ecmlibra

Laporan Tahunan 2020 Annual Report

ECM Libra Group Berhad (200501031433)(713570-K)

contents

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corporate information

DIRECTORS

Dato' Seri Kalimullah bin Masheerul Hassan (Chairman)
Dato' Lim Kian Onn
Datuk Kamarudin bin Md Ali
En Mahadzir bin Azizan
Mr Oh Teik Khim
Mr Gareth Lim Tze Xiang (Chief Executive Officer)
En Akil Hassan bin Kalimullah
(Alternate Director to Dato' Seri Kalimullah bin Masheerul Hassan)

BOARD AUDIT & RISK MANAGEMENT COMMITTEE

Datuk Kamarudin bin Md Ali (Chairman)
En Mahadzir bin Azizan
Mr Oh Teik Khim

NOMINATION AND REMUNERATION COMMITTEE

En Mahadzir bin Azizan (Chairman)
Datuk Kamarudin bin Md Ali
Mr Oh Teik Khim

SECRETARIES

Ms Wong Choy Ling
Ms Rebecca Kong Say Tsui

AUDITORS

Messrs Ernst & Young PLT
Chartered Accountants
Level 23A, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur
Tel : 03-7495 8000
Fax : 03-2095 9076

SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel : 03-2783 9299
Fax : 03-2783 9222

REGISTERED OFFICE

2nd Floor, West Wing, Bangunan ECM Libra
8 Jalan Damansara Endah
Damansara Heights
50490 Kuala Lumpur
Tel : 03-2632 9800
Fax : 03-2096 1188

BUSINESS ADDRESS

Ground Floor, East Wing, Bangunan ECM Libra
8 Jalan Damansara Endah
Damansara Heights
50490 Kuala Lumpur
Tel : 03-2632 9800
Fax : 03-2096 1188

WEBSITE

www.ecmlibra.com

LISTING

Main Market of Bursa Malaysia Securities Berhad

directors' profile

Dato' Seri Kalimullah bin Masheerul Hassan

Non-Executive Chairman/Non-Independent

Dato' Seri Kalimullah bin Masheerul Hassan, a Malaysian, male, aged 63, began a career in journalism in 1979 and served in various local and international organizations before becoming a businessman in 1995. Since then, he has held key positions in various Malaysian listed corporations. Dato' Seri Kalimullah was also tapped by the Government to serve on various Government agencies and boards, including as Chairman of the national news agency, Bernama, Deputy Chairman of then Malaysia's largest newspaper group, the New Straits Times Press (M) Bhd, while continuing to as Chief Executive Officer and Executive Chairman of ECM Libra Berhad, which he co-founded with two partners in 2002. He also served as a member of the National Unity Advisory Panel, the Multimedia Development Corporation (MdEC), the National Information Technology and various public-listed companies. He is now focusing on charity works undertaken by the ECM Libra Foundation which was set up and funded by him and his two partners, Dato' Chua Ming Huat and Dato' Lim Kian Onn.

Dato' Seri Kalimullah was appointed Chairman of the Board of Directors ("Board") of ECM Libra Group Berhad ("ECMLG" or "Company") on 16 June 2006. He attended all five Board meetings held during the financial year ended 31 December 2020.

Dato' Seri Kalimullah is Chairman of the ECM Libra Foundation Board of Trustees. His son, En Akil Hassan bin Kalimullah, is his Alternate Director in ECMLG. Dato' Seri Kalimullah is a major shareholder of ECMLG and has no family relationship with the other major shareholders of ECMLG and has no conflict of interest with ECMLG. He has never had any conviction for any offences and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2020.

Dato' Lim Kian Onn

Non-Independent Non-Executive

Dato' Lim Kian Onn, a Malaysian, male, aged 64, is a member of the Institute of Chartered Accountants in England & Wales and the Malaysian Institute of Accountants. He served his articleship with KMG Thomson McLintock in London and was a consultant with Andersen Consulting from 1981 to 1984. Between 1984 and 1993, he was with Hong Leong Group, Malaysia as an Executive Director in the stockbroking arm responsible for corporate finance, research and institutional sales. Dato' Lim founded the Libra Capital Group in 1994 and co-founded the ECM Libra Group in 2002.

Dato' Lim was appointed to the Board of ECMLG on 16 June 2006 and re-designated Managing Director with effect from 1 May 2007, a position he held till 5 August 2010. On 6 August 2010, he was re-designated Non-Executive Director of the Company and was subsequently re-designated Managing Director of ECMLG on 16 July 2015. Dato' Lim is the Non-Executive Director of the Company with effect from 1 June 2020. He attended all five Board meetings held during the financial year ended 31 December 2020.

