

Company No : 188533-A

Financial Statements and Reports
Financial Year End 2020

Filing Information

Company registration number	188533-A
Name of company	MENARA KUALA LUMPUR SDN BHD
Former name of the company	UKIR INDAH SDN BHD
Origin of company	Incorporated in Malaysia
Status of company	Private company
Type of company	Company limited by shares
Disclosure of financial statements preparation for current submission	Subsequent preparation of financial statements
Company's current financial year start date	2020-01-01
Company's current financial year end date	2020-12-31
Company's previous financial year start date	2019-01-01
Company's previous financial year end date	2019-12-31
Status of carrying on business during the financial year	Carrying on business activities
Disclosure of financial statements audit status	Audited
Audit exemption category	
Basis of accounting standards applied to prepare the financial statements	Malaysian Financial Reporting Standards
Disclosure of other accounting standards applied	
Type of submission	FS-MFRS
Nature of financial statements	Company [level]
Description of presentation currency	Malaysian Ringgit (MYR)
Description of functional currency	
Level of rounding used in financial statements	Actuals

Disclosure on scope of filing

Particulars of Financial Statements and Reports

Date of financial statements approved by Board of Directors	2021-03-31
Date of circulation of financial statements and reports to members	2021-05-25
Date of financial statements and reports of the directors and auditors (if applicable) laid in annual general meeting	
Date of Statutory Declaration	2021-03-31
Disclosure on whether company's shares are traded on any official stock exchange	Not-listed
Disclosure of the regulation applied during incorporation of the company	
Disclosure of whether company regulated by Bank Negara Malaysia at the financial year end	Company not regulated by Bank Negara Malaysia

Principal activities of business

No.	MSIC Code	Description of business
Business 1	79120	TOUR OPERATOR ACTIVITIES
Business 2		
Business 3		

Approved Application From The Registrar Or Minister

Description on whether company had applied for any exemption, waiver, relief or extension of time with regards to annual return or financial statements and reports from Registrar or Minister	No
Description on whether company had applied for exemption from coinciding foreign subsidiary financial year end with holding company	
Description on whether company had applied from filing financial statements and reports in full XBRL format	
Description on whether company had applied to waive lodgement of financial statements by foreign company	
Description on whether company had applied for relief from requirements as to form and contents of directors' report	
Description on whether company had applied for relief from requirements as to form and contents of financial statements	
Description on whether company had applied for extension of time for circulation of financial statements and reports	
Description on whether company had applied for extension of time to lodge financial statements and reports	
Description on whether company had applied for extension of time for holding annual general meeting	
Description on whether company had applied for extension of time to lodge annual return	
Description on whether company had applied any exemption, waiver, relief or extension of time with regards to annual return or financial statements and reports to Minister	
Method used for preparing Statement of Financial Position	Current-Noncurrent

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Method used for preparing Statement of Profit or Loss	Nature of expense
Method used for preparing Statement of Comprehensive Income	After tax
Method used for preparing Statement of Cash Flows	Direct

Changes From Subsequent XBRL Financial Statements Filing

Disclosure on whether comparative period values are restated	No
Disclosure on whether opening statements changed due to changes in accounting standards	No
Disclosure on whether reclassification of previous financial statements changed due to changes in accounting standards	No
Description on whether company changed the duration of financial reporting period	No

Involvement in Stock Exchange

Disclosure on involvement in stock exchange

Date of company listed in Stock Exchange	
Type of exchange on which company is listed	
Disclosure of foreign stock exchange	
Type of market listed in Bursa Malaysia	
Disclosure of securities listing on Shari'ah compliant Securities list	Not applicable
Explanation of other securities listed on Shari'ah compliant Securities list	
Date of delisting of shares	
Type of exchange from which shares were delisted	
Disclosure of foreign stock exchange which the company were delisted	

Disclosure of Director's Report

**Directors' report
for the financial year ended 31 December 2020**

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

Principal activities

The principal activities of the Company are the management and operation of Menara Kuala Lumpur. There were no significant changes in the principal activities of the Company during the financial year.

Financial results

Net loss for the financial year	RM <u>(6,035,015)</u>
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Reserves and provisions

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

Dividend

No dividend has been paid, declared or proposed during the year.

**Directors' report
for the financial year ended 31 December 2020 (continued)**

Directors

The Directors in office since the beginning of the financial year to the date of this report are as follows:

Datuk Zalekha binti Hassan	
Dato' Ibrahim bin Marsidi	
Razidan bin Ghazalli	(Appointed on 9 June 2020)
Tengku Muncer bin Tengku Muzani	(Appointed on 9 June 2020)
Badrul Hisham bin Ahmad	

Pursuant to Article 62 (b) of the Company's Article of Association, Razidan bin Ghazalli and Tengku Muneer bin Tengku Muzani who were appointed during the financial year, shall retire and, being eligible, offer themselves for re-election.

Pursuant to Article 62 (c) of the Company's Article of Association, Badrul Hisham bin Ahmad being the nearest to one third and longest in office since his last election, shall retire and, being eligible, offers himself for re-election.

Directors' interests

According to the register of Directors' shareholdings, particulars of interest of Directors who held office at the end of the financial year in shares in the Company's ultimate holding company, Telekom Malaysia Berhad are as follows:

Shares held	<u>No. of ordinary shares</u>			
	As at 1.1.2020	Acquired	Disposed	As at 31.12.2020
Telekom Malaysia Berhad				
Badrul Hisham bin Ahmad	300-		-	300

The Directors who held office at the end of the financial year have been granted shares of Telekom Malaysia Berhad under the Long Term Incentive Plan (LTIP) of the Telekom Malaysia Berhad Group (the Group) as follows:



**Directors' report
for the financial year ended 31 December 2020 (continued)**

Directors' interests (continued)

LTIP Grant Telekom Malaysia Berhad	As at Date of Appointment/ 1.1.2020	Granted	No. of ordinary shares	
			Disposed	As at 31.12.2020
Dato' Ibrahim bin Marsidi* RS ⁽⁵⁾ (17/08/20)	-	600	-	600
Razidan bin Ghazalli PS ⁽⁵⁾ (17/08/20)	-	74,000	-	74,000
PS ⁽⁶⁾ (04/12/20)	-	55,300	-	55,300
Tengku Muneer bin Tengku Muzani PS ⁽⁴⁾ (20/12/19)	60,500	-	-	60,500
PS ⁽⁵⁾ (17/08/20)	-	91,900	-	91,900
PS ⁽⁶⁾ (04/12/20)	-	68,700	-	68,700
Badrul Hisham bin Ahmad PS ⁽¹⁾ (01/06/17)	27,200	-	-	27,200
PS ⁽²⁾ (04/12/17)	29,500	-	-	29,500
PS ⁽³⁾ (17/06/19)	26,100	-	-	26,100
PS ⁽⁴⁾ (20/12/19)	26,700	-	-	26,700
PS ⁽⁵⁾ (17/08/20)	-	27,900	-	27,900
PS ⁽⁶⁾ (04/12/20)	-	20,900	-	20,900

Note:

1. The 1st PS was made on 1 June 2017 and has been deferred for an additional year whereby it will now be fully vested on 1 June 2021 or any other date as determined by the LTIP Committee subject to fulfilment of vesting conditions.
2. The 2nd PS was made on 4 December 2017 has been deferred for an additional year whereby it will now be fully vested on 30 November 2021 or any other date as determined by the LTIP Committee subject to fulfilment of vesting condition.
3. The 3rd PS grant was made on 17 June 2019 whereby it will be fully vested on 1 June 2022 or any other date as determined by the LTIP Committee subject to fulfilment of vesting conditions.
4. The 4th PS grant was made on 20 December 2019 whereby it will be fully vested on 15 December 2022 or any other date as determined by the LTIP Committee subject to fulfilment of vesting conditions.
5. The 5th PS and 4th RS grants were made on 17 August 2020 whereby they will be fully vested on 17 August 2023 or any other date as determined by the LTIP Committee subject to fulfilment of vesting conditions.
6. The 6th PS grant was made on 4 December 2020 whereby it will be fully vested on 30 November 2023 or any other date as determined by the LTIP Committee subject to fulfilment of vesting conditions.

* Indirect interest through son's holding, Ahmad Hafiz Ibrahim (an employee of the ultimate holding company).

**Directors' report
for the financial year ended 31 December 2020 (continued)**

Directors' interests (continued)

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Other than as disclosed, according to the Register of Directors' Shareholdings, the other Directors in office at the end of the financial year did not hold any other interest in shares in the Company or its related companies during the financial year.

Directors' benefits

Since the end of the previous financial year, none of the Directors have received or become entitled to receive a benefit (other than as disclosed in Note 7 to the financial statements) by reason of a contract made by the Company or by 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 except that certain Directors received remuneration as Executives or Directors of the holding company and related corporations.

Neither during nor at the end of the financial year was the Company or any of its related corporations, a party to any arrangement whose object was to enable the Directors to acquire benefits through the acquisition of shares in, or debentures of, the Company or any other body corporate.

The Directors and Officers of the Company are covered by the Group's Directors and Officers liability insurance for any liability incurred in the discharge of their duties, provided that they have not acted fraudulently or dishonestly or derived any personal profit or advantage. The insurance premium paid by the ultimate holding company during the financial year amounted to RM 152,809 .

**Directors' report
for the financial year ended 31 December 2020 (continued)**

Other statutory information

Before the financial statements of the Company were prepared, the Directors took reasonable steps to:

(a) ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

(b) ensure that any current assets, which were unlikely to be realised in the ordinary course of business including the values of current assets as shown in the accounting records of the Company had been written down to an amount which the current assets might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances which:

(a) would render the amounts written off for bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent; or

(b) would render the values attributed to current assets in the financial statements of the Company misleading; or

(c) have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate.

**Directors' report
for the financial year ended 31 December 2020 (continued)**

Other statutory information (continued)

At the date of this report there are no:

(a) charges on the assets of the Company which have arisen since the end of the financial year which secures the liabilities of any other person; and

(b) contingent liabilities in the Company which have arisen since the end of the financial year.

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

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

In the opinion of the Directors:

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

(b) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of any operations of the Company for the financial year in which this report is made.

Ultimate holding company

The Directors regard Telekom Malaysia Berhad, a company incorporated in Malaysia, as the Company's ultimate holding company.

**Directors' report
for the financial year ended 31 December 2020 (continued)**

Significant event

Details of significant event are disclosed in Note 24 to the financial statements.

Auditors' Remuneration

Details of auditors' remuneration are set out in Note 7 to the financial statement.

Auditors

The auditors, Ernst & Young PLT (202006000003 (LLP0022760-LCA & AF 0039)), have expressed their willingness to seek re-appointment as auditors.

Indemnification of auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young PLT for the financial year ended 31 December 2020.

This report was approved by the Board of Directors on 31 March 2021. Signed on behalf of the Board of Directors:

Datuk Zalekha binti Hassan
Director

Badrul Hisham bin Ahmad
Director

Director's Report

Number of directors signing directors' report	2
Name of first director who signed directors' report	Datuk Zalekha binti Hassan
Type of identification of first director who signed director's report	[REDACTED]
Identification number of the first director who signed director's report	[REDACTED]



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Name of second director who signed the director's report Badrul Hisham bin Ahmad

Type of identification of second director who signed directors' report



Identification number of the second director who signed director's report



Disclosure of status of dividend Mentioned but not recommended

Disclosure of contingent or other liability being enforceable within twelve months after the end of financial year No

Disclosure of occurrence of any substantial, material or unusual in nature items, transactions or events No

Disclosure of directors received or become entitled to receive other benefits by reason of contract made by company or related corporation No

Date of signing director's report 2021-03-31



Statement by Directors

Disclosure of directors opinion that the financial statements or consolidated financial statements are drawn up in accordance with approved accounting standards and reflect true and give true and fair view of financial position and performance of the company and the group	Yes
Number of directors signing Statement by Directors	2
Name of first director who signed Statement by Directors	Datuk Zalekha Binti Hassan
Disclosure whether the first director is also primarily responsible for financial management of the company	Not primarily responsible for financial management of the company
Type of identification of first director who signed Statement by Directors	
Identification number of the first director who signed Statement by Directors	
Name of second director who signed Statement by Directors	Badrul Hisham Bin Ahmad
Disclosure whether the second director is also primarily responsible for financial management of the company	Not primarily responsible for financial management of the company
Type of identification of second director who signed Statement by Directors	
Identification number of second director who signed Statement by Directors	
Name of other person primarily responsible for financial management of the company	Ainol Shahrina Binti Sahar
Type of identification of other person primarily responsible for financial management of the company	MyKad
Identification number of other person primarily responsible for financial management of the company	701015075702
Date of signing statement by directors	2021-03-31



Disclosure on directors business review

Disclosure of business review either on environment, employees or social and community issues Environmental matters

Details of company's employees

Number of employees 177

Disclosure of auditor's report to members

**Independent auditors' report to the member of
Menara Kuala Lumpur Sdn. Bhd.
Registration No. 198901011231 (188533-A)
(Incorporated in Malaysia)**

Report on the audit of the financial statements

Our opinion

We have audited the financial statements of Menara Kuala Lumpur Sdn. Bhd., which comprise the statement of financial position as at 31 December 2020 of the Company, and statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 8 to 74.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2020, and of its 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and other ethical responsibilities

We are independent of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International 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.

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 Directors' Report, but does not include the financial statements of the Company and our auditors' report thereon.

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

**Independent auditors' report to the member of
Menara Kuala Lumpur Sdn. Bhd.
Registration No. 198901011231 (188533-A)
(Incorporated in Malaysia)**

Report on the audit of the financial statements (continued)

Information other than the financial statements and auditors' report thereon (continued)

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

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

Responsibilities of the Directors for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

**Independent auditors' report to the member of
Menara Kuala Lumpur Sdn. Bhd.
Registration No. 198901011231 (188533-A)
(Incorporated in Malaysia)**

Report on the audit of the financial statements (continued)

Auditors' responsibilities for the audit of the financial statements (continued)

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

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



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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.

**Independent auditors' report to the member of
Menara Kuala Lumpur Sdn. Bhd.
Registration No. 198901011231 (188533-A)
(Incorporated in Malaysia)**

Other matters

This report is made solely to the member 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 content of this report.

The financial statements of the Company for the year ended 31 December 2019 were audited by another auditor who expressed an unmodified opinion on those statements on 18 February 2020.

Ernst & Young PLT Chong Tse Heng
202006000003 (LLP0022760-LCA) & AF 0039 No. 03179/05/2021 J
Chartered Accountants Chartered Accountant
Kuala Lumpur, Malaysia
31 March 2021

Auditor's report

Type of auditor's opinion	Unmodified opinion
Date of signing auditor's report	2021-03-31

Auditors information

Details of auditors signing report

License number of auditor	3179
Name of auditor signing report	CHONG TSE HENG

Details of audit firm

Registration number of audit firm	AF0039
Name of audit firm	ERNST & YOUNG PLT

Detailed address of audit firm

Address line 1	Level 23A Menara Milenium
Address line 2	Wilayah Persekutuan,
Address line 3	Jalan Damanela, Damansara Town Centre
Postcode	50490
Town	Kuala Lumpur
State	W.P. KUALA LUMPUR



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Statement of Financial Position As at 2020 - Current/Non-current

	Company MYR 2020	Company MYR 2019
Statement of financial position		
Assets		
Non-current assets		
Property, plant and equipment	21,398,175	20,639,499
Investment property		
Biological assets	0	0
Right-of-use assets	2,362,052	125,888
Service concession assets		
Intangible assets		
Investments in subsidiaries		
Investments in associates		
Investments in joint ventures		
Other investments		
Trade and other non-current receivables		
Contract assets		
Deferred tax assets		
Derivative financial assets		
Other non-current assets		
Total non-current assets	23,760,227	20,765,387
Current assets		
Inventories		
Biological assets	0	0
Other investments		
Current tax assets	3,985,128	2,710,107
Trade and other current receivables	25,227,853	33,036,499

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Contract assets		
Derivative financial assets		
Cash and cash equivalents	101,735	489,773
Other current assets		
Total current assets other than assets held for sale	29,314,716	36,236,379
Non-current assets or disposal groups classified as held for sale or as held for distribution to owners		
Total current assets	29,314,716	36,236,379
Total assets	53,074,943	57,001,766
Equity and liabilities		
Equity		
Issued capital	10,000,000	10,000,000
Retained earnings	24,636,096	30,671,111
Treasury shares		
Other reserves	1,194,162	1,065,506
Total equity attributable to owners	35,830,258	41,736,617
Equity - other components		
Non-controlling interests		
Total equity	35,830,258	41,736,617
Liabilities		
Non-current liabilities		
Service concession liabilities		
Borrowings		
Lease liabilities	31,556	83,633
Employee benefit liabilities		
Provisions		
Trade and other non-current payables		
Contract liabilities		
Deferred tax liabilities	1,098,769	665,869



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Derivative financial liabilities		
Other non-current liabilities		
Total non-current liabilities	1,130,325	749,502
Current liabilities		
Borrowings		
Lease liabilities	2,337,102	49,617
Employee benefit liabilities		
Provisions	9,272,678	8,225,051
Current tax liabilities		
Trade and other current payables	3,971,376	5,903,496
Contract liabilities	533,204	337,483
Derivative financial liabilities		
Other current liabilities		
Total current liabilities other than liabilities held for sale	16,114,360	14,515,647
Liabilities included in disposal groups classified as held for sale		
Total current liabilities	16,114,360	14,515,647
Total liabilities	17,244,685	15,265,149
Total equity and liabilities	53,074,943	57,001,766

Property, plant and equipment

Company
MYR
2020

Company
MYR
2019

Statement on sub-classification of assets, liabilities and equity

Sub-classification of assets, liabilities and equity

Property, plant and equipment

Land and buildings

Land

Freehold land

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Long term leasehold land

Short term leasehold land

Total land

Buildings

Building on freehold land

Building on long term leasehold land

Building on short term leasehold land

Leased properties

Total buildings

Total land and buildings

Vehicles

Vessels

Aircraft

Motor vehicles

Other vehicles

Total vehicles

Machinery

Plant and equipment

Office equipment, fixture and fittings

Computer software and hardware

Bearer plants

Infrastructure and site facilities

Mining assets

Oil and gas assets

Tangible exploration and evaluation assets

Telecommunication equipments

Construction in progress/Asset work-in progress

Other property, plant and equipment

Total property, plant and equipment

21,398,175

20,639,499

21,398,175

20,639,499

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Biological assets

	Company MYR 2020	Company MYR 2019
Consumable biological assets	0	0
Bearer biological assets	0	0
Total biological assets	0	0



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Trade and other current receivables

	Company MYR 2020	Company MYR 2019
Current trade receivables		
Trade receivables	1,779,302	1,078,332
Trade receivables due from contract customers		
Trade receivables due from holding company	4,202,296	8,460
Trade receivables due from subsidiaries		
Trade receivables due from associates		
Trade receivables due from joint ventures		
Trade receivables due from other related parties	590,650	502,591
Unearned current carrying charges		
Other current trade receivables	-40,152	
Total current trade receivables	6,532,096	1,589,383
Other current receivables		
Other current receivables due from related parties		
Other receivables due from holding company	15,960,189	28,608,719
Other receivables due from subsidiaries		
Other receivables due from associates		
Other receivables due from joint ventures	2,044,800	2,082,682
Other receivables due from other related parties		
Total other current receivables due from related parties	18,004,989	30,691,401
Current prepayments and current accrued income		
Prepayments	68,019	125,392
Accrued income		
Total current prepayments and current accrued income	68,019	125,392
Current non-trade receivables		
Interest receivables		

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Deposits	597,880	597,880
Dividend receivables		
Lease and hire purchase receivables		
Other current non-trade receivables	24,869	32,443
Total current non-trade receivables	622,749	630,323
Total other current receivables	18,695,757	31,447,116
Total trade and other current receivables	25,227,853	33,036,499



