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

MENARA SSM@SENTRAL, NO. 7 JALAN STESEN SENTRAL 5, KUALA LUMPUR SENTRAL, 50470 KUALA LUMPUR.
Tel: 03-2299 4400 Fax: 03-2299 4411

Company No : 188533-A

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

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

	RM
Net loss for the financial year	**(6,035,015)**

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 Muneer 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				No. of ordinary shares
	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**	**Disposed**	**As at 31.12.2020**
			No. of ordinary shares	
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 1 st 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 2 nd 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 3 rd 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 4 th 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 5 th PS and 4 th 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 6 th 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)

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:

(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.

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]

Name of second director who signed the director's report	Badrul Hisham bin Ahmad
Type of identification of second director who signed directors' report	[redacted]
Identification number of the second director who signed director's report	[redacted]
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

Company No : 188533-A

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	[redacted]
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	[redacted]
Identification number of second director who signed Statement by Directors	
Name of other person primarily responsible for financial management of the company	Ainol Shaharina 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

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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)

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.

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 Damanlela, Damansara Town Centre
Postcode	50490
Town	Kuala Lumpur
State	W.P. KUALA LUMPUR

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

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	**Company**
	MYR	**MYR**
	2020	**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		

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	21,398,175	20,639,499
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**

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

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		

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**

Cash and cash equivalents	Company MYR 2020	Company MYR 2019
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**

Issued capital

	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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Tel: 03-2299 4400 Fax: 03-2299 4411

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	**1,194,162**	**1,065,506**
Total distributable other reserves	**1,194,162**	**1,065,506**
Total other reserves	**1,194,162**	**1,065,506**

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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**

Trade and other current payables	Company MYR 2020	Company MYR 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		

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

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		

MENARA SSM@SENTRAL, NO. 7 JALAN STESEN SENTRAL 5, KUALA LUMPUR SENTRAL, 50470 KUALA LUMPUR.
Tel: 03-2299 4400 Fax: 03-2299 4411

Profit (loss) attributable to equity other components		
Profit (loss), attributable to non-controlling interests		
Total profit (loss)	**-6,035,015**	**20,971,745**
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		

Revenue		
	Company	**Company**
	MYR	**MYR**
	2020	**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		

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	21,323,856	65,639,674
Total revenue from rendering of services	**21,323,856**	**65,639,674**
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**	**65,639,674**

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		

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		

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
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		

Research and development expenses, nature		
Royalty expense		
Directors' remuneration		
Salaries and other emoluments		
Bonus		
Benefits-in-kind		
Fees	310,000	317,500
Performance incentives		
Defined benefit plans		
Defined contribution plans		
Share option expenses		
Other emoluments		
Total director's remuneration	310,000	317,500
Other miscellaneous expenses	13,494,025	22,033,863
Total other expenses	**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		

MENARA SSM@SENTRAL, NO. 7 JALAN STESEN SENTRAL 5, KUALA LUMPUR SENTRAL, 50470 KUALA LUMPUR.
Tel: 03-2299 4400 Fax: 03-2299 4411

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	**-6,035,015**	**20,971,745**
Comprehensive income attributable to		
Comprehensive income, attributable to owners of parent		
Comprehensive income, attributable to non-controlling interests	-6,035,015	20,971,745
Total comprehensive income	**-6,035,015**	**20,971,745**

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		

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	-54,960	-47,305
Proceeds from issuing shares		

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**
Statement of changes in equity							
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 (ICULS)							
Dividends paid							
Issuance of shares							
Issue of convertible notes, net of tax							

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**

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
Statement of changes in equity							
Equity at beginning of period	10,000,000	26,703,881	915,548	915,548	915,548	37,619,429	37,619,429
Impact of changes in accounting policies		-4,515				-4,515	-4,515
Equity at beginning of period, restated	**10,000,000**	**26,699,366**	**915,548**	**915,548**	**915,548**	**37,614,914**	**37,614,914**
Changes in equity							
Comprehensive income							
Profit (loss)		20,971,745				20,971,745	20,971,745
Total other comprehensive income							
Total comprehensive income		**20,971,745**				**20,971,745**	**20,971,745**
Contributions by and distributions to owners							
Acquisition (dilution) of equity interest in subsidiaries							
Arising from conversion of Irredeemable Convertible Unsecured Loan Stock (ICULS)							
Dividends paid		17,000,000				17,000,000	17,000,000
Issuance of shares							
Issue of convertible notes, net of tax							

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**

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 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.

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.

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 State ment 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.

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.

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:

<u>Quantitative criteria:</u>

-

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:

– 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**

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.

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.

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.

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.

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.

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.

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.

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).

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.