Dato' Lim is also the non-executive Chairman of Plato Capital Limited, a company listed on the Stock Exchange of Singapore, a non-executive director of AirAsia X Berhad and a trustee of ECM Libra Foundation. He has substantial interest in ECMLG and is the father of Mr Gareth Lim Tze Xiang who is also a director and Chief Executive Officer of ECMLG. He has no conflict of interest with ECMLG, no conviction for any offences within the past five years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2020.

Datuk Kamarudin bin Md Ali

Independent Non-Executive

Datuk Kamarudin bin Md Ali, a Malaysian, male, aged 70, is a retired police commissioner. He holds a Masters in Science (Engineering) from University of Birmingham, United Kingdom and Bachelor of Science (Honours) (Mechanical Engineering) from University of Strathclyde, Glasgow, Scotland and attended specialized courses at the Royal College of Defense Studies, United Kingdom and University of Pittsburgh in the United States. Datuk Kamarudin retired from the Royal Malaysia Police ("RMP") on 4 May 2006 with more than thirty years' experience with extensive knowledge and skills in logistics and financial management, manpower development, strategic planning, training and crime suppression and prevention, gained through a wide range of command posts and managerial capacities held during his tenure in the RMP. He is actively involved in NGOs and is noted for his contribution to the Malaysian Crime Prevention Foundation.

Datuk Kamarudin was appointed to the Board of ECMLG on 16 June 2006. He attended all five Board meetings held during the financial year ended 31 December 2020. He is the Chairman of the Board Audit & Risk Management Committee and a member of the Nomination and Remuneration Committee of ECMLG.

Datuk Kamarudin is also a director of Ann Joo Resources Berhad and Gabungan AQRS Berhad. He has no family relationship with any director or major shareholder of ECMLG, no conflict of interest with ECMLG and has no conviction for any offences within the past five years. He has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2020.

En Mahadzir bin Azizan

Independent Non-Executive

En Mahadzir bin Azizan, a Malaysian, male, aged 72, is a Barrister-At-Law from Lincoln's Inn, London, United Kingdom and was called to the English Bar in 1978.

After graduation, En Mahadzir joined the Judicial and Legal Service of the Malaysian Government as a Deputy Public Prosecutor and Federal Counsel and subsequently ventured into the private sector and served Malaysian International Shipping Corporation Berhad and Island & Peninsular Berhad, the property arm of Permodalan Nasional Berhad. Whilst in the private sector, he also served as Ahli Majlis MARA, director of Amanah Raya Berhad and Tabung Haji group of companies as well as various other directorships in government linked companies.

En Mahadzir was appointed to the Board of ECMLG on 16 June 2006. He attended all five Board meetings held during the financial year ended 31 December 2020. He is the Chairman of the Nomination and Remuneration Committee and a member of the Board Audit & Risk Management Committee of ECMLG.

En Mahadzir is also a director of RCE Capital Berhad and Securities Industry Dispute Resolution Center. He has no family relationship with any director or major shareholder of ECMLG, no conflict of interest with ECMLG and has no conviction for any offences within the past five years. He has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2020.

Oh Teik Khim

Independent Non-Executive

Mr Oh Teik Khim, a Malaysian, male, aged 66, is an Associate of the Institute of Chartered Accountants in England and Wales. He has more than thirty years of experience in finance and general management. He had been the Chief Operating Officer/Chief Financial Officer and Executive Director of Plato Capital Limited ("Plato"), a company listed on the Stock Exchange of Singapore, since 2001 and 2003 respectively before he retired in September 2019. Prior to joining Plato, Mr Oh served in various senior positions in the Hong Leong Group Malaysia.

Mr Oh was appointed to the Board of ECMLG on 2 July 2020. He is a member of the Board Audit & Risk Management Committee and Nomination and Remuneration Committee of ECMLG. He attended both Board meetings held since his appointment during the financial year ended 31 December 2020.

Mr Oh has no directorship in any other public companies and listed issuers. He has no family relationship with any director or major shareholder of ECMLG, no conflict of interest with ECMLG and has no conviction for any offences within the past five years. He has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2020.

Mr Gareth Lim Tze Xiang

Chief Executive Officer/Non-Independent

Mr Gareth Lim Tze Xiang, a Malaysian, male, aged 38, holds a Bachelor of Arts Degree in Economics from St. Catharine's College at the University of Cambridge.

Mr Gareth Lim was appointed to the Board of ECMLG on 4 July 2016. On 1 June 2020, he was appointed as Chief Executive Officer of ECMLG and re-designated as Executive Director of the Company. He attended all five Board meetings held during the financial year ended 31 December 2020.