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	Company MYR 2020	Company MYR 2019
Cash and cash equivalents		
Cash		
Cash in hand	21,964	30,000
Balances with Licensed Banks	79,771	459,773
Total cash	101,735	489,773
Cash equivalents		
Deposits placed with licensed banks		
Deposit placed with other corporations		
Cash equivalents with other financial institutions		
Short-term deposits		
Short-term investments		
Other banking arrangements		
Total cash equivalents		
Other cash and cash equivalents		
Total cash and cash equivalents	101,735	489,773

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	Company MYR 2020	Company MYR 2019
Capital from ordinary shares	10,000,000	10,000,000
Capital from redeemable preference shares		
Capital from non-redeemable preference shares		
Total issued capital	10,000,000	10,000,000

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Other reserves

Company
MYR
2020

Company
MYR
2019

Non-distributable

Capital reserve

Hedging reserve

Foreign currency translation reserve

Reserve of share-based payments

Revaluation surplus

Statutory reserve

Other non-distributable reserves

Total non-distributable other reserves

Distributable

Fair value reserves

Reserve of non-current assets classified as held for sale

Consolidation reserve

Warranty reserve

Other distributable reserves

Total distributable other reserves

Total other reserves

1,194,162
1,194,162
1,194,162

1,065,506
1,065,506
1,065,506

Company No : 188533-A



Current provisions

	Company MYR 2020	Company MYR 2019
Warranty provision		
Restructuring provision		
Legal proceedings provision		
Refunds provision		
Onerous contracts provision		
Provision for decommissioning, restoration and rehabilitation costs		
Other current provisions	9,272,678	8,225,051
Total current provisions	9,272,678	8,225,051

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Trade and other current payables

Company	Company
MYR	MYR
2020	2019

Current trade payables

Trade payables	729,487	2,024,346
Trade payable due to contract suppliers		
Trade payables due to holding company	379,156	135,446
Trade payables due to subsidiaries		
Trade payables due to associates		
Trade payables due to joint ventures		
Trade payables due to other related parties	514,585	452,413
Other current trade payables		
Total current trade payables	1,623,228	2,612,205

Other current payables

Other current payables due to related parties

Other payables due to holding company		
Other payables due to subsidiaries		
Other payables due to associates		
Other payables due to joint ventures		
Other payables due to other related parties	2,348,148	3,291,291
Total other current payables due to related parties	2,348,148	3,291,291

Other payables due to non-controlling interests

Dividend payable to non-controlling interest		
Loans from non-controlling interest		
Miscellaneous payable due to non-controlling interests		
Total other payables due to non-controlling interests		

Current non-trade payables

Accruals

Company No : 188533-A

Retention payable		
Deferred income		
Deposits and advanced billings		
Financing costs		
Dividend payable		
Interest payables		
Other current non-trade payables		
Total current non-trade payables		3,291,291
Total other current payables	2,348,148	
Total trade and other current payables	3,971,376	5,903,496



Company No : 188533-A



Statement of profit or loss For the year ended 2020 - by nature of expense

Company

MYR

2020

Company

MYR

2019

Statement of profit or loss		
Continuing operations		
Revenue	21,323,856	65,639,674
Other income	581,096	1,187,882
(Increase) decrease in inventories of finished goods and work in progress		
Other work performed by company and capitalised		
Raw materials and consumables used		
Depreciation, impairment and amortisation		
Employee benefits expense	12,075,904	13,532,051
Other expenses	15,431,183	24,657,745
Profit (loss) from operating activities	-5,602,135	28,637,760
Finance income		
Finance costs		
Share of profit (loss) of associates and joint ventures accounted for using equity method		
Profit (loss) before tax	-5,602,135	28,637,760
Tax expense	432,880	6,916,015
Contribution of zakat		750,000
Profit (loss) from continuing operations	-6,035,015	20,971,745
Discontinued operations		
Profit (loss) from discontinued operations, net of tax		
Total profit (loss)	-6,035,015	20,971,745
Profit (loss), attributable to		
Profit (loss), attributable to owners of parent		

Company No : 188533-A

Profit (loss) attributable to equity other components

Profit (loss), attributable to non-controlling interests

Total profit (loss)

Earnings per share

Basic earnings per share

Basic earnings (loss) per share from continuing operations

Basic earnings (loss) per share from discontinued operations

Total basic earnings (loss) per share

Diluted earnings per share

Diluted earnings (loss) per share from continuing operations

Diluted earnings (loss) per share from discontinued operations

Total diluted earnings (loss) per share

-6,035,015

20,971,745

Revenue

	Company MYR 2020	Company MYR 2019
Analysis of profit or loss		
Statement of profit or loss		
Revenue		
Revenue from sale of goods		
Revenue from sale of broadband and telecommunication		
Revenue from property development		
Revenue from construction contracts		
Revenue from clean water, treatment and disposal of waste water		
Revenue from sale of food and beverage		
Revenue from sale of agricultural produce		
Revenue from sale of oil and gas products		
Revenue from sale of other goods		



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Total revenue from sale of goods

Revenue from rendering of services

Revenue from rendering of entertainment services

Revenue from rendering of telecommunication services

Revenue from rendering of transportation services

Revenue from rendering of information technology services

Revenue from rendering of educational services

Revenue from rendering of healthcare services

Revenue from rendering of shipping and shipping related services

Revenue from rendering of other services

Total revenue from rendering of services

Interest income

Interest income on loans, advances and financing

Interest income on other financial assets

Total interest income

Other fee and commission income

Gross brokerage and other charges

Underwriting commissions and fund management income

Other fee and commission income

Total other fee and commission income

Dividend income

Rental income

Royalty income

Other revenue

Total revenue

21,323,856

21,323,856

65,639,674

65,639,674

21,323,856

21,323,856

65,639,674

65,639,674



Company No : 188533-A



Other income

	Company MYR 2020	Company MYR 2019
Deferred income		
Bad debts recovered		
Dividend income		
Royalty/franchise income		
Write back of fuel cost		
Income from reimbursements under insurance policies		
Grant or incentives by Malaysian government or it's agencies		
Grant or incentives by foreign government or it's agencies		
Contributions or donations by local contributor		
Contributions or donations by foreign contributor		
Contributions or donations by unknown contributor		
Foreign exchange gain		
Realised gain on foreign exchange		
Unrealised gain on foreign exchange		
Total foreign exchange gain		
Gain on disposal of subsidiaries, associates and joint ventures		
Gain on disposal of subsidiaries		
Gain on disposal of associates		
Gain on disposal of joint ventures		
Total gain on disposal of subsidiaries, associates and joint ventures		
Gain on disposal from other investments		
Gains on disposals of property, plant and equipment		
Gains on disposals of other non-current assets		
Other gains recognised in profit or loss, fair value measurement, assets		

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Reversal of impairment loss recognised in profit or loss

Reversal of impairment loss on receivables		
Reversal of impairment in development expenditure		
Reversal of impairment in land held for property development		
Reversal of impairment in property, plant and equipment		
Reversal of impairment in other assets		
Total reversal of impairment loss recognised in profit or loss		
Reversal of inventories written down to net realisable value		
Interest income	581,096	1,187,882
Management fees		
Net deposits recognised		
Net fair value gain on derivatives		
Net fair value gain on recycle of forex reserve upon disposal of subsidiaries		
Other fee and commission		
Other rental income		
Rental income on land and buildings		
Other miscellaneous income		
Total other income	581,096	1,187,882

Employee benefits expense

	Company MYR 2020	Company MYR 2019
Wages, salaries and others	10,519,683	11,791,482
Bonus		
Share-based compensation expense	161,625	174,183
Share option expenses		
Social security contributions		

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Defined benefit plans		
Defined contribution plans	1,394,596	1,566,386
Other long-term employee benefits		
Other short-term employee benefits		
Other employee expense		
Total employee benefits expense	12,075,904	13,532,051

Other expenses

	Company MYR 2020	Company MYR 2019
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Auditor's remuneration

Auditor's remuneration for audit services	20,000	40,000
Auditor's remuneration for other services		
Total auditor's remuneration	20,000	40,000
Amortisation expense		
Depreciation, property, plant and equipment	1,607,158	2,266,382
Natural disaster related expenses		

Loss on disposal of subsidiaries, associates and joint ventures

Loss on disposal of subsidiaries		
Loss on disposal of associates		
Loss on disposal of joint ventures		
Total loss on disposal of subsidiaries, associates and joint ventures		
Loss on disposal from other investments		
Losses on disposals of property, plant and equipment		
Loss on disposal of other non-current assets		
Other losses recognised in profit or loss, fair value measurement, assets		
Rental expense		



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Research and development expenses, nature

Royalty expense

Directors' remuneration

Salaries and other emoluments

Bonus

Benefits-in-kind

Fees

Performance incentives

Defined benefit plans

Defined contribution plans

Share option expenses

Other emoluments

Total director's remuneration

Other miscellaneous expenses

Total other expenses

310,000

317,500

310,000

317,500

13,494,025

22,033,863

15,431,183

24,657,745



Statement of Comprehensive Income - Net of tax

	Company MYR 2020	Company MYR 2019
--	------------------------	------------------------

Comprehensive income net of tax

Statement of comprehensive income

Profit (loss)

-6,035,015

20,971,745

Other comprehensive income/(expense), net of tax

Components of other comprehensive income that will not be reclassified to profit or loss, net of tax

Other comprehensive income, net of tax, gains (losses) on revaluation

Remeasurement of defined benefit liability

Other comprehensive income, net of tax, gains (losses) on other items

Share of other comprehensive income of associates and joint ventures accounted for using equity method that will not be reclassified to profit or loss, net of tax

Total other comprehensive income that will not be reclassified to profit or loss, net of tax

Components of other comprehensive income that will be reclassified to profit or loss, net of tax

Cash flow hedges

Gains (losses) on cash flow hedges, net of tax

Reclassification adjustments on cash flow hedges, net of tax

Other comprehensive income, net of tax, cash flow hedges

Hedges of net investment in foreign operations

Gains (losses) on hedges of net investments in foreign operations, net of tax

Reclassification adjustments on hedges of net investments in foreign operations, net of tax

Other comprehensive income, net of tax, hedges of net investments in foreign operations

Financial assets measured at fair value through other comprehensive income

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Gains (losses) on financial assets measured at fair value through other comprehensive income, net of tax

Reclassification adjustments on financial assets measured at fair value through other comprehensive income, net of tax

Amounts removed from equity and adjusted against fair value of financial assets on reclassification out of fair value through other comprehensive income measurement category, net of tax

Other comprehensive income, net of tax, financial assets measured at fair value through other comprehensive income

Exchange differences on translation

Gains (losses) on exchange differences on translation, net of tax

Reclassification adjustments on exchange differences on translation, net of tax

Other comprehensive income, net of tax, exchange differences on translation

Share of other comprehensive income of associates and joint ventures accounted for using equity method that will be reclassified to profit or loss, net of tax

Others comprehensive income, net of tax, gains (losses) on other items

Total other comprehensive income that will be reclassified to profit or loss, net of tax

Total other comprehensive income

Total comprehensive income

Comprehensive income attributable to

Comprehensive income, attributable to owners of parent

Comprehensive income, attributable to non-controlling interests

Total comprehensive income

-6,035,015

20,971,745

-6,035,015

20,971,745

-6,035,015

20,971,745



Company No : 188533-A



Statement of cash flows For the year ended 2020 - Direct Method

	Company MYR 2020	Company MYR 2019
Cash flows from (used in) operating activities		
Receipts from sales of goods and rendering of services	16,233,390	66,696,626
Receipts from royalties, fees, commissions and other revenue		
Receipts from contracts held for dealing or trading purposes		
Short-term lease payments, payments for leases of low-value assets and variable lease payments not included in the measurement of the lease liability		
Payments to suppliers for goods and services	-26,209,693	-30,725,293
Payments to and on behalf of employees		
Dividends received		
Dividends paid		
Interest received		
Interest paid		
Income taxes refund (paid)	-1,275,001	-9,338,647
Other cash inflows (outflows) from operating activities		
Net cash flows from (used in) operating activities	-11,251,304	26,632,686
Cash flows from (used in) investing activities		
Proceeds from disposal of subsidiaries		
Acquisition and subscription of shares in subsidiaries		
Proceeds from disposal of associates		
Acquisition and subscription of shares in associates		
Proceeds from disposal of joint ventures		
Acquisition and subscription of shares in joint ventures		
Cash receipts from repayment of advances and loans made to other parties		
Cash advances and loans made to other parties		

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Deposit placements with investment brokers		
Other cash payments to acquire equity or debt instruments of other entities		
Other cash receipts from sales of equity or debt instruments of other entities		
Disposal of discontinued operation, proceeds from disposal, net of cash and cash equivalents disposed of		
Disposal of discontinued operation, tax paid on gain on disposal		
Proceeds from government grants		
Proceeds from sales of intangible assets		
Proceeds from sales of other non-current assets		
Proceeds from sales of property, plant and equipment		
Proceeds from sales of prepaid lease payment		
Purchase of intangible assets		
Purchase of other non-current assets		
Purchase of property, plant and equipment	2,316,974	4,198,384
Dividends received		
Interest received	581,096	1,187,882
Proceeds from sale of other investment		
Purchase of other investment		
Development expenditure incurred		
Net repayment from joint ventures		
Net repayment from associates		
Capital distributions from associates		
Other cash inflows (outflows) from investing activities	12,654,104	-7,356,533
Net cash flows from (used in) investing activities	10,918,226	-10,367,035
Cash flows from (used in) financing activities		
Cash payments for the principal portion of the lease liability		
Cash payments for the interest portion of the lease liability		
Proceeds from issuing shares	-54,960	-47,305



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Proceeds from issue of shares in subsidiary to non-controlling interests		
Proceeds from issuing other equity instruments		
Proceeds from share-based compensation transactions		
Payments to acquire or redeem entity's shares		
Acquisition of non-controlling interests		
Payments of other equity instruments		
Perpetual sukuk issuance expenses		
Proceeds from issuing debentures, loans, notes, bonds, mortgages and other short-term and long-term borrowings		
Repayments of borrowings		
Repurchase of treasury shares		
Withdrawal(Placement) of bank deposits		
Withdrawal(Placement) of securities pledged for borrowings		
Dividends paid		17,000,000
Interest paid		
Other cash inflows (outflows) from financing activities		
Net cash flows from (used in) financing activities	-54,960	-17,047,305
Net increase (decrease) in cash and cash equivalents before effect of exchange rate changes	-388,038	-781,654
Effect of exchange rate changes on cash and cash equivalents		
Net increase (decrease) in cash and cash equivalents	-388,038	-781,654
Cash and cash equivalents at beginning of period	489,773	1,271,427
Cash and cash equivalents at end of period	101,735	489,773



Statement of Changes in Equity For the year ended 2020

Company(MYR)

2020

	Issued capital	Retained earnings	Reserve of share-based payments	Other non-distributable reserves	Other reserves	Equity attributable to owners of parent	Total
Equity at beginning of period	10,000,000	30,671,111	1,065,506	1,065,506	1,065,506	41,736,617	41,736,617
Impact of changes in accounting policies							
Equity at beginning of period, restated	10,000,000	30,671,111	1,065,506	1,065,506	1,065,506	41,736,617	41,736,617
Changes in equity							
Comprehensive income							
Profit (loss)		-6,035,015				-6,035,015	-6,035,015
Total other comprehensive income							
Total comprehensive income		-6,035,015				-6,035,015	-6,035,015

Contributions by and distributions to owners

Acquisition (dilution) of equity interest in subsidiaries

Arising from conversion of Irredeemable Convertible Unsecured Loan Stock (CULS)

Dividends paid

Issuance of shares

Issue of convertible notes, net of tax

Company No : 188533-A

Increase (decrease) through share-based payment transactions, equity			128,656	128,656	128,656	128,656	128,656
Treasury shares transactions							
Other transactions with owners							
Increase (decrease) through other changes, equity							
Total Increase (decrease) in equity		-6,035,015	128,656	128,656	128,656	-5,906,359	-5,906,359
Equity at end of period	10,000,000	24,636,096	1,194,162	1,194,162	1,194,162	35,830,258	35,830,258



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Statement of Changes in Equity For the year ended 2019

Company(MYR)

2019

	Issued capital	Retained earnings	Reserve of share-based payments	Other non-distributable reserves	Other reserves	Equity attributable to owners of parent	Total
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Equity at beginning of period	10,000,000	26,703,881	915,548	915,548	915,548	37,619,429	37,619,429
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Impact of changes in accounting policies		-4,515				-4,515	-4,515
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Equity at beginning of period, restated	10,000,000	26,699,366	915,548	915,548	915,548	37,614,914	37,614,914
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Changes in equity

Comprehensive income

Profit (loss)		20,971,745				20,971,745	20,971,745
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Total other comprehensive income

Total comprehensive income		20,971,745				20,971,745	20,971,745
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Contributions by and distributions to owners

Acquisition (dilution) of equity interest in subsidiaries

Arising from conversion of Irredeemable Convertible Unsecured Loan Stock (CULS)						17,000,000	17,000,000
Dividends paid						17,000,000	17,000,000

Issuance of shares
Issue of convertible notes, net of tax



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Increase (decrease) through share-based payment transactions, equity			149,958	149,958	149,958	149,958	149,958
Treasury shares transactions							
Other transactions with owners							
Increase (decrease) through other changes, equity							
Total Increase (decrease) in equity		3,971,745	149,958	149,958	149,958	4,121,703	4,121,703
Equity at end of period	10,000,000	30,671,111	1,065,506	1,065,506	1,065,506	41,736,617	41,736,617



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Corporate information

Disclosure of corporate information

The Company is a private limited liability company, incorporated and domiciled in Malaysia.

The registered office of the Company is Level 51 North Wing, Menara TM, Jalan Pantai Baharu, 50672 Kuala Lumpur. The principal place of business of the Company is No. 2, Jalan Punchak, Off Jalan P. Ramlee, 50250 Kuala Lumpur.

The ultimate holding company of the Company is Telekom Malaysia Berhad, a company incorporated in Malaysia and listed on the Main Board of the Bursa Malaysia Securities Berhad.

The Company's principal activities are the management and operation of Menara Kuala Lumpur. There were no significant changes in the principal activities of the Company during the financial year.

Disclosure on summary significant accounting policies

Disclosure of significant accounting policies

3 Significant accounting policies

(a) Basis of preparation of the financial statements

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

The financial statements have been prepared under the historical cost convention except as disclosed in Significant Accounting Policies below.

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reported period. It also requires Directors to exercise their judgement in the process of applying the Company's accounting policies. Although these estimates and judgment are based on the Directors' best knowledge of current events and actions, actual results may differ. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4 to the financial statements.

**Notes to the financial statements
for the financial year ended 31 December 2020 (continued)**

3 Significant accounting policies (continued)

(a) Basis of preparation of the financial statements (continued)

i. New standards, Interpretation Committee (IC) Interpretation and amendments to published standards effective and applicable for the Company's financial year since 1 January 2020

The standards, IC Interpretations and amendments to published standards that are applicable to the Company's financial year beginning 1 January 2020 are as follows:

No	Malaysian Financial Reporting Standards	Effective dates for financial year beginning
1	MFRS 2, 3, 14, 101, 108, 134, 137, 138 & IC Interpretations 12, 19, 22 and 132 : Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
2	Amendments to MFRS 3 : Definition of a Business	1 January 2020
3	Amendments to MFRS 101 and MFRS 108 : Definition of Material	1 January 2020
4	Amendments to MFRS 9, MFRS 139 & MFRS 7 : Interest Rate Benchmark Reform	1 January 2020

The adoption of the above applicable new standards, IC Interpretations, annual improvements and amendments to published standards have not given rise to any material impact on the financial result, position or disclosure for the current or previous periods nor any of the Company's significant accounting policies.