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 At 1 January/31 December	**10,000,000**	**10,000,000**	10,000,000	10,000,000

Company No : 188533-A

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 At 1 January/31 December	**10,000,000**	**10,000,000**	10,000,000	10,000,000

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				

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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 Malaysian 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
(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)

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)

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
	735,373	768,710

Notes - Related party transactions

	Company(MYR)							
	2020	2020	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								

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		

Company No : 188533-A

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
		23,760,227	20,765,387
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
		29,314,716	36,236,379
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
		17,213,129	**15,181,516**
Net current assets		**12,101,607**	21,054,863
Non-current liability			
Lease liability	17	**31,556**	83,633
		35,830,258	41,736,617
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
		35,830,258	41,736,617

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**

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Tel: 03-2299 4400 Fax: 03-2299 4411

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
Licensed 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.

[illegible]
[illegible]

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

Menara Kuala Lumpur Sdn. Bhd.

[illegible]
[illegible]

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

Contents

Menara Kuala Lumpur Sdn. Bhd.

[illegible]

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

	RM
Net loss for the financial year	[illegible]

Reserves and provisions

[illegible]

Dividend

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

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

Directors

[illegible]

[illegible]

[illegible]

[illegible]

Directors' interests

[illegible] in shares in the Company's [illegible] Telekom Malaysia Berhad [illegible]

Shares in [illegible]	Number of ordinary shares			
	At 1.1.2020	Acquired	Disposed	At 31.12.2020
Telekom Malaysia Berhad				
[illegible]	[illegible]			[illegible]

[illegible] Telekom Malaysia Berhad [illegible] Long Term Incentive Plan [illegible]

Menara Kuala Lumpur Sdn. Bhd.
[illegible]
[illegible]

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

Director(s)' interests (continued)

[illegible]	At 1.1.2020/ Date of appointment	Granted	Disposed	At 31.12.2020
		No. of ordinary shares		
[illegible]				
[illegible]	-	600	-	[illegible]
[illegible]				
[illegible]	-	[illegible]		[illegible]
[illegible]	-	[illegible]		[illegible]
[illegible]				
[illegible]	[illegible]			[illegible]
[illegible]		[illegible]		[illegible]
[illegible]		[illegible]	-	[illegible]
[illegible]				
[illegible]	[illegible]			[illegible]
[illegible]	[illegible]	-		[illegible]
[illegible]	[illegible]	-	-	[illegible]
[illegible]	[illegible]			[illegible]
[illegible]		[illegible]		[illegible]
[illegible]		[illegible]	-	[illegible]

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

Directors' interests (continued)

[illegible]

Directors' benefits

Since the end of the previous financial year, none of the Directors have received nor become entitled to receive a benefit (other than as disclosed in Note [illegible] to the financial statements) by reason of a contract made by the Company or its related corporations 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 [illegible]

Neither during nor at the end of the financial year was the Company a party to any arrangement [illegible]

[illegible] during the financial year amounted to [illegible]

Menara Kuala Lumpur Sdn. Bhd.

[illegible]
[illegible]

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:

(i) 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

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

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

(i) that would render the amount written off for bad debts, or the amount of the provision for doubtful debts, in the Company inadequate to any substantial extent, or

(ii) that would render the value attributed to the current assets in the financial statements of the Company misleading, or

(iii) which have arisen which 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)

[illegible]

(a) [illegible]

(b) [illegible]

[illegible]

[illegible]

[illegible]

(i) [illegible]

(ii) [illegible]

Ultimate holding company

[illegible]

Menara Kuala Lumpur Sdn. Bhd.

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

Significant event

[illegible]

Auditors' Remuneration

[illegible]

Auditors

[illegible]

Indemnification of auditors

[illegible]

[illegible]

[illegible]

[illegible]

Director

Menara Kuala Lumpur Sdn. Bhd.

[illegible]
[illegible]

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

	Note	2020 RM	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]		[illegible]	[illegible]
[illegible]		[illegible]	[illegible]
[illegible]		[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]		[illegible]	[illegible]

[illegible]

Menara Kuala Lumpur Sdn. Bhd.

[illegible]

[illegible]

Statement of financial position as at 31 December 2020

	Note	2020 RM	[illegible] RM
Non-current assets			
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
		[illegible]	[illegible]
Current assets			
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]		[illegible]	[illegible]
		[illegible]	[illegible]
Current liabilities			
[illegible]		[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]		[illegible]	[illegible]
		[illegible]	[illegible]
Net current assets		[illegible]	[illegible]
Non-current liability			
[illegible]	[illegible]	[illegible]	[illegible]
		[illegible]	[illegible]
Capital and reserves			
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
		[illegible]	[illegible]

[illegible]

Menara Kuala Lumpur Sdn. Bhd.