Mr Gareth Lim is also the Chief Executive Officer of Plato Capital Limited Group ("Plato Group"). He joined Plato Group in September 2009 as Head of Investments, responsible for the formulation and implementation of Plato Group's overall investment strategy and became the Chief Executive Officer of Plato Group in November 2010. He is also the Chief Executive Officer of Ormond Group which houses Plato Group's hospitality assets. Mr Gareth Lim began his career as part of Morgan Stanley's mergers and acquisitions practice in Singapore.

Mr Gareth Lim is also an alternate director of Plato Capital Limited, a company listed on the Stock Exchange of Singapore. He is the son of Dato' Lim Kian Onn who is a Director and major shareholder of ECMLG. He has no conflict of interest with ECMLG, no conviction for any offences within the past five years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2020.

En Akil Hassan bin Kalimullah

(Alternate Director to Dato' Seri Kalimullah bin Masheerul Hassan)
Non-Independent Non-Executive

En Akil Hassan bin Kalimullah, a Malaysian, male, aged 32, holds a Bachelor of Science in Mathematics from University of Melbourne.

En Akil Hassan started his career in Hay Group, a boutique management consulting firm specialising in human capital solutions, as an Analyst. Having spent five years there, he managed to get involved in major transformation projects with notable GLCs including but not limited to Khazanah Nasional Berhad, Employee Provident Fund (EPF), Pemodalan Nasional Berhad (PNB), Malaysian Resources Corporation Berhad (MRCB) and many others. He specialises in HR analytics, Total Remuneration Strategy, Organisational Design and Strategic Workforce Planning. Currently he works as a Culture Manager in Oriental Interest Berhad, a property developer focused on residential development in the outskirts of Kuala Lumpur where he is responsible for establishing a culture that is in line with the company's growth aspirations.

En Akil Hassan was appointed as Alternate Director to Dato' Seri Kalimullah bin Masheerul Hassan on 10 December 2019. He is the son of Dato' Seri Kalimullah bin Masheerul Hassan who is the Non-Executive Chairman and a major shareholder of ECMLG. En Akil Hassan has no directorship in any other public companies and listed issuers, no conflict of interest with ECMLG and has no conviction for any offences within the past five years. He has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2020.

key senior management's profile

Mr Gareth Lim Tze Xiang

Chief Executive Officer

Details of Mr Gareth Lim Tze Xiang are disclosed in the Directors' profile on page 6.

Navinderjeet Singh a/l Naranjan Singh

Chief Financial Officer

Mr Navinderjeet Singh a/l Naranjan Singh, a Malaysian, male, aged 33, holds a Postgraduate Diploma in Finance from Massey University, New Zealand and a Degree in Bachelor of Commerce in Accounting & Finance from University of Auckland, New Zealand.

Mr Navinderjeet was appointed as the Chief Financial Officer of ECM Libra Group Berhad ("ECMLG") on 10 September 2020. Prior to Mr Navinderjeet's current appointment, he was the Chief Executive Officer of Tune Hotels. Mr Navinderjeet has over thirteen years of working experience, seven of which were with Tune Hotels. During the course of Mr Navinderjeet's employment at Tune Hotels, Mr Navinderjeet has held several senior management positions where Mr Navinderjeet was involved in heading the finance, operations and commercial functions of Tune Hotels. Mr Navinderjeet also has experience in corporate finance, auditing and investment banking.

Mr Navinderjeet sits on the board of Plato Capital Limited, a company listed on the Stock Exchange of Singapore. He has no family relationship with any director or major shareholder of ECMLG, no conflict of interest with ECMLG and has no conviction for any offences within the past five years. He has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2020.

board audit & risk management committee report

Constitution

The Board Audit & Risk Management Committee ("BARMC") was established on 28 June 2006 by the Board of Directors ("Board").

Composition

The members of the BARMC during the financial year ended 31 December 2020 were:

Chairman : Datuk Kamarudin bin Md Ali
(Independent Non-Executive Director)

Members : En Mahadzir bin Azizan
(Independent Non-Executive Director)

Mr Oh Teik Khim (Appointed on 2 July 2020)
(Independent Non-Executive Director)

Dato' Othman bin Abdullah (Demised on 4 April 2020)
(Independent Non-Executive Director)

During the financial year, there was a vacancy in the BARMC consequent to the demise of Dato' Othman bin Abdullah. Following the appointment of Mr Oh Teik Khim as a member of the BARMC on 2 July 2020, the Company filled the vacancy in the BARMC and complied with Paragraphs 15.09(1) and 15.19 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

Terms of Reference of BARMC

The terms of reference of BARMC include the following and are available on the website of the Company at www.ecmlibra.com at the dedicated section on Investor Relations:

(i) to review and approve the internal and statutory audit plans and the audit reports, and evaluate internal controls, including risk management and compliance matters;
(ii) to review the quarterly interim financial statements and year-end financial statements of the Group and the Company;
(iii) to consider related party transactions and conflict of interest situations that may arise within the companies in the Group; and
(iv) to review the appointment/re-appointment of the external auditors and their fees, and the scope, competency and resources of the internal audit function.