**Notes to the financial statements
for the financial year ended 31 December 2020 (continued)**

3 Significant accounting policies (continued)

(a) Basis of preparation of the financial statements (continued)

ii. **The early adoption of the amendment to published standards for the financial year beginning 1 January 2020**

No	Malaysian Financial Reporting Standards	Effective dates for financial year beginning
1	Amendment to MFRS 16: Covid-19-Related Rent Concessions	1 January 2020

The Company has elected to early adopt Amendment to MFRS 16 ‘Covid-19-Related Rent Concessions’ for the first time in the 2020 financial statements; with the date of initial application of 1 January 2020, which resulted in changes in accounting policies.

On adoption of the MFRS 16 amendment, the Company is not required to assess whether a rent concession that occurs as a direct consequence of the COVID-19 pandemic and meet specified conditions is a lease modification. The Company accounts for such COVID-19-related rent concession as a variable lease payment in the period in which the event or condition that triggers the reduced payment occurs.

In accordance with the transitional provisions provided in the MFRS 16 amendment, the comparative information for 2019 was not restated and continued to be reported under the previous accounting policies in accordance with the lease modification principles in MFRS 16. These amendments had no impact to the retained earnings on 1 January 2020. The early adoption of Amendment to MFRS 16 ‘COVID-19-Related Rent Concessions’ has no material to the financial statements of the Company.

**Notes to the financial statements
for the financial year ended 31 December 2020 (continued)**

3 Significant accounting policies (continued)

(a) Basis of preparation of the financial statements (continued)

iii. **Amendments to published standards that have been issued but not yet effective and have not been early adopted by the Company (continued)**

No	Malaysian Financial Reporting Standards	Effective dates for financial year beginning
1	Amendments to MFRS 9, MFRS 139, MFRS 7 and MFRS 16 : Interest Rate Benchmark Reform (Phase 2)	1 January 2021
2	Amendments to MFRS 137 : Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
3	Amendments to MFRS 116 : Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
4	Amendments to MFRS 3 : Reference to the Conceptual Framework	1 January 2022
5	Amendments to MFRS 9 : Annual Improvements to MFRS Standards 2018-2020	1 January 2022
6	Amendments to MFRS 101 : Classification of Liabilities as Current and Non-current	1 January 2023
7	Amendments to MFRS 10 and 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced by MASB

- The Phase 2 amendments to MFRS 9 “Financial Instruments”, MFRS 139 “Financial Instruments: Recognition and Measurement”, MFRS 7 “Financial Instruments: Disclosures” & MFRS 16 “Leases” provide the relief on changes to contractual cash flows and hedge accounting during the reform of an interest rate benchmark rate, including the replacement of one benchmark rate with an alternative benchmark. When changing the basis for determining contractual cash flows for financial assets and liabilities (including lease liabilities), the reliefs have the effect that the changes that are required by an interest rate benchmark reform (that is, are necessary as a direct consequence of IBOR reform and are

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economically equivalent) will not result in an immediate gain or loss in the income statement. The hedge accounting reliefs will allow most MFRS 139 or MFRS 9 hedge relationships that are directly affected by IBOR reform to continue. However, additional ineffectiveness might need to be recorded.

**Notes to the financial statements
for the financial year ended 31 December 2020 (continued)**

3 Significant accounting policies (continued)

(a) Basis of preparation of the financial statements (continued)

iii. Amendments to published standards that have been issued but not yet effective and have not been early adopted by the Company (continued)

- Amendments to MFRS 137 “Onerous Contracts - Cost of Fulfilling a Contract” clarify that direct costs of fulfilling a contract include both the incremental cost of fulfilling the contract as well as an allocation of other costs directly related to fulfilling contracts. The amendments also clarify that before recognising a separate provision for an onerous contract, impairment loss that has occurred on assets used in fulfilling the contract should be recognised.
- Amendments to MFRS 116 “Property, Plant and Equipment - Proceeds Before Intended Use” prohibit an entity from deducting from the cost of a property, plant and equipment the proceeds received from selling items produced by the property, plant and equipment before it is ready for its intended use. The sales proceeds should instead be recognised in profit or loss. The amendments also clarify that testing whether an asset is functioning properly refers to assessing the technical and physical performance rather than the financial performance of the asset.
- Amendments to MFRS 3 “Reference to Conceptual Framework” replace the reference to Framework for Preparation and Presentation of Financial Statements with 2018 Conceptual Framework. The amendments did not change the current accounting for business combinations on acquisition date. The amendments provide an exception for the recognition of liabilities and contingent liabilities should be in accordance with the principles of MFRS 137 “Provisions, Contingent Liabilities and Contingent Assets” and IC Interpretation 21 “Levies” when falls within their scope. It also clarifies that contingent assets should not be recognised at the acquisition date.
- Annual Improvements to MFRS 9 “Fees in the 10% test for derecognition of financial liabilities” clarifies that only fees paid or received between the borrower and the lender, including the fees paid or received on each other’s behalf, are included in the cash flow of the new loan when performing the 10% test. An entity shall apply the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

**Notes to the financial statements
for the financial year ended 31 December 2020 (continued)**

3 Significant accounting policies (continued)

(a) Basis of preparation of the financial statements (continued)

iii. Amendments to published standards that have been issued but not yet effective and have not been early adopted by the Company (continued)

- Amendments to MFRS 101 “Classification of Liabilities as Current or Noncurrent” clarify that a liability is classified as noncurrent if an entity has a substantive right at the end of the reporting period to defer settlement for at least 12 months after the reporting period. A liability is classified as current if a condition is breached at or before the reporting date and a waiver is obtained after the reporting date. A loan is classified as non-current if a covenant is breached after the reporting date.
- Amendments to MFRS 10 and MFRS 128 on “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture” address an acknowledged inconsistency between the requirements in MFRS 10 “Consolidated Financial Statements” and MFRS 128 “Investment in Associates and Joint Ventures”. Full gain or loss should be recognised on the loss of control of a business, whether the business is housed in a subsidiary or not. At the same time, the gain or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in MFRS 3 “Business Combinations” to an associate or joint venture should only be recognised to the extent of unrelated investors’ interests in the associate or joint venture.

The adoption of the above annual improvements and amendments to published standards are not expected to have a material impact on the financial statements of the Company.

**Notes to the financial statements
for the financial year ended 31 December 2020 (continued)**

3 Significant accounting policies (continued)

(b) Property, plant and Equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. The cost of and item of property, plant and equipment initially recognised includes its purchase price and any cost is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

(i) Cost

The cost of property, plant and equipment comprises their purchase cost and any incidental cost of acquisition. These costs include the costs of dismantling, removal and restoration, the obligation incurred as a consequence of installing the asset.

Subsequent costs are included in the asset's carrying amount or recognised as separate asset, appropriate only when it is probable that the future economic benefit associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying value of the replaced part is derecognised. All other repairs and maintenance are recognised as expense to the statement of comprehensive income during the financial year in which they are incurred.

(ii) Depreciation

Property, plant and equipment are depreciated on straight-line basis to allocate the cost or the revalued amounts to their residual values over their estimated useful lives as summarised as follows:

Office equipment	2 – 5 years
Furniture and fittings	5 years
Motor vehicles	5 years

Depreciation on property, plant and equipment under construction commences when the property, plant and equipment are ready for their intended use. Depreciation on property, plant and equipment ceases at the earlier of derecognition and classification as held for sale.

The assets' residual values and useful lives are reviewed and adjusted as appropriate at end of each reporting.

Notes to the financial statements

for the financial year ended 31 December 2020 (continued)

3 Significant accounting policies (continued)

(b) Property, plant and Equipment (continued)

(iii) Impairment

At each reporting period, the Company assesses whether there is any indication of impairment. If such indication exists, an analysis is performed to assess whether the carrying value of property, plant and equipment is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount. See accounting policy Note 3(b) on Impairment of non-financial assets.

(iv) Gains or losses on disposal

Gains or losses on disposal are determined by comparing the proceeds with the carrying amount of the related asset and are included in the statement of comprehensive income.

(v) Repairs and maintenance

Repairs and maintenance are charged to the statement of comprehensive income during the period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Company. This cost is depreciated over the remaining useful life of the related asset.

(c) Impairment of Non-Financial Assets

Property, plant and equipment are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there is separately identifiable cash flows (cash-generating units). The impairment loss is charged to the statement of comprehensive income.

Notes to the financial statements

Company No : 188533-A

for the financial year ended 31 December 2020 (continued)

3 Significant accounting policies (continued)

a. Financial assets

i. Classification

Financial assets are classified in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income ('OCI') or through profit or loss), and
- Those to be measured at amortised costs.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

ii. Recognition and derecognition

Regular way purchases and sales of financial asset are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

iii. Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of financial asset not at fair value through profit or loss ('FVTPL'), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are Solely Payment of Principal and Interest ('SPPI').

Notes to the financial statements

for the financial year ended 31 December 2020 (continued)

3 Significant accounting policies (continued)

d. Financial assets (continued)

iii. Measurement (continued)

Debt instruments

Subsequent measurement of debt instruments depends on 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 Company classifies its debt instruments:

a. Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent SPPI are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the Statement of Comprehensive Income.

b. FVOCI

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent SPPI, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the Statement of Comprehensive Income.

Notes to the financial statements

for the financial year ended 31 December 2020 (continued)

3 Significant accounting policies (continued)

d. **Financial assets (continued)**

iii. **Measurement (continued)**

Debt instruments (continued)

a. FVTPL

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. The Company may also irrevocably designate financial assets at FVTPL if doing so significantly reduces or eliminates a mismatch created by assets and liabilities being measured on different bases. Fair value changes is recognised in profit or loss and presented net within other gains/(losses) in the period which it arises.

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management have elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in other gains/(losses) in the Statement of Comprehensive Income as applicable.

Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount presented in the Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy.

Trade and other receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. Other receivables generally arise from transactions outside the usual operating activities of the Company. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

**Notes to the financial statements
for the financial year ended 31 December 2020 (continued)**

3 Significant accounting policies (continued)

d. **Impairment of financial assets**

a. **Subsequent measurement - Impairment**

Impairment for debt instruments

The Company assesses on a forward looking basis the expected credit loss ('ECL') associated with its debt instruments carried at amortised cost and at FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Company has two types of financial instruments that are subject to the ECL model:

- Trade receivables
- Other receivables

While cash and cash equivalents are also subject to the impairment requirements of MFRS 9, the identified impairment loss is immaterial.

ECL represent a probability-weighted estimate of the difference between present value of cash flows according to contract and present value of cash flows the Company expects to receive, over the remaining life of the financial instrument.

The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

i. **General 3-stage approach for other receivables**

At each reporting date, the Company measures ECL through loss allowance at an amount equal to 12 month ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition. For all other financial instruments, a loss allowance at an amount equal to lifetime ECL is required. Note 5(a) sets out the measurement details of ECL.

**Notes to the financial statements
for the financial year ended 31 December 2020 (continued)**

3 Significant accounting policies (continued)

e. **Impairment of financial assets (continued)**

a. **Subsequent measurement- Impairment (continued)**

Impairment for debt instruments (continued)

ii. **Simplified approach for trade receivables**

The Company applies the MFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all trade receivables. Note 5(a) sets out the measurement details of ECL.

Significant increase in credit risk

The Company considers 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 Company compares 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 supportable forward-looking information.

The following indicators are incorporated:

- internal credit rating
- external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- actual or expected significant changes in the operating results of the debtor
- significant increases in credit risk on other financial instruments of the same debtor
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtor in the group and changes in the operating results of the debtor.

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model.

**Notes to the financial statements
for the financial year ended 31 December 2020 (continued)**

3 Significant accounting policies (continued)

e. **Impairment of financial assets (continued)**

a. **Subsequent measurement- Impairment (continued)**

Impairment for debt instruments (continued)

Significant increase in credit risk (continued)

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

Definition of default and credit-impaired financial assets

The Company defines a financial instrument as default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria:

-

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The Company defines a financial instrument as default, when the counterparty fails to make contractual payment within 90 days and 365 days of when they fall due for trade receivable and non-trade receivable balances respectively.

Qualitative criteria:

The debtor meets unlikeliness to pay criteria, which indicates the debtor is in significant financial difficulty. The Company considers the following instances:

- the debtor is in breach of financial covenants
- concessions have been made by the lender relating to the debtor's financial difficulty
- it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- the debtor is insolvent.

Financial instruments that are credit-impaired are assessed on individual basis.

Groupings of instruments for ECL measured on collective basis

i. Individual assessment

Trade receivables which are in default or credit-impaired are assessed individually.

**Notes to the financial statements
for the financial year ended 31 December 2020 (continued)**

3 Significant accounting policies (continued)

e. Impairment of financial assets (continued)

a. Subsequent measurement- Impairment (continued)

Write-off

i. Trade receivables

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company, and a failure to make contractual payments for a period of greater than days past due.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

ii. Other receivables

The Company writes-off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount. The Company may write off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains.

**Notes to the financial statements
for the financial year ended 31 December 2020 (continued)**

3 Significant accounting policies (continued)

e. Impairment of financial assets (continued)

a. Subsequent measurement- Impairment (continued)

Assets Carried at Amortised Cost

The criteria that the Company uses to determine that there is objective evidence of an impairment loss include:

- significant financial difficulty of the customer or obligor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becomes probable that the customers will enter bankruptcy or other financial reorganisation;
- observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:

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- adverse changes in the payment status of customers in the portfolio; and
- national or local economic conditions that correlate with defaults on the assets in the portfolio.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The asset's carrying amount is reduced and the amount of the loss is recognised in the statement of comprehensive income. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Company may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the statement of comprehensive income.

**Notes to the financial statements
for the financial year ended 31 December 2020 (continued)**

3 Significant accounting policies (continued)

e. Cash and cash equivalents

For the purpose of the Statement of Cash Flows, cash equivalents are held for the purpose of meeting short-term cash commitment rather than for investment or other purposes. Cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short term, highly liquid investments with original maturities of 3 months or less.

f. Share capital

i. Classification

Ordinary shares with discretionary dividends are classified as equity. Other shares are classified as equity and/or liability according to the economic substance of the particular instrument.

Distribution to holders of a financial instrument classified as an equity instrument is debited directly to equity.

ai. Share issue costs

Incremental costs directly attributable to the issue of new shares or options are deducted against equity.

bi. Dividend to Shareholders of the Company

Dividends on redeemable preference shares are recognised as a liability and expressed on an accrual basis. Other dividends are recognised as a liability in the period in which they are declared.

Dividend in specie of shares distributed to the Company's shareholders is recorded at the carrying value of net asset distributed. The distribution is recorded as a movement in equity.

**Notes to the financial statements
for the financial year ended 31 December 2020 (continued)**

3 Significant accounting policies (continued)

e. Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount can be made. Where the Company expects a provision to be reimbursed (for example under an insurance contract), the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in a settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as finance cost.

i. Financial liabilities

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Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables and advance payment received on service contracts are classified as other financial liabilities. These are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

j. Contingent liabilities and contingent assets

The Company does not recognise a contingent liability but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare circumstance where there is a liability that cannot be recognised because it cannot be measured reliably.

**Notes to the financial statements
for the financial year ended 31 December 2020 (continued)**

3 Significant accounting policies (continued)

j. Contingent liabilities and contingent assets (continued)

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by uncertain future events beyond the control of the Company. The Company does not recognise contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

k. Leases

a. Accounting by lessee

Leases are recognised as right-of-use (“ROU”) asset and a corresponding liability at the date on which the leased asset is available for use by the Company.

Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases such as vehicles or office equipment for which the Company is a lessee, it has elected the practical expedient provided in MFRS 16 not to separate lease and non-lease components. Both components are accounted for as a single lease component and payments for both components are included in the measurement of lease liability.

i. Lease Term

In determining the lease term, the Company considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not to be terminated).

The Company reassesses the lease term upon the occurrence of a significant event or change in circumstances that is within the control of the Company and affects whether the Company is reasonably certain to exercise an option not previously included in the determination of lease term, or not to exercise an option previously included in the determination of lease term. A revision in lease term results in remeasurement of the lease liabilities.

**Notes to the financial statements
for the financial year ended 31 December 2020 (continued)**

3 Significant accounting policies (continued)

k. Leases (continued)

a. Accounting by lessee (continued)

ii. Right-Of-Use (ROU) assets

ROU assets are initially measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentive received;
- Any initial direct costs; and
- Decommissioning or restoration costs.

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ROU assets that are not investment properties are subsequently measured at cost, less accumulated depreciation and impairment loss (if any). The ROU assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight line basis. If the Company is reasonably certain to exercise a purchase option, the ROU asset is depreciated over the underlying asset's useful life.

In addition, the ROU assets are adjusted for certain remeasurement of the lease liabilities due to modification and termination of lease contracts.

iii. **Lease Liabilities**

Lease liabilities are initially measured at the present value of the lease payments that are not paid at that date. The lease payments include the following:

- Fixed payments (including in-substance fixed payments), less any lease incentive receivables;
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the Company under residual value guarantees;
- The exercise price of a purchase and extension options if the Company is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

**Notes to the financial statements
for the financial year ended 31 December 2020 (continued)**

3 Significant accounting policies (continued)

k. **Leases (continued)**

a. **Accounting by lessee (continued)**

iii. **Lease Liabilities (continued)**

Lease payments are discounted using the interest rate implicit in the lease. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The Company presents the lease liabilities as a separate line item in the Statement of Financial Position. Interest expense on the lease liability is presented within the finance cost in the Statement of Comprehensive Income.

iv. **Reassessment of lease liabilities**

The Company is also exposed to potential future increases in variable lease payments that depend on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is remeasured and adjusted against the ROU assets.

Accounting policies applied from 1 January 2020

During the financial year, the Company early adopted Amendment to MFRS 16 'Covid-19-Related Rent Concessions' and account for a Covid-19-related rent concession that meets all of the following conditions in the same way as they would if they were not lease modification:

- i. the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- ii. any reduction in lease payments affects only payments due on or before 30 June 2021; and
- iii. there is no substantive change to other terms and conditions of the lease.

The Company account for Covid-19 related rent concession as a variable lease payment in the period in which the event or condition that triggers the reduced payment occurs. The impacts of rent concessions is not material to the financial statements of the Company.

**Notes to the financial statements
for the financial year ended 31 December 2020 (continued)**

3 Significant accounting policies (continued)

k. **Leases (continued)**

a. **Accounting by lessee (continued)**

iv. **Reassessment of lease liabilities (continued)**

Accounting policies applied until 31 December 2019

Until 31 December 2019, a change in lease payments (including rent concession), other than those arising from a change in amounts expected to be payable under residual value guarantees or in an index or rate used to determine lease payments, is accounted for as a lease modification if it is not part of the original terms and conditions of the lease. The lease modification is accounted for as either a new lease or as a remeasurement of an existing lease liability, depending on the criteria set in MFRS 16.

v. Short term leases and leases of low value assets

Short term leases are leases with a lease term of 12 months or less. The Company low-value assets comprises of office equipment. Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

vi. Impairment

At each reporting date, the Company assesses whether there is any indication of impairment. If such indication exists, an analysis is performed to assess whether the carrying value of the asset is fully recoverable.

b. Accounting by lessor

As lessor, the Company determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to the lessee. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

**Notes to the financial statements
for the financial year ended 31 December 2020 (continued)**

3 Significant accounting policies (continued)

k. Lease (continued)

b. Accounting by lessor (continued)

Finance leases

The Company classifies a lease as a finance lease if the lease transfers substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee.

The Company derecognises the underlying asset and recognise a receivable at an amount equal to the net investment in a finance lease. Net investment in a finance lease is measured at an amount equal to the sum of the present value of lease payments from lessee and the unguaranteed residual value of the underlying asset. Initial direct costs are also included in the initial measurement of the net investment.

The net investments is subject to MFRS 9 impairment (refer to Significant Accounting Policies note 3(e) on Impairment of Financial Assets). In addition, the Company review regularly the estimated unguaranteed residual value.