[illegible]
[illegible]

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

	Note	Issued and fully paid Share capital	Capital contribution	Retained profits	Total
		RM	RM	RM	RM
At 1 January 2020		10,000,000	1,655,506	[illegible]	[illegible]
Net loss and total comprehensive loss for the financial year				(6,035,015)	(6,035,015)
Long term incentive plan	[illegible]		125,656		125,656
At 31 December 2020		10,000,000	[illegible]	[illegible]	[illegible]
At 1 January 2019		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]				[illegible]	[illegible]
[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]				[illegible]	[illegible]
[illegible]	[illegible]		[illegible]		[illegible]
[illegible]	[illegible]			[illegible]	[illegible]
At 31 December 2019		[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

Menara Kuala Lumpur Sdn. Bhd.

[illegible]
[illegible]

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

	Note	2020	[illegible]
		RM	[illegible]
Cash flow from operating activities			
[illegible]		[illegible]	[illegible]
[illegible]		[illegible]	[illegible]
		[illegible]	[illegible]
Payments to suppliers and employees		(26,209,693)	[illegible]
Tax and Zakat paid		(1,275,001)	[illegible]
[illegible]		-	[illegible]
		[illegible]	[illegible]
[illegible]		[illegible]	[illegible]
Cash flow from investing activities			
[illegible]		[illegible]	[illegible]
[illegible]		(2,648,538)	[illegible]
[illegible]		[illegible]	[illegible]
[illegible]		[illegible]	[illegible]
[illegible]		[illegible]	[illegible]
Cash flow from financing activities			
Dividend paid			[illegible]
Repayment of lease liabilities		(54,960)	[illegible]
[illegible]		(54,960)	[illegible]
Net decrease in cash and cash equivalents during the financial year		[illegible]	[illegible]
Cash and cash equivalents at beginning of the financial year		[illegible]	[illegible]
Cash and cash equivalents at end of the financial year	[illegible]	[illegible]	[illegible]

Menara Kuala Lumpur Sdn. Bhd.

[illegible]

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

Changes in liabilities arising from financing activities

	At 1 January 2020 RM	Cash flows RM	Non-cash movements: Interest accretion RM	Additions RM	At 31 December 2020 RM
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

	At 1 January 2019 RM	Cash flows RM	Non-cash movements: Interest accretion RM	Additions RM	At 31 December 2019 RM
[illegible]		[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

Menara Kuala Lumpur Sdn. Bhd.

Notes to the financial statements for the financial year ended 31 December 2020

1 Principal activities and corporate information

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.

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

The Company is a wholly owned subsidiary of Telekom Malaysia Berhad (TM), a company incorporated in Malaysia.

[illegible]

2 Concession Agreement

[illegible]

[illegible]

[illegible]

[illegible]

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 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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of [illegible] during the reporting period. It also requires Directors to exercise their judgement in the process of applying the Company's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current events and actions, actual results may differ. [illegible] involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note [illegible] 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**

[illegible] are applicable to the Company's financial year [illegible] 2020 are as follows:

No.	Malaysian Financial Reporting Standards	Effective dates for financial year beginning
1	[illegible] MFRS [illegible]	[illegible]
	Amendments to MFRS [illegible] Business	[illegible] 2020
3	Amendments to MFRS [illegible] and MFRS 108 'Definition of Material'	[illegible] 2020
4	Amendments to MFRS [illegible] MFRS [illegible] 'Interest Rate Benchmark Reform'	January 2020

[illegible] material impact [illegible] financial position [illegible] current or previous [illegible] 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)

(iv) 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
i	Amendments to MFRS [illegible] Covid-19 Related Rent [illegible]	[illegible] January 2020

[illegible]

[illegible] COVID-19 [illegible] payments [illegible]

In accordance with the transitional provisions provided in the MFRS 16 [illegible] with the [illegible] of MFRS 16 [illegible] amendments [illegible] 1 January 2020. The early adoption of Amendment to MFRS 16 COVID-19 Related Rent Concessions [illegible] 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, MFRS 4 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	Annual Improvements to MFRS Standards 2018-2020	1 January 2022
6	Amendments to MFRS 101 Classification of Liabilities as Current or 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 [illegible]

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. [illegible] before recognising a separate provision for an onerous contract [illegible] recognised.