Meetings

The BARMC meets at least four (4) times in each financial year and additional meetings may be called at any time as and when necessary. During the financial year ended 31 December 2020, five (5) BARMC meetings were held and the attendance of each BARMC member at the meetings is as follows:

Member	Attendance
Datuk Kamarudin bin Md Ali	5/5
En Mahadzir bin Azizan	5/5
Mr Oh Teik Khim (Appointed on 2 July 2020)	2/2
Dato' Othman bin Abdullah (Demised on 4 April 2020)	1/1

board audit & risk management committee report continued

Summary of Work

The summary of work of the BARMC in the discharge of its duties and functions for the financial year ended 31 December 2020 is as below:

1. **Financial Reporting**

   The BARMC reviewed the interim financial statements and year-end financial statements of the Company and the Group prior to tabling to the Board for approval and subsequent release to Bursa Securities. In reviewing the interim financial statements and year-end financial statements of the Company and the Group, the BARMC ensured true and fair reporting, reliability of financial information of the Company and the Group, compliance with the requirements of the Companies Act 2016, applicable financial reporting standards in Malaysia and Main Market Listing Requirements of Bursa Securities and prompt publication of the said financial statements.

2. **External Audit**

   With the feedback provided by management, the BARMC assessed the performance, suitability and independence of the external auditors for their re-appointment for the financial year ended 31 December 2020 by taking into consideration the criteria set out in the External Auditors Assessment Policy including the adequacy of resources of external auditors to undertake their audit, level and quality of service provided by the external audit team, communication between the external auditors and management as well as the competence, knowledge, experience and independence of advice provided by the engagement partner. The external auditors had met the criteria and following the assessment, the BARMC recommended the re-appointment of the external auditors to the Board and for the Board to recommend the same to the shareholders for approval at the annual general meeting.

   The BARMC deliberated with the external auditors on their scope of work and audit plan for the Group for the financial year ended 31 December 2020 covering, amongst others, areas of audit emphasis, audit timeline, scope of audit, responsibilities of auditors, directors and management and key areas of audit that might be impacted due to significant changes to the business operations arising from the COVID-19 pandemic. Financial reporting developments including the amended major financial reporting standards which took effect in the current financial year or would take effect after the financial year and their implication on the financial reporting of the Group were also discussed. The BARMC noted the amended financial reporting standards did not have any significant impact on the financial performance and financial position of the Company and the Group for the financial year ended 31 December 2020.

   The external auditors have given their written assurance confirming that they are independent in accordance with the By-laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants and the International Code of Ethics for Professional Accountants (including international Independence Standards) in relation to their audit of the financial statements of the Company and the Group for the financial year ended 31 December 2020.

   The BARMC discussed with the external auditors on their audit results for the year-end financial statements of the Company and the Group. The BARMC reviewed and recommended the proposed audit fees of the external auditors to the Board for approval.

   The external auditors could meet freely, regularly and on a confidential basis with the BARMC. During the financial year, the BARMC had two private sessions with the external auditors on 26 February 2020 and 25 November 2020 without the presence of the other Directors or management. There were no major issues raised by the external auditors that needed to be brought to the attention of the Board.

3. **Internal Audit**

   The BARMC reviewed and approved the internal audit plan for the financial year proposed by the independent outsourced internal auditors ("Internal Auditors") to ensure the adequacy of the scope and coverage of internal audit on activities and operations of the Group. The BARMC also assessed if adequate time and resources were allocated by the Internal Auditors to perform the audit.

Summary of Work (continued)

3. **Internal Audit** (continued)

The BARMC reviewed the internal audit report presented by the Internal Auditors on their audit findings and recommendations for improvement to be implemented, the assessment on the adequacy and effectiveness of internal controls implemented, and the corresponding responses of management. The BARMC ensured that actions taken by management to address the audit findings were satisfactory and within the agreed timeline. The BARMC also had a private session with the Internal Auditors without the presence of management on 26 February 2020.

4. **Related Party Transactions**

The BARMC reviewed the related party transactions entered into by the Group on a quarterly basis to ensure that these transactions were carried out in the normal course of business and transacted at arms' length.