Lease income is recognised over the term of the lease using the net investment method so as to reflect a constant periodic rate of return. The Company revises the lease income allocation if there is a reduction in the estimated unguaranteed residual value.

Operating leases

The Company classifies a lease as an operating lease if the lease does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee.

The Company recognises lease payments received under operating lease as lease income on a straight line basis over the lease term.

When assets are leased out under an operating lease, the asset is included in the Statement of Financial Position based on the nature of the asset. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of underlying asset and recognised as an expense over the lease term on the same basis as lease income.

**Notes to the financial statements
for the financial year ended 31 December 2020 (continued)**

3 Significant accounting policies (continued)

k. Lease (continued)

b. Accounting by lessor (continued)

Sublease classification

The Company is an intermediate lessor, it assesses the lease classification of a sublease with reference to the ROU asset arising from the head lease, not with reference to the underlying asset. If a head lease is short-term lease to which the Company apply the exemption described above, then it classifies the sublease as an operating lease.

Separating lease and non-lease components

If an arrangement contains lease and non-lease components, the Company allocates the consideration in the contract to the lease and non-lease components based on the stand-alone selling prices in accordance with the principles in MFRS 15.

k. Income taxes

Current tax expense is determined according to the tax laws of each jurisdiction in which the Company operates and include all taxes based upon the taxable profits.

Deferred tax is recognised in full, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss.

Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences or unutilised tax losses can be utilised.

**Notes to the financial statements
for the financial year ended 31 December 2020 (continued)**

3 Significant accounting policies (continued)

l. Income taxes (continued)

Deferred and income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

m. Revenue

i. Accounting for sales of tickets for travel agents

Tickets are entry fees to the Company's tourism venues for variety of activities such as the observation tower, mini zoo and other tourism activities. The travel agents purchase the tickets in bulks from the Company and utilise the tickets within one or two months from the date of purchases. Although the payment for the tickets are due immediately after the tickets issued to the travel agents, the revenue shall be recognised upon utilisation of the tickets purchased. The tickets that have yet to be utilised will be considered as advance payment from the travel agents and recognised as contract liability. According to the contracts between the Company and the travel agents, the tickets purchased must be utilised within the specified period. If the travel agents fail to utilise the tickets within the specified period, revenue will be recognised for the remaining unutilised tickets.

ii. Maintenance fees and operating lease rental income

Maintenance fees and operating lease rental income are recognised on accrual basis.

iii. Management fees

Management fees are recognised upon performance of services.

**Notes to the financial statements
for the financial year ended 31 December 2020 (continued)**

3 Significant accounting policies (continued)

Company No : 188533-A

n. Contracts with Customers

i. Contract Liabilities

The Company's obligation to transfer goods or services to a customer for which the Company has received consideration in advance from customer is presented as contract liability. A contract liability is also recognised for expected volume discounts granted to customer for future purchases.

ii. Receivables

The Company's right to consideration that is unconditional (where only the passage of time is required before payment of that consideration is due) is presented as receivables.

o. Share-based compensation

The Company's eligible employees are entitled to Telekom Malaysia Berhad's (the ultimate holding company) Long Term Incentive Plan (LTIP).

• Equity-settled Share-based Compensation

The fair value of the employee services received in exchange for the grant of shares of the ultimate holding company are recognised as an expense in the statement of comprehensive income over the vesting period of the grant (or each respective grants in the event of multiple grants) with a corresponding increase in capital contribution in equity.

• Cash-settled Share-based Compensation

The fair value of the employee services received in exchange for the cash payment by the Company to employees in lieu of shares of the ultimate holding company are recognised at the fair value of the liability incurred, as expense in the statement of comprehensive income of the Company over the vesting period of the grant (or each respective grants in the event of multiple grants).

**Notes to the financial statements
for the financial year ended 31 December 2020 (continued)**

3 Significant accounting policies (continued)

o. Share-based compensation (continued)

The total amount to be expensed over the respective vesting periods is determined by reference to the fair value of the shares granted, excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in the assumptions about the number of shares that are expected to vest. At each reporting date, the Company revises its estimates of the number of shares that are expected to vest. It recognises the impact of the revision of original estimates of the grant liability, if any, in the statement of comprehensive income with a corresponding adjustment to capital contribution reserve in equity.

p. Employee benefits

i. Short-term employee benefits

Wages, salaries paid, annual leave and sick leave, bonuses and non-monetary benefits are accrued in the financial year in which the associated services are rendered by employees of the Company.

(ii) Defined contribution plans

The Company's contributions to defined contribution plans are charged to the statement of comprehensive income in the financial year to which they relate. Once the contributions have been paid, the Company has no further payment obligations. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(iii) Termination benefits

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits when it is demonstrably committed to either terminate the employment of current employees according to a detailed plan without possibility of withdrawal or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the reporting date are discounted to present value.

Notes to the financial statements

Company No : 188533-A

for the financial year ended 31 December 2020 (continued)

3 Significant accounting policies (continued)

q. Functional and presentation currency

Items included in the financial statements of each of the Company are measured using the currency of the primary economic environment in which the entity operates. The financial statements are presented in Ringgit Malaysia, which is the Company's functional and presentation currency.

Disclosure of cash and cash equivalents**Statement of cash flows
for the financial year ended 31 December 2020**

	Note	2020 RM	2019 RM
Cash flow from operating activities			
Receipts from customers		14,750,370	63,562,220
Receipts from ultimate holding company		1,483,020	3,134,406
		16,233,390	66,696,626
Payment to suppliers and employees		(26,209,693)	(30,725,293)
Tax and Zakat paid		(1,275,001)	(10,383,334)
Tax refund		-	1,044,687
		(27,484,694)	(40,063,940)
Net cash (used in)/generated from operating activities		(11,251,304)	26,632,686
Cash flow from investing activities			
Purchase of property, plant and equipment		(2,316,974)	(4,198,384)
Funds transferred from/(to) ultimate holding company under ICFO		12,648,530	(7,356,274)
Loan repayment from / (advances to) staffs		5,574	(259)
Interest received		581,096	1,187,882
Net cash generated from/(used in) investing activities		10,918,226	(10,367,035)
Cash flow from financing activities			
Dividends paid		-	(17,000,000)
Repayment of lease liability		(54,960)	(47,305)
Net cash used in financing activities		(54,960)	(17,047,305)
Net decrease in cash and cash equivalents during the financial year		(388,038)	(781,654)
Cash and cash equivalents at beginning of the financial year		489,773	1,271,427
Cash and cash equivalents at end of the financial year	15	101,735	489,773

Disclosure of share capital**18 Share capital**

	2020		2019	
	Number of shares	RM	Number of shares	RM
Issued and fully paid:				
Ordinary shares	10,000,000	10,000,000	10,000,000	10,000,000
At 1 January/31 December				

Disclosure of classes of share capital

18 Share capital

	2020		2019	
	Number of shares	RM	Number of shares	RM
Issued and fully paid:				
Ordinary shares	10,000,000	10,000,000	10,000,000	10,000,000
At 1 January/31 December				

Note - Issued capital	Company(MYR)			
	2020	2020	2020	2020
	Ordinary shares	Redeemable preference shares	Non-redeemable preference shares	Total
Disclosure of classes of share capital				
Issued capital				
Shares issued and fully paid				
Number of shares issued and fully paid				
Number of shares issued and fully paid		10,000,000		10,000,000
Other changes in number of shares issued and fully paid				
Amount of shares issued and fully paid				
Balance at the beginning of period				
Shares issued during financial year				
Issued for cash under ESOS				
Issued for cash under private placement				
Arising from conversion of ICULS by surrender option				
Arising from conversion of ICULS by mandatory conversion				
Other changes in shares issued and fully paid				
Balance at the end of period				
Shares issued but not fully paid				
Number of shares issued but not fully paid				
Number of shares issued but not fully paid				
Other changes in number of shares issued but not fully paid				
Amount of shares issued but not fully paid				

Company No : 188533-A

Other changes in shares issued but
not fully paid

Shares outstanding

Number of shares outstanding

Number of shares outstanding at
beginning of period

Number of outstanding shares issued
during financial year

Other changes in number of shares
outstanding

Number of shares outstanding at end
of period

Amount of shares outstanding

Amount of shares outstanding at
beginning of period

Amount of outstanding shares issued
during financial year

Other changes in amount of shares
outstanding

Amount of shares outstanding at end
of period



Disclosure of transactions between related parties**22 Significant related party disclosure**

The significant related party transactions of the Company comprise mainly transactions with Telekom Malaysia Berhad and its subsidiaries. The related parties and their relationship to the Company are as follows:

Companies	Relationship
Telekom Malaysia Berhad	Ultimate holding company
Yayasan Telekom Malaysia	Subsidiary of Telekom Malaysia Berhad
Department of Broadcasting	Government owned agency
Federal Lands Commission	Government owned corporation

Khazanah Nasional Berhad ("Khazanah") is a major shareholder of the ultimate holding company and hence is a related party of the Company. Khazanah is a wholly-owned entity of MoF Inc., which is in turn owned by the Ministry of Finance. The Ministry of Finance is controlled by the Government of Malaysia. Therefore, the Government of Malaysia and bodies controlled or jointly controlled by the Government of Malaysia (Government-related entities) are also related parties of the Company. The Department of Broadcasting ("DOB") and Federal Lands Commission ("FLC"), being government-related entities are also related parties of the Company by virtue of it being controlled by the Government of Malaysia.

**Notes to the financial statements
for the financial year ended 31 December 2020 (continued)**

22 Significant related party disclosure (continued)

Details of significant transactions arising during the financial year with related parties were as follows:

	2020 RM	2019 RM
(i) Revenue		
Maintenance fees and operating lease rental income from Telekom Malaysia Berhad	5,830,000	2,333,334
Maintenance fees and operating lease rental income from DOB	-	2,291,667
Management fees from Telekom Malaysia Berhad	-	673,217
Management fees from Yayasan Telekom Malaysia	753,337	872,337
	<u>753,337</u>	<u>872,337</u>
(ii) Expenses		
Operating expenses incurred paid or payable to Telekom Malaysia Berhad	(1,091,610)	(1,025,849)
Land lease rental and quit rent paid or payable to FLC	(1,500,000)	(1,500,000)
	<u>(1,500,000)</u>	<u>(1,500,000)</u>

The year end balances due from/ (to) related parties (net) are as follows:

	2020 RM	2019 RM
Receivables from Telekom Malaysia Berhad	19,937,396	28,618,016
Receivables from TM R&D Sdn Bhd	7	-
Receivables from Universiti Telekom Sdn Bhd	831	(171)
Receivables from Yayasan Telekom Malaysia	24,380	80,709
Payables to TMFA	(27,840)	(18,785)
Payables to VADS LYFE Sdn Bhd	(51,000)	(5,446)
	<u>(51,000)</u>	<u>(5,446)</u>

Key management personnel are the persons who have authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly. Key management personnel are the Directors (executive and non-executive) and the Chief Executive Officer of the Company. Remuneration paid to key management personnel (including Directors) is as follows:

	2020 RM	2019 RM
Salaries and other short term employee benefits:		
- Salaries and bonus	273,634	344,996
- Defined contribution plan	63,727	67,238
- Other allowances and emoluments	398,012	356,476
	<u>735,373</u>	<u>768,710</u>

Company No : 188533-A

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	Notes - Related party transactions		Company(MYR)					
	2020	2020	2020	2020	2020	2020		
	Parent	Entities with joint control or significant influence over entity	Subsidiaries	Associates	Joint ventures where entity is venturer	Key management personnel of entity or parent	Other related parties	Total
Related party transactions								
Contribution to fund								
Disposal of subsidiaries								
Dividend income								
Interest income								
Issue of shares for exchangeable bonds								
Key management personnel						735,373		735,373
Key management personnel services fee								
Management fees							753,337	753,337
Other expenses		-1,091,610						-1,091,610
Other key management personnel								
Other revenue								
Provision of education and staff training services								
Provision of leasing and hire purchase facilities								
Purchases of goods								

Company No : 188533-A

Purchases of property and other assets		
Rental expense		
Rental income	5,830,000	5,830,000
Revenue from sale of goods		
Revenue from rendering of services		
Royalty expense		
Royalty income		
Sales of property and other assets		
Services received		
Share options recharged		
Share-based payment transactions		
Supplemental payments and signature bonus		
Transactions with shareholders and governments		
Other related parties transactions		
Outstanding balances for related party transactions		
Amounts payable	-379,156	-379,156
Amounts receivable	19,937,396	19,937,396
Other outstanding balances		



Disclosure of retained earnings**Statement of financial position
as at 31 December 2020**

	Note	2020 RM	2019 RM
Non-current assets			
Property, plant and equipment	11	21,398,175	20,639,499
Right-of-use assets	12	2,362,052	125,888
		<u>23,760,227</u>	<u>20,765,387</u>
Current assets			
Trade and other receivables	14	25,227,853	33,036,499
Cash and bank balances	15	101,735	489,773
Tax recoverable		3,985,128	2,710,107
		<u>29,314,716</u>	<u>36,236,379</u>
Current liabilities			
Trade and other payables	16	13,244,054	14,128,547
Lease liability	17	2,337,102	49,617
Contract liability	6 (ii)	533,204	337,483
Deferred tax liabilities	13	1,098,769	665,869
		<u>17,213,129</u>	<u>15,181,516</u>
Net current assets		12,101,607	21,054,863
Non-current liability			
Lease liability	17	31,556	83,633
		<u>35,830,258</u>	<u>41,736,617</u>
Capital and reserves			
Share capital	18	10,000,000	10,000,000
Retained profits	19	24,636,096	30,671,111
Capital contribution	20	1,194,162	1,065,506
		<u>35,830,258</u>	<u>41,736,617</u>

Company No : 188533-A



Statement of cash flows For the year ended 2020 - Direct Method

2020

Company

MYR

Disclosure of retained earnings	
Total retained earnings of Company and its subsidiaries	
Realised	24,636,096
Unrealised	
Retained earnings of associates	
Realised	
Unrealised	
Retained earnings of joint ventures	
Realised	
Unrealised	
Total retained earnings of the company, its subsidiaries, associates and joint ventures	24,636,096
Retained earnings others	
Less: Consolidation adjustments	
Total retained earnings	24,636,096

Company No : 188533-A

DECLARATION

I CONFIRM THAT THE FACTS AND INFORMATION STATED IN THIS DOCUMENT ARE TRUE AND TO THE BEST OF MY KNOWLEDGE.

Name Mohammad Yazmi bin Mat Raschid
Submission Date 13/06/2021

LODGER INFORMATION

Name Mohammad Yazmi bin Mat Raschid
Lodgement Reference No XBFS-MFRS20210613000122
Date of Lodgement 13/06/2021
Time of Lodgement 02:16:17 pm
Digitally signed by Mohammad Yazmi bin Mat Raschid
Signed on 13/06/2021 01:59:14 pm
Identification No 730526045057
Type Of Identification MyKad
Professional Type MAICSA
Licnsed Secretary No./ Membership No 7028878
Address LEVEL 51, NORTH WING, MENARA TM,, JALAN PANTAI BAHARU,, KUALA LUMPUR, 50672, WILAYAH PERSEKUTUAN, MALAYSIA
Phone No 0322401215
Email yazmi@tm.com.my

Menara Kuala Lumpur Sdn. Bhd.

Registration No. 980101111 (1995) 0001

112, Jalan Sultan Ismail

**Reports and financial statements
for the financial year ended 31 December 2020**



Menara Kuala Lumpur Sdn. Bhd.

Menara Kuala Lumpur Berhad
The Kuala Lumpur Tower

Reports and financial statements for the financial year ended 31 December 2020

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Menara Kuala Lumpur Sdn. Bhd.

Registered Office: 100, Jalan Sultan Ismail,
50450 Kuala Lumpur, Malaysia

Directors' report for the financial year ended 31 December 2020

The directors hereby submit their report, together with the audited financial statements of the Company for the financial year ended 31 December 2020.

Principal activities

The principal activities of the Company are the management and operation of Menara Kuala Lumpur. There were no significant changes in the principal activities of the Company during the financial year.

Financial results

Profit attributable to equity holders	RM1,000,000
Profit attributable to minority interests	RM100,000

Reserves and provisions

The reserves and provisions of the Company are set out in the statement of financial position of the Company. Details of the reserves and provisions are set out in the notes to the financial statements.

Dividend

No dividend has been paid or declared to the shareholders during the year.

Menara Kuala Lumpur Sdn. Bhd.

Menara Kuala Lumpur Berhad (1010487-A)
The Kuala Lumpur Tower

Directors' report

for the financial year ended 31 December 2020 (continued)

Directors

The directors of the company for the financial year ended 31 December 2020 are as follows:

Mr. Mohd. Farid Haniffa Director (Chairman) Singapore 11, Jalan Medan Setia 1, Damansara Utama 50480 Kuala Lumpur, Kuala Lumpur	Mr. Suresh Kumar Pillay Director (Executive) Singapore 11, Jalan Medan Setia 1, Damansara Utama 50480 Kuala Lumpur, Kuala Lumpur
---	--

The directors have caused this Directors' Report to be printed and signed on behalf of the directors of the company by the Chairman of the Board of Directors, Mr. Mohd. Farid Haniffa, on 17 February 2021.

The directors have caused this Directors' Report to be printed and signed on behalf of the directors of the company by the Chairman of the Board of Directors, Mr. Mohd. Farid Haniffa, on 17 February 2021.

Directors' interests

According to the personal disclosures made by the directors, the directors of the company who held shares at the end of the financial year in shares in the Company's unlisted holding company, Telekom Malaysia Berhad are as follows:

Shares held	<u>No. of ordinary shares</u>			
	Acquired in 2020	Acquired	Disposed	At 31 Dec 2020
Telekom Malaysia Berhad	100			100

The directors have declared that they do not have any other interests in shares of Telekom Malaysia Berhad under the Long Term Incentive Plan of LTP of the Telekom Malaysia Berhad, except the unlisted shares.

Menara Kuala Lumpur Sdn. Bhd.

Menara Kuala Lumpur Bersemita Berhad
 0900003433240001

Directors' report

for the financial year ended 31 December 2020 (continued)

Directors' interests (continued)

Director's name	Date of Appointment	Shareholding notes			
		Year ended 31.12.2020	Transferred	Disposed	
Yekim Matryia Fernan				Year ended 31.12.2020	
Mr. Jonathan Mar... RS 17/03/2017		-	500	-	100
Rizman bin Yusoff					
RS 11/08/1996		-	1,000	-	12,000
RS 11/02/2000		-	1,000	-	12,000
Jacky Manoj Kumar Manoj					
RS 12/01/1989	50,000	-	-	-	60,000
RS 12/01/1989		-	10,000	-	1,000
RS 12/01/1989		-	1,000	-	12,000
Benjamin bin Yusoff					
RS 10/11/1977	1,000	-	-	-	55,000
RS 10/11/1977	20,000	-	-	-	1,000
RS 17/01/1980	20,000	-	-	-	28,000
RS 20/12/1980	8,000	-	-	-	10,000
RS 11/08/1996		-	50,000	-	21,000
RS 01/02/2000		-	20,000	-	20,000

1. The directors' interests in the shares of the Company are disclosed in the table above. The directors' interests in the shares of the Company are disclosed in the table above.

2. The directors' interests in the shares of the Company are disclosed in the table above. The directors' interests in the shares of the Company are disclosed in the table above.

3. The directors' interests in the shares of the Company are disclosed in the table above. The directors' interests in the shares of the Company are disclosed in the table above.

4. The directors' interests in the shares of the Company are disclosed in the table above. The directors' interests in the shares of the Company are disclosed in the table above.

5. The directors' interests in the shares of the Company are disclosed in the table above. The directors' interests in the shares of the Company are disclosed in the table above.