- Amendments to MFRS 116 'Property, Plant and Equipment: Proceeds before Intended Use' [illegible] property refers to assess [illegible] the technical and physical performance [illegible]

- Amendments to MFRS 3 'Reference to Conceptual Framework' replace the reference to Framework for Preparation and Presentation of Financial Statements with 2018 Conceptual Framework. [illegible] contingent liabilities should be in accordance with the principles of MFRS 137 'Provisions, Contingent Liabilities and Contingent Assets' and IC Interpretation 21 'Levies' if they fall 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 per cent' test for derecognition of financial liabilities' [illegible] borrower and the lender [illegible]

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)**

- [illegible]

- [illegible]

[illegible]

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

3 Significant accounting policies (continued)

(b) Property, plant and Equipment

[illegible]

(i) Cost

[illegible]

[illegible]

(ii) Depreciation

[illegible]

[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]

[illegible]

[illegible]

3 Significant accounting policies (continued)

(b) Property, plant and Equipment (continued)

(ii) 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. See accounting policy Note 3(c) on impairment of non-financial assets.

(iii) Gains or losses on disposal

Gains and losses on disposals are determined by comparing [illegible] carrying amount [illegible] and are [illegible] in the [illegible] comprehensive income.

(iv) 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 [illegible]. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows [illegible].

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

3 Significant accounting policies (continued)

(f) 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 [illegible] or through profit or loss), and
- Those to be measured at amortised cost.

[illegible]

(ii) Recognition and derecognition

[illegible]

(iii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss [illegible]

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and [illegible]

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

3 Significant accounting policies (continued)

(d) Financial assets (continued)

(ii) Measurement (continued)

Debt instruments

[illegible]

(a) [illegible]

[illegible] presented as separate line item in the Statement of [illegible]

(b) FVOCI

[illegible]

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)

(iii) FVTPL

[illegible]

Equity instruments

[illegible]

[illegible]

Offsetting financial instruments

[illegible]

Trade and other receivables

[illegible]

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

3 Significant accounting policies (continued)

(e) Impairment of financial assets

(a) Subsequent measurement - Impairment

Impairment for debt instruments

The Company assesses on a forward looking basis the expected credit losses (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:

- [illegible]
- [illegible]

While [illegible] subject to the impairment requirement of MFRS 9, [illegible]

ECL represents 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.

ii General 3-stage approach for other receivables

[illegible]

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)

(iii) **Simplified approach for trade receivables**

The Company applies the MFRS 9 simplified approach [illegible] trade receivables. Note [illegible] sets out the measurement details of ECL.

Significant increase in credit risk

[illegible] occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. [illegible] 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 debtors [illegible]

Macroeconomic information [illegible] 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)

(ii) 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 [illegible] days past due in making a contractual payment.

Definition of default and credit-impaired financial assets

The Company [illegible] credit-impaired [illegible]

[illegible]

[illegible]

Qualitative criteria

[illegible]

- the debtor is in breach of financial covenants
- concessions have been made by the lender [illegible] difficulty
- [illegible] reorganisation
- the debtor is [illegible]

[illegible]

Groupings of instruments for ECL measured on collective basis

(i) Individual assessment

[illegible]

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

[illegible]

[illegible]

(ii) Other receivables

[illegible]

Menara Kuala Lumpur Sdn. Bhd.

[illegible]

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)

(ii) Subsequent measurement - Impairment (continued)

Assets Carried at Amortised Cost

[illegible] objective evidence of an impairment loss include:

- [illegible]
- [illegible]
- [illegible]
- [illegible]

[illegible] present value of estimated future cash flows (excluding future credit losses that have not been incurred) [illegible] original effective interest rate [illegible] As a practical expedient, the Company may measure impairment on the basis of [illegible] fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases [illegible] previously recognised impairment loss is recognised in the statement of [illegible]

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

3 Significant accounting policies (continued)

(f) Cash and cash equivalents

[illegible]

(g) Share capital

(i) Classification

[illegible]

[illegible]

(ii) Share issue costs

[illegible]

(iii) Dividend to Shareholders of the Company

[illegible]

[illegible]

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

3 Significant accounting policies (continued)

(h) Provisions

[illegible] 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 [illegible] same class of obligations [illegible].

Provisions are measured at [illegible] increase [illegible].

(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 (or in the normal operating cycle [illegible]).

[illegible] other payables and advance payment received [illegible] other financial liabilities. These are recognised initially at fair value [illegible] subsequently [illegible] amortised cost using the effective interest method.

(j) Contingent liabilities and contingent assets

The Company does not recognise [illegible] the financial statements. A contingent liability is a possible obligation that arises from past events [illegible] 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. [illegible] 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 [illegible] liability at the date on which the leased asset is available for use by the Company.

[illegible] practical expedient provided in MFRS 16 [illegible] 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 [illegible] circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. [illegible] only included in the lease term if the lease is reasonably certain to be extended [illegible].