The BARMC reviewed the tenancies of the Group for renting office space in Bangunan ECM Libra as the tenancies were related party transactions. The BARMC noted the Group would pay the same rental rate for the office space as other tenants of Bangunan ECM Libra and on the terms and conditions no less favourable than other tenants of Bangunan ECM Libra. The BARMC opined that the tenancies were at arm's length and not detrimental to the interest of the minority shareholders of the Company. The BARMC recommended the tenancies to the Board for approval.

5. **Risk Management**

The BARMC oversees the establishment of a robust risk management framework. During the financial year, the BARMC reviewed, on a quarterly basis, the risk management reports that covered the review and management of risks in the day-to-day business operation and activities of the Group, so as to ensure that there were adequate internal control measures and mitigating factors in place to manage the risks encountered by the Group.

6. **Other Duties**

(i) The BARMC reviewed the Board Audit & Risk Management Committee Report and Statement on Risk Management & Internal Control to ensure adherence to the relevant reporting requirements prior to its recommendation to the Board for approval for inclusion in the Annual Report of the Company.

(ii) The BARMC reviewed and updated its terms of reference to ensure it is in accordance with the Main Market Listing Requirements of Bursa Securities and in line with the relevant practices set out in the Malaysian Code on Corporate Governance. The BARMC recommended its updated terms of reference to the Board for approval.

(iii) The BARMC reviewed the new Anti-Bribery and Corruption Policy and Gift and Hospitality Policy and recommended the said policies for approval of the Board. The BARMC also reviewed and recommended the Group's proposal to adopt the "No Gift Policy" and the revised Anti-Bribery and Corruption Policy and Gift and Hospitality Policy consequential to the said proposed adoption, for the Board's approval.

(iv) The BARMC reviewed and recommended the updated Data Protection Policy, Information Security Policy and Whistle Blowing Policy to the Board for approval.

(v) The BARMC reviewed the External Auditors Assessment Policy which set out the guidelines and procedures for assessment of the external auditors. The BARMC agreed that no update was required to be made to the said policy and it remained relevant, appropriate and fit for its purpose. The BARMC recommended the same to the Board for concurrence.

During the financial year, the members of BARMC conducted an assessment on the performance of individual members and the BARMC as a whole to ensure that the BARMC and its members have discharged their responsibilities effectively. The results of the assessment were tabled to the BARMC for notation and subsequently to the Board Nomination Committee and the Board for review.

The Chairman of BARMC reported to the Board on significant matters deliberated at the BARMC meetings and key recommendations of the BARMC, after each BARMC meeting, for the Board's consideration and approval. The minutes of the BARMC meetings were tabled to the Board for notation.

board audit & risk management committee report continued

Summary of Work (continued)

Internal Audit Function

The internal audit function of the Group is outsourced to an independent internal audit service provider who reports directly to the BARMC.

The Internal Auditors presented to and obtained approval from the BARMC on their internal audit plan for the financial year ended 31 December 2020. During the financial year, the Internal Auditors conducted audit on the following areas:

(i) Revenue recognition – car park sales of Tune Hotel KLIA2 owned by OHG Services Sdn Bhd, a joint venture company in which ECMLG has 50% equity interest ("JV Company"); and

(ii) Food and beverages operations of MAKAN & MINUM owned by Ormond Lifestyle Services Sdn Bhd, another JV Company of ECMLG.

Other than the above mentioned, a follow-up review was also carried out by the Internal Auditors to evaluate the status of management's action plan on the following past auditable areas of Tune Hotel KLIA2:

(i) Front desk/Revenue recognition and procurement to payment; and

(ii) Laundry services, housekeeping, maintenance, safety and security.

In discharging their role, the Internal Auditors:

- walkthrough the business process/auditable areas with the process owners to understand the process and identify key internal controls via interviews, observations and verification to supporting source documentation.

- performed a system of controls evaluation on high-risk areas within the business processes (identify business risks, benchmark the existing control system and identify design inadequacy, implementation lapses and process improvements).

- reviewed the overall control environment where there was a significant amount of implementation lapses.

- reported to the BARMC on the outcome of the audits conducted and their recommendations, the assessment on adequacy and effectiveness of the internal controls implemented and the actions taken by management to implement improvements where applicable.

The abovementioned has enabled the BARMC to execute its oversight function and form an opinion on the adequacy of measures undertaken by management.

The cost incurred for the internal audit function in respect of the financial year ended 31 December 2020 was RM13,750.

