:				
- held for trading investments	308	-	322	-
- foreign currency held for trading	-	1	-	-
- investment in associates	-	7,810	-	-
- unquoted investment securities designated at fair value to profit or loss	1,752	-	-	-
Net loss on foreign exchange:				
- realised	243	7	-	-
- unrealised	-	2,524	-	-

28. OPERATING (LOSS)/PROFIT (CONTINUED)

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

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
After charging (Continued):				
Property, plant and equipment written off	1,219	1,534	-	-
Provision for retirement benefits plan	-	318	-	-
Staff cost:				
- salaries and wages	35,946	42,662	2,786	3,488
- defined contribution plan	4,956	6,712	434	507
- other employee benefits	3,890	4,467	42	21
And crediting:				
Covid-19 related rent concession income	2,345	-	-	-
Insurance claim compensation	-	17,649	-	-
Gain on disposal of:				
- property, plant and equipment	6,568	90,281	-	-
- an associate	-	830	-	-
- held for trading investment	813	-	243	-
Fair value change in:				
- unquoted investment securities designated at fair value to profit or loss	-	8,687	-	-
Net gain on foreign exchange:				
- realised	3,048	-	1	-
- unrealised	518	-	-	359
Interest income:				
- short term deposits	1,365	2,727	201	410
- other investment	685	217	-	-
Rental income	680	948	-	-
Reversal of impairment losses on trade and other receivables	-	4	-	-
Reversal of provision for retirement benefits plan	536	-	-	-
Reversal of provision	854	-	-	-

29. FINANCE COSTS

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Interest expenses				
- bank overdrafts	1	5	-	-
- finance leases	-	248	-	-
- term loans	2,028	5,733	987	3,883
- lease liabilities	3,145	3,511	46	-
- others	1	1	234	254
	5,175	9,498	1,267	4,137

30. INCOME TAX EXPENSE

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Income tax				
Current year				
- In Malaysia	352	5,516	66	112
- Outside Malaysia	4,362	4,930	-	-
Prior years	68	(849)	-	(4)
Real property gain tax				
Current year	-	8,159	-	-
Deferred tax (Note 14)				
Current year	(417)	(3,471)	-	-
Prior years	(7)	-	-	-
	4,358	14,285	66	108

The income tax is calculated at the statutory rate of 24% (2019: 24%) of the estimated assessable profit for the year.

30. INCOME TAX EXPENSE (CONTINUED)

An indirect subsidiary of the Company in Malaysia, Postpay Technology Sdn. Bhd., has been granted pioneer status as Multimedia Super Corridor ("MSC") company under the Malaysia Promotion of Investment Act, 1986. The benefits to a company having MSC status include a five-year pioneer status tax exemption on profits generated from the MSC qualifying activities during the same period. The MSC status of Postpay Technology Sdn. Bhd. commenced from 3 January 2017 and will expire on 2 January 2022.

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

	Group		**Company**	
	2020	**2019**	**2020**	**2019**
	%	%	%	%
Applicable tax rate	(24)	24	24	24
Tax effects arising from				
- Non allowable expenses	28	8	136	97
- Non taxable income	(2)	(29)	(156)	(118)
- Utilisation of previously unrecognised tax losses and capital allowances	-	(2)	-	-
- Deferred tax assets not recognised in the year	13	4	-	-
- Different tax rate in foreign jurisdiction	1	-	-	-
- Real property gain tax	-	9	-	-
	16	14	4	3
- (over)/under provision in prior years	(1)	1	-	-
Average effective tax rate	15	15	4	3

31. (LOSS)/EARNINGS PER ORDINARY SHARE

(a) Basic (loss)/earnings per ordinary share

Basic (loss)/earnings per ordinary share are based on the (loss)/profit attributable to the owner of the Company and the weighted average number of ordinary shares outstanding during the financial year, calculated as follows:

	Group	
	2020	**2019**
	RM'000	**RM'000**
(Loss)/Profit attributable to owners of the Company	(34,299)	74,944
	'000 Units	**'000 Units**
Weighted average number of ordinary shares in issue	929,195	929,195
	Sen	**Sen**
Basic (loss)/earnings per share	(3.69)	8.07

(b) Diluted (loss)/earnings per ordinary share

The basic and diluted (loss)/earnings per share are reported to be the same for the current year and last year as the Company has no dilutive potential shares.

32. DIVIDENDS

	Company	
	2020	**2019**
	RM'000	**RM'000**
Final single tier dividend of 0.35 sen per share in respect of financial year ended 31 December 2019, paid on 18 August 2020	3,252	-
Final single tier dividend of 0.25 sen per share in respect of financial year ended 31 December 2018, paid on 15 August 2019	-	2,323

In addition, the Directors have recommended a final single tier dividend of 0.15 sen per ordinary share in respect of the financial year ended 31 December 2020 and payable upon approval by shareholders at the forthcoming Annual General Meeting.

The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the next financial year ending 31 December 2021.

33. CONTINGENT LIABILITIES

	Group	
	2020	2019
	RM'000	RM'000
Litigation	6,375	6,388

On 19 November 2013, Unified Telecom Private Limited ("UTPL"), a joint venture of Unified Communications Pte Ltd ("UCPL"), filed a petition to the High Court of Delhi, New Delhi in India under Section 9 of India Arbitration and Conciliation Act, 1996 to obtain interim relief on the protection of assets currently under the custody of a former customer, a mobile telecoms network operator and service provider in India (the "Telco"), and to deny the penalty claims by the Telco against UTPL.

The Telco had via a letter issued in July 2013 alleged that UTPL is liable for a sum of INR 11.3 crore (approximately RM6.4 million) for damages and expenditure incurred in connection with the contract during its currency.

Legal advice has been sought from reputable law firms in both India and Singapore with good credentials in handling contract litigation and dispute resolution, to review and advise on the merit of this claim by the Telco on UTPL. Based on the legal opinions obtained from the law firm concerned, management is of the view that UTPL has full rights and title to the assets and should be entitled to demand their return, and that the Telco's claim against UTPL has no legal merit. Accordingly, external legal counsels in Singapore and India have been appointed to advise and represent UCPL and UTPL to pursue legal recourse.

As announced by the Company on 16 January 2015, the hearing on the petition filed by UTPL which was originally scheduled to be heard on 23 April 2014, having been adjourned on several occasions, was dismissed by the High Court, as the Telco had initiated the arbitration proceedings before a tribunal. The High Court was of the view that the matter should be resolved through arbitration proceedings since the tribunal had already been constituted.

In 2015, UTPL commenced an application pursuant to Section 17 of the Indian Arbitration and Conciliation Act 1996 for, amongst others, the return of the assets. However, the learned Arbitrator dismissed the application, but directed Telco to ensure the safety of and protect the assets from any damage during the period the Hardware is lying in Telco's premises.

A number of procedural hearings have been held by the Arbitrator to cross examine the affidavits of the admissions and denial documents relating to the aforesaid claim and counterclaims throughout the years. The case is currently at the stage of evidence. On 22 August 2019, the Arbitrator allowed UTPL's application for inspection and production of the documents referred to by the Telco's witness in the course of cross examination in which to be produced by the Telco on 5 September 2019.

33. CONTINGENT LIABILITIES (CONTINUED)

On 5 September 2019, the Telco raised a procedural objection under the Indian Arbitration and Conciliation Act 2015, which is pending determination by the Arbitrator before cross examination of witnesses may proceed.

Due to the COVID-19 pandemic, no hearings were scheduled in 2020. In 2021, there were two hearings which took place on 15 February 2021 and 19 February 2021 respectively. The Arbitrator had directed both parties to file written submissions for seeking extension of time by 26 February 2021.

Subsequent to the written submission filing, the case is pending decision by the Arbitrator.

In the opinion of management, no material losses are expected to arise pertaining to the aforesaid contingent matter.

34. SIGNIFICANT RELATED PARTY DISCLOSURES

(a) Identification of related parties

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

Related parties of the Group include:

(i) subsidiaries;
(ii) associates;
(iii) joint venture;
(iv) entities in which the directors have a substantial financial interest; and
(v) key management personnel of the Group and the Company, comprising persons (including directors) having the authority and responsibility for planning, directing and controlling the activities directly or indirectly.

34. SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

(b) Significant related party transactions and balances

Significant related party transactions other than those disclosed elsewhere in the financial statements are as follows:

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Income				
(i) Dividends receivable from subsidiaries				
- Alangka-Suka Hotels & Resorts Sdn. Bhd.	-	-	10,500	14,100
- Advance Synergy Realty Sdn. Bhd.	-	-	-	2,200
(ii) Rental receivable from a company of which a director has deemed interest:				
- SJ Securities Sdn. Bhd.	274	469	-	-
Expenses				
(i) Rental payable to a subsidiary				
- AESBI Power Systems Sdn. Bhd.	-	-	99	170
(ii) Purchase of goods and services from a subsidiary				
- Orient Escape Travel Sdn. Bhd.	-	-	-	2
(iii) Lease rental payable to a company of which a director has deemed interest:				
- Leeds Property Limited	2,402	4,673	-	-
(iv) Directors' emoluments:				
- fees	522	802	207	315
- salaries and bonuses	2,231	3,870	1,443	1,902
- benefit-in-kind	70	104	62	97

34. SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

(c) Remuneration of key management personnel

The remuneration of Directors and other key management personnel during the financial year are as follows:

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Fees	682	1,007	207	315
Emoluments and benefits	4,921	7,288	1,687	2,176
Contributions to defined contribution plan	562	707	203	261
	6,165	9,002	2,097	2,752
Benefit-in-kind	106	134	69	103

Included in the employee benefits of the Group and Company are Executive Directors' remuneration amounting to RM1,490,244 (2019: RM1,949,480) and RM1,442,784 (2019: RM1,902,320) respectively.

35. SEGMENT INFORMATION

The Group prepared the following segment information in accordance with MFRS 8 *Operating Segments* and on the basis of internal reports on the Group's strategic business units which are regularly reviewed by the Group Managing Director in order to allocate resources to the segments and to assess their performances.

The Group's operating and reportable segments are business units engaged in providing different products or services and business units operating in different geographical locations. These businesses are managed and assessed separately as each requires a differentiated strategy focused on the specific products and services. The Group Managing Director reviews the internal management reports on a quarterly basis in order to assess their performance.

There are varying levels of integration among Investment Holding segment and Travel and Tours segment with the other segments. This integration includes rental of properties, corporate support and provision of travel-related service. Inter-segment pricing is determined on a negotiated basis.

35. SEGMENT INFORMATION (CONTINUED)

Segment assets

Segment performance is used to measure performance as Group Managing Director believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Performance is evaluated based on operating profit or loss which is measured differently from operating profit or loss in the consolidated financial statements.

The total segment asset is measured based on all assets (including goodwill) of a segment, as included in the internal management reports that are reviewed by the Group Managing Director. Segment total asset is used to measure the return on assets of each segment.

Segment liabilities

The total segment liability is measured based on all liabilities of a segment, as included in the internal management reports that are reviewed by the Group Managing Director.