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. Any revision in lease term [illegible] 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: [illegible]

- [illegible] lease liability;
- Any lease payments made at or before the commencement date less any [illegible];
- [illegible]
- [illegible]

ROU assets [illegible]

[illegible]

(iii) Lease liabilities

[illegible] 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 receivable;
- Variable lease payments that are based on an index or a rate [illegible];
- [illegible]
- [illegible]
- [illegible]

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)

[illegible]

[illegible]

(iv) Reassessment of lease liabilities

[illegible]

Accounting policies applied from 1 January 2020

[illegible]

(i) [illegible]
(ii) [illegible]
(iii) [illegible]

[illegible]

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

[illegible]

[illegible]

[illegible]

(vi) Impairment

[illegible]

(b) Accounting by lessor

[illegible]

Menara Kuala Lumpur Sdn. Bhd.

[illegible]

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

[illegible]

[illegible]

[illegible]

[illegible]

Operating leases

[illegible]

[illegible]

[illegible]

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

[illegible]

Separating lease and non-lease components

[illegible]

(l) Income taxes

[illegible]

[illegible]

[illegible]

[illegible]

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

3 Significant accounting policies (continued)

(l) Income taxes (continued)

[illegible] 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

[illegible]

(ii) Maintenance fees and operating lease rental income

[illegible]

(iii) Management fees

[illegible]

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

(ii) Receivables

[illegible]

(o) Share based compensation

[illegible]

- **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 [illegible]

- **Cash-settled Share-based Compensation**

  The fair value of the employee services received in exchange for the cash payment [illegible] company are recognised at the fair value of the liability incurred as expense in the statement of [illegible] over the vesting period [illegible]

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

3 Significant accounting policies (continued)

([illegible]) Share based compensation (continued)

The total amount to be expensed over the vesting period 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 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, if any, in the statement of [illegible] with a corresponding adjustment to the capital contribution reserve in equity.

([illegible]) Employee benefits

(i) Short-term employee benefits

[illegible]

(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 formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after [illegible] are discounted to present value.

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

3 Significant accounting policies (continued)

(q) Functional and presentation currency

[illegible]

4 Critical accounting estimates and assumptions

[illegible]

[illegible]

(a) Estimated Useful Lives of Property, Plant and Equipment

[illegible]

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

4 Critical accounting estimates and assumptions (continued)

(b) Impairment of Receivables

[illegible]

[illegible]

(c) Extension of Concession Period

[illegible]

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

5 Financial risk management objectives and policies

[illegible]

(a) Credit risk

[illegible]

[illegible]

[illegible]

[illegible]

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 [illegible] ECL [illegible] trade and other receivables.

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

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)

(ii) Measurement of ECL (continued)

[illegible]

Category	Company's definition of category	Basis for recognising ECL
Performing	[illegible]	12 month ECL
Underperforming	[illegible] 60 days past due	[illegible]
Non-performing	[illegible]	[illegible]
Write-off	There is evidence indicating that [illegible]	[illegible]

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)

[illegible]

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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)

(iv) Reconciliation of loss allowance

(i) Trade receivables using simplified method

The loss allowance for trade receivables as at 31 December 2020 reconciles to the opening loss allowance for that provision as follows:

	2020	[illegible]
	RM	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]

(ii) [illegible]

[illegible] as follows:

	2020	2019
	RM	[illegible]
[illegible]		[illegible]
[illegible]	46,185	[illegible]
[illegible]	46,192	

Menara Kuala Lumpur Sdn. Bhd.

[illegible]
[illegible]

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

5 Financial risk management objectives and policies (continued)

(i) Credit risk [illegible]

(b) Receivables [illegible] loss allowance [illegible]

(ii) Other receivables [illegible]

[illegible]

	Performing RM	Under-performing RM	Non-performing RM	Total RM
Opening allowance as at 1 January 2020		-	[illegible]	[illegible]
[illegible]			[illegible]	[illegible]
Closing loss allowance as at 31 December 2020			163,571	163,571

	Performing RM	Under-performing RM	Non-performing RM	Total RM
[illegible]			[illegible]	[illegible]
[illegible]			[illegible]	[illegible]
[illegible] written off			[illegible]	[illegible]
[illegible]			[illegible]	[illegible]

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) Maximum exposure to credit risk

[illegible]

[illegible]

	Current RM	1-90 days past due RM	91-180 days past due RM	More than 180 days past due RM	Total RM
[illegible]	[illegible]				
[illegible]					
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible] 2020	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

	Current RM	1-90 days past due RM	91-180 days past due RM	More than 180 days past due RM	Total RM
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]				[illegible]	[illegible]
[illegible] 2019	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

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) Maximum exposure to credit risk (continued)

(ii) Other receivables using general 3-stage approach

[illegible]

Internal credit rating	Expected credit loss	Basis for recognition of expected credit loss provision	Estimated gross carrying amount at default RM	Loss allowance RM	Carrying amount (net of impairment provision) RM
[illegible]	[illegible]	[illegible]			
[illegible]		[illegible]			
[illegible]	[illegible]	[illegible]			[illegible]
Total			[illegible]	[illegible]	[illegible]

Internal credit rating	Expected credit loss	Basis for recognition of expected credit loss provision	Estimated gross carrying amount at default RM	Loss allowance RM	Carrying amount (net of impairment provision) RM
[illegible]	[illegible]	[illegible]			
[illegible]	[illegible]	[illegible]			
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total			[illegible]	[illegible]	[illegible]

Menara Kuala Lumpur Sdn. Bhd.