This Report was approved by the Board on 26 April 2021.

corporate governance overview statement

The Board of Directors ("Board") of ECM Libra Group Berhad ("ECMLG" or "Company") is committed to manage the Company and its subsidiaries ("ECMLG Group" or "Group") in line with corporate governance practices as set out in the Malaysian Code on Corporate Governance ("Code"). The Board believes that corporate accountability complements business practices that will facilitate the achievement of the Company's goals and objectives. In preparing this statement, the Board is pleased to report that the Group has applied the principles and complied with the practices as set out in the Code except as otherwise stated. The detailed application by ECMLG for each practice as set out in the Code during the financial year ended 31 December 2020 is disclosed in the Corporate Governance Report which is available on the Company's website, www.ecmlibra.com, at the dedicated section on Investor Relations.

PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Responsibility

The Company is led by a proactive Board with a blend of good management and entrepreneurial skills, supported by Independent Directors who bring to the Board their diverse fields of training and experiences.

The Board is primarily entrusted with the responsibility of setting the goals, strategies and the business and organisational policies of the Group. It also oversees the conduct of the Group's businesses, ensures various control systems are in place as well as regularly evaluates such systems to ensure its integrity. The Board is guided by its Board Charter which is made available on the Company's website at www.ecmlibra.com. The Board Charter sets out the functions, roles and responsibilities of the Board. The Board Charter is reviewed at least once a year and updated as and when necessary to align with changes in the regulatory requirements and circumstances, needs of the Company and business environment.

In formulating the goals and strategies of the Group, the Board is mindful of the importance of business sustainability and ensures that particular attention is given to promote sustainability.

The Board has established Board Committees to assist in the discharge of its duties and each Board Committee has its own specific terms of reference. Each Board Committee undertakes in-depth deliberation of the issues delegated to it before tabling its recommendations to the Board.

As at the financial year ended 31 December 2020, the Board Committees comprised:

1. Board Audit & Risk Management Committee; and
2. Nomination and Remuneration Committee.

The terms of reference of the Board Committees are set out in the Appendices I and II to the Board Charter.

The positions of Chairman and Chief Executive Officer of ECMLG are held by different individuals to ensure there is a balance of power and authority. The Chairman of the Board leads the Directors in the performance of the Board's responsibilities and oversight of management whilst the responsibility of managing the Group's business activities is delegated to the Chief Executive Officer. The Chief Executive Officer is accountable to the Board and is responsible for growing the Group's overall business and providing direction in the implementation of strategies, policies and business plans approved by the Board. All matters not specifically reserved to the Board and necessary for the day-to-day operations of the Group are delegated to the Chief Executive Officer and senior management. The responsibilities of the Chairman and the Chief Executive Officer are set out in the Board Charter.

To ensure that ECMLG Group is efficiently managed, the Board meets on a quarterly basis and additionally as and when required, with a formal schedule of matters specifically reserved for its deliberation and decision. During the financial year under review, five (5) Board meetings were held and the attendance of each Director at the meetings is as below:

Director	Attendance
Dato' Seri Kalimullah bin Masheerul Hassan	5/5
Dato' Lim Kian Onn	5/5
Datuk Kamarudin bin Md Ali	5/5

PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

I. Board Responsibility (continued)

Director	Attendance
En Mahadzir bin Azizan	5/5
Mr Oh Teik Khim (Appointed on 2 July 2020)	2/2
Dato' Othman bin Abdullah (Demised on 4 April 2020)	1/1
Mr Gareth Lim Tze Xiang	5/5

All the Directors had complied with the requirements in respect of Board meeting attendance as set out in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ["Listing Requirements of Bursa Securities"].

The Board collectively reviews and considers all corporate proposals prior to their implementation. Corporate proposals are put to vote after careful deliberation. The Directors are updated on ECMLG Group's affairs at Board meetings. The Board members have unlimited access to all information with regard to the activities of ECMLG Group during deliberations at the Board meetings as well as through regular interaction with senior management who are obliged to provide the Board with complete, well-focused and adequate information in a timely manner. The Directors are encouraged to obtain information on the Group's activities at any time by consultation with senior management. Where necessary, the Board shall also have access to advice of independent professional advisers at the expense of the Company. The Board will discuss and collectively decide on seeking such independent advice when the need arises. These enable the Board members to discharge their duties and responsibilities competently and in an informed manner.

The Board members are provided with the notices setting out the agenda and the comprehensive Board papers at least four (4) days prior to Board meetings. Board papers are the key source of information for Directors before the meeting and senior management are obliged to provide sufficient, accurate and relevant supporting information in the Board papers. The Chairman with the assistance of the Company Secretaries will ensure the integrity of the information provided and the timeliness of Board papers. Any late provision of Board papers is discouraged by the Board, particularly if it involves complex matters. Upon conclusion of the meeting, the minutes are circulated in a timely manner prior to the next meeting.