6. The directors' interests in the shares of the Company are disclosed in the table above. The directors' interests in the shares of the Company are disclosed in the table above.



Menara Kuala Lumpur Sdn. Bhd.

Menara Kuala Lumpur Berhad (Kuala Lumpur Tower Berhad)
Menara Kuala Lumpur

Directors' report

for the financial year ended 31 December 2020 (continued)

Other statutory information

Before the financial statements of this company were prepared, the Directors took reasonable steps to:

- (a) ascertain that proper action had been taken to identify and settling all of the debts and the making of provisions for doubtful debts and debts on themselves that all known bad debts had been written off and that adequate provisions had been made for doubtful debts; and
- (b) ascertain that any contingent assets which were subject to being set off the liability items of the company, including the set off against a non-current liability, were properly supported by records of the company and were written towards a customer. Which contingent assets might be expected to be recoverable.
- (c) ascertain that reported by Directors were not in any financial statements which would create a misleading statement of the financial position of the company or which might be involved in any legal proceedings.
- (d) ascertain that the Directors were not aware of any circumstances which might lead to the company being unable to pay its debts as they fall due.
- (e) ascertain that the Directors were not aware of any circumstances which might lead to the company being unable to pay its debts as they fall due.

Menara Kuala Lumpur Sdn. Bhd.

INCORPORATED IN MALAYSIA
NO. 970103-D/0001

Directors' report

for the financial year ended 31 December 2020 (continued)

Other statutory information (continued)

(A) Financial statements (continued)

(g) Changes in the assets of the Company which have arisen since the end of the financial year which are secured by mortgages or other rights in property.

(h) Contingent liabilities of the Company which have arisen since the end of the financial year.

(i) A change in the financial position of the Company has occurred during the financial year which is not reflected in the period financial statements and which is of a material nature and which is likely to affect the company's financial position in the future.

(j) At the end of the report the directors are not aware of any circumstances which otherwise than in the report might materially affect the assets of the company which are not reflected in the financial statements for the year.

(B) Directors of the company

(1) The directors of the company are: (a) the company secretary; (b) the directors who are not disqualified under the provisions of the Companies Act 2016; and (c) the directors who are not disqualified under the provisions of the Companies Act 2016.

(2) There has not arisen in the interval between the end of the financial year and the date of the report any circumstances which would, if known to the directors, materially affect the financial position of the company in the financial year.

Ultimate holding company

The ultimate holding company of Menara Kuala Lumpur Sdn. Bhd. is Menara Kuala Lumpur Sdn. Bhd. (Menara Kuala Lumpur Sdn. Bhd.).



Menara Kuala Lumpur Sdn. Bhd.

Directors' report for the financial year ended 31 December 2023 (continued)

Significant event

There were no significant events during the financial year.

Directors' Remuneration

There were no directors during the financial year.

Auditors

The auditors for the financial year were Messrs. PricewaterhouseCoopers, Chartered Accountants, Kuala Lumpur.

Indemnification of auditors

The directors of the company have agreed to indemnify the auditors in respect of any claims or damages which may be made against them in respect of their duties as auditors of the company.

This report was approved by the Board of Directors on 27th March 2024 at the Board Meeting.


Bahari Hisham bin Ahmad

Bahari Hisham bin Ahmad
Director



Menara Kuala Lumpur Sdn. Bhd.

Registration No. 980012-D (1281187)
Incorporated in Malaysia

Statement of comprehensive income for the financial year ended 31 December 2020

	2020	2019
	RM	RM
Revenue	19,580,877	20,071,224
Other income	12,281,087	15,749,751
Other comprehensive income	2,019,219	8,782,617
Finance charges, profit and loss account only	96,832,316	1,442,438
Finance income	51,009	87,871
Cost of goods sold and services sold	(5,607,133)	(28,677,751)
Other expenses	(12,390)	(7,069,175)
Profit/(loss) attributable to equity holders of the company	<u>16,005,695</u>	<u>2,000,000</u>

For and on behalf of the directors, the principal executive officer(s) of Menara Kuala Lumpur Sdn. Bhd.

8



Menara Kuala Lumpur Sdn. Bhd.

Menara Kuala Lumpur (M) Berhad
 50, Jalan Stesen Sentral 5, Kuala Lumpur Sentral,
 50470 Kuala Lumpur, Malaysia

Statement of financial position as at 31 December 2020

	2020	2019	2018
	RM	RM	RM
Non-current assets			
Investment in subsidiaries	1	1,178,771	1,178,771
Intangible assets	10	1,362,652	1,362,652
		2,541,423	2,541,423
Current assets			
Prepaid expenses	1	28,713,850	28,713,850
Trade receivables	14	101,735	101,735
Due from related parties		1,985,328	1,985,328
		29,800,913	29,800,913
Current liabilities			
Trade payables		20,150	20,150
Other payables	1	7,157,007	7,157,007
Contract liabilities	10	91,204	91,204
Shareholders' fund		1,005,260	1,005,260
		7,273,621	7,273,621
Net current assets		12,527,292	12,527,292
Non-current liability			
Contract liabilities	1	1,000	1,000
		25,806,758	25,806,758
Equity and reserves			
Share capital	1	1,000,000	1,000,000
Reserves	5	24,618,106	24,618,106
Capital contribution	15	1,193,162	1,193,162
		26,811,268	26,811,268

Approved on behalf of the Board of Directors: *(Signature)* / *(Signature)*
 Director / Director

Menara Kuala Lumpur Sdn. Bhd.

Kuala Lumpur, 100000 (Incorporated in Malaysia)
 100, Jalan Sentral, Sentral

Statement of changes to equity for the financial year ended 31 December 2020

	Number of Share Capital ('000)	Issued and Subscribed Capital (RM)	Retained Profit (RM)	Total (RM)
At 1 January 2020	10,000,000	1,065,506	50,051,111	1,776,617
Net loss and other comprehensive loss for the financial year			(6,035,015)	(6,035,015)
Long term incentive plan		135,076		135,076
At 31 December 2020	10,000,000	1,200,582	44,016,096	1,637,158
At 1 January 2019	10,000,000	971,146	56,115,584	1,766,830
Change in equity from share issue (RM0.15)		100,000		100,000
Retained profit (comprehensive loss)		100,000	(65,000)	35,000
Change in equity from share issue (RM0.15)			5,000,000	5,000,000
Change in equity from share issue (RM0.15)	200,000			30,000
At 31 December 2018	10,200,000	1,071,146	51,115,584	1,796,870

The financial statements were approved by the Board of Directors on 17 February 2021 and signed by the Chairman of the Board of Directors.

Menara Kuala Lumpur Sdn. Bhd.

50, Jalan Stesen Sentral 5,
Kuala Lumpur Sentral, 50470 Kuala Lumpur

Statement of cash flows for the financial year ended 31 December 2020 (continued)

Change in liabilities arising from financing activities

	At		Non-cash movements		At
	1 January		31 December		31 December
	2020	2019	2020	2019	2020
	RM	RM	RM	RM	RM
Less: Dividend	(1,175,000)	(1,175,000)	(1,175,000)	(1,175,000)	(1,175,000)

	At		Non-cash movements		At
	1 January		31 December		31 December
	2020	2019	2020	2019	2020
	RM	RM	RM	RM	RM
Less: Dividend	(1,175,000)	(1,175,000)	(1,175,000)	(1,175,000)	(1,175,000)

The above statement of cash flows is derived from the consolidated cash flow statement of the Group and is prepared in accordance with the requirements of the Companies Act 2016.

1.



Menara Kuala Lumpur Sdn. Bhd.

Menara Kuala Lumpur Sdn. Bhd. (813100000000)
100, Jalan Sultan Ismail, Kuala Lumpur

Notes to the financial statements for the financial year ended 31 December 2020 (continued)

3 Significant accounting policies

(a) Basis of preparation of the financial statements

The financial statements of Menara Kuala Lumpur Sdn. Bhd. (the "Company") are prepared in accordance with the Malaysian Financial Reporting Standards (MFRS), International Financial Reporting Standards and the requirements of the Companies Act 2016 of Malaysia.

The financial statements have been prepared on the historical cost convention except for the use of the following Accounting Standards below:

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that can affect the reported amounts of assets and liabilities and income and expenses. The Company also has to make judgements on the use of the following standards and accounting policies in the preparation of financial statements during the reporting period: (a) the use of the "cost of sales" method; (b) the use of the "percentage of completion" method; (c) the use of the "percentage of completion" method; (d) the use of the "percentage of completion" method; (e) the use of the "percentage of completion" method; (f) the use of the "percentage of completion" method; (g) the use of the "percentage of completion" method; (h) the use of the "percentage of completion" method; (i) the use of the "percentage of completion" method; (j) the use of the "percentage of completion" method; (k) the use of the "percentage of completion" method; (l) the use of the "percentage of completion" method; (m) the use of the "percentage of completion" method; (n) the use of the "percentage of completion" method; (o) the use of the "percentage of completion" method; (p) the use of the "percentage of completion" method; (q) the use of the "percentage of completion" method; (r) the use of the "percentage of completion" method; (s) the use of the "percentage of completion" method; (t) the use of the "percentage of completion" method; (u) the use of the "percentage of completion" method; (v) the use of the "percentage of completion" method; (w) the use of the "percentage of completion" method; (x) the use of the "percentage of completion" method; (y) the use of the "percentage of completion" method; (z) the use of the "percentage of completion" method.

The Company has also adopted the following accounting policies in the preparation of financial statements:



Menara Kuala Lumpur Sdn. Bhd.

Menara Kuala Lumpur Bersemita Sdn. Bhd.
100, Jalan Sultan Ismail, Kuala Lumpur 50000

Notes to the financial statements for the financial year ended 31 December 2020 (continued)

3 Significant accounting policies (continued)

(a) Basis of preparation of the financial statements (continued)

- (v) New standards, Interpretation Committee (IC) Interpretation and amendments to published standards effective and applicable for the Company's financial year since 1 January 2020:

The standards, interpretations and new interpretations published standards that are applicable to the Company's financial year beginning on January 1, 2020 are as follows:

No.	Malaysian Financial Reporting standards	Effective dates for financial year beginning
1	MFRS 101 – Financial Instruments – Presentation of Financial Instruments Presentation of Financial Instruments – Disclosures Presentation of Financial Instruments – Disclosures – IFRS standard Amendments to MFRS 101 and MFRS 102 – Business	January 2020
2	Amendments to MFRS 101 and MFRS 102 – Business	January 2020
3	Amendments to MFRS 9 – Financial Instruments – Interest Rate Benchmark Reform	January 2020

The adoption of these standards does not have any significant impact on the financial statements of the Company. The financial reporting policies, including accounting current or previous periods, that are of financial significance, are set out in the following:

Menara Kuala Lumpur Sdn. Bhd.

Registered No. SSM 1013133-M
Incorporated in Malaysia

Notes to the financial statements for the financial year ended 31 December 2020 (continued)

3 Significant accounting policies (continued)

(2) Basis of preparation of the financial statements (continued)

(iii) Amendments to published standards that have been issued but not yet adopted and have not been widely adopted by the Company (continued)

- Amendments to MFRS 107 Classification of Liabilities as Current or Non-current which states that a liability is classified as non-current if on 31 December it has no substantive right at the end of the reporting period to be settled (or to be repaid or otherwise satisfied) by the reporting period. A liability's classification is determined if a payment is pre-agreed to or before the reporting date and is expected to be settled during the reporting period. The classification is based on the substance of the arrangement, not on the legal form.
- Amendments to MFRS 101 and MFRS 102 regarding the distinction between an asset and a liability and the "look through" test. "Venture" addresses the issue of how to determine if a liability is a "venture" under MFRS 101. The amendments introduce a liability classification test. The test is based on the substance of the arrangement, not on the legal form. The amendments require the issuer to consider the substance of the arrangement, not the legal form, to determine whether the business is intended to be sold or repaid. The amendments require the issuer to consider the substance of the arrangement, not the legal form, to determine whether the business is intended to be sold or repaid. The amendments require the issuer to consider the substance of the arrangement, not the legal form, to determine whether the business is intended to be sold or repaid. The amendments require the issuer to consider the substance of the arrangement, not the legal form, to determine whether the business is intended to be sold or repaid.

1. Adoption of the amendments to MFRS 101 and MFRS 102 will have no effect on the Company's financial statements for the financial year ended 31 December 2020.



Menara Kuala Lumpur Sdn. Bhd.

Registered Office: Menara Kuala Lumpur Sdn. Bhd.
No. 7, Jalan Stesen Sentral 5,
Kuala Lumpur Sentral, Kuala Lumpur

Notes to the financial statements for the financial year ended 31 December 2020 (continued)

A Significant accounting policies (continued)

(b) Property, plant and Equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. The cost of and items of property, plant and equipment initially recognised include its purchase price and any cost directly attributable to bringing the asset to the location and condition necessary for it to be capable of performing in the manner intended by management.

(i) Cost

The cost of a property, plant and equipment comprises all the expenditure incurred in acquiring the asset, including any costs incurred in bringing the asset to its present location and condition. The cost also includes the cost of purchase of land and the cost of the solution to meet the asset's purpose to its final use.

Subsequent costs are included in the asset's carrying amount if the repairs or maintenance expenditure improves the asset's performance, increases its useful life or enables it to produce additional revenue. The cost of replacing part of the asset if the part can be replaced without the replacement of the whole asset is recognised as expenditure. All other repairs and maintenance are recognised as expense in the period in which they are incurred. In the year in which they are incurred.

(ii) Depreciation

Property, plant and equipment are depreciated on straight-line basis over the useful life of the asset. Attempts to improve the asset by increasing its output, substituting its components or parts,

Office equipment	3 - 5 years
Transportation	3 years
Motor vehicles	3 years

replacement of property, plant and equipment is recognised as an expense when the original property, plant and equipment are replaced. The number of estimated useful life of property, plant and equipment, assessed at the end of the reporting period, based on the actual usage of the asset.

The residual value of an asset is determined based on the expected disposal price and appreciation of the asset at the end of its useful life.

Menara Kuala Lumpur Sdn. Bhd.

Menara Kuala Lumpur (MBSB) Berhad (100%)
Kuala Lumpur Sentral

Notes to the financial statements for the financial year ended 31 December 2020 (continued)

3 Significant accounting policies (continued)

(b) Property, plant and Equipment (continued)

(iv) Impairment

At each reporting period, the Company assesses whether there is any indication of impairment. If such indication exists, an analysis is performed to assess whether the carrying amount of property, plant and equipment is fully recoverable. A write-down is made if the carrying amount exceeds the recoverable amount. A reversal of the policy Note 3(b)(i) impairment of non-financial asset

(v) Gains or losses on disposal

Gains or losses on disposal are determined by comparing the net proceeds from the disposal of the asset with its carrying amount at the date of disposal. Gains or losses are included in the statement of comprehensive income.

(vi) Depreciation methods

Depreciation methods are designed to distribute the depreciable amount systematically over the periods in which they are expected to generate the economic benefits of the asset when it is probable that future economic benefits will flow to the entity. A regular analysis of patterns of performance of the existing asset will be conducted in a way that does not depreciated with the remaining useful life of the related asset.

(c) Impairment of Non-Financial Assets

Property, plant and equipment are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of its fair value less costs of disposal and value in use. For impairment testing, cash-generating impairment assets are grouped at the lowest levels for which there is separately identifiable cash flows. Cash-generating units are identified on an individual basis or as a combination of assets, cash-generating units or divisions.

Menara Kuala Lumpur Sdn. Bhd.

Registered Office: 1999, Jalan SS9/13,
Taman Miharja, Kuala Lumpur

Notes to the financial statements for the financial year ended 31 December 2020 (continued)

3 Significant accounting policies (continued)

(d) Financial assets

(i) Classification

Financial assets are classified in the following measurement categories:

- Those to be measured subsequently at fair value through profit or loss (other comprehensive income) model or through profit or loss; and
- Those to be measured at amortised cost.

Financial assets are classified as held-to-maturity investments only when all business models result in the sale of the assets to maturity.

(ii) Recognition and derecognition

Assets are recognised when a sale has occurred and the asset is identifiable, its future cash flows are measurable and it is probable that the cash flows will be received. Financial assets are derecognised when the contractual right to receive cash flows has expired or the asset has been transferred to another party.

(iii) Measurement

A financial asset is initially recognised at fair value. An asset is at fair value when, in the case of a financial asset, not at fair value through profit or loss, it is measured at amortised cost, less impairment, provided that the probability of the future cash flows is virtually certain. The fair value of a financial asset is the price that would be received to settle the asset in its current condition.

Impairment losses on held-to-maturity investments are calculated in the same manner as determining whether there is a flow of cash. Payment of financial and financial assets.

Menara Kuala Lumpur Sdn. Bhd.

INCORPORATED IN MALAYSIA
(1130189-D)

Notes to the financial statements for the financial year ended 31 December 2020 (continued)

3 Significant accounting policies (continued)

(d) Financial assets (continued)

(iii) Measurement requirements

(1) Debt instruments (continued)

(a) FVTPL

Assets that do not meet the criteria for assets that are FVOCI are measured at FVTPL. The company may also choose to designate financial assets as FVTPL if doing so represents a more appropriate presentation of the financial statements. Assets measured at FVTPL are measured at fair value with changes in recognized amounts recognized in profit or loss within the reporting period.

(b) Equity instrument

The company designates its financial equity instruments as follows. Where the company's contract is not a derivative contract, it is a financial asset or financial liability if it meets the definition of a financial asset or financial liability and does not fall under the scope of the guidance on contracts in its own equity. Financial instruments that do not meet the criteria to be classified as equity are classified as debt instruments if the company's right to receive payment is not unconditional.

Changes in the fair value of financial assets at FVTPL are recognized in the profit or loss in the Statement of Comprehensive Income in the period.

(iv) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount presented in the Statement of Financial Position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or settling simultaneously, the related financial assets and liabilities. Offsetting rights must be enforceable in all circumstances, including in the event of default, insolvency or bankruptcy.

(v) Trade and other receivables

Trade receivables are amounts due from customers for services performed. The company records trade receivables initially at their gross value. In circumstances where the company has a significant risk of default, trade receivables are recorded at the net amount expected to be received. The company monitors the creditworthiness of its customers and the risk of default, based on its bankruptcy.

Menara Kuala Lumpur Sdn. Bhd.

1, Jalan Stesen Sentral 5, Kuala Lumpur Sentral,
50470 Kuala Lumpur

Notes to the financial statements for the financial year ended 31 December 2020 (continued)

3 Significant accounting policies (continued)

(c) Impairment of financial assets

(iv) Subsequent measurement - Impairment

Impairment for debt instruments

The Company assesses its financial assets based on expected credit loss ("ECI") model, along with its debt instruments carried at amortized cost (at a FVPL). The impairment model only apply to category 1 and 2, which has been a significant increase in credit risk.

The Company uses two types of financial instruments that are subject to ECI model:

- Financial receivables
- Financial investments

While the Company uses the expected credit loss model, it also complies with requirements of MAMBA, the Malaysian regulatory framework on impairment.

The impairment is primarily calculated as a function of the difference between present value of cash flows generated by the instrument and the carrying amount. Losses are estimated based on the expected credit loss measurement approach. The financial instrument

is measured at the following:

- an unbiased and probability-weighted amount that is the present value of all cash flows that are expected to be received
- the fair value of the instrument
- the available and appropriate information that is available without undue cost or effort, that is, the reportable entity does not need to incur significant costs and efforts to obtain the economic condition

General 3-stage approach for other receivables

At each reporting date, each Company's receivable is categorized as follows: stage 1, stage 2 or stage 3. All the Company's receivables are classified into the financial instruments of a group of financial instruments that share similar credit risk characteristics. The Company's classification of receivables is based on the Company's assessment of whether there has been a significant increase in credit risk since initial recognition. All receivables are classified into stage 1, stage 2 or stage 3.