[illegible]

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

5 Financial risk management objectives and policies (continued)

[illegible] Liquidity and cash flow risk

[illegible]

[illegible]

[illegible]

	Carrying amount RM	Contractual cash flows RM	Under 1 year RM	[illegible] years RM	More than [illegible] years RM
2020					
Lease liabilities	[illegible]	[illegible]	[illegible]	[illegible]	

	Carrying amount RM	Contractual cash flows RM	Under 1 year RM	[illegible] years RM	More than [illegible] years RM
2019					
Lease liabilities	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible] Capital risk management

[illegible]

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

5 Financial risk management objectives and policies (continued)

(d) Market risk

- Foreign currency exchange risk

  [illegible] Ringgit Malaysia.

- Interest rate risk

  [illegible]

- [illegible]

  [illegible]

(e) Fair values

[illegible] financial instruments.

Menara Kuala Lumpur Sdn. Bhd.

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		
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
	[illegible]	[illegible]
Others		
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]

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

	2020 RM	2019 RM
[illegible]	[illegible]	[illegible]

(iii) Revenue recognised in relation to contract liability

[illegible]

	2020 RM	2019 RM
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]

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

7 Operating expenses

	2020 RM	2019 RM
Advertising and promotion	927,268	[illegible]
Management fee	183,409	81,3[illegible]
Auditors' remuneration	80,000	[illegible]
[illegible]	141,743	[illegible]
Depreciation of property, plant and equipment	1,558,204	[illegible]
[illegible]	48,860	[illegible]
Equipment rental	33,304	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	121,800	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]		[illegible]
[illegible]	-	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	310,000	[illegible]
Staff costs:		
- [illegible]	10,542,683	[illegible]
- Employees Provident Fund	1,394,296	[illegible]
[illegible]	128,656	[illegible]
[illegible]	32,964	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	86,869	[illegible]
Bank charges	5,113	7,577
[illegible]	1,846,915	[illegible]
	17,907,087	[illegible]

[illegible]

Menara Kuala Lumpur Sdn. Bhd.

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

8 Other operating income

	2020 RM	2019 RM
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
Others	1,149,295	[illegible]
	2,018,279	[illegible]

9 Taxation and zakat

	2020 RM	2019 RM
[illegible]		
[illegible]	-	[illegible]
[illegible]	[illegible]	[illegible]
	[illegible]	[illegible]
[illegible]		
[illegible]	132,500	[illegible]
[illegible]	132,880	[illegible]
Zakat		[illegible]
[illegible]	132,880	[illegible]

The relationship between taxation and profit before taxation can be explained by numerical reconciliation between taxation expense and the product of accounting [illegible]

	2020 RM	2019 RM
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	
[illegible]	113,596	[illegible]
[illegible]	4,770,948	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	132,880	[illegible]

10 Dividends

[illegible]

[illegible]

	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]

[illegible]

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

11 Property, plant and equipment

	Other equipment RM	Furniture and fittings RM	Motor vehicles RM	Total RM
2020				
Cost				
At 1 January 2020	[illegible]	6,211,548	158,692	[illegible]
Additions	2,316,974			2,316,974
Written off	(350,395)	(20,300)	-	(370,695)
At 31 December 2020	[illegible]	6,191,248	158,692	[illegible]
Accumulated depreciation				
At 1 January 2020	[illegible]	[illegible]	[illegible]	[illegible]
Charge for the financial year	1,490,838	[illegible]		[illegible]
Written off	[illegible]	[illegible]		[illegible]
At 31 December 2020	24,288,128	6,001,636	158,692	[illegible]
Net book value				
At 31 December 2020	[illegible]	[illegible]	-	[illegible]
2019				
Cost				
At 1 January 2019	[illegible]	[illegible]	[illegible]	[illegible]
Additions	[illegible]	[illegible]		[illegible]
At 31 December 2019	[illegible]	[illegible]	[illegible]	[illegible]
Accumulated depreciation				
At 1 January 2019	[illegible]	[illegible]	[illegible]	[illegible]
Charge for the financial year	[illegible]	[illegible]	[illegible]	[illegible]
At 31 December 2019	[illegible]	[illegible]	[illegible]	[illegible]
Net book value				
At 31 December 2019	[illegible]	[illegible]		[illegible]