All members of the Board have access to the advice and support of suitably qualified and competent Company Secretaries. The Company Secretaries play an important advisory role and are a source of information and advice to the Board on issues relating to procedural and statutory requirements affecting the Company and Group. The Company Secretaries update the Board on material changes in law and table the regulatory development at the Board meeting for Board's notation.

The Directors are aware of their responsibilities and will devote sufficient time to discharge such responsibilities. Each member of the Board holds not more than five (5) directorships in public listed companies in accordance with the Listing Requirements of Bursa Securities to ensure the Directors' commitment, resources and time are focused on the affairs of the Company. The meeting schedule for the ensuing financial year will be provided to the Directors in advance before the end of the current financial year so that the Directors are able to plan ahead and ensure sufficient time will be devoted to discharge their duties and responsibilities.

All Directors of the Company have completed the Mandatory Accreditation Programme. They receive briefings and updates on the Group's businesses, operations, risk management, internal controls, finance and relevant legislation, rules and regulations, and they are encouraged to attend courses, briefings and seminars to keep themselves abreast with latest developments in the industry, regulatory updates or changes and to enhance their skills and knowledge. The Nomination and Remuneration Committee oversees continuing education programmes covering areas that could strengthen Directors' contribution to the Board. During the financial year, the Directors were regularly kept informed of available training programmes related to corporate governance, risk management and internal control, regulatory development as well as business trends, and arrangements were made by the Company Secretaries for the Directors to attend.

PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

I. **Board Responsibility** (continued)

During the financial under review, the Board members participated in the following training courses or briefings to keep themselves updated on latest developments and to enhance their knowledge:

Director	Course Name
Dato' Seri Kalimullah bin Masheerul Hassan	Corporate Governance Monitor 2020
Dato' Lim Kian Onn	Corporate Governance Monitor 2020
Datuk Kamarudin bin Md Ali	Latest update on Malaysian Financial Reporting Standards
	Malaysia Budget 2021
	S17A Corporate Liability under the MACC Act: How vulnerable are Directors to personal liability and what can be done to mitigate the risk with case studies
	Corporate Governance Monitor 2020
En Mahadzir bin Azizan	Corporate Governance Monitor 2020
Mr Oh Teik Khim	Mandatory Accreditation Programme
	Corporate Governance Monitor 2020
Mr Gareth Lim Tze Xiang	Corporate Governance Monitor 2020
En Akil Hassan bin Kalimullah	Mandatory Accreditation Programme
	Corporate Governance Monitor 2020

The Board members have also devoted time in non-structured continuing professional development through reading articles relating to topics relevant to the business of the Group.

The Board sets the Group's core values and adopts proper standards to ensure that the Group operates with integrity and complies with the relevant rules and regulations. The Board observes the codes as set out in the Code of Ethics for Company Directors issued by the Companies Commission of Malaysia and the requirements under the Companies Act 2016 which provide guidance on the standards of conduct and prudent business practices as well as standards of ethical behaviour. The salient points of the Code of Ethics for Company Directors are highlighted below:

1. Should ensure at all times that the Company is properly managed and effectively controlled;
2. Should stay abreast of the affairs of the Company and be kept informed of the Company's compliance with the relevant legislation and contractual requirements;
3. Should disclose immediately all contractual interests whether directly or indirectly with the Company;
4. Should at all times act with utmost good faith towards the Company in any transaction and to act honestly and responsibly in the exercise of his powers in discharging his duties; and
5. Relationship with shareholders, employees, creditors and customers:
   (i) should be conscious of the interest of shareholders, employees, creditors and customers of the Company;
   (ii) should at all times promote professionalism and improve the competency of management and employees; and
   (iii) should ensure adequate safety measures and provide proper protection to workers and employees at the workplace.

The conduct of the Board is also governed by the Constitution of the Company and the relevant laws and regulations in Malaysia.

The Board has approved a Code of Conduct to be observed by all the employees of the Group. The Code of Conduct is published on the intranet of the Group and accessible to all the employees. The Board has also approved the Anti-Bribery and Corruption Policy and the Gift and Hospitality Policy as a control measure to ensure Directors and all employees are well aware of their responsibilities in regards to observing and upholding the Group's zero-tolerance position on bribery and corruption and abide by the said policies. The Anti-Bribery and Corruption Policy and the Gift and Hospitality Policy are available on intranet and website of the Company accessible to all employees of the Group.

PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

I. Board Responsibility (continued)

The Board has put in place a Whistle Blowing Policy to enable the Group to take necessary measures so as to minimise, discourage, detect and prevent any form of unlawful, unethical, non-compliance and questionable practices within the Group. The Board has entrusted the Board Audit & Risk Management Committee to oversee the implementation of the Whistle Blowing Policy. The policy is accessible via intranet of the Group and made available on the website of the Company and employees are encouraged to report in good faith if they are aware of any wrongdoing, malpractice or corporate misdeed has been, is being, or is likely to be committed within the Group. The Board Audit & Risk Management Committee, upon receiving any report and after appropriate verification of the matter, would decide on the next course of actions.

II. Board Composition

The Board composition comprises 50% Independent Directors and all Directors hold positions in a non-executive capacity except for Mr Gareth Lim Tze Xiang who holds the position of Chief Executive Officer. The Board has exercised its judgement that the current composition of the Board with six (6) members fairly reflects the investment in the Company by all the shareholders and is appropriate to protect the interest of all the shareholders.

The Board has identified Datuk Kamarudin bin Md Ali, the Chairman of the Board Audit & Risk Management Committee, as the Independent Non-Executive Director to whom concerns may be conveyed, who would bring the same to the attention of the Board.

There is a clear division of responsibilities between the Chairman of the Board and the Chief Executive Officer and the presence of independent oversight by the Independent Directors to ensure a balance of authority and power within the Board. The wide spectrum of knowledge, skills and experience of the Board members gives added strength to the leadership which is necessary for the effective stewardship of the Group.

The Board recognises the importance and contribution of its Independent Non-Executive Directors. They represent the element of objectivity, impartiality and independent judgment of the Board that provide adequate check and balance at the Board and to safeguard the interest of the shareholders of the Company. The Independent Directors of the Company provide the Board with vast and varied management exposure, expertise and broad business and commercial experiences.

The Board is of the view that a director's independence should not be determined solely based on the tenure of service. The continued tenure of directorship brings considerable stability to the Board and the Company has benefited from Directors who have, over time, gained valuable insight into the Group. The ability and effectiveness of an independent director is dependent on his calibre, qualification, experience, integrity and objectivity in discharging his responsibilities in good faith in the best interest of the Company and to safeguard the interests of the shareholders of the Company. Amongst various matters taken into consideration, the Board seeks to strike an appropriate balance between tenure of service, continuity of experience and the merit of refreshing the Board. In 2015, the Board approved a policy on the tenure of independent directors ("Policy on Tenure of Independent Directors") which sets a cap of twelve (12) years for the tenure of Independent Directors. Upon completion of twelve (12) years, such Directors can be re-designated as Non-Independent Directors.

As at the Fifteenth Annual General Meeting of the Company held on 9 September 2020, Datuk Kamarudin bin Md Ali and En Mahadzir bin Azizan had served as Independent Non-Executive Directors of the Company for a cumulative term of fourteen (14) years. The Board after careful consideration, had provided justifications and support for the continuation of the two Directors in office as Independent Non-Executive Directors despite the twelve (12) year cap set on the tenure of Independent Directors under the Policy on Tenure of Independent Directors. The Company had sought and obtained approval of the shareholders at the Fifteenth Annual General Meeting through a two-tier voting process as described in Practice 4.2 of the Code for the continuation of Datuk Kamarudin bin Md Ali and En Mahadzir bin Azizan in the same capacity until the conclusion of the forthcoming Sixteenth Annual General Meeting.

PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

II. Board Composition (continued)

The Board Nomination Committee ("BNC") and the Board Remuneration Committee ("BRC") were set up on 27 September 2006. Before the BNC and BRC merged into a single Board Committee on 26 February 2020, the BNC comprised three (3) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director as follows:

- Dato' Othman bin Abdullah (Chairman)
- Datuk Kamarudin bin Md Ali
- En Mahadzir bin Azizan
- Mr Gareth Lim Tze Xiang

whilst the BRC comprised one (1) Independent Non-Executive Director and one (1) Non-Independent Executive Director as below:

- En Mahadzir bin Azizan (Chairman)
- Dato' Lim Kian Onn

On 26 February 2020, the Board resolved to merge the BNC and the BRC as a single Board Committee to be renamed as Nomination and Remuneration Committee ("NRC") with a view that it would improve efficiency and effectiveness of the Board in discharging its duties and responsibilities. The NRC assumed the roles and responsibilities of the BNC and the BRC and shall discharge its functions efficiently and effectively according to its terms of reference approved by the Board. During the financial year ended 31 December 2020, the NRC comprised the following Independent Non-Executive Directors:

- En Mahadzir bin Azizan (Chairman)
- Datuk