Menara Kuala Lumpur Sdn. Bhd.

Kuala Lumpur, 50470, 03-2299 4400
Suruhanjaya Syarikat Malaysia

Notes to the financial statements for the financial year ended 31 December 2020 (continued)

3 Significant accounting policies (continued)

(e) Impairment of financial assets (continued)

(iii) Subsequent measurement - Impairment (continued)

Impairment for debt instruments (continued)

Significant increase in credit risk (continued)

Separation of the amounts above, as per Table, represents the amount of impairment for debt instruments that have been provided for during the reporting period.

Definition of default and credit-impaired financial assets

The Company defines default as a non-payment of contractual cash flows when the borrower is unable to pay or is unlikely to pay when due, or is in breach of the contractual terms of the financial instrument.

(iv) Debtors - credit

The Company defines credit-impaired debtors as debtors who are unable to pay when due, or are unlikely to pay when due, or are in breach of the contractual terms of the financial instrument.

Qualitative criteria

The Company uses the following qualitative criteria to identify credit-impaired debtors:

- the debtor is in breach of financial covenants;
- the debtor has been declared bankrupt or has been liquidated or is in liquidation;
- the debtor is in breach of the terms of the financial instrument;
- the debtor is in breach of the terms of the financial instrument.

The Company uses the following qualitative criteria to identify credit-impaired debtors:

Grouping of instruments for ECL measured on collective basis

(i) Individual assessment

The Company uses the following qualitative criteria to identify credit-impaired debtors:

Menara Kuala Lumpur Sdn. Bhd.

(Incorporated in Malaysia)
100, Jalan 7/11, Kuala Lumpur

Notes to the financial statements for the financial year ended 31 December 2020 (continued)

3 Significant accounting policies (continued)

(c) Impairment of financial assets (continued)

(i) Subsequent measurement- Impairment (continued)

Write-off

(ii) Trade receivables

Trade receivables are written off when there is no reasonable expectation of recovery, indicating that there is no reasonable prospect of recovery in full. In cases where the failure of debtors to engage in the payment of part of their obligations, and it is not possible to make cost-effective assessments for a doubtful debt that requires write-off.

Impairment losses on trade receivables are presented as the impairment loss expense in the profit or loss. Subsequently, if a doubtful debt is subsequently determined to be collectible, the amount is reversed.

(iii) Other receivables

The Company assesses its financial assets at write-off, apart from those considered impractical to write off or for which it is concluded that it is not sensible to expect the recovery of the asset or the associated cost of a reasonable expectation of recovery based on available evidence of debtors' solvency and ability to settle the amount due from them. Losses are recognised when the Company has reasonable evidence to suggest that it is probable that the Company will not receive all amounts due to it from the debtors. The Company has written off amounts due from other receivables when it is not probable that the Company will receive all amounts due to it from the debtors.

Menara Kuala Lumpur Sdn. Bhd.

1010883-D (12/11/2018) S.S.
Kuala Lumpur, Malaysia

Notes to the financial statements for the financial year ended 31 December 2020 (continued)

3 Significant accounting policies (continued)

(f) Cash and cash equivalents

For the purpose of the statement of financial position, cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. Cash and cash equivalents comprise cash on hand, deposits held with banks, other short-term highly liquid investments with original maturities of 3 months or less.

(g) Share capital

(i) Classification

The share capital will be classified as ordinary shares unless the company has issued any preference shares which carry any special rights. The classification of shares is subject to the provisions of the Companies Act 2016.

The share capital is stated in the financial statements in the reporting currency unless otherwise stated. Dividends are paid in Ringgit Malaysia.

(ii) Share issue costs

Share issue costs are recognised and deducted from the issue proceeds as a deduction of the share issue costs.

(iii) Dividend to Shareholders of the Company

Dividends are declared and paid to the shareholders of the company in accordance with the provisions of the Companies Act 2016. Other dividends are recognised as a liability in the period in which they are declared.

Dividends on ordinary shares of the listed to the company's shareholders is recorded in the financial statements and are used to list on the Bursa Malaysia Securities Exchange Sdn. Bhd. (Bursa Malaysia).

Menara Kuala Lumpur Sdn. Bhd.

INCORPORATED IN MALAYSIA
101792673-M

Notes to the financial statements for the financial year ended 31 December 2020 (continued)

3 Significant accounting policies (continued)

(ii) PROVISIONS

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, which is probable that an outflow of resources will be required to settle the obligation, and where a reliable estimate of the amount can be made. Where the company expects a provision to be reimbursed (for example, under an insurance contract), the reimbursement is recognised as a separate asset and only when the reimbursement is virtually certain. Provisions are not recognised for future operating losses.

When there is a present or potential obligation, the likelihood that an outflow will be required to settle the obligation is not sufficient to recognise a provision. A provision is recognised when the obligation is a liability with respect to an asset item included in the financial statements for the period.

Provisions are measured at the amount of cash or other consideration expected to be paid to settle the liability. Provisions are reviewed at the end of each reporting period. An increase or decrease in the amount of the provision is recognised in the period.

(i) Financial liabilities

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less than the normal operating cycle, whichever is longer, or if the liability is due on demand.

Trade and other payables and advance payments received on services contracts are effective as of the date of recognition. Trade and other payables are recognised at the undiscounted amount of the liability based on the invoice amount, net of any discounting.

(ii) Contingent liabilities and contingent assets

The company does not recognise a contingent liability or contingent asset arising from the uncertainty of an outcome. A contingent liability is a possible obligation that arises from past events, whose existence will be confirmed by one or more uncertain future events that are not wholly within the company's control. A contingent liability is not recognised because the obligation is not certain, and the loss is not estimable. A contingent liability is not recognised because the obligation is not certain, and the loss is not estimable. A contingent asset is a possible asset that arises from past events, whose existence will be confirmed by one or more uncertain future events that are not wholly within the company's control. A contingent asset is not recognised because the asset is not certain, and the gain is not estimable.



Menara Kuala Lumpur Sdn. Bhd.

Registration No. 1090010-T/0108557-A
101, Jalan Stesen Sentral 5, Kuala Lumpur Sentral, Kuala Lumpur 50470, Malaysia

Notes to the financial statements for the financial year ended 31 December 2020 (continued)

3 Significant accounting policies (continued)

(j) Contingent liabilities and contingent assets (continued)

A contingent asset is a possible asset that arises from past events, whose existence will be confirmed by a future uncertain event, beyond the control of the Company. The Company does not recognise contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

(k) Leases

(i) Accounting by lessee

Leases are recognised as liabilities at the start of the lease term and as intangible liability at the date in which the leased asset is available for use by the Company.

Leases are classified as finance leases whenever the terms of the lease agreement indicate that substantially all the risks and rewards of ownership are transferred to the lessee. If the lease term is equal to or greater than 90% of the economic life of the leased asset, or if the present value of the minimum lease payments amounts to at least 90% of the fair value of the leased asset, or if the lease transfers ownership of the asset to the lessee by the end of the lease term, or if the lessee has the option to purchase the asset at a price significantly below fair value, it is classified as a finance lease. All other leases are classified as operating leases. Lease payments are recognised as an expense on a straight-line basis over the term of the lease, unless a different systematic method is more representative of the time pattern of the lessee's benefits derived from the leased asset.

(ii) Lease term

In determining the lease term, the lessee must consider all the facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option, at the end of the lease term. Lease terms for contracts that contain options for extension or termination are determined based on the most likely amount of extension or termination options that will be exercised.

The Company reassesses the lease term upon the occurrence of a significant event or change in circumstances that would result in exercise of the Company's option, which affects the Company's assessment of whether an option on the lease will be exercised in the determination of lease term, or not to exercise an option, is not readily available in the determination of lease term. A significant lease term reassessment results in the adjustment of the lease liability.

Menara Kuala Lumpur Sdn. Bhd.

505, Jalan Sentral, 50470 Kuala Lumpur Sentral,
Kuala Lumpur, Malaysia

Notes to the financial statements for the financial year ended 31 December 2020 (continued)

3 Significant accounting policies (continued)

(k) Leases (continued)

(iv) Accounting by lessee (continued)

(B) Right-of-use asset (ROU) classes

ROU assets are initially measured at the lease commencement date at:

- (i) The amount of the lease liability, plus or minus:
- (ii) Any lease payments made in or before the commencement date less any lease incentives received;
- (iii) Any initial direct costs;
- (iv) Any impairment loss recognised at the commencement date.

ROU assets that are subject to a lease termination option are classified as short-term ROU assets if the exercise of the option is not a substantive option. The ROU asset is measured at the commencement date as the amount of the lease liability plus or minus any initial direct costs less any impairment loss. ROU assets are classified as long-term ROU assets if the exercise of the option is a substantive option. Long-term ROU assets are measured at the commencement date as the amount of the lease liability plus or minus any initial direct costs less any impairment loss.

ROU assets are depreciated using the straight-line method over the lease term unless the fair value of the underlying asset is expected to decrease significantly over the lease term.

(v) Lease liabilities

Lease liabilities are measured at the present value of the lease payments that are not paid at that date. The lease payments include the following:

- Fixed payments (including in-substance fixed payments) less any lease incentives received;
- Variable lease payments that are based on an index or rate, measured at the commencement date using the index or rate at the commencement date;
- Amounts expected to be paid by the lessee under a purchase option or a termination option, if the exercise of the option is considered probable;
- The exercise price of a purchase option, if the exercise of the option is considered probable, less any lease incentives received;
- The exercise price of a termination option, if the exercise of the option is considered probable, less any lease incentives received.

Menara Kuala Lumpur Sdn. Bhd.

(Incorporated in Malaysia)
125113-A
Company No. 125113-A

Notes to the financial statements for the financial year ended 31 December 2020 (continued)

3 Significant accounting policies (continued)

(k) Leases (continued)

(as) Accounting by lessee (continued)

(iii) Lease liabilities (continued)

Lease payments are discounted using the interest rate implicit in the lease. Lease payments are allocated between principal and financing. The finance costs are charged to profit or loss on a time basis, pending lease completion or a constant interest rate, whichever is applicable, using the effective interest rate method.

The company presents lease liabilities as a liability for each class of assets in its Statement of Financial Position. Interest expense on the lease liability is recognised within the finance cost in the statement of profit or loss and other comprehensive income.

(iv) Reassessment of lease liabilities

The company reassesses lease liabilities if there is a change in lease term, the payments that are expected to be made, which includes the impact of the lease term and they take effect, which includes, but not limited to, lease payments based on an index or rate take effect. The lease liability is reassessed and adjusted against the profit or loss.

Accounting policies applied from 1 January 2020

The company first adopted the Company's Policy on Capital Management in ALL 2019-2020. The Company's first financial year commencing on 1 January 2020, the Company's lease liabilities are calculated based on the lease term as they were at the end of the reporting period.

- (i) The change in lease term that arises from the company's decision to buy or lease might be substantially the same or less than the continuation to the lease unless later modification occurs;
- (ii) any reduction in lease payments affects only payments due on or before 31 December 2020;
- (iii) there is no substantive change in other terms and conditions of the lease.

The company also conducted a reassessment of lease liabilities attributable to the assessment of the proportion of the lease term that is expected to elapse. After the reassessment, there is no change in the lease liabilities with effect from 1 January 2020.

Menara Kuala Lumpur Sdn. Bhd.

INCORPORATED IN MALAYSIA (188777-A)
111, Jalan Sentral, Sentral, Kuala Lumpur Sentral, 50470 Kuala Lumpur.

Notes to the financial statements for the financial year ended 31 December 2020 (continued)

3 Significant accounting policies (continued)

(k) Lease (continued)

(i) Accounting by lessor (continued)

Finance leases

The Company classifies a lease as a Finance Lease if the lease transfers substantially all the risks and rewards incidental to ownership of an asset to the lessee.

The Company determines the underlying asset has reached a reasonable minimum lease term of 75% of its economic life and the minimum lease payments cover substantially all of the fair value of the asset.

Leases payable from lessee and the corresponding residual amount of the underlying asset are initially recognised as lease receivable on the initial recognition date of the lease contract.

The Company assesses the collectability of lease receivable and the impairment loss arising therefrom. The Company uses the expected credit loss model to measure the impairment loss regarding the receivable, taking into account the

lease term, lease payments over the term of the lease and the net investment (gross receivable less a constant net effective rate of return) that the company receives. The impairment loss is recognised in the consolidated income statement as residual value.

Operating lease

The Company classifies a lease as an operating lease if the lease does not transfer substantially all the risks and rewards incidental to ownership of the underlying asset to the lessee.

The Company recognises lease payments received in the period of lease as lease income in a straight line basis over the lease term.

When a lease is classified as an operating lease, the lease payments are included in the Statement of Financial Results based on the nature of the asset. If the direct costs incurred in obtaining an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the lease term in the consolidated statement of profit or loss.

Menara Kuala Lumpur Sdn. Bhd.

50, Jalan Sentral, 50470 Kuala Lumpur Sentral

(Incorporated in Malaysia)

Notes to the financial statements for the financial year ended 31 December 2020 (continued)

3 Significant accounting policies (continued)

(k) Lease (continued)

(i) Accounting by lessor (continued)

Sublease classification

If a company is an intermediate lessor it assesses the lease classification of a sublease with reference to the Right-of-use asset and the non-lease part with reference to the model in paragraph 3.1.2 and factors set out in paragraph 3.1.2 of the Company's annual financial statements above. It then classifies the sublease as an operating lease.

Separating lease and non-lease components

If a contract contains both lease and non-lease components, the Company separates the lease and non-lease components, unless the lease and non-lease components are not separately identifiable and do not constitute a distinct good or service. In such cases, the contract is treated as a single lease contract.

(l) Income taxes

Current tax expenses are determined in accordance with the provisions of the Income Tax Act 1967 and include all major taxes reported in the financial statements.

Deferred tax assets and liabilities are recognised for all temporary differences, except where it is more likely than not that the asset will not be realised and liabilities will not be settled. Deferred tax assets and liabilities are measured at the balance sheet date based on the tax rates and tax laws that have been enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are recognised for all deductible temporary differences, except where it is more likely than not that the asset will not be realised.

Deferred tax assets and liabilities are recognised for all taxable temporary differences, except where the reporting entity is not expected to realise them when the related liability is settled or where it is more likely than not that the asset will not be realised.

Deferred tax assets and liabilities are measured at the reporting date based on the tax rates and tax laws that have been enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are recognised for all deductible temporary differences, except where it is more likely than not that the asset will not be realised.

Menara Kuala Lumpur Sdn. Bhd.

Registration No. 990201 - 231 185733-11
Date of incorporation: 1999

Notes to the financial statements for the financial year ended 31 December 2020 (continued)

3 Significant accounting policies (continued)

(b) Income taxes (continued)

Taxable and income tax expense is determined on a combined basis when there is a direct or indirect right to offset current tax assets against current tax liabilities, and when the deferred income tax assets and liabilities relate to assets held by the same entity or a wholly owned subsidiary, and the tax benefits are expected to be realized. Where there is any uncertainty, only the latter policy is applied.

(m) Revenue

(i) Accounting for sales of tickets for travel agents

Ticket sales to travel agents are accounted for on a net basis. The amount of revenue is reduced by the commission payable to the travel agent. The net revenue is recognised when the travel agent has accepted the tickets and the travel agent has provided the necessary information to the airline. The net revenue is recognised when the airline has issued a non-transferable ticket to the travel agent. The net revenue is recognised when the airline has issued a non-transferable ticket to the travel agent. The net revenue is recognised when the airline has issued a non-transferable ticket to the travel agent. According to the contracts between the company and the management, the net revenue is recognised within the specified period of the travel agent's obligation. The net revenue is recognised when the airline has issued a non-transferable ticket to the travel agent.

(ii) Maintenance fees and operating lease rental income

Revenue is recognised on a straight-line basis over the lease term, unless there is a variable lease payment.

(iii) Management fees

Management fees are recognised upon the completion of services.

Menara Kuala Lumpur Sdn. Bhd.

Registration No. 996614-D/01-28(11-A)
11, Jalan Medan Merdeka, Kuala Lumpur

Notes to the financial statements for the financial year ended 31 December 2020 (continued)

3 Significant accounting policies (continued)

(n) Contracts with Customers

(i) Contract Liabilities

The contract liability represents the advance payments received from customers for which the Company has received consideration in advance from customer, as presented as contract liability. A contract liability is also recognised for expected future discounts granted to customer on future purchases.

(ii) Receivables

The contract liability represents the amount of bill of exchange payable to the customer of the contract liability. The payment of the bill of exchange is due to the customer on the due date.

(o) Share based compensation

The Company has adopted the following accounting policies in relation to its share based compensation plan:

• Equity settled Share-based Compensation

The fair value of the employee services received in exchange for the grant of options of the Company is recognised as an expense. The fair value of the options is determined using the Black-Scholes model, which is based on the assumptions made at the grant date. The fair value of the options is determined using the following assumptions:

• Cash settled Share based Compensation

The fair value of the employee services received in exchange for the grant of cash settled share based compensation is determined using the Black-Scholes model. The fair value of the cash settled share based compensation is determined at the grant date. The fair value of the cash settled share based compensation is determined at the grant date. The fair value of the cash settled share based compensation is determined at the grant date. The fair value of the cash settled share based compensation is determined at the grant date.

Menara Kuala Lumpur Sdn. Bhd.

Registration No. 199901017183 (S.S.)
11th Floor, Menara

Notes to the financial statements for the financial year ended 31 December 2020 (continued)

3 Significant accounting policies (continued)

(a) Share-based compensation (continued)

The total amount to be expensed over the relevant reporting period is calculated by reference to the fair value of the shares granted, excluding the impact of any vesting conditions, excluding any non-market-based conditions, and the assumptions about the number of shares that are expected to vest. At each reporting date, the company revises its estimate of the number of shares that are expected to vest. Further expense is recorded for the revision of a liability estimate of the grant liability, if any, in the statement of financial position, or in a profit or loss account, if the liability estimate is not a reserve or equity.

(b) Employee benefits

(i) Short-term employee benefits

Short-term employee benefits are recognised as a liability when the company has incurred a legal or constructive obligation to pay or provide benefits to its employees, and the amount can be reliably estimated.

(ii) Defined contribution plans

The company's obligations to fund defined contribution plans are recognised in the statement of financial position as a liability when the financial year to which the contribution obligation relates has been ended, the company has no further payment obligations, if any, to the plan and the recognised amount represents the extent of the company's contribution obligation for the reporting period.

(iii) Termination benefits

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for termination benefits. If the employee is not terminated or does not voluntarily accept termination benefits, the company has no obligation to pay termination benefits. For employees not terminated or who do not voluntarily accept termination benefits, the company has no obligation to pay termination benefits. Termination benefits are payable when the employee is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for termination benefits.

Menara Kuala Lumpur Sdn. Bhd.

Menara Kuala Lumpur (KL Tower) Sdn. Bhd.
171, Jalan Bukit Bintang, Kuala Lumpur 50100

Notes to the financial statements for the financial year ended 31 December 2020 (continued)

3 Significant accounting policies (continued)

3(a) Functional and presentation currency

The functional and presentation currency of the majority of assets of the Company are measured using the currency of the primary economic environment in which the entity operates. The financial statements are presented in Ringgit Malaysia, which is the Company's functional and presentation currency.

4 Critical accounting estimates and assumptions

Management has made critical estimates and assumptions and has based on subjective judgement in the preparation of financial statements. The estimates and assumptions used are as follows:

4.1 On 1 July 2020, the Company has adopted the new provisions of the annual financial reporting requirements stipulated in the Malaysian Financial Reporting Standards (MFRS) 116, 'Property, Plant and Equipment' effective from 1 July 2020. The new provisions require the Company to estimate the useful lives of its property, plant and equipment. The Company has reviewed the useful lives of its property, plant and equipment and has determined that the useful lives of its property, plant and equipment are as follows:

4.1.1 Estimated Useful Lives of Property, Plant and Equipment

The Company reviews annual life estimates, useful lives of property, plant and equipment, which is based on the nature of the asset and its expected use. The Company has reviewed the useful lives of its property, plant and equipment and has determined that the useful lives of its property, plant and equipment are as follows:

Menara Kuala Lumpur Sdn. Bhd.

Menara Kuala Lumpur Sdn. Bhd.
100, Jalan Sultan Ismail, 50450 Kuala Lumpur

Notes to the financial statements for the financial year ended 31 December 2020 (continued)

5 Financial risk management objectives and policies

The Company is exposed to various financial risks arising from its business activities, namely credit risk, liquidity risk and market risk. The Company's overall financial risk management seeks to minimise potential adverse effects of these risks while optimising performance of the Company. The financial risk management department set the impact of otherwise internal control system and adherence to the Company's financial management policies.

(a) Credit risk

Financial assets that are primarily credit risk are trade receivables, other receivables and bank balances.

The Company places its credit risk exposure primarily on well established companies that are not related to the Company. The Company also diversifies its receivables and other receivables by spreading them over a number of business units and geographical areas to reduce the credit risk exposure.

The Company also diversifies its credit exposure by spreading its receivables to various geographical areas and by spreading its receivables over various countries. The Company's credit management and credit control policies consist of an evaluation of the AS to Long company and credit as a key reference point. AN Ratings Services Berhad, an external credit agency, risks associated to financial instruments are provided for in the financial statements.

In the risk management policies, all counterparties must maintain certain credit ratings as a condition for entering into financial transactions.



Menara Kuala Lumpur Sdn. Bhd.

Incorporated in Malaysia
No. 970147-D
100, Jalan Sultan Ismail, Kuala Lumpur

Notes to the financial statements

for the financial year ended 31 December 2020 (continued)

5 Financial risk management objectives and policies (continued)

(a) Credit risk (continued)

Expected Credit Loss (ECL)

The Company estimates the provision for ECL in relation to trade and other receivables.

(i) Measurement of ECL

The Company uses the following approach to measure ECL:

The expected credit loss measurement model recognises ECL as the sum of the probability-weighted credit losses over the life of the financial instrument, reported at the end of the reporting period. The Company uses the simplified approach to measure ECL on trade receivables and other receivables. The provision for ECL is based on the assessment of the probability of default and the expected loss given default. The Company uses the following criteria to determine the probability of default:

(ii) Other factors which can affect the estimate of ECL

The Company has considered the impact of the current economic conditions on the financial risk and how it may affect the estimate of ECL on each category. A summary of the assessment made is set out in the following table. The Company has no ECL on other receivables.

Menara Kuala Lumpur Sdn. Bhd.

Company No. 19900101700018573-A
Incorporated in Singapore

Notes to the financial statements for the financial year ended 31 December 2020 (continued)

5 Financial risk management objectives and policies (continued)

(a) Credit risk (continued)

(i) Measurement of ECL (continued)

(ii) Other requirements of the standards and amendments thereto

Categories	Company's definition of category	Basis for recognising ECL
Receivables	Debtors have a low risk of default and management does not contract on credit loss	12-month ECL
Trade receivables	Debtors are within the normal 120-day trade credit period and management does not contract on credit loss or default in the period of normal credit term and 90 days past due	12-month ECL
Non-secured loans	Debtors' financial statements are in good standing and management has no reason to believe that there is a significant increase in credit risk	12-month ECL
Warranty	There is evidence indicating that there is a significant increase in credit risk based on assessment of loss or based on availability of assets to satisfy the claims. Management has sufficient financial assets to cover the payable amount	Asset less than 12-month ECL

Menara Kuala Lumpur Sdn. Bhd.

Johor Bahru No. 2789910 - 231 - 8882 (S.S.)
Kuala Lumpur No. 2789910 - 231 - 8882 (S.S.)

Notes to the financial statements for the financial year ended 31 December 2020 (continued)

5 Financial risk management objectives and policies (continued)

(a) Credit risk assessment

(i) Management of credit risk assessment

(ii) Other credit risk factors (general) - stage approach to assessment

Management has adopted a loss allowance to be measured on the 12-month credit risk or ongoing credit risk in APX or DCF Act methodology where:

- PD0 provisions are calculated on the 12-month basis for the 12-month period where the loss allowance is considered to be low.
- PD1 provisions are calculated on the 12-month basis for the 12-month period where the loss allowance is considered to be medium.
- PD2 provisions are calculated on the 12-month basis for the 12-month period where the loss allowance is considered to be high.

Management of PD and PD0 is determined using a credit risk assessment model that takes into account management and historical forward-looking macroeconomic data. The management model has five risk buckets and probability values are used to estimate the loss allowance. The loss allowance factors are accordingly adjusted by the credit risk ratings. Presence of special circumstances in these buckets. Low or low-medium is measured and probability weight for movement that reflects the probability that a credit loss may occur. The probability of movement is low or low-medium. No significant changes in credit risk assessment are made from the end of the reporting period.

In light of the current and future global economic uncertainty, management closely monitors relevant indicators that may be affected adversely by the Covid-19 pandemic which would in turn affect the business and performance of the Company. Management has identified the impact of the Covid-19 pandemic on the business and incorporated it into the assumptions and sources of the financial information and is a part of the way to the financial reporting perspective. Management is expected to continue to monitor the situation and update the financial reporting perspective as and when necessary. Management is also expected to continue to monitor the situation and update the financial reporting perspective as and when necessary.

Menara Kuala Lumpur Sdn. Bhd.

Registration No. 980001174183 (M) Sdn. Bhd.
11, Jalan Stesen Sentral 5, Kuala Lumpur Sentral, 50470 Kuala Lumpur.

Notes to the financial statements for the financial year ended 31 December 2020 (continued)

5 Financial risk management objectives and policies (continued)

(a) Credit risk management:

- (i) Recognition of loss allowance
- (ii) Trade receivables using simplified method

The loss allowance for trade receivables as at 31 December 2020 is made up of the opening loss allowance for that period as follows:

	2020 RM	2019 RM
Opening loss allowance at 1 January	133,000	127,000
Provision made during the year for impairment of trade receivables	213,178	0
At 31 December	346,178	127,000

(b) Loss arising from receivables using simplified method:

The loss arising from receivables using simplified method as at 31 December 2020 is made up of the opening loss allowance for that period as follows:

	2020 RM	2019 RM
Opening loss allowance at 1 January		11,087
Loss arising from receivables using simplified method during the year	46,187	0
At 31 December	46,187	11,087

Menara Kuala Lumpur Sdn. Bhd.

(Incorporated in Malaysia)
 No. 10, Jalan 1/115, Taman Miharja,
 Kuala Lumpur 50470, Malaysia

Notes to the financial statements for the financial year ended 31 December 2020 (continued)

5 Financial risk management objectives and policies (continued)

(c) Credit risk management

(vi) Receivable losses allowance (continued)

(iii) Other allowances (including general reserves) (continued)

The loss allowance is an estimate of credit losses as at 31 December 2020, determined by applying loss allowances to assets.

	Performing RM	Under- performing RM	Non- performing RM	Total RM
Opening				
allowance as at 1 January 2020			77,529	77,529
Impairment on written down on PPE			88,814	88,814
closing tax allowance as at 31 December 2020			168,371	168,371
	Performing RM	Under- performing RM	Non- performing RM	Total RM
Financial assets at amortised cost			81,156	81,156
Impairment on written down on PPE			7,654	7,654
write-offs of impaired financial assets			(2,125)	(2,125)
Financial assets at amortised cost at December 2020			86,685	86,685

Menara Kuala Lumpur Sdn. Bhd.

Menara Kuala Lumpur Sdn. Bhd. (1174473-D)

Incorporated in Malaysia

Notes to the financial statements for the financial year ended 31 December 2020 (continued)

5 Financial risk management objectives and policies (continued)

(ii) Liquidity and cash flow risk

In the future, we will continue to quantify and assess the risks that our company faces with any maintenance of our cash and cash equivalents required to comply with management's requirements of the company's operations. Funding for the future risk management will be placed through the use of financial instruments and cash resources. There is no obligation of funding from the holding company, and any funding needed to meet the firm's cash obligations.

As of 31 December 2020, the company's reporting date, up to this date, there are all the following risks:

The following table provides information on the contract liability of the company at the end of the financial year and details of cash flows:

	Contractual liability RM	Contractual cash flows RM	Contractual cash RM	Contractual cash RM	Contractual cash RM
2020					
31 December					
Contractual	2,258,000	2,258,000	2,258,000	2,258,000	
2021					
31 December					
Contractual	1,100	1,100	1,100	1,100	1,100

(iii) Capital risk management

The company's objective is to ensure that it has sufficient resources to support the company's activities and continue as a going concern. In order to provide returns to shareholders and to maintain a strong financial position, the company will evaluate the level of capital to be used to fund the growth of the capital structure. The company will adjust the amount of capital to be used to fund the growth of the company's activities, taking into account the level of risk, return, and capital structure.

Menara Kuala Lumpur Sdn. Bhd.

Registration No. 990914-D/201188074-S
Incorporated in Malaysia

Notes to the financial statements for the financial year ended 31 December 2020 (continued)

5 Financial risk management objectives and policies (continued)

(vi) Market risk

(i) Foreign currency exchange risk

The Company has no currency exposure to foreign currency exchange risks as all transactions and balances are denominated in Ringgit Malaysia.

(ii) Interest rate risk

The Company's cash and cash equivalents, bank balances and current receivables are denominated in Ringgit Malaysia. The Company does not have any financial instruments that are exposed to interest rate risk.

(vii) Equity risk

The Company does not have any equity instruments.

(viii) Fair values

The carrying amounts of the Company's financial assets and liabilities of the reporting period are their fair values due to their relatively short-term nature of these financial instruments.

Menara Kuala Lumpur Sdn. Bhd.

Menara Kuala Lumpur (M) Berhad (Incorporated in Malaysia)
The Straits Times Building

Notes to the financial statements for the financial year ended 31 December 2020 (continued)

6 Revenue

(i) Revenue accounted under MFRS 15 and others, classified by nature of service provided

	2020 RM	2019 RM
Revenue accounted for under MFRS 15		
Telecom	7,083,120	12,842,240
Management fees	25,333	4,113
	7,108,453	12,846,353
Others		
Revenue from contract liabilities	3,537,520	12,100,000
	10,645,973	24,946,353

(ii) Revenue accounted under MFRS 15 by timing of revenue recognition

	2020 RM	2019 RM
Contract losses	9,767,057	44,012,803

(iii) Revenue recognised in relation to contract liabilities

Contract liabilities are recognised when the company has satisfied the performance obligations under the contract and the revenue is measurable.

	2020 RM	2019 RM
Property development contracts	1,271,490	18,113
Revenue contracts	2,406,243	1,010,887
Contract losses in relation to contract liabilities recognised	563,264	1,010,887
Contract liabilities recognised	<u>3,114,469</u>	<u>1,029,000</u>

Menara Kuala Lumpur Sdn. Bhd.

Registration No. 98010171188 (M) Sdn. Bhd.
 (1316200010000000000)

Notes to the financial statements for the financial year ended 31 December 2020 (continued)

7 Operating expenses

	2020 RM	2019 RM
Advertising and promotion	197,268	47,135
Amortment fee	181,609	81,377
Auditing/assurance fee	30,000	29,000
Competition fee	147,140	125,140
Depreciation on property, plant and equipment	1,558,294	11,559,96
Expense for maintenance work	12,300	10,776
Equipment fee	33,314	10,000
Food and beverage cost	1,611,280	1,017,580
General insurance (including fire)	12,800	16,000
General insurance (workmen's compensation)	17,621	12,585
General insurance (other provisions and legal fees)		1,000
General insurance (other provisions and legal fees)		1,000,000
General insurance (other provisions and legal fees)	87,122	1,513,582
General insurance (other provisions and legal fees)	339,170	1,000,000
General insurance	1,201,167	1,000,000
Goodwill impairment expense		117,900
Legal fees	110,000	117,900
Service charge		
Subsidiary cost of financial instruments at fair value	10,519,683	11,701,187
Telephone (included in other operating expenses)	1,594,596	1,000,000
Transportation expense		
Travel expense	148,658	14,178
Utilities	32,969	24,000
Warehouse and office expense	3,541,280	1,000,000
Workmen's compensation	86,369	1,000,000
Income tax expense	5,113	7,000
Other operating expenses	1,564,815	1,000,000
	<u>17,507,087</u>	<u>12,800,000</u>

Operating expenses incurred in the financial year ended 31 December 2020 are subject to audit and management review by the auditors and the Director, from and for companies of M.S.M.Sdn. Bhd.

Menara Kuala Lumpur Sdn. Bhd.

(Incorporated in Malaysia)
 (1010101-0/20190127 - 1/1/2019/2020)

Notes to the financial statements for the financial year ended 31 December 2020 (continued)

8 Other operating income

	2020 RM	2019 RM
Revenue from property	56,800	11,000
License fee income	96,117	9,000
Commission and expenses for others	146,777	1,235,737
Others	1,119,285	19,738
	2,019,279	1,375,775

9 Taxation and zakat

	2020 RM	2019 RM
Maintenance of tax and zakat liabilities	-	626,520
Income tax expense	130	1,127
Income tax payable	130	6,114
Income tax receivable	122,900	66,800
Income tax expense	123,030	74,561
Zakat	-	11,500
Zakat payable	122,930	76,061

The relationship between income and profit before taxation can be observed by comparing the relationship between taxation expense and the profit or accounting loss as disclosed in the Memorandum of Association.

	2020 RM	2019 RM
Income before taxation and zakat	1,076,223	1,011,700
Income tax payable	130	6,114
Income tax receivable	122,900	-
Income tax expense	123,030	74,561
Zakat	-	11,500
Zakat payable	122,930	76,061
Income tax and zakat	123,060	168,236

Menara Kuala Lumpur Sdn. Bhd.

Registration No. (M) 201301000003-A
 Incorporated in Malaysia

Notes to the financial statements for the financial year ended 31 December 2020 (continued)

11 Property, plant and equipment

		RM			
	Other equipment	and fixtures	Motor vehicles		Total
	RM	RM	RM		RM
2020					
Cost					
At 1 January 2020	4,352,184	6,211,508	15,400		10,579,092
Additions	2,316,174				2,316,174
Disposals	(350,393)	(20,500)	-		(370,893)
At 31 December 2020	4,317,965	6,191,008	15,400		10,524,373
Accumulated depreciation					
At 1 January 2020	2,131,287	4,924,716	1,600		7,057,603
Charge for the financial year	1,490,638	87,600			1,578,238
Reversals	(56,893)	(20,300)			(77,193)
At 31 December 2020	3,564,032	5,001,016	1,600		8,566,648
Net book value					
At 31 December 2020	717,933	1,189,992			1,907,925
2019					
Cost					
At 1 January 2019	3,933,310	6,198,328	600		10,132,238
Additions	1,100,000	10,000			1,110,000
At 31 December 2019	5,033,310	6,208,328	600		11,242,238
Accumulated depreciation					
At 1 January 2019	1,637,988	4,476,712	1,000		6,115,700
Charge for the financial year	2,289,805	120,350			2,410,155
At 31 December 2019	3,927,793	4,597,062	1,000		8,525,855
Net book value					
At 31 December 2019	1,105,517	1,611,266			2,716,783

Menara Kuala Lumpur Sdn. Bhd.

Registration No. 201899-PT-1211-38733-A
 (Incorporated in Malaysia)

Notes to the financial statements for the financial year ended 31 December 2020 (continued)

12 Right-of-use assets

	2020	2019
	Carrying Amount RM	Carrying Amount RM
Net Book Value		
As at 1 January 2020		1,178,836
Charge	2,289,129	-
Transfer from Intangible Assets	-	602,896
As at 31 December 2020	2,289,129	1,781,732
2020		
As at 1 January 2020		1,178,836
Charge	2,289,129	-
Transfer from Intangible Assets	-	602,896
As at 31 December 2020	2,289,129	1,781,732
	Carrying Amount RM	Total Right- of-Use Assets RM
Net Book Value		
As at 1 January 2019	1,178,836	1,178,836
Charge	1,581,160	1,581,160
As at 31 December 2019	2,759,996	2,759,996
2019		
As at 1 January 2019	1,178,836	1,178,836
Charge	1,581,160	1,581,160
As at 31 December 2019	2,759,996	2,759,996

Menara Kuala Lumpur Sdn. Bhd.

Registration No. 1000087-M (1984) Sdn. Bhd.

(Incorporated in Malaysia)

Notes to the financial statements for the financial year ended 31 December 2020 (continued)

12 Right-of-use assets (continued)

(a) Right-of-use assets are measured at cost less accumulated depreciation and impairment losses.

	2020 RM	2019 RM
Depreciation expense (to cost of sales) (i)	48,300	12,770
Interest expense on lease liability (ii)	5,147	2,023
Expenses on initial direct costs (iii)	1,300	14,511
Expenses on lease termination (iv) (to cost of sales)	9,507	12,668
Impairment losses		

(i) Depreciation expense is calculated using the straight-line method over the lease term.

13 Deferred taxation

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 and following other conditions and factors appropriate. Otherwise, they are shown in the balance sheet as net amounts.

	2020 RM	2019 RM
Deferred tax liability	<u>1,227,107</u>	<u>1,067,000</u>

Menara Kuala Lumpur Sdn. Bhd.

Menara Kuala Lumpur (KL Tower) Sdn. Bhd.
 (Incorporated in Malaysia)

Notes to the financial statements for the financial year ended 31 December 2020 (continued)

13 Deferred taxation (continued)

The following table details tax assets and liabilities arising from the Group's tax positions (RM'000):

	2020	2019
	RM	RM
Deferred tax liabilities		
Investments	665,869	130,100
Operating lease contracts		177
Contractual liability - statement of financial position (Note 16)		
Property, plant and equipment	1,093,090	1,020,114
Intangible assets - leasehold rights	96,886	107
Other assets (including other receivables)	87,096	12,174
Other	147,896	17,296
Total	2,090,831	1,280,898
	(1,096,765)	(1,115,875)
Deferred tax assets		
Contractual liability - statement of financial position	17	1,167
Other assets (including other receivables)	16,791	96,321
Other	67,115	63,131
Total	84,023	160,619
	(56,276)	(187,500)
Deferred tax (liability)	(272,742)	(126,881)
Property, plant and equipment	1,462,154	1,112,189
Other	54,877	87,029
Total	1,517,031	1,199,218

Deferred tax assets and liabilities are recognised when there is sufficient evidence to support the realisation of the assets and when the deferred taxes relate to the same reporting period.

Menara Kuala Lumpur Sdn. Bhd.

Registration No. 104901-T
Company No. 104901-T

Notes to the financial statements for the financial year ended 31 December 2020 (continued)

14 Trade and other receivables

	2020	2019
	RM	RM
Trade receivables	2,746,367	1,831,165
— case Malaysia Communications	1,967,065	1,113,165
	1,779,302	717,999
Accounts receivable from other companies (note 14)	4,202,296	8,160
Accounts payable to other companies (note 14)	(90,650)	(50,591)
— case Malaysia Communications	(40,153)	—
	(50,497)	—
Total due receivables (note 14)	6,857,916	1,880,674
Other receivables	1,208,111	1,461,114
— case Malaysia Communications	1,093,017	1,113,165
	1,104,894	1,347,949
— case other companies (note 14)	115,094	137,949
— case Malaysia Communications	28,640	—
— case other companies (note 14)	86,454	137,949
— case Malaysia Communications	74,858	137,949
	1,221,082	1,485,898

The trade receivable from Malaysia Communications (MCOM) is due to the Company's participation in the eKiosk Malaysia (eKMS) TV. The receivable consists of the 10% instalment of the 10% programme fee. The programme fee is fixed at 10% of the total fee of the TV group. As at 31 December 2020, RM1,396,894 (RM18,008) is payable to TV under the programme fee. The receivable from other companies (RM1,104,894) is due to the Company's participation in the eKMS TV. The receivable from other companies (RM1,104,894) is due to the Company's participation in the eKMS TV. The 10% instalment of the 10% programme fee is due to the Company's participation in the eKMS TV.