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

12 Right-of-use assets

	Land RM	Movable Asset Vehicle RM	Total Right-of-use assets RM
Net Book Value			
At 1 January 2020		[illegible]	[illegible]
Addition	[illegible]		-
Depreciation (Note [illegible])		[illegible]	[illegible]
At 31 December 2020	2,255,054	77,028	[illegible]
2020			
At 31 December 2020			
Cost	[illegible]	[illegible]	[illegible]
Accumulated depreciation	-	[illegible]	[illegible]
Net Book Value	[illegible]	[illegible]	[illegible]

	Land RM	Movable Asset Vehicle RM	Total Right-of-use assets RM
Net Book Value			
At 1 January 2019		[illegible]	[illegible]
Depreciation (Note [illegible])		[illegible]	[illegible]
At 31 December 2019		125,888	125,888
2019			
At 31 December 2019			
Cost		[illegible]	[illegible]
Accumulated depreciation	-	[illegible]	[illegible]
Net Book Value		125,888	125,888

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

12 Right-of-use assets (continued)

[illegible]

	2020 RM	2019 RM
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]

[illegible]

[illegible]

13 Deferred taxation

[illegible]

	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]

[illegible]

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

13 Deferred taxation (continued)

[illegible]

	2020	[illegible]
	RM	[illegible]
Deferred tax liabilities		
[illegible]	(665,869)	[illegible]
[illegible]		[illegible]
[illegible]		
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]		
Deferred tax assets		
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
Deferred tax [illegible]		
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
	[illegible]	[illegible]

Deferred tax assets and liabilities [illegible] tax assets against current tax liabilities and when the deferred taxes relate to the same [illegible]

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

13 Deferred taxation (continued)

[illegible]

	2020	[illegible]
	RM	[illegible]
[illegible]	[illegible]	
[illegible]	[illegible]	[illegible]
	[illegible]	

[illegible]

[illegible]

Menara Kuala Lumpur Sdn. Bhd.

[illegible]

[illegible]

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

14 Trade and other receivables

	2020	[illegible]
	[illegible]	[illegible]
[illegible]	2,746,367	[illegible]
[illegible]	(967,065)	[illegible]
	1,779,302	[illegible]
[illegible]	4,202,246	[illegible]
[illegible]	590,650	[illegible]
[illegible]	(40,152)	
	550,498	[illegible]
[illegible]	6,532,046	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
	[illegible]	[illegible]

[illegible]

[illegible]

15 Cash and bank balances

	2020 RM	2019 RM
Bank balances	78,791	[illegible]
Cash in hand	21,904	[illegible]
	101,795	[illegible]

Bank balances are deposits held at call with banks [illegible]

[illegible]

	2020 RM	2019 RM
[illegible]	[illegible]	[illegible]

[illegible]

16 Trade and other payables

	2020 RM	2019 RM
[illegible]	720,187	[illegible]
[illegible]	2,548,148	[illegible]
[illegible]	6,577,764	[illegible]
[illegible]	3,098,623	[illegible]
Amount due to [illegible] holding company	379,166	137,146
[illegible]	331,565	[illegible]
	13,214,054	[illegible]

Amount due to [illegible] holding company [illegible] are unsecured, [illegible]

[illegible]

Menara Kuala Lumpur Sdn. Bhd.

[illegible]
[illegible]

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

16 Trade and other payables (continued)

[illegible]

17 Lease liability

	[illegible]	2020 RM	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	31,556	[illegible]	[illegible]
		[illegible]		[illegible]

18 Share capital

	[illegible]		[illegible]	
	Number of shares	RM	Number of shares	RM
Issued and fully paid				
Ordinary shares				
At 1 January/31 December	[illegible]	[illegible]	[illegible]	[illegible]

19 Retained Profits

[illegible]

20 Capital contribution

	2020	[illegible]
	RM	[illegible]
[illegible]		
- Employees' Share Option Scheme	615,504	[illegible]
- Long Term Incentive Plan ("LTIP")	578,658	[illegible]
	1,194,162	[illegible]

[illegible]

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

[illegible]

[illegible]

(i) Eligibility

[illegible]

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

[illegible]

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**

[illegible]

[illegible]

[illegible]

(a) [illegible]

(b) [illegible]

[illegible]

20 Capital contribution (continued)

[illegible] Long Term Incentive Plan ("LTIP") (continued)

(vi) **Duration of the LTIP**

[illegible] Proposed LTIP [illegible] the date on which full compliance with the relevant [illegible] Listing Requirements [illegible] the Proposed LTIP have been [illegible]

[illegible] Bursa Malaysia Listing Requirements [illegible] LTIP [illegible]

(vii) **Ranking of the shares issued under the LTIP**

The new shares issued under the LTIP [illegible] ultimate holding company [illegible] new shares [illegible] with the then existing shares of the ultimate holding company, except that they [illegible] dividends [illegible] the date on which the new shares are [illegible]

(viii) **Restriction on Transfer**

[illegible] LTIP [illegible] transfer upon the terms and conditions in accordance with the By-Laws.