The Group's operating segments are as follows:

Investment holding	:	Investment holding and providing full corporate and financial support to the Group.
Property development & investment	:	Development of residential and commercial properties and generate rental income.
Hotels and resorts	:	Operate and manage hotels and resorts and other related services.
Information and communications technology	:	Design and development of telecommunications software applications and systems and the provision of solutions and services for the telecommunications industry.
Travel and tours	:	Travel and tour agent and provision of travel related services.
Financial services	:	Payment card issuing and acquiring and related services and money services business.
Others	:	Businesses involving design, building and fabrication of coaches and bus maintenance and related services and owns and operates language centre and related services.

35. **SEGMENT INFORMATION (CONTINUED)**

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by operating segment:

2020	**Investment holding RM'000**	**Property development and investment RM'000**	**Hotels and resorts RM'000**	**Information and communications technology RM'000**	**Travel and tours RM'000**	**Financial services RM'000**	**Others RM'000**	**Elimination RM'000**	**Notes**	**Total RM'000**
Revenue										
External	686	6,474	19,968	65,126	20,262	4,090	634	-		117,240
Inter-segment	13,333	424	-	-	1	-	-	(13,758)	(a)	-
	14,019	6,898	19,968	65,126	20,263	4,090	634	(13,758)		117,240
Results										
Segment results	(583)	(2,251)	(6,448)	8,810	(1,543)	(5,661)	(7,632)	(13,648)	(b)	(28,956)
Share of results of associates	140	-	2	-	-	-	-	-		142
Consolidated (loss)/ profit before tax	(443)	(2,251)	(6,446)	8,810	(1,543)	(5,661)	(7,632)	(13,648)		(28,814)
Income tax expense	(450)	-	(1,565)	(2,341)	(2)	-	-	-		(4,358)
Loss for the financial year										(33,172)
Attributable to:										
Non-controlling interests										1,127
Owners of the Company										(34,299)

35. **SEGMENT INFORMATION (CONTINUED)**

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by operating segment (Continued):

2020	Investment holding RM'000	Property development and investment RM'000	Hotels and resorts RM'000	Information and communications technology RM'000	Travel and tours RM'000	Financial services RM'000	Others RM'000	Elimination RM'000	Notes	Total RM'000
Other information										
Segment assets	66,822	115,791	259,469	180,179	19,943	23,589	18,406	-		684,199
Investment in associates and a joint venture	12,640	-	117	-	-	-	-	-		12,757
Unallocated corporate assets										7,242
Total assets										704,198
Segment liabilities	5,266	40,159	89,213	19,200	6,570	9,757	8,269	-		178,434
Unallocated corporate liabilities										9,031
Total liabilities										187,465
Additions to non-current assets (other than financial instruments and deferred tax assets)										
- Property, plant and equipment	74	1,953	10,040	1,332	52	2,032	189	-		15,672
- Software development expenditure	-	-	-	1,113	-	-	-	-		1,113

35. **SEGMENT INFORMATION (CONTINUED)**

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by operating segment (Continued):

2020	Investment holding RM'000	Property development and investment RM'000	Hotels and resorts RM'000	Information and communications technology RM'000	Travel and tours RM'000	Financial services RM'000	Others RM'000	Elimination RM'000	Notes	Total RM'000
Other information (Continued)										
Income:										
Interest income	229	23	976	598	219	-	5	-		2,050
Gain on disposal of:										
-property, plant and equipment	-	-	6,559	9	-	-	-	-		6,568
-held for trading investments	411	-	189	-	-	-	213	-		813
Reversal of provision	9	-	845	-	-	-	-	-		854
Expense:										
Amortisation of intangible assets	-	-	-	953	-	-	450	-		1,403
Depreciation on property, plant and equipment	161	222	4,135	1,803	79	189	289	-		6,878
Depreciation on right-of-use assets	-	92	6,996	434	168	-	680	-		8,370
Finance cost	1,146	267	3,222	385	15	-	140	-		5,175

35. **SEGMENT INFORMATION (CONTINUED)**

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by operating segment (Continued):

2020	Investment holding RM'000	Property development and investment RM'000	Hotels and resorts RM'000	Information and communications technology RM'000	Travel and tours RM'000	Financial services RM'000	Others RM'000	Elimination RM'000	Notes	Total RM'000
Other information (Continued)										
Expense (Continued):										
Fair value change in:										
-held for trading investments	303	-	(218)	-	-	-	223	-		308
-unquoted investment securities designated at fair value to profit or loss	1,221	-	-	531	-	-	-	-		1,752
Impairment loss on:										
-amount owing from associates	2,108	-	-	-	-	-	-	-		2,108
-development expenditure	-	-	-	34	-	-	-	-		34
-goodwill	736	-	-	-	-	-	-	-		736
-investment in associates	-	-	-	-	355	-	-	-		355
-property, plant and equipment	3	-	-	1	-	-	-	-		4
-trade and other receivables	2,317	-	412	6	-	-	636	-		3,371

35. **SEGMENT INFORMATION (CONTINUED)**

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by operating segment (Continued):

2020	Investment holding RM'000	Property development and investment RM'000	Hotels and resorts RM'000	Information and communications technology RM'000	Travel and tours RM'000	Financial services RM'000	Others RM'000	Elimination RM'000	Notes	Total RM'000
Other information (Continued)										
Expense (Continued):										
Write down on inventories	-	-	-	-	-	-	2,157	-		2,157
Bad debts written off	-	-	-	-	2	-	-	-		2
Property, plant										
and equipment written off	-	136	1,016	21	46	-	-	-		1,219
Staff costs:										
- salaries and wages	5,611	380	9,524	14,595	3,222	1,219	1,395	-		35,946
- defined contribution plan	794	62	1,156	2,243	425	107	169	-		4,956
- other employee benefits	291	22	1,437	1,310	525	282	23	-		3,890

35. **SEGMENT INFORMATION (CONTINUED)**

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by operating segment (Continued):

2019	Investment holding RM'000	Property development and investment RM'000	Hotels and resorts RM'000	Information and communications technology RM'000	Travel and tours RM'000	Financial services RM'000	Others RM'000	Elimination RM'000	Notes	Total RM'000
Revenue										
External	1,162	699	55,798	72,362	135,175	8,866	1,455	-		275,517
Inter-segment	17,698	-	-	-	259	-	-	(17,957)	(a)	-
	18,860	699	55,798	72,362	135,434	8,866	1,455	(17,957)		275,517
Results										
Segment results	87,578	(913)	5,759	10,803	3,583	(4,977)	(5,886)	(737)	(b)	95,210
Share of results of associates	413	-	4	-	(13)	-	-	-		404
Consolidated profit/ (loss) before tax	87,991	(913)	5,763	10,803	3,570	(4,977)	(5,886)	(737)		95,614
Income tax expense	(8,266)	-	(3,463)	(2,099)	(417)	-	(40)	-		(14,285)
Profit for the financial year										81,329
Attributable to:										
Non-controlling interests										6,385
Owners of the Company										74,944

35. **SEGMENT INFORMATION (CONTINUED)**

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by operating segment (Continued):

2019	**Investment holding RM'000**	**Property development and investment RM'000**	**Hotels and resorts RM'000**	**Information and communications technology RM'000**	**Travel and tours RM'000**	**Financial services RM'000**	**Others RM'000**	**Elimination RM'000**	**Notes**	**Total RM'000**
Other information										
Segment assets	61,485	98,645	290,000	213,016	22,845	26,797	17,692	-		730,480
Investment in associates and a joint venture	12,504	-	112	-	355	-	-	-		12,971
Unallocated corporate assets										9,585
Total assets										753,036
Segment liabilities	11,513	37,170	92,408	25,037	7,456	12,065	5,928	-		191,577
Unallocated corporate liabilities										10,691
Total liabilities										202,268
Additions to non-current assets (other than financial instruments and deferred tax assets)										
- Property, plant and equipment	645	1	3,344	2,014	64	3,281	28	-		9,377
- Software development expenditure	-	-	-	926	-	-	-	-		926

35. **SEGMENT INFORMATION (CONTINUED)**

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by operating segment (Continued):

2019	**Investment holding RM'000**	**Property development and investment RM'000**	**Hotels and resorts RM'000**	**Information and communications technology RM'000**	**Travel and tours RM'000**	**Financial services RM'000**	**Others RM'000**	**Elimination RM'000**	**Notes**	**Total RM'000**
Other information (Continued)										
Income:										
Interest income	701	27	1,649	453	114	-	-	-		2,944
Reversal of impairment loss on receivables	-	-	-	4	-	-	-	-		4
Gain on disposal of:										
-an associate	830	-	-	-	-	-	-	-		830
-property, plant and equipment	90,281	-	-	-	-	-	-	-		90,281
Fair value change in:										
-unquoted investment securities designated at fair value to profit or loss	1,742	-	-	8,108	(1,163)	-	-	-		8,687
Insurance claim compensation	-	-	17,649	-	-	-	-	-		17,649

35. **SEGMENT INFORMATION (CONTINUED)**

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by operating segment (Continued):

2019	**Investment holding RM'000**	**Property development and investment RM'000**	**Hotels and resorts RM'000**	**Information and communications technology RM'000**	**Travel and tours RM'000**	**Financial services RM'000**	**Others RM'000**	**Elimination RM'000**	**Notes**	**Total RM'000**
<u>Other information (Continued)</u>										
Expense:										
Amortisation of intangible assets	-	-	-	1,396	-	-	-	-		1,396
Depreciation on property, plant and equipment	558	25	2,951	1,816	75	120	293	-		5,838
Depreciation on right-of-use assets	-	-	8,778	173	207	-	267	-		9,425
Finance cost	5,274	-	3,657	425	48	-	94	-		9,498
Fair value change in:										
-foreign currency held for trading	-	-	-	-	1	-	-	-		1
-investment in associates	1,028	-	-	6,782	-	-	-	-		7,810
Impairment loss on:										
-property, plant and equipment	-	-	1,577	670	-	-	-	-		2,247

35. **SEGMENT INFORMATION (CONTINUED)**

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by operating segment (Continued):

2019	Investment holding RM'000	Property development and investment RM'000	Hotels and resorts RM'000	Information and communications technology RM'000	Travel and tours RM'000	Financial services RM'000	Others RM'000	Elimination RM'000	Notes	Total RM'000
Other information (Continued)										
Expense (Continued):										
Write down on inventories	-	-	-	3	-	-	-	-		3
Bad debts written off	-	-	-	4	-	-	-	-		4
Property, plant and equipment written off	3	-	1,394	-	-	-	137	-		1,534
Staff costs:										
- salaries and wages	4,883	630	12,329	15,964	3,515	2,922	2,419	-		42,662
- defined contribution plan	676	74	2,602	2,255	499	278	328	-		6,712
- other employee benefits	97	25	1,830	1,578	700	91	146	-		4,467

35. SEGMENT INFORMATION (CONTINUED)

Notes Nature of elimination to arrive at amounts reported in the consolidated financial statements:

(a) Inter-segment revenues are eliminated on consolidation; and

(b) Inter-segment expenses are eliminated on consolidation.

Geographical Information

The Group operates mainly in Malaysia, Singapore, Africa and Middle East, Europe and others. In determining the geographical segments of the Group, revenue is based on the geographical locations of customers. Segment assets and capital expenditure are based on the geographical location of the assets. The composition of each geographical segment is as follows:

Malaysia	:	Investment holding and providing full corporate and financial support to the Group, property development and investment, owner and operator of hotels and resorts, travel and tours and related services, money services, payment card issuing and acquiring and related services, design and development of telecommunications software applications and systems and the provision of solutions and services for the telecommunications industry, design, building and fabrication of coaches, and bus maintenance and related services and owns and operates language centre.
Singapore	:	Design and development of telecommunications software applications and systems and the provision of solutions and services for the telecommunications industry, provision of management and investment holdings.
Africa and Middle East	:	Operate and manage hotels and resorts, design and development of telecommunications software applications and systems and the provision of solutions and services for the telecommunications industry.
Europe	:	Operate and manage hotels and resorts.
Others	:	Operate and manage hotels and resorts, design and development of telecommunications software applications and systems and the provision of solutions and services for the telecommunications industry.

35. SEGMENT INFORMATION (CONTINUED)

Geographical segments

The following table provides an analysis of the Group's revenue, segment assets and additions to non-current assets (other than financial instruments and deferred tax assets) by geographical segment:

	Revenue		Non-current assets		Additions to non-current assets (other than financial instruments and deferred tax assets)	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Malaysia	99,908	240,617	300,264	280,613	12,559	8,641
Singapore	2,082	2,088	24,551	21,623	-	234
Africa & Middle East	4,442	6,041	194	319	18	216
Europe	1,962	12,864	61,478	75,225	4,146	71
Others	8,846	13,907	48,849	52,766	62	1,141
	117,240	275,517	435,336	430,546	16,785	10,303

Major customers

For the information and technology communications division, revenue from two customers represented RM17.9 million and RM13.4 million respectively of the Group's total revenue.

36. FAIR VALUE OF FINANCIAL INSTRUMENTS

(a) **Financial instruments that are not carried at fair value and whose carrying amounts are reasonably approximated to fair value**

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

	Note
Financial Assets	
Trade and other receivables	16
Cash and bank balances and short term deposits	19
Financial Liabilities	
Trade and other payables	25
Borrowings	22

36. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial instruments that are not carried at fair value and whose carrying amounts are reasonably approximated to fair value (Continued)

The carrying amount of these financial assets and liabilities is reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

The carrying amount of the current portion of borrowings is reasonable approximation of fair values due to the insignificant impact of discounting.

The carrying amount of long term floating rate loans approximate their fair value as the loans to be repaid to market interest rate on or near report date.

(b) Fair value hierarchy

The following are classes of financial instruments that are carried at fair value, by valuation method. The different levels have been defined as follows:

(i) Level 1 - Unadjusted quoted prices in an active market for identical financial instruments

(ii) Level 2 - Inputs other than quoted prices included within Level 1 that are observable either directly or indirectly

(iii) Level 3 - Inputs that are not based on observable market data

36. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

(b) Fair value hierarchy (Continued)

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

Group		Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Fair	Carrying
		Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	value	amount
2020	**Note**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Financial Assets											
Investment securities:	13										
- Fair value through other comprehensive income financial assets		5,791	-	1,704	7,495	-	-	-	-	7,495	7,495
- Fair value through profit or loss financial assets		-	-	44,051	44,051	-	-	-	-	44,051	44,051
- Held for trading investments		5,162	-	-	5,162	-	-	-	-	5,162	5,162
Foreign currency held for trading	18	8	-	-	8	-	-	-	-	8	8
Financial Liabilities											
Borrowings:											
- Term loans	22	-	-	-	-	-	-	38,347	38,347	38,347	38,347

36. **FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)**

(b) **Fair value hierarchy (Continued)**

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

		Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Fair value	Carrying amount
Group		**Level 1**	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**		
2019	**Note**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Financial Assets											
Investment securities:	13										
- Fair value through other comprehensive income financial assets		6,433	-	1,709	8,142	-	-	-	-	8,142	8,142
- Fair value through profit or loss financial assets		-	-	47,647	47,647	-	-	-	-	47,647	47,647
- Held for trading investments		1,400	-	-	1,400	-	-	-	-	1,400	1,400
Foreign currency held for trading	18	462	-	-	462	-	-	-	-	462	462
Financial Liabilities											
Borrowings:											
- Term loans	22	-	-	-	-	-	-	38,614	38,614	38,614	38,614

36. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

(b) Fair value hierarchy (Continued)

Policy on transfer between levels

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

Fair value hierarchy

Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

Financial instrument carried at fair value

The fair value of quoted investments are estimated based on their quoted market prices as at the end of the reporting period.

Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.

Level 3 fair value

Level 3 fair value is estimated using unobservable input for the financial assets with the respective valuation technique.

Financial instrument carried at fair value

Valuation process applied by the Group

The Group adopted the following valuation methodologies in estimating the fair values of the financial assets designated at fair value through profit or loss:

(i) Option Pricing Model ("OPM"): The OPM, which applies the Black-Scholes formula for option pricing, is a generally accepted valuation methodology used in estimating fair values of early stage companies, in particular those with different classes of shares. In applying the OPM to determine the fair value of an investee, management considers terms such as level of seniority among the securities, dividend policy, conversion ratios, and cash allocations of the various stockholders' agreements with the investee that would affect the distributions to each class of equity upon a liquidity event. In addition, the method implicitly considers the effect of the liquidation preference as of the future liquidation date, not as of the valuation date.

36. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

(b) Fair value hierarchy (Continued)

(ii) Implied Enterprise Value ("Implied EV"): The implied EV model estimates the enterprise value based on an adjusted implied EV/Revenue multiple and applies the OPM model based on Black-Scholes model, to allocate the estimated enterprise value to various classes of shares.

The key assumptions used in applying the OPM and Implied EV models which are unobservable inputs, are as follows:

Unobservable inputs	2020	2019	Sensitivity of inputs to fair value
Risk free rates (range)	0.15%—2.86%	1.53%—3.10%	Increase (decrease) of the inputs would result in decrease (increase) in fair values
Asset volatility (range)	27.92%—100%	24.21%—119.46%	
Expected terms (years)	1.33 to 3.10	0.55 to 5	

The Group has the policy to regularly assess and evaluate the appropriate valuation methodologies in ascertaining the fair value of the investments.

Financial instruments not carried at fair value

The fair value of the revolving credit, hire purchase payable, term loans and finance lease payable are determined using the discounted cash flows method based on discount rates that reflects the issuer's borrowing rate as at the end of the reporting period.

Transfer between levels of fair values hierarchy

There is no transfer between levels of fair values hierarchy during the financial year.

37. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

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

(i) fair value through profit or loss ("FVPL");
(ii) designated fair value through profit or loss ("DFVPL");
(iii) amortised cost;
(iv) fair value through other comprehensive income ("FVOCI"); and
(v) designated fair value through other comprehensive income ("DFVOCI").

37. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Categories of financial instruments (Continued)

2020	Carrying amount RM'000	Amortised cost RM'000	FVPL RM'000	DFVPL RM'000	DFVOCI RM'000
Group					
Financial Assets					
Investment securities	56,708	-	5,162	44,051	7,495
Trade and other receivables	59,207	59,207	-	-	-
Foreign currency held for trading	8	-	-	8	-
Cash and bank balances and short term deposits	121,017	121,017	-	-	-
	236,940	180,224	5,162	44,059	7,495
Company					
Financial Assets					
Investment securities	1,085	-	1,085	-	-
Trade and other receivables	3,024	3,024	-	-	-
Cash and bank balances and short term deposits	6,829	6,829	-	-	-
	10,938	9,853	1,085	-	-
Group					
Financial Liabilities					
Borrowings	57,458	57,458	-	-	-
Trade and other payables	58,212	58,212	-	-	-
	115,670	115,670	-	-	-
Company					
Financial Liabilities					
Trade and other payables	235,330	235,330	-	-	-

37. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Categories of financial instruments (Continued)

2019	Carrying amount RM'000	Amortised cost RM'000	FVPL RM'000	DFVPL RM'000	DFVOCI RM'000
Group					
Financial Assets					
Investment securities	57,189	-	1,400	47,647	8,142
Trade and other receivables	102,461	102,461	-	-	-
Foreign currency held for trading	462	-	-	462	-
Cash and bank balances and short term deposits	127,820	127,820	-	-	-
	287,932	230,281	1,400	48,109	8,142
Company					
Financial Assets					
Trade and other receivables	999	999	-	-	-
Cash and bank balances and short term deposits	26,952	26,952	-	-	-
	27,951	27,951	-	-	-
Group					
Financial Liabilities					
Borrowings	48,777	48,777	-	-	-
Trade and other payables	77,214	77,214	-	-	-
	125,991	125,991	-	-	-
Company					
Financial Liabilities					
Trade and other payables	306,477	306,477	-	-	-

37. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management

The operations of the Group and of the Company are exposed to a variety of financial risks, including credit risk, liquidity risk, interest rate risk, foreign currency risk and market price risk. The Group and the Company have formulated a financial risk management framework whose principal objective is to minimise the Group's and the Company's exposure to risks and/or costs associated with the financing, investing and operating activities of the Group and of the Company.

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

(i) Credit Risk

Credit risk is the risk of financial loss that may arise on outstanding financial instruments should a counter party default on its obligation. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. It is the Group's and the Company's policy to monitor the financial standing of these receivables on an ongoing basis to ensure that the Group and the Company are exposed to minimal credit risk.

Cash deposits and trade receivables may give rise to credit risk which requires the loss to be recognised if a counter party fails to perform as contracted.

Trade and other receivables

As at the end of the financial year, the Group has no significant concentration of credit risk other than an amount owing from a debtor of RM10.16 million (2019: RM9.79 million). The Group does not anticipate the carrying amounts as at the end of the financial year to be significantly different from the values that would eventually be received.

The maximum exposures to credit risk are represented by the carrying amounts of the financial assets in the statements of financial position.

37. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

(i) Credit Risk (Continued)

Credit risk concentration profile

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

	Group			
	2020		2019	
	RM'000	% of total	RM'000	% of total
By industry sectors:				
Investment holding	4	0.0%	32	0.1%
Property development & & Investment	1	0.0%	1	0.0%
Hotels and resorts	4,396	13.3%	8,959	14.2%
Information and communications technology	22,286	67.4%	30,122	47.5%
Travel and tours	827	2.5%	8,373	13.2%
Financial Services	5,271	15.9%	12,965	20.5%
Others	293	0.9%	2,830	4.5%
	33,078	100.0%	63,282	100.0%

The Group applies the simplified approach to trade receivables and general approach to other receivables to providing for impairment losses prescribed by MFRS 9, which permits the use of the lifetime expected credit loss provision for all trade receivables and other receivables. To measure the impairment losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The impairment losses also incorporate forward looking information.

37. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

(i) Credit Risk (Continued)

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

	Group	
	2020	**2019**
	RM'000	**RM'000**
Neither past due nor impaired	18,676	36,637
Past due 0 to 3 months	5,070	11,765
Past due 3 to 9 months	6,752	11,097
Past due over 9 months	2,580	3,783
	14,402	26,645
Credit impaired (individually assessed)	3,383	2,211
	36,461	65,493

The following significant changes in the gross carrying amounts of trade receivables and other receivables contributed to the changes in the impairment loss allowance during the financial year 2020:

- The Covid-19 pandemic resulted in modification of contractual cash flows of trade receivables and other receivables and increase in the Group's impairment losses in the financial year 2020 of RM1.2 million and RM2.2 million respectively.

37. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

(i) Credit Risk (Continued)

Receivables that are impaired

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

	Group			
	Trade receivables		Other receivables	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
At 1 January	2,211	2,211	1,856	1,861
Charge for the financial year				
- individually assessed	1,172	-	2,199	-
Written off	-	-	-	(4)
Exchange differences	-	-	-	(1)
At 31 December	3,383	2,211	4,055	1,856

Other receivables

For other receivables, 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 exposure to credit risk arising from other receivables is 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.

Some intercompany loans between entities within the Group are repayable on demand. For loans that are repayable on demand, impairment losses are assessed based on the assumption that repayment of the loan is demanded at the reporting date. If the borrower does not have sufficient highly liquid resources when the loan is demanded, the Group and the Company will consider the expected manner of recovery and recovery period of the intercompany loan.

37. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

(i) Credit Risk (Continued)

Other receivables (Continued)

The Group and the Company consider those financial assets to have low credit risk.

Refer to Note 3.12(a) for the Group's and the Company's other accounting policies for impairment of financial assets.

Financial guarantees

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries.

The maximum exposure to credit risk amounts to RM52.28 million (2019: RM43.49 million) representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period.

As at the reporting date, there was no loss allowance for impairment as determined by the Company for the financial guarantee.

The financial guarantees have not been recognised since the fair value on initial recognition was not material as the guarantees are provided as credit enhancement to the subsidiaries' secured borrowings.

(ii) Liquidity Risk

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

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

37. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

(ii) Liquidity Risk (Continued)

Maturity analysis

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

			Contractual cash flows			
2020	**Carrying Amount**	**Contractual interest rate**	**On demand or within 1 Year**	**Between 1 - 5 Years**	**More than 5 Years**	**Total**
Group	**RM'000**	**%**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Financial Liabilities						
Trade and other payables	58,212	-	58,212	-	-	58,212
Bank overdrafts	354	5.40	354	-	-	354
Revolving credit	13,000	3.97-4.65	13,000	-	-	13,000
Term loans	44,104	3.15-7.96	5,067	19,387	27,259	51,713
Lease liabilities	56,845	3.60-5.50	9,452	36,741	26,978	73,171
Company						
Financial Liabilities						
Other payables	235,330	-	235,330	-	-	235,330
Lease liability	5,049	3.60	683	2,730	2,559	5,972
Financial guarantee contracts	-	-	52,275	-	-	52,275
2019						
Group						
Financial Liabilities						
Trade and other payables	77,214	-	77,214	-	-	77,214
Bank overdrafts	2,815	8.06	2,815	-	-	2,815
Term loans	45,962	4.40-8.60	5,122	19,449	33,180	57,751
Lease liabilities	56,937	5.50	11,204	30,360	33,285	74,849
Company						
Financial Liabilities						
Other payables	306,477	-	306,477	-	-	306,477
Financial guarantee contracts	-	-	43,487	-	-	43,487

37. 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 and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's income and operating cash flows are substantially independent of changes in market interest rates. Interest rate exposure arises from the Group's borrowings and is managed through the use of fixed and floating rate debts. The Group does not use derivative financial instruments to hedge its risk.

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

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period were:

		2020		2019	
Fixed Rate		**Weighted Average Effective Interest Rate**	**Carrying Amount**	**Weighted Average Effective Interest Rate**	**Carrying Amount**
Group	**Note**	**%**	**RM'000**	**%**	**RM'000**
Financial Assets					
Short term deposits	19	2.36	63,157	2.74	79,898
Financial Liabilities					
Term loan	22(c)	8.60	2,590	8.60	4,498
Company					
Financial Assets					
Short term deposits	19	0.59	5,619	2.17	26,148
Floating Rate					
Group					
Financial Liabilities					
Bank overdrafts	22(a)	5.40	354	8.06	2,815
Revolving credit	22(b)	3.97-4.65	13,000	-	-
Term loans	22(c)	4.09	41,514	5.69	41,464
			54,868		44,279

37. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

(iii) Interest Rate Risk (Continued)

Sensitivity analysis for interest rate risk

(a) **Fair value sensitivity analysis for fixed rate instruments**

The Group and the Company do not account for any fixed rate financial assets at fair value through profit or loss and equity. Therefore, a change in interest rates at the reporting date would not affect profit or loss and equity.

(b) **Cash flow sensitivity analysis for variable rate instruments**

At the reporting date, if interest rates had been 100 basis points lower/higher, with all other variables held constant, the Group's and the Company's profit net of tax would have been RM0.06 million and RM0.04 million higher/lower respectively, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings and higher/lower interest income from floating rate fixed deposits. The assumed movement in basis points for interest rate sensitivity analysis is based on a prudent estimate of the current market environment.

(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.

Foreign currency risk is the risk of fluctuation in fair value or future cash flows of a financial instrument as a result of changes in foreign exchange rates. The Group's and the Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's and the Company's operating activities (when sales, purchases and borrowings that are denominated in a foreign currency) and the Group's net investments in foreign subsidiaries.

The Group and the Company ensure that the net exposure to this risk is kept to an acceptable level by buying or selling foreign currencies at spot rates where necessary to address short-term imbalances. Management does not enter into currency hedging transactions since it considers that the cost of such instruments outweighs the potential risk of exchange rate fluctuations.

37. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

(iv) Foreign Currency Risk (Continued)

The unhedged financial assets and liabilities of the Group that are not denominated in their functional currencies are as follows:

	← Functional currencies →			
Group	**Ringgit Malaysia**	**US Dollar**	**Singapore Dollar**	**Total**
2020	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Financial assets and liabilities not held in functional currencies				
Investment securities				
Renminbi	-	1,693	-	1,693
Trade receivables				
US Dollar	21	-	932	953
Others	100	-	-	100
	121	-	932	1,053
Other receivables				
US Dollar	-	-	9	9
Financial assets held for trading				
US Dollar	6	-	-	6
Others	2	-	-	2
	8	-	-	8
Cash and bank balances				
Australia Dollar	3	-	-	3
Euro	19	5	-	24
Pound Sterling	5,476	53	-	5,529
Singapore Dollar	3	289	-	292
US Dollar	4,949	1,113	641	6,703
Others	5	-	-	5
	10,455	1,460	641	12,556
Trade payables				
US Dollar	1,442	-	413	1,855
Others	237	-	36	273
	1,679	-	449	2,128

37. **FINANCIAL INSTRUMENTS (CONTINUED)**

(b) **Financial risk management (Continued)**

(iv) **Foreign Currency Risk (Continued)**

The unhedged financial assets and liabilities of the Group that are not denominated in their functional currencies are as follows (Continued):

	← Functional currencies →			
Group	**Ringgit Malaysia**	**US Dollar**	**Singapore Dollar**	**Total**
2019	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Financial assets and liabilities not held in functional currencies				
Investment securities				
Renminbi	-	1,693	-	1,693
Trade receivables				
US Dollar	120	-	800	920
Others	210	-	-	210
	330	-	800	1,130
Other receivables				
US Dollar	6	-	55	61
Financial assets held for trading				
Australia Dollar	32	-	-	32
Euro	109	-	-	109
Hong Kong Dollar	14	-	-	14
Pound Sterling	13	-	-	13
Singapore Dollar	23	-	-	23
US Dollar	107	-	-	107
Others	164	-	-	164
	462	-	-	462
Cash and bank balances				
Australia Dollar	3	-	-	3
Euro	21	6	-	27
Pound Sterling	8,043	9	-	8,052
Singapore Dollar	3	289	-	292
US Dollar	4,977	-	1,241	6,218
Others	5	-	-	5
	13,052	304	1,241	14,597

37. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

(iv) Foreign Currency Risk (Continued)

The unhedged financial assets and liabilities of the Group that are not denominated in their functional currencies are as follows (Continued):

	← Functional currencies →			
	Ringgit	**US**	**Singapore**	
Group	**Malaysia**	**Dollar**	**Dollar**	**Total**
2019	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Financial assets and liabilities not held in functional currencies				
Trade payables				
US Dollar	2,758	-	326	3,084
Euro	371	-	-	371
Others	286	-	36	322
	3,415	-	362	3,777

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's total profit to a reasonably possible change in the USD, AUD and GBP exchange rate against the respective functional currencies of the Group entities, with all other variables held constant.

Group		**Effect on profit for the financial year**
2020		**RM'000**
GBP/RM	- strengthened 10%	(548)
	- weakened 10%	548
RMB/RM	- strengthened 10%	(169)
	- weakened 10%	169
USD/RM	- strengthened 10%	(465)
	- weakened 10%	465
2019		
GBP/RM	- strengthened 10%	806
	- weakened 10%	(806)
RMB/RM	- strengthened 10%	(169)
	- weakened 10%	169
USD/RM	- strengthened 10%	(245)
	- weakened 10%	245

37. **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 (other than interest or exchange rates).

The Group is exposed to equity price risk arising from its investment in quoted equity instruments. Equity price risk arises from unfavourable movements in share price of quoted investments that adversely affect the valuation on equity instruments. There is a direct correlation between movements in share price of quoted equity investments and movements in stock market index. These instruments are classified as held for trading or available-for-sale financial assets. The Group does not have exposure to commodity price risk.

Sensitivity analysis for equity price risk

This analysis assumes that all other variables remain constant and the Group's equity investments moved in correlation with stock market index.

A 5 percent higher in equity prices at the end of the reporting period would have increased equity the Group's and the Company's equity by RM0.55 million (2019: RM0.39 million) and RM0.05 million (2019: NIL) respectively. A 5 percent lower in equity prices would have had equal but opposite effect on equity.

38. **CAPITAL MANAGEMENT**

The Group actively and regularly reviews and manages its capital structure with the objectives of ensuring that the Group will be able to continue as a going concern while maximising the return to stakeholders. These reviews take into consideration future capital requirements of the Group, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and strategic investment opportunities.

The capital structure of the Group consists of debt which includes borrowings (Note 22 to the financial statements), cash and cash equivalents (Statements of Cash Flows), and equity attributable to equity holders of the Company.

38. CAPITAL MANAGEMENT (CONTINUED)

The Group's overall capital management strategy remains unchanged from 2019 and this includes maintaining a healthy gearing ratio taking into consideration the objectives of the Group. As at the reporting date, the gearing ratio calculated as total borrowings divided by total equity is as follows:

	Group	
	2020	2019
	RM'000	RM'000
Total borrowings	57,458	48,777
Less : Cash and cash equivalents	(87,313)	(93,434)
Subtotal	(29,855)	(44,657)
Total equity	516,733	550,768
Debt-to-equity ratio	*	*

* Not applicable

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

39. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE FINANCIAL YEAR

The significant events during and subsequent to the financial year are as follows:

(a) On 23 January 2020, the Board of Directors of the Company resolved to restructure the current group structure by re-organising four existing inactive wholly-owned subsidiaries to be 70% owned by Advance Synergy Realty Sdn. Bhd. ("ASR"), a wholly-owned subsidiary of the Company, and 30% owned by Kibar Konsep Sdn. Bhd. ("KK"), to operate the new serviced office business and food & beverage ("F&B") business at two buildings owned jointly by ASR and KK. ASR has 70% interest in each of the buildings with the remaining interest of 30% held by KK. The two buildings are located at No.17, Jalan Yap Ah Shak, 50300 Kuala Lumpur and No.9, Jalan Kajibumi U1/70, Temasya Glenmarie, 40150 Shah Alam, Selangor.

The aforesaid four existing inactive subsidiaries are Yap Ah Shak House Sdn. Bhd. (formerly known as Advansa Sdn. Bhd.) and Temasya House Sdn. Bhd. (formerly known as Cosmocourt.com (Malaysia) Sdn. Bhd.) which will be the operating companies for the serviced offices, while Osteria Gamberoni Sdn. Bhd. (formerly known as Rewardstreet.com (Malaysia) Sdn. Bhd.) and Primo Espresso Sdn. Bhd. (formerly known as Bornion Sawmill Sdn. Bhd.) will operate the F&B business.

The aforesaid restructuring which involved the transfers of the total issued share capital in each company for a nominal value of RM10.00 to ASR and KK in the proportion of their shareholding of 70% and 30% respectively has been completed.

39. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE FINANCIAL YEAR (CONTINUED)

The significant events during and subsequent to the financial year are as follows (Continued):

(b) On 9 July 2020, Posthotel Arosa AG, an indirect 65% owned-subsidiary of the Company, entered into a purchase right agreement with Postresidenz am See AG for the proposed disposal of all that piece of freehold land located at Oberseepromenade, Postfach 289, CH 7050 Arosa, Switzerland for a cash consideration of CHF5.95 million (equivalent to RM26.768 million) and the disposal was completed on 4 December 2020.

(c) The Company announced on 6 November 2020 that Mayor Hotels Sdn. Bhd., an indirect wholly-owned subsidiary of the Company, had on 6 November 2020 entered into a sale and purchase agreement ("SPA") with M1 Plaza Sdn. Bhd. to dispose the hotel property known as City Villa Kuala Lumpur located at No.69, Jalan Haji Hussein, Off Jalan Tuanku Abdul Rahman, 50300 Kuala Lumpur for a total cash consideration of RM24,000,000. The proposed disposal is expected to be completed in the fourth quarter of 2024.

(d) The Group and the Company have accounted for the possible impacts of COVID-19 pandemic in their application of significant judgements and estimates for the financial year ended 31 December 2020 in determining the amounts recognised in the financial statements for the financial year ended 31 December 2020 as disclosed in Note 4 to the financial statements.

Given the fluidity of the situation, the Group and the Company are unable to reasonably estimate the complete financial impact of COVID-19 pandemic for the financial year ending 31 December 2021 to be disclosed in the financial statements as the impact assessment of the COVID-19 pandemic is a continuing process. The Group and the Company will continuously monitor any material changes to future economic conditions that will affect the Group and the Company.

Statement By Directors

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

We, **LEE SU NIE** and **YONG TECK MING**, being two of the directors of ADVANCE SYNERGY BERHAD, do hereby state that in the opinion of the directors, the accompanying financial statements set out on pages 105 to 255 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2020 and of their financial performance and cash flows for the financial year then ended.

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

LEE SU NIE
Director

YONG TECK MING
Director

Selangor
Date: 7 April 2021

Statutory Declaration

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

I, **LEE SU NIE**, being the director primarily responsible for the financial management of ADVANCE SYNERGY BERHAD, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements set out on pages 105 to 255 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.

LEE SU NIE

Subscribed and solemnly declared by the abovenamed at Shah Alam, Selangor on 7 April 2021.

Before me,
SITI MARYAM KAMARUDIN
No.: B498

Commissioner for Oaths
Malaysia

Independent Auditors' Report

to the Members of Advance Synergy Berhad

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Advance Synergy Berhad, which comprise the statements of financial position as at 31 December 2020 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 105 to 255.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2020, and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Key Audit Matters

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

Group

Impairment of goodwill (Notes 4(a) and 9 to the financial statements)

Risk:

The carrying amount of the goodwill relating to the information and communications technology ("ICT") cash generating unit ("CGU") amounted to RM83,684,000. The recoverable amount of the CGU was determined based on its value in use ("VIU"). Cash flow projections used in the VIU calculation were based on financial budgets and forecasts approved by management covering a five-year period using a discount rate and forecasted growth rate. Significant judgements arise over the discount rates applied in the recoverable amount calculation and assumptions supporting the underlying cash flow projections, including forecasted growth rates and gross profit margins.

Our audit response:

Our audit procedures focus on evaluating the cash flow projections and the Group's projection procedures which included, among others:

- assessing the methodology adopted by the Group;
- comparing the actual results with previous cash flow projections to assess the performance of the business and historical accuracy of the projections;
- testing the mathematical accuracy of the impairment assessment;
- performing a sensitivity analysis around the key inputs that are expected to be most sensitive to the recoverable amount; and
- comparing the Group's assumptions to externally derived data as well as our assessments in relation to key inputs such as discount rates, forecasted growth rates and profit margins.

Key Audit Matters (Continued)

Group (Continued)

Impairment of right-of-use assets (Note 6 to the financial statements)

Risk:

The Group has significant balances of right-of-use assets relating to its hotel operations. The recent Movement Control Order ("MCO") has adversely affected the hotel's operation. This indicates that the right-of-use assets may be impaired. As such, there is risk the future performance of these assets may not lead to carrying values being recoverable in full. The Group has performed an impairment assessment to estimate the recoverable amount of these assets which involved significant judgement. The significant judgement is applied over the discount rate used in determining the recoverable amount calculation and assumptions supporting the underlying cash flow projections which includes forecast growth rates and profit margin.

Our audit response:

Our audit procedures included, among others:

- understanding the valuation methodology on recoverable amount on adopted by the Group in accordance to the requirements of MFRS 136 *Impairment of Assets*;
- comparing the Group's assumptions to externally derived data as well as our assessments in relation to key inputs such as discount rates, forecast growth rates and profit margin;
- testing the mathematical accuracy of the impairment assessment; and
- performing a sensitivity analysis around the key inputs that are expected to be most sensitive to the recoverable amount.

Fair value of unquoted investment (Notes 4(b) and 13 to the financial statements)

Risk:

The carrying amount of unquoted investments amounted to RM45,755,000. The unquoted investments are not traded in an active market and the quoted price is not readily and regularly available. The fair value is established by using valuation techniques that are appropriate in circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. The fair value measurement requires the selection among a range of different valuation methodologies, making estimates about expected future cash flows and discounted rates.

Key Audit Matters (Continued)

Group (Continued)

Fair value of unquoted investment (Notes 4(b) and 13 to the financial statements) (Continued)

Our audit response:

As the unquoted investments are held in a component where we are not the auditors, we performed our review of the work of the component auditors in accordance with ISA 600 *Special Considerations - Audits of Group Financial Statements* (including the Work of Component Auditors) and their audit procedures performed included, among others:

- discussing with management the basis used in determining the fair values;
- reviewing work of in-house specialist, especially in determining whether such valuation methodology is consistent with market practice;
- ensuring that the assumptions used and key inputs used has been assessed by the component auditors;
- testing the mathematical accuracy of the valuation methodology used; and
- reviewing the adequacy of the disclosures made in the financial statements in compliance with MFRS 7 Financial Instruments.

Company

Investment in a subsidiary (Note 10 to the financial statements)

Risk:

The Company has significant balance of investment in a subsidiary, namely Advance Synergy Capital Sdn. Bhd. The Company has assessed whether there is any indication that the cost of investment in the subsidiary is impaired at the end of each reporting date. Impairment is measured by comparing the carrying amount of an asset with its recoverable amount. Recoverable amount is measured at the higher of the fair value less cost to sell for that asset and its value-in-use ("VIU").

We focused on this area because the Company's assessment of the recoverable amount involved significant judgement. The recoverable amount of investment in the subsidiary was determined based on VIU. Cash flow projections used in the VIU calculation is based on financial budgets with business plan and forecasts approved by management covering a five-year period using a discount rate and forecasted growth rate in the recoverable amount calculation. The assumption supporting the underlying cash flow projections include future sales, gross profit margin and operating expenses.

Key Audit Matters (Continued)

Company (Continued)

Investment in a subsidiary (Note 10 to the financial statements) (Continued)

Our audit response:

Our audit procedures focus on evaluating the cash flow projections which included, among others:
- comparing the Company's assumptions to our assessments in relation to key assumptions to assess their reasonableness of the projections;
- testing the mathematical accuracy of the impairment assessment; and
- performing a sensitivity analysis around the key assumptions.

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.

Responsibilities of the Directors for the Financial Statements (Continued)

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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 10 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

Heng Fu Joe
No. 02966/11/2022 J
Chartered Accountant

Kuala Lumpur
Date: 7 April 2021

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OTHER INFORMATION

Contents

List of Properties

The top 10 properties of the Group as at 31 December 2020 are as follows:

Location	Description	Approx. land area	Approx. age of building (Years)	Tenure	Carrying Amount (RM'000)	Date of last revaluation / acquisition
57 & 58 Philbeach Gardens - LN69764 59 Philbeach Gardens - LN205767 57 - 59 Philbeach Gardens Earl Courts, London SW5 9ED	Land with hotel building	1,118 sq. m.	> 141	Freehold	57,257	21.02.2019
GM1126 Lot 1301, GM424 Lot 1302, GM857 Lot 1303, GM405 Lot 1305, HS(M) 1096 PT 1300 & HS(M) 1082 PT 1303 Mukim Sungai Karang Cherating Pahang Darul Makmur	Land with hotel building, recreational facilities, restaurants and apartment block	15 acres	27.5 - 33	Freehold	42,800	31.12.2020
17, Jalan Yap Ah Shak 50300 Kuala Lumpur	Five storey commercial building	722 sq. m.	3	Freehold	27,241	30.11.2018
9, Jalan Kajibumi U1/70 Seksyen U1 Temasya Glenmarie 40150 Shah Alam Selangor Darul Ehsan	Four storey commercial building	3,314 sq. m.	3	Freehold	27,011	30.11.2018
Geran 85, Lot 2034 69, Jalan Haji Hussein 50300 Kuala Lumpur	Eighteen storey hotel building	3,214 sq. m.	45	Freehold	24,000	06.01.2020

The top 10 properties of the Group as at 31 December 2020 are as follows (Continued):

Location	Description	Approx. land area	Approx. age of building (Years)	Tenure	Carrying Amount (RM'000)	Date of last revaluation / acquisition
Suite No. 3A-5-1 Level 5, Block 3A Plaza Sentral Jalan Stesen Sentral 5 Kuala Lumpur	Office Suite	749 sq. m. (floor area)	17	Freehold	7,000	12.01.2011
9, Jalan SS3/39 47300 Petaling Jaya Selangor Darul Ehsan	Double storey bangalow	669 sq. m.	53	Freehold	2,750	31.03.2020
GRN 49945, Lot 39472 Mukim of Petaling District of Kuala Lumpur 20, Jalan Menara Gading 1 Taman Connaught, Cheras 56000 Kuala Lumpur	Three storey mid terrace shop office	164 sq. m.	15	Freehold	2,621	20.12.2013
B-16-8, Megan Avenue II 12 Jalan Yap Kwan Seng 50450 Kuala Lumpur	Office	364 sq. m. (floor area)	22	Freehold	1,843	10.01.2013
GRN 232740, Lot 3063 Pekan Kinrara District of Petaling 167, Jalan Kenari 23A Bandar Puchong Jaya 47170 Puchong Selangor Darul Ehsan	Three and a half storey mid terrace shop office	156 sq. m.	11	Freehold	1,686	20.09.2013

Statement on Directors' Interests in the Company

and related corporations as at 7 April 2021

	Ordinary shares	
	Number	**Percentage**
Direct Interest in the Company		
Dato' Ahmad Sebi Bakar *	76,810,009	8.27
Aryati Sasya Dato' Ahmad Sebi	22,308,000	2.40
Deemed Interest in the Company		
Dato' Ahmad Sebi Bakar *	①139,391,853	15.00
Anton Syazi Dato' Ahmad Sebi	②30,467,000	3.28
Lee Su Nie	③365,000	0.04
Puan Sri Datin Masri Khaw Abdullah	④11,500,000	1.24
Direct Interest in related corporation		
Captii Limited ("Captii")		
Anton Syazi Dato' Ahmad Sebi	517,600	1.62
Lee Su Nie	20,000	0.06
Arcylic Synergy Sdn Bhd		
Anton Syazi Dato' Ahmad Sebi	1	negligible
Deemed Interest in related corporation		
Captii		
Kam Kin Foong	⑤55,000	0.17
Segi Koleksi Sdn Bhd ("SKSB")		
Dato' Ahmad Sebi Bakar	⑥105,000	30.00
Anton Syazi Dato' Ahmad Sebi	⑦105,000	30.00
Aryati Sasya Dato' Ahmad Sebi	⑦105,000	30.00
Metroprime Corporation Sdn Bhd ("MCSB")		
Dato' Ahmad Sebi Bakar	⑧350,000	100.00
Anton Syazi Dato' Ahmad Sebi	⑨350,000	100.00
Aryati Sasya Dato' Ahmad Sebi	⑨350,000	100.00
Temasya House Sdn Bhd ("Temasya") *(Formerly known as Cosmocourt.com (Malaysia) Sdn Bhd)*		
Anton Syazi Dato' Ahmad Sebi	⑩150,000	30.00
Aryati Sasya Dato' Ahmad Sebi	⑩150,000	30.00
Yap Ah Shak House Sdn Bhd ("YAS") *(Formerly known as Advansa Sdn Bhd)*		
Anton Syazi Dato' Ahmad Sebi	⑩15,000	30.00
Aryati Sasya Dato' Ahmad Sebi	⑩15,000	30.00
Primo Espresso Sdn Bhd ("Primo") *(Formerly known as Bornion Sawmill Sdn Bhd)*		
Anton Syazi Dato' Ahmad Sebi	⑩600,000	30.00
Aryati Sasya Dato' Ahmad Sebi	⑩600,000	30.00
Osteria Gamberoni Sdn Bhd ("Osteria") *(Formerly known as Rewardstreet.com (Malaysia) Sdn Bhd)*		
Anton Syazi Dato' Ahmad Sebi	⑩345,000	30.00
Aryati Sasya Dato' Ahmad Sebi	⑩345,000	30.00

	Ordinary shares	
	Number	Percentage
Deemed Interest in related corporation (continued)		
	Ordinary shares of CHF500.00 each	
Posthotel Arosa AG ("Arosa")		
Anton Syazi Dato' Ahmad Sebi	⑩3,150	35.00
Aryati Sasya Dato' Ahmad Sebi	⑩3,150	35.00
	Ordinary shares GBP1.00 each	
57-59 Philbeach Gardens Limited ("PGL")		
Anton Syazi Dato' Ahmad Sebi	⑪100	100.00
Aryati Sasya Dato' Ahmad Sebi	⑪100	100.00
Beaver Hotels Limited ("BHL")		
Anton Syazi Dato' Ahmad Sebi	⑫1,100	100.00
Aryati Sasya Dato' Ahmad Sebi	⑫1,100	100.00

Notes:

* By virtue of his interest in ASB, Dato' Ahmad Sebi Bakar is also deemed to be interested in the shares of all investee companies (including subsidiaries) to the extent that ASB has an interest.

① By virtue of his interest in Bright Existence Sdn. Bhd. ("BESB") and Suasana Dinamik Sdn. Bhd. ("SDSB"), Dato' Ahmad Sebi Bakar is also deemed to be interested in the ordinary shares of ASB to the extent that BESB and SDSB have an interest respectively.

② By virtue of his interest in Eighth Review (M) Sdn. Bhd. ("ERSB"), he is also deemed to be interested in the ordinary shares of ASB to the extent that ERSB has an interest.

③ This is her spouse's interest in the ordinary shares of ASB which shall be treated as her interest in the ordinary shares of ASB pursuant to Section 59(11)(c) of the Companies Act 2016 in Malaysia.

④ By virtue of her interest in ASH Holdings Sdn. Bhd. ("ASH"), Puan Sri Datin Masri Khaw Abdullah is also deemed to be interested in the ordinary shares of ASB to the extent that ASH has an interest.

⑤ This is her spouse's interest in the ordinary shares of Captii which shall be treated as her interest in the ordinary shares of Captii pursuant to Section 59(11)(c) of the Companies Act 2016 in Malaysia.

⑥ This is the interest of his children (Ms Aryati Sasya Dato' Ahmad Sebi and Mr Anton Syazi Dato' Ahmad Sebi) in SKSB which shall be treated as his interest in the ordinary shares of SKSB pursuant to Section 59(11)(c) of the Companies Act 2016 in Malaysia.

⑦ By virtue of their interest in Pacific Existence Sdn. Bhd. ("PESB"), Ms Aryati Sasya Dato' Ahmad Sebi and Mr Anton Syazi Dato' Ahmad Sebi are also deemed to be interested in the shares to the extent that PESB has an interest in SKSB.

⑧ By virtue of his interest in SKSB pursuant to Section 8 of the Companies Act 2016 in Malaysia, Dato' Ahmad Sebi Bakar is also deemed to be interested in the shares to the extent that SKSB has an interest in MCSB.

⑨ By virtue of their interest in SKSB via PESB, Ms Aryati Sasya Dato' Ahmad Sebi and Mr Anton Syazi Dato' Ahmad Sebi are also deemed to be interested in the shares to the extent that SKSB has an interest in MCSB.

⑩ By virtue of their interest in Kibar Konsep Sdn. Bhd. ("KKSB"), Ms Aryati Sasya Dato' Ahmad Sebi and Mr Anton Syazi Dato' Ahmad Sebi are also deemed to be interested in the shares to the extent that KKSB has an interest in Temasya, YAS, Primo, Osteria and Arosa.

⑪ By virtue of their interest in Arosa via KKSB, Ms Aryati Sasya Dato' Ahmad Sebi and Mr Anton Syazi Dato' Ahmad Sebi are also deemed to be interested in the shares to the extent that Arosa has an interest in PGL.

⑫ By virtue of their interest in PGL via Arosa, Ms Aryati Sasya Dato' Ahmad Sebi and Mr Anton Syazi Dato' Ahmad Sebi are also deemed to be interested in the shares to the extent that PGL has an interest in BHL.

Statistics on Shareholdings

as at 7 April 2021

TOTAL NUMBER OF ISSUED SHARES : 929,194,943
ISSUED SHARE CAPITAL : RM381,376,644.99
CLASS OF SHARE : Ordinary Shares
VOTING RIGHT : 1 vote per ordinary share

ANALYSIS OF SHAREHOLDINGS

Size of shareholdings	No. of shareholders	% of shareholders	No. of shares held	% of issued shares
Less than 100 shares	351	1.82	11,056	negligible
100 - 1,000 shares	4,243	22.03	3,704,511	0.40
1,001 - 10,000 shares	9,238	47.96	42,362,987	4.56
10,001 - 100,000 shares	4,638	24.08	171,752,655	18.48
100,001 - less than 5% of issued shares	787	4.09	495,161,872	53.29
5% and above of issued shares	3	0.02	216,201,862	23.27
	19,260	100.00	929,194,943	100.00

LIST OF TOP 30 SHAREHOLDERS

No.	Name	No. of shares held	Percentage
1.	SJ Sec Nominees (Tempatan) Sdn Bhd Suasana Dinamik Sdn Bhd	80,799,926	8.70
2.	Dato' Ahmad Sebi Bakar	76,810,009	8.27
3.	SJ Sec Nominees (Tempatan) Sdn Bhd Bright Existence Sdn Bhd	58,591,927	6.31
4.	SJ Sec Nominees (Tempatan) Sdn Bhd Eighth Review (M) Sdn Bhd	30,467,000	3.28
5.	HSBC Nominees (Asing) Sdn Bhd Exempt an for Bank Julius Baer & Co. Ltd. (Singapore Branch)	25,605,400	2.75
6.	SJ Sec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Aryati Sasya Dato' Ahmad Sebi	22,308,000	2.40
7.	Malpac Capital Sdn Bhd	21,269,150	2.29
8.	Chew Lee Hwa	13,295,200	1.43
9.	Lim Hong Liang	12,160,850	1.31
10.	ASH Holdings Sdn Bhd	11,500,000	1.24

LIST OF TOP 30 SHAREHOLDERS (continued)

No.	Name	No. of shares held	Percentage
11.	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Francis Chai Kim Lung	10,500,000	1.13
12.	PM Nominees (Tempatan) Sdn Bhd Malpac Management Sdn Bhd	9,874,361	1.06
13.	Affin Hwang Investment Bank Berhad IVT (CEN)	9,141,100	0.98
14.	Wong Ten An	7,100,000	0.76
15.	Tay Teck Ho	7,005,000	0.75
16.	Goh Boon Seng	6,831,450	0.73
17.	Chuah Kim Seng	5,634,300	0.61
18.	Affin Hwang Investment Bank Berhad IVT (LEJ)	5,012,200	0.54
19.	CGS-CIMB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lee Yoon Sing (MY3586)	5,000,000	0.54
20.	Ong Ngoh Ing @ Ong Chong Oon	5,000,000	0.54
21.	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ong Kok Thye	4,000,000	0.43
22.	Lee Jooi Seng	3,514,000	0.38
23.	Tan Pak Nang	3,200,000	0.34
24.	Lee Eng Gee	2,720,000	0.29
25.	Ong Bee Lian	2,317,500	0.25
26.	Cartaban Nominees (Asing) Sdn Bhd Exempt An for Union Bancaire Privee, UBP SA, Singapore Branch	2,216,500	0.24
27.	Su Ming Keat	2,152,750	0.23
28.	Gurmit Singh A/L Shamir Singh	2,035,000	0.22
29.	Citigroup Nominees (Asing) Sdn Bhd Exempt An for Bank of Singapore Limited (Foreign)	2,010,000	0.22
30.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim Chung Toung (E-KKU)	2,000,000	0.22
		450,071,623	48.44

SUBSTANTIAL SHAREHOLDERS

Name of substantial shareholders	No. of shares held		% of issued share capital	
	Direct	Deemed	Direct	Deemed
Dato' Ahmad Sebi Bakar	76,810,009	139,391,853	8.27	15.00
Suasana Dinamik Sdn Bhd	80,799,926	-	8.70	-
Bright Existence Sdn Bhd	58,591,927	-	6.31	-

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the **Ninety-Seventh ANNUAL GENERAL MEETING** ("97th AGM") of Advance Synergy Berhad will be conducted fully virtual and entirely via remote participation and electronic voting at the Board Room, Ground Floor, Synergy 9, 9 Jalan Kajibumi U1/70, Temasya Glenmarie, 40150 Shah Alam, Selangor, Malaysia ("Webcast Venue") on Wednesday, 30 June 2021, at 10.00 a.m. for the following purposes:

1. To receive the audited financial statements for the financial year ended 31 December 2020 and the Directors' and Auditors' reports thereon. **Please refer to Explanatory Note**

2. To declare a single tier dividend of 0.15 sen per ordinary share in respect of the financial year ended 31 December 2020. **Resolution 1**

3. To approve the payment of Directors' fees for the financial year ended 31 December 2020. **Resolution 2**

4. To approve the payment of benefits to the Directors from 1 July 2021 until the conclusion of the next annual general meeting of the Company. **Resolution 3**

5. To re-elect the following Directors:
   5.1 Puan Sri Datin Masri Khaw Abdullah **Resolution 4**
   5.2 Mr Rali Mohd Nor **Resolution 5**
   5.3 Ms Kam Kin Foong **Resolution 6**

6. To re-appoint Messrs Baker Tilly Monteiro Heng PLT as auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 7**

SPECIAL BUSINESS

To consider and, if thought fit, pass with or without modifications the following resolutions:

7. **Ordinary Resolution 1 - Retention of Independent Non-Executive Director** **Resolution 8**

   "THAT authority be and is hereby given for Mr Yong Teck Ming who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than twelve (12) years to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting in accordance with the Malaysian Code on Corporate Governance."

8. **Ordinary Resolution 2 - Authority to allot and issue securities** **Resolution 9**

   "THAT subject always to the Companies Act 2016, Constitution of the Company and/or approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby authorised and empowered pursuant to Section 75(1) and Section 76(1) of the Companies Act 2016 to allot and issue new shares or convertible securities in the Company, from time to time at such price and upon such terms and conditions, for such purpose and to such person or persons whomsoever as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares or convertible securities to be issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares (excluding any treasury 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 or convertible securities so issued from Bursa Malaysia Securities Berhad AND THAT such authority shall continue to be in force until the conclusion of the next annual general meeting of the Company."

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

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN that subject to the approval of the shareholders at the 97th AGM, a first and final single tier dividend of 0.15 sen per ordinary share in respect of the financial year ended 31 December 2020 will be paid on 18 August 2021 to the shareholders whose names appear in the Record of Depositors on 28 July 2021.

A depositor shall qualify for entitlement only in respect of:

a. Shares transferred to the Depositor's Securities Account before 4.30 p.m. on 28 July 2021 in respect of transfer; and

b. Shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the rules of Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD

HO TSAE FENG
Secretary

Selangor
30 April 2021

Notes:

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 4 June 2021 (General Meeting Record of Depositors) shall be entitled to attend, speak and vote at this meeting.

2. The 97th AGM will be conducted fully virtual and entirely via remote participation and electronic voting. No member or proxy should be physically present at the Webcast Venue. Members who wish to participate the fully virtual 97th AGM will have to register via the link *https://Dvote.my*. If a member is not able to participate via the fully virtual meeting, the member can appoint the Chair of the meeting or such other person(s) as proxy(ies) and indicate the voting instructions in the proxy form. The appointment of proxy may be done in the manner as detailed below. Please follow the procedures in the Administrative Guide as enclosed for the remote participation access and electronic voting for the 97th AGM of the Company.

3. A member of the Company entitled to attend, speak and vote at the general meeting is entitled to appoint a proxy or proxies to exercise all or any of his/her rights to attend, speak and vote on a show of hands or by poll on any question at this meeting. A proxy need not be a member.

4. A member of the Company may appoint at least one (1) proxy but not more than two (2) proxies to attend, speak and vote in his/her stead. A member of the Company who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with shares of the Company standing to the credit of the said securities account. If a member appoints more than one (1) proxy, they must specify the proportion of the member's shareholdings to be represented by each proxy.

5. Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

6. The instrument appointing a proxy in the case of an individual must be signed by the individual or an attorney who is authorised to act on behalf of the individual and in the case of a corporation, the instrument appointing a proxy must be sealed with the corporation's common seal or signed by an officer of the corporation or an attorney who is authorised to act on behalf of the corporation.

7. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed (or a notarially certified copy of such power or authority) must be deposited at the Registered Office of the Company at Ground Floor, Synergy 9, 9 Jalan Kajibumi U1/70, Temasya Glenmarie, 40150 Shah Alam, Selangor, Malaysia not less than 48 hours before the time appointed for holding the meeting or any other adjournment thereof in the following manner:

   a. by hand or post; or

   b. electronically via email to *Dvoteservice@gmail.com*; or

   c. to register directly at *https://Dvote.my*.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the 97th AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the 97th AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 97th AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

EXPLANATORY NOTES ON ORDINARY BUSINESS

Agenda 1 - Audited Financial Statements for financial year ended 31 December 2020

The audited financial statements for the financial year ended 31 December 2020 are laid in accordance with Section 340(1)(a) of the Companies Act ("CA") 2016 for discussion only under Agenda 1. They do not require shareholders' approval and hence, will not be put for voting.

Resolution 2 - Directors' Fees
Resolution 3 - Directors' Benefits

The proposed Resolution 2, if passed, will authorise the payment of Directors' fees for the financial year ended 31 December 2020 amounting to RM207,000 after the voluntary fee reduction of 50% for Dato' Ahmad Sebi Bakar and 20% for Mr Yong Teck Ming, Mr Rali Mohd Nor, Ms Kam Kin Foong and Ms Aryati Sasya Dato' Ahmad Sebi (2019:RM315,000).

The proposed Resolution 3, if passed, will authorise the payment of benefits to the Directors if any from 1 July 2021 until the conclusion of the next annual general meeting of the Company as and when incurred. The Board is of the view that it is just and equitable for these benefits to be paid as and when incurred particularly after they have discharged their responsibilities and rendered their services to the Company throughout the said period.

Resolutions 4, 5 and 6 - Re-election of Directors

Details of the Directors standing for re-election under proposed Resolutions 4, 5 and 6 are stated in Directors' profile on pages 58 to 61 of this Annual Report. Their securities holdings in the Company and its subsidiaries are stated on pages 270 to 271 of this Annual Report.

EXPLANATORY NOTES ON SPECIAL BUSINESS

Resolution 8 - Retention of Independent Non-Executive Director

The Nomination Committee had assessed the independence of Mr Yong Teck Ming who has served on the Board as an Independent Non-Executive Director of the Company for a cumulative term of more than thirteen (13) years, and the Board had discussed and agreed with the recommendation of the Nomination Committee that in his long service to the Company, he has performed very well as an Independent Non-Executive Director and there is no reason to believe that he would not continue to act independently and to contribute to the Company taking into consideration the following:

(a) he fulfilled the Independent Director criteria under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and thus is able to function as a check and balance and to bring an element of objectivity to the Board;

(b) he is a member of the Institute of Chartered Accountants, Australia, New Zealand and a member of the Institute of Chartered Secretaries and Administrators, United Kingdom. He has vast experience in accounting and a diverse range of business which would enable him to provide the Board with constructive opinion;

(c) he has been with the Company for more than thirteen (13) years and is familiar with the Company's business operations which will enable him to contribute actively and effectively during deliberation at meetings of the Board and Board Committees;

(d) he has exercised his objective and independent judgement on all Board deliberations;

(e) he has devoted sufficient time and attention to his professional obligations for informed and balanced decision making;

(f) he has exercised due care during his tenure as Independent Non-Executive Director of the Company and carried out his professional duties in the best interest of the Company and shareholders; and

(g) he has been providing invaluable contributions to the Board in his role as an Independent Non-Executive Director and Chair of the Audit Committee and Risk Management Committee.

Resolution 9 - Authority to allot and issue securities

The proposed Resolution 9 is the renewal of the mandate obtained from the members at the last Annual General Meeting. As at the date of this Notice, the Company did not allot any shares pursuant to the mandate granted to the Directors at the Ninety-Sixth Annual General Meeting held on 23 July 2020 as there were no requirements for such fund raising activities.

The proposed Resolution 9, if passed, would provide flexibility to the Directors to undertake fund raising activities, including but not limited to further placement of shares or convertible securities for the purpose of funding the Company's future investment project(s), working capital and/or acquisition(s), by the issuance of shares or convertible securities in the Company to such persons at any time as the Directors may deem fit provided that the aggregate number of shares or convertible securities issued pursuant to the mandate does not exceed 10% of the total number of issued shares of the Company for the time being, without having to convene a general meeting. This authority, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

At this juncture, there is no decision to issue new shares or convertible securities. If there should be a decision to issue new shares or convertible securities after the general mandate is obtained, the Company will make an announcement in respect of the purpose and utilisation of proceeds arising from such issue.

Administrative Guide

For the Fully Virtual 97th Annual General Meeting

Day/Date	:	Wednesday, 30 June 2021
Time	:	10.00 a.m.
Webcast Venue	:	Board Room, Ground Floor, Synergy 9, 9 Jalan Kajibumi U1/70, Temasya Glenmarie, 40150 Shah Alam, Selangor, Malaysia.

Entitlement to participate and vote at the 97th AGM

Only members whose names appear in the Record of Depositors on 4 June 2021 shall be entitled to participate, speak and vote at this virtual meeting.

The 97th AGM will be conducted fully virtual and entirely via remote participation and electronic voting. **No member or proxy shall be allowed to be physically present at the Webcast Venue.**

Members who wish to participate in the fully virtual 97th AGM will have to register and attend remotely using the Remote Participation and Voting ("RPV") Facilities.

If a member is not able to participate via the fully virtual meeting but wishes to vote, the member must appoint the Chair of the meeting or such other person(s) as proxy(ies) and indicate the voting instructions in the proxy form.

The proxy form with the proxy's **email address and mobile phone number** must be deposited at the Registered Office of the Company at Ground Floor, Synergy 9, 9 Jalan Kajibumi U1/70, Temasya Glenmarie, 40150 Shah Alam, Selangor, Malaysia **not less than 48 hours** before the time appointed for holding the meeting or any other adjournment thereof either (a) by hand or post; or (b) electronically via email to *Dvoteservice@gmail.com*; or (c) to register directly at *https://Dvote.my*.

Kindly follow the steps below to ensure that you or your proxy(ies) is/are able to participate at the 97th AGM online.

If a member wishes to participate in 97th AGM personally, please do not submit any proxy form. Member will not be allowed to participate in the 97th AGM together with the proxy appointed.

A member who has submitted proxy form and subsequently decide to appoint another person to be the proxy(ies) or wish to participate in the 97th AGM personally, please email to *tsaefeng@asb.com.my* to revoke the earlier appointed proxy **at least 48 hours** before the time for holding the meeting or any adjournment thereof.

Members or proxies may use the [Post Question] box to submit question(s) in real time during the meeting. Members may also submit questions **at least 72 hours** before the meeting to *tsaefeng@asb.com.my* in relation to the agenda items for the 97th AGM. The Chair and management will respond to their best endeavours, questions submitted by members or proxies which relate to the matters in the agenda items of the 97th AGM. A summary of the key matters discussed, including responses to the questions submitted, at the 97th AGM will be published on the Company's website.

Voting Procedure

The voting at the 97th AGM will be conducted by poll in accordance with Paragraph 8.29A of Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Company has appointed Dvote Services Sdn. Bhd. ("Dvote") as Poll Administrator to conduct the poll by way of electronic voting or online remote voting ("e-voting").

Kindly refer to item (2) below of the Procedures for RPV Facilities for guidance on how to vote remotely from Dvote Online website at *https://Dvote.my*.

During the 97th AGM, the Chair of the Meeting will invite the Poll Administrator to brief on the e-Polling housekeeping rules. The voting session will commence as soon as the Chair of the Meeting calls for the poll to be opened and until such time when the Chair of the Meeting announces the closure of the poll.

For the purposes of the 97th AGM, e-voting will be carried out via personal smart mobile phones, tablets or personal computers/laptops.

Upon the conclusion of the poll session, the Scrutineers will verify the poll results followed by the declaration by the Chair of the Meeting whether the resolutions put to vote were successfully carried or not.

Kindly follow the steps below on how to register, request for login ID and password:

1. REMOTE PARTICIPATION AND E-VOTING FACILITIES

Members are to attend, speak (in the form of real time submission of typed texts) and vote (collectively, "participate") remotely at the 97th AGM using RPV Facilities provided by Dvote via its Dvote Online website at *https://Dvote.my*. Please refer to Procedure for RPV Facilities.

2. PROCEDURES FOR RPV FACILITIES

Member(s)/proxy(ies)/corporate representative(s)/attorney(s) who wish to participate in the 97th AGM remotely using the RPV Facilities are to follow the requirements and procedures as summarised below:

BEFORE MEETING DAY - USER REGISTRATION

	Procedure	Action
a.	Sign-up as a user with **Dvote Online**	Note: If you are already a user with Dvote Online, you are not required to sign-up again. You may proceed to sign-in using your email address and password. • Access the website at *https://Dvote.my*. • Click on **[Sign up]** to register as a new user with Dvote Online. • Complete registration and upload softcopy of Malaysia Identification Card (front and back) or Passport (foreigner(s)). You will be notified via email once your user registration is accepted/rejected by Dvote Online.

Voting Procedure (continued)

2. PROCEDURES FOR RPV FACILITIES (continued)

BEFORE MEETING DAY - USER REGISTRATION (continued)

	Procedure	Action
b.	Register Meeting with **Dvote Online**	• Registration for remote participation will remain open from **8 June 2021** until the commencement of the polling during the 97th AGM. • Login to *https://Dvote.my/user-login* with your user ID (i.e. email address) and password. • Select event: "**Advance Synergy Berhad – 97th Annual General Meeting**" and click **[Register]**. • You will receive an email notifying on your registration for the remote participation and verification. • Once your registration has been verified against the Record of Depositors as at 4 June 2021 you will be notified via email whether your request for remote participation is approved/rejected. • If approved, you will receive an invitation email together with the meeting link to "*Join Meeting*".

ON THE DAY OF 97TH AGM

	Procedure	Action
a.	Join the Live Stream Meeting	• Click on **[Join Meeting]** link in the invitation email and you will be directed to the live streaming room. • You are advised to log in early, at least 20 minutes, before the Meeting time.
b.	Post Questions during Live Streaming	• If you have any question(s) for the Board of Directors, you may use the **[Post Question]** box to submit your question(s).
c.	Online Voting during Live Streaming	• Click on **[Proceed to Vote]**, to cast your votes for each resolution(s). • Review your casted votes, confirm and submit your votes.
d.	End of remote participation	• Upon the announcement by the Chair on the closure of the 97th AGM, the live streaming room will end.

Notes to users of the RPV Facilities:

- The quality of the live streaming is highly dependent on the bandwidth and stability of the internet connection at the location of the user and the device of the user.
- Users are advised to afford themselves ample time to complete the log in process in advance of the meeting.
- In the event you encounter any issues with logging-in, connection to live streamed meeting or online voting on the meeting day, kindly call 603-22766138 and/or email to *Dvoteservice@gmail.com* for assistance.

Voting Procedure (continued)

3. APPOINTMENT OF PROXY(IES)/CORPORATE REPRESENTATIVE(S)/ATTORNEY(S)

A member who has appointed a proxy(ies)/authorised representative(s)/attorney(s) to participate in the 97th AGM via RPV Facilities must request his/her proxy(ies)/authorised representative(s)/attorney(s) to register himself/herself for RPV Facilities via Dvote Online website at *https://Dvote.my*.

No door gifts/vouchers

No door gift(s) or e-voucher(s) will be distributed this year to member(s)/proxy(ies) who participate in the 97th AGM.

Participation through live streaming and voting at the 97th AGM

Please note that no recording or photography of the AGM proceedings is allowed without the prior written permission of the Company.

Communication guidance

Members are also reminded to monitor the Company's website and announcements for any changes to the 97th AGM arrangements.

Enquiry

If you have any general queries prior to the 97th AGM, please contact the Poll Administrator during office hours (Monday to Friday):

DVOTE SERVICES SDN BHD
Lot 9-7, Menara Sentral Vista
No. 150, Jalan Sultan Abdul Samad
Brickfields, 50470 Kuala Lumpur

Name : Ms Sangetha / Mr Hugo Wong
Telephone No. : 603-2276 6138
Email : *Dvoteservice@gmail.com*

Consent to the use of personal data

By registering for the Dvote online registration facilities and/or submitting the instrument appointing a proxy(ies) and/or representative(s), the member of the Company has consented to the collection, use and disclosure of his/her personal data for purposes of processing and administration by the Company or its agents and to comply with any governing laws, listing rules, regulations and/or guidelines and agreed to the Personal Data Privacy terms set out in the Notice of 97th AGM dated 30 April 2021.

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ADVANCE SYNERGY BERHAD [Company No. 192001000024 (1225-D)]

Proxy Form

I/We ______________________________ Contact No. ____________
(full name in block letters)

NRIC/Company No. ____________________ or CDS Account No. ____________________
(for nominee companies only)

of ____
(full address)

being a shareholder/shareholders of ADVANCE SYNERGY BERHAD, hereby appoint:

Full Name in block letters	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email Address			
Mobile Phone No.			

and / or*

Full Name in block letters	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email Address			
Mobile Phone No.			

or failing him/her, THE CHAIR OF THE MEETING as my/our proxy to vote for me/us and on my/our behalf at the Ninety-Seventh Annual General Meeting ("97th AGM") of the Company to be conducted fully virtual and entirely via remote participation and electronic voting at the Board Room, Ground Floor, Synergy 9, 9 Jalan Kajibumi U1/70, Temasya Glenmarie, 40150 Shah Alam, Selangor, Malaysia on Wednesday, 30 June 2021, at 10.00 a.m. and at any adjournment thereof and thereat to vote as indicated below:

Please indicate with (✓) how you wish to cast your vote. If neither "**FOR**" nor "**AGAINST**" is indicated, the proxy will vote or abstain from voting at his/her discretion.

NO.	RESOLUTION	FOR	AGAINST
1.	Declaration of dividend.		
2.	Approval of the payment of Directors' fees.		
3.	Approval of the payment of benefits to the Directors from 1 July 2021 until the next annual general meeting of the Company.		
4.	Re-election of Puan Sri Datin Masri Khaw Abdullah as Director.		
5.	Re-election of Mr Rali Mohd Nor as Director.		
6.	Re-election of Ms Kam Kin Foong as Director.		
7.	Re-appointment of Messrs Baker Tilly Monteiro Heng PLT as auditors of the Company and authorisation for the Directors to fix their remuneration.		
8.	Retention of Mr Yong Teck Ming as Independent Non-Executive Director.		
9.	Authorisation for Directors to allot and issue new securities pursuant to Sections 75(1) and 76(1) of the Companies Act 2016.		

Dated this ____________ day of ____________________ 2021

Number of shares held	

____
Signature

Notes:

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 4 June 2021 (General Meeting Record of Depositors) shall be entitled to attend, speak and vote at this meeting.
2. The 97th AGM will be conducted fully virtual and entirely via remote participation and electronic voting. No member or proxy should be physically present at the Webcast Venue. Members who wish to participate the fully virtual 97th AGM will have to register via the link *https://Dvote.my*. If a member is not able to participate via the fully virtual meeting, the member can appoint the Chair of the meeting or such other person(s) as proxy(ies) and indicate the voting instructions in the proxy form. The appointment of proxy may be done in the manner as detailed below. Please follow the procedures in the Administrative Guide as enclosed for the remote participation access and electronic voting at the 97th AGM of the Company.
3. A member of the Company entitled to attend, speak and vote at the general meeting is entitled to appoint a proxy or proxies to exercise all or any of his/her rights to attend, speak and vote on a show of hands or by poll on any question at this meeting. A proxy need not be a member.
4. A member of the Company may appoint at least one (1) proxy but not more than two (2) proxies to attend, speak and vote in his/her stead. A member of the Company who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with shares of the Company standing to the credit of the said securities account. If a member appoints more than one (1) proxy, they must specify the proportion of the member's shareholdings to be represented by each proxy.
5. Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
6. The instrument appointing a proxy in the case of an individual must be signed by the individual or an attorney who is authorised to act on behalf of the individual and in the case of a corporation, the instrument appointing a proxy must be sealed with the corporation's common seal or signed by an officer of the corporation or an attorney who is authorised to act on behalf of the corporation.
7. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed (or a notarially certified copy of such power or authority) must be deposited at the Registered Office of the Company at Ground Floor, Synergy 9, 9 Jalan Kajibumi U1/70, Temasya Glenmarie, 40150 Shah Alam, Selangor, Malaysia not less than 48 hours before the time appointed for holding the meeting or any other adjournment thereof either (a) by hand or post; or (b) electronically via email to *Dvoteservice@gmail.com*; or (c) to register directly at *https://Dvote.my*.

Personal Data Privacy: *By submitting an instrument appointing a proxy(ies) and /or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 30 April 2021.*

Fold this flap for sealing

Please fold here

AFFIX STAMP

THE SECRETARY

ADVANCE SYNERGY BERHAD
Ground Floor, Synergy 9
9 Jalan Kajibumi U1/70
Temasya Glenmarie
40150 Shah Alam
Selangor, Malaysia

Please fold here

ADVANCE SYNERGY BERHAD
[Company No. 192001000024 (1225-D)]

SYNERGY 9, 9 Jalan Kajibumi U1/70, Temasya Glenmarie
40150 Shah Alam, Selangor, Malaysia