Credit facilities are provided by a bank under the RM100,000,000 (RM100M) class.

Menara Kuala Lumpur Sdn. Bhd.

(Incorporated in Malaysia)
Menara Kuala Lumpur

Notes to the financial statements for the financial year ended 31 December 2020 (continued)

15 Cash and bank balances

	2020 RM	2019 RM
Bank balances	79,751	4,017,721
cash	21,964	1,111,111
	<u>101,715</u>	<u>5,128,832</u>

Bank balances are deposited in local banks and are classified as cash.

The bank balances are pledged mainly with a number of following financial institutions: Bank of Commerce Malaysia Berhad, Citibank Berhad, CIMB Bank Berhad, HSBC Bank Berhad, Maybank Berhad, and Public Bank Berhad.

	2020 RM	2019 RM
Bank overdraft	1,111,111	1,111,111

The bank overdraft is used to meet the working capital requirements of the Company.

16 Trade and other payables

	2020 RM	2019 RM
Trade payables	720,187	1,111,111
Other payables	1,348,148	1,741,279
Accruals	6,777,784	441,111
Provision	1,094,624	304,111
Amount due to former technology company	379,186	137,143
Contractual obligations	531,585	1,111,111
	<u>12,241,414</u>	<u>4,846,865</u>

Amount due to former technology company and contractual obligations are investment related and are subject to review.

The value of company monetary provision for certain legal claims for legal services of the Company for the financial year ended 31 December 2020 is provided for legal advice to the company as there is no claim and the result is very low. Significant increase and decrease in the amount due to former technology company.

Menara Kuala Lumpur Sdn. Bhd.

Jalan SS 15/4, 47500 Subang Jaya,
Selangor Darul Ehsan, Malaysia

Notes to the financial statements for the financial year ended 31 December 2020 (continued)

16 Trade and other payables (continued)

The majority of trade and other payables are due to the suppliers within 30 days and are due within 90 days depending on the terms of the contracts.

17 Lease liability

	2020 RM	2019 RM
Lease liability	230,590	14,000
Lease liability - current	31,530	14,000
Lease liability - non-current	199,060	0

18 Share capital

	2020		2019	
	Number of shares	RM	Number of shares	RM
Issued and fully paid				
Ordinary shares				
At 31 December	10,000,000	10,000,000	10,000,270	10,000,270

19 Retained Profits

At 31 December 2020, the retained profits consist of RM1,965,600,000. RM1,965,600,000 is available for the dividend to be distributed to the shareholders.

Menara Kuala Lumpur Sdn. Bhd.

Registered No. 990101-T / 01158711-A
10, Jalan Medan Merdeka

Notes to the financial statements for the financial year ended 31 December 2020 (continued)

20 Capital contribution

	2020 RM	2019 RM
Share capital		
Ordinary Shares (per share RM1.00)	618,504	618,504
10% Preference Shares (Per Share RM1.00)	578,658	490,500
	<u>1,197,162</u>	<u>1,109,004</u>

The above information does not include Share Application Expenses of RM100,000.00.

(a) Long Term Incentive Plan (LTIP)

On 28 April 2019, shareholders of the ultimate holding company approved the LTIP and the Ultimate Shareholders of the ultimate holding company approved the LTIP on behalf of the Company at the Extraordinary General Meeting of LTIP. The LTIP is a long term incentive plan designed to reward and motivate the employees of the Company for their contribution to the Company.

The LTIP is a long term incentive plan designed to reward and motivate the employees of the Company and the ultimate holding company for their contribution to the Company and the Ultimate Shareholders of the Company. The LTIP is a long term incentive plan designed to reward and motivate the employees of the Company for their contribution to the Company. The LTIP is a long term incentive plan designed to reward and motivate the employees of the Company for their contribution to the Company. The LTIP is a long term incentive plan designed to reward and motivate the employees of the Company for their contribution to the Company.

(i) Eligibility

All employees of the ultimate holding company or independent Director of the Company who is granted an award of LTIP shall be eligible to participate in the LTIP, subject to the maximum number of employees eligible to participate in the LTIP being approved subject to LTIP being approved by the shareholders of the Company. The LTIP is a long term incentive plan designed to reward and motivate the employees of the Company for their contribution to the Company.

(ii) Maximum number of new ordinary shares of the Ultimate Holding Company under the LTIP

The total number of new ordinary shares of the ultimate holding company which may be made available under the LTIP shall not exceed in aggregate 10% of the issued and paid up capital of the Company as at the end of the financial year ending 31 December 2020. The LTIP is a long term incentive plan designed to reward and motivate the employees of the Company for their contribution to the Company.

Menara Kuala Lumpur Sdn. Bhd.

INCORPORATED IN MALAYSIA
(1010137100)

Notes to the financial statements for the financial year ended 31 December 2020 (continued)

20 Capital contribution (continued)

(a) Long Term Incentive Plan ("LTIP") (continued)

(iii) Basis of allocation and maximum allowable allotment

The total fund to be awarded to all shares of the ultimate holding company that can be offered and allotted to any LTIP shall, in any event, be defined in the By-Laws. The allocation to the LTIP shall be at the absolute discretion of the LTIP Committee after taking into consideration amongst other factors, the performance of the Company relative to the industry and its contribution to the successful development of the Telekom Malaysia Digital Group ("TM Digital") and other related entities and communities that seek to achieve:

(a) the long-term growth of the company; (b) the company's ability to attract and retain suitable talents under the LTIP; (c) the LTIP should be awarded to any individual (regardless of his/her position) who has made a significant contribution to the company; and (d) the LTIP should be awarded to any individual who has made a significant contribution to the company.

The LTIP Committee shall have sole and absolute discretion in determining whether the grant of LTIP to an ultimate holding company shall be restricted to the following LTIP grantee assumed to be eligible to apply for grants through a group of eligible employees:

(a) the single grantee whose name has been included in the LTIP grantee list;

(b) several grantees whose names are selected by the listing of the ultimate holding company shares company to those grantees who staggered made in several tranches at such times and on terms determined by the LTIP Committee;

(c) several grantees of LTIP who are entitled that they are the existing or former employees of grantees of the ultimate holding company in the LTIP grantee list staggered. The number of shares to be granted in each tranche shall be determined by the LTIP Committee and shall be decided by the LTIP Committee at its sole and absolute discretion. The grantee shall be separate and independent from any other grantees.

Menara Kuala Lumpur Sdn. Bhd.

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Notes to the financial statements for the financial year ended 31 December 2020 (continued)

20 Capital contribution (continued)

(iii) Long Term Incentive Plan (LTIP) (continued)

(vii) Duration of the LTIP

The LTIP shall commence to be in force for a period of 10 (ten) years beginning from the effective date of implementation of the Proposed LTIP, ending the date on which full compliance with the relevant regulatory requirements under the laws and the listing requirements imposed on the Proposed LTIP have been complied with.

On the expiry of the LTIP, the terms which have yet to be vested in respect of the LTIP shall be null and void, and the LTIP shall be deemed to have been terminated. The Board and the relevant committee under the Bursa Malaysia Listing Requirements in relation to the LTIP shall ensure compliance with the relevant regulatory requirements.

(viii) Issuance of the shares issued under the LTIP

The new shares issued under the LTIP shall be subject to the provisions of the Memorandum and Articles of Association of the ultimate holding company of the new shares, such as provisions relating to dividend, control, transfer, and all respects with the then existing shares of the ultimate holding company, except that they shall not be entitled to any dividend or other form of dividend or other distribution, the entitlement to which is such as respect to the date on which the new shares are issued to the respective shareholders of the LTIP.

(ix) Restrictions on Transfer

The new shares issued under the LTIP shall be subject to such restrictions on transfer upon the terms and conditions made in accordance with the BML laws.

Implementation of the LTIP was completed on 15 September 2016, after having complied with all regulatory and compliance obligations in respect of the LTIP. As at the end of the financial year ended 31 December 2020, the BSM Listing Requirements of the LTIP have been complied with.

Menara Kuala Lumpur Sdn. Bhd.

Syarikat Bersekutu Berhad (Listed Company)
 (Public Company) (1130001-SSM)

Notes to the financial statements for the financial year ended 31 December 2020 (continued)

20 Capital contribution (continued)

(a) Long Term Incentive Plan (LTIP) (continued)

Restricted Shares (RS) (i)

Under the RS scheme, eligible employees and executive Directors of the Company will be vested shares of the ultimate holding company over the 42 days of the LTIP Period as determined by the LTIP Committee for each tranche of RS as described, subject to relevant performance measures being met and the achievement of certain operational measures, including but not limited to, profitability, market target and other financial measures as may be relevant to the long term strategy of the Group. Upon completion of the vesting period, the RS will be converted into ordinary shares.

Below is the table summarizing the movement over the period ending 31 December 2020 in respect of long term incentive plan (LTIP) RS (Group):

(i) Movement in the number of RS comprised in the LTIP scheme is as follows:

Year ended	31 December	2020	Long Term Incentive Plan (LTIP) Restricted Shares (RS)	
			Number of Shares	Value per share (RM)
2019	31 December	1,000,000	87,500	6.15
2020	31 December	1,000,000	1,100,000	6.17
2020	1 January	1,000,000	1,000,000	6.15
2020	31 December	1,000,000	1,100,000	6.17

Notes: (i) *per share* - based on the closing price of the company's shares on 31 December.

Menara Kuala Lumpur Sdn. Bhd.

Registration No. 989011-M (1988) Sdn. Bhd.
10, Jalan 1/107, Kuala Lumpur

Notes to the financial statements for the financial year ended 31 December 2020 (continued)

20 Capital contribution (continued)

(a) Long Term Incentive Plan ("LTIP") (continued)

Restricted Shares ("RS") (continued)

(ii) The movement during the financial year in the number of RS shares of the company and holding companies, in which the employees of the Company are entitled to, is as follows:

	2020	2019
Number of RS shares held by employees of the Company and holding companies at the beginning of the financial year	1,000,000	1,000,000
Number of RS shares granted during the financial year	1,000,000	1,000,000
Number of RS shares cancelled during the financial year	(1,000,000)	(1,000,000)
Number of RS shares held by employees of the Company and holding companies at the end of the financial year	1,000,000	1,000,000

Group of the company issued 1,000,000 restricted shares to 1,000 employees of the company holding company based at Kuala Lumpur Securities Berhad on 31 December 2020. RM0 is expected to be issued to 1,000 employees of the company to certain extent of their matters being addressed.

	2020	2019
Number of RS shares held by employees of the Company and holding companies at the beginning of the financial year	1,000,000	1,000,000
Number of RS shares granted during the financial year	1,000,000	1,000,000
Number of RS shares cancelled during the financial year	(1,000,000)	(1,000,000)
Number of RS shares held by employees of the Company and holding companies at the end of the financial year	1,000,000	1,000,000

Note: The company issued 1,000,000 restricted shares to 1,000 employees of the company holding company based at Kuala Lumpur Securities Berhad on 31 December 2020.

Menara Kuala Lumpur Sdn. Bhd.

incorporated in Malaysia (1118833-A)
 111, Jalan Sultan Ismail, Kuala Lumpur

Notes to the financial statements for the financial year ended 31 December 2020 (continued)

20 Capital contribution (continued)

(a) Long Term Incentive Plan ("LTIP") (continued)

(Restricted Shares "RS" (continued))

(c) The fair value of the RS granted to which MFRS 3 applies, were estimated using the Monte Carlo simulation model. The significant inputs in the model are as follows:

Inputs	Estimate over the financial reporting period			
	31 Dec 2017	31 Dec 2018	31 Dec 2019	31 Dec 2020
Share price (RM)	1.00	1.00	1.00	1.00
Volatility	20%	20%	20%	20%
Expected dividend yield	0%	0%	0%	0%
Expected term	1 year	1 year	1 year	1 year
Expected forfeiture rate	0%	0%	0%	0%

(d) The fair value of the RS is determined using the Black-Scholes model.

(e) The amounts recognised in the financial statements are disclosed in Note 7 to the financial statements for the reporting period. The RS are summarised as follows:

	2020	2019
Number of RS	1000	1000
Share price (RM)	1.00	1.00
Carrying amount	1000.00	1000.00

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(Incorporated in Malaysia)

Notes to the financial statements

for the financial year ended 31 December 2020 (continued)

22 Significant related party disclosure (continued)

The following related party transactions with the Group during the financial year ended 31 December 2020 were as follows:

	2020 RM	2019 RM
(b) Revenue		
Revenue in respect of operating lease rental income from Telekom Malaysia Berhad	5,598,880	7,387,754
Revenue in respect of operating lease rental income from 2019		1,151,387
Management fee from Telekom Malaysia Berhad		2,491,117
Management fee from Telekom Malaysia Berhad	558,537	871,117
(c) Expenses		
Operating expenses in respect of operating lease rental income from Telekom Malaysia Berhad	1,141,117	1,151,387
Operating expenses in respect of operating lease rental income from 2019	1,061,210	1,151,387
(d) Receivables		
	2020 RM	2019 RM
Receivables from Telekom Malaysia Berhad	1,027,136	2,648,114
Receivables from Telekom Malaysia Berhad	1	1
Receivables from Telekom Malaysia Berhad	831	111
Receivables from Telekom Malaysia Berhad	14,380	81,769
Receivables from Telekom Malaysia Berhad	117,890	1,218,311
Receivables from Telekom Malaysia Berhad	131,060	1,111,111

Key management personnel are the persons who have authority or responsibility to plan, direct and control the activities of the Group either directly or indirectly. Key management personnel are the CEO, directors, executive and non-executive directors, Chief Executive Officer and the Group's Key Management Personnel. Management positions of the Group are as follows:

	2020 RM	2019 RM
Salaries and allowances		
Salaries and allowances	17,654	11,496
Travel expenses - RM	40,727	6,757
Other related party transactions	158,013	15,117
	176,394	33,370

Menara Kuala Lumpur Sdn. Bhd.

Menara Kuala Lumpur Bersemita Sdn. Bhd.
100, Jalan Sultan Ismail, Kuala Lumpur 50450

Notes to the financial statements for the financial year ended 31 December 2020 (continued)

25 Approval of financial statements

The financial statements have been approved for issue in accordance with the resolution of the Board of Directors on 31 March 2021.



Menara Kuala Lumpur Sdn. Bhd.

Statement by Directors

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

We, the directors of Menara Kuala Lumpur Sdn. Bhd. ("Menara"), hereby state and declare that the financial statements of Menara for the financial year ended 31 December 2023, as set out in the financial statements of Menara, are true and correct, and that the financial statements of Menara for the financial year ended 31 December 2023, as set out in the financial statements of Menara, are true and correct, and that the financial statements of Menara for the financial year ended 31 December 2023, as set out in the financial statements of Menara, are true and correct.

Director
Dr. Zaidi Bin Hassan

Dr. Zaidi Bin Hassan

Dr. Zaidi Bin Hassan

Statutory declaration

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

I, **Abdul Wahid Bin Yusoff**, Statutory Auditor of Menara Kuala Lumpur Sdn. Bhd. ("Menara"), hereby declare that the financial statements of Menara for the financial year ended 31 December 2023, as set out in the financial statements of Menara, are true and correct, and that the financial statements of Menara for the financial year ended 31 December 2023, as set out in the financial statements of Menara, are true and correct.

Abdul Wahid Bin Yusoff

Abdul Wahid Bin Yusoff

Abdul Wahid Bin Yusoff

Abdul Wahid Bin Yusoff



Belgian subsidiary of the registered firm of members of
Moquek, Kuala Lumpur Sdn. Bhd.
Registration No. 1335040117311366730000
(Incorporated in Malaysia)

Report on the audit of the financial statements

to the client

We have audited the financial statements of Moquek Sdn Bhd (the Company) which comprise the statement of financial position as at 31 December 2020, and the statement of profit or loss, statement of changes in equity and statement of cash flows for the period then ended, the related notes to the financial statements and the summary of significant accounting policies, comprising the consolidated financial statements for the period then ended.

In our opinion, the consolidated financial statements presented hereafter, with the view of the financial position as at the end of the reporting period and the results of the operations for the period, are true and fair, in all material aspects, and have been prepared, with the application of appropriate accounting policies, in accordance with the Malaysian Financial Reporting Standards, the Malaysian Accounting Standards Board's Interpretations and the requirements of the Companies Act 2016.

Our audit opinion is:

unqualified, that is, we have no reservations to express regarding the consolidated financial statements, inasmuch as they are true and fair, in all material aspects, and have been prepared, with the application of appropriate accounting policies, in accordance with the Malaysian Financial Reporting Standards, the Malaysian Accounting Standards Board's Interpretations and the requirements of the Companies Act 2016.

Our opinion does not address other matters referred to below.

Our audit does not constitute a review of the consolidated financial statements for the period then ended, and we do not express any opinion on the consolidated financial statements for the period then ended, inasmuch as they are true and fair, in all material aspects, and have been prepared, with the application of appropriate accounting policies, in accordance with the Malaysian Financial Reporting Standards, the Malaysian Accounting Standards Board's Interpretations and the requirements of the Companies Act 2016.

We also report other than the subject of the demand and payment report below.

The respective directors and company management are responsible for the consolidated financial statements and for ensuring that the consolidated financial statements are true and fair, in all material aspects, and have been prepared, with the application of appropriate accounting policies, in accordance with the Malaysian Financial Reporting Standards, the Malaysian Accounting Standards Board's Interpretations and the requirements of the Companies Act 2016.

Our opinion does not constitute a review of the consolidated financial statements for the period then ended, and we do not express any opinion on the consolidated financial statements for the period then ended, inasmuch as they are true and fair, in all material aspects, and have been prepared, with the application of appropriate accounting policies, in accordance with the Malaysian Financial Reporting Standards, the Malaysian Accounting Standards Board's Interpretations and the requirements of the Companies Act 2016.



Building Better
Worlds Together

Independent auditors' report to the members of
Menara SSM (Sentral) Sdn Bhd
Registration No. 198901014381 (14381438)
Incorporated in Malaysia.

Report on the work of the independent auditors for the year:

entitled "Annual Report of the Financial Statements of Menara SSM (Sentral) Sdn Bhd".

The audit was conducted in accordance with the standards of the Company and the auditors' work was to lead to the financial statements and to determine whether they were in accordance with the financial reporting framework. The financial statements were prepared by the management of the Company and were not audited by the independent auditors.

In view of the work we have performed, we conclude that there is a material uncertainty related to the ability of the Company to continue as a going concern. We have included a note in our report.

Our report is made in accordance with the applicable standards.

The financial statements were prepared in accordance with the financial reporting framework of the Company and the auditors' work was to lead to the financial statements and to determine whether they were in accordance with the financial reporting framework. The financial statements were prepared by the management of the Company and were not audited by the independent auditors. The financial statements were prepared in accordance with the financial reporting framework of the Company and the auditors' work was to lead to the financial statements and to determine whether they were in accordance with the financial reporting framework.

In preparing the financial statements, the management of the Company is responsible for assessing the Company's ability to continue as a going concern. The financial reporting framework of the Company is based on the financial reporting framework of the Company and the auditors' work was to lead to the financial statements and to determine whether they were in accordance with the financial reporting framework.

Additional information on the work of the independent auditors:

Our audit was conducted in accordance with the standards of the Company and the auditors' work was to lead to the financial statements and to determine whether they were in accordance with the financial reporting framework. The financial statements were prepared by the management of the Company and were not audited by the independent auditors. The financial statements were prepared in accordance with the financial reporting framework of the Company and the auditors' work was to lead to the financial statements and to determine whether they were in accordance with the financial reporting framework.