TNB Group implemented the LTIP [illegible] September 2018, after having [illegible] At the end of the financial year ended 31 December 2020, [illegible] the RSUs [illegible]

20 Capital contribution (continued)

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

Restricted Shares ("RS")

[illegible]

[illegible]

[illegible]

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

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)

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

[illegible]

[illegible] holding company listed in Bursa Malaysia Securities Berhad [illegible] December 2020 [illegible]

[illegible]

[illegible]

Menara Kuala Lumpur Sdn. Bhd.
[illegible]

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)

[illegible] The fair value of the RS granted to which MFRS 2 applies [illegible] using the Monte Carlo simulation model [illegible] significant inputs in the model [illegible]

RS				Entitlement over the Ultimate Holding Company share [illegible] (RM)
	[illegible]	Grant 2	Grant 3	Grant 4
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible] 2017	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

(b) [illegible] financial statements [illegible] Note [illegible] the financial statements [illegible] RS are summarised as follows:

	2020	2019
	RM	RM
[illegible]	125,036	[illegible]

Menara Kuala Lumpur Sdn. Bhd.
[illegible]
[illegible]

Notes to the financial statements
for the financial year ended 31 December 2020 [illegible]

21 Financial instruments by category

[illegible] MFRS 9 [illegible] December 2020 [illegible]

	2020	2019
	RM	RM
Financial assets classified at amortised cost:		
Trade and other receivables [illegible]		
[illegible]	25,159,834	[illegible]
Cash and bank balances	101,735	[illegible]
Total	25,261,569	[illegible]

	2020	2019
	RM	RM
Financial liabilities classified at amortised cost:		
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
	[illegible]	[illegible]

22 Significant related party disclosure

[illegible] Telekom Malaysia Berhad [illegible] the Company are as follows:

Companies	Relationship
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]

Khazanah Nasional Berhad [illegible] Government of Malaysia [illegible] the Company [illegible] Government of Malaysia.

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

22 Significant related party disclosure (continued)

[illegible]

		2020 RM	[illegible]
(i)	**Revenue**		
	Maintenance fees and operating lease rental income from Telekom Malaysia Berhad	5,538,880	[illegible]
	Maintenance fees and operating lease rental [illegible]		[illegible]
	[illegible]		[illegible]
	Management fee [illegible]	588,537	[illegible]
(ii)	**Expenses**		
	[illegible] Telekom Malaysia Berhad	[illegible]	[illegible]
	[illegible]	[illegible]	[illegible]

[illegible]

	2020 RM	[illegible]
Receivables from Telekom Malaysia Berhad	[illegible]	[illegible]
Receivables from [illegible]	[illegible]	
Receivables from [illegible]	831	[illegible]
Receivables from [illegible] Telekom Malaysia	24,380	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]

Key management personnel are the persons who have authority and responsibility for planning, directing and controlling the activities of the [illegible] either directly or indirectly. Key management personnel [illegible] Chief Executive [illegible] key management personnel [illegible] as follows:

	2020 RM	[illegible]
[illegible]		
[illegible]	[illegible]	[illegible]
[illegible]	458,727	[illegible]
[illegible]	158,052	[illegible]
	[illegible]	[illegible]

23 Financial support

[illegible]

24 Significant event during the financial year

[illegible]

[illegible]

[illegible]

[illegible]

25 Approval of financial statements

[illegible] Board of Directors on [illegible] March 202[illegible]

Menara Kuala Lumpur Sdn. Bhd.

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

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

SURUHANJAYA SYARIKAT MALAYSIA
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COMPANIES COMMISSION OF MALAYSIA

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EY

Building a better working world

Independent auditors' report to the members of
Menara Kuala Lumpur Sdn. Bhd.
Registration No. [illegible]
(Incorporated in Malaysia)

Report on the audit of the financial statements (contd.)

Auditors' responsibilities for the audit of the financial statements (contd.)

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 [illegible]
- [illegible]
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors. [illegible]
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting [illegible]
- [illegible] of the Company, including the disclosures, and whether the financial statements of [illegible]

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, [illegible]

EY

Independent auditors' report to the members of
Menara Kuala Lumpur Sdn. Bhd.
Registration No. 1996010[illegible]
(Incorporated in Malaysia)

Other matters

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

[illegible] 31 December 2019 were [illegible]
[illegible] 2020.

[illegible]

Kuala Lumpur, Malaysia
[illegible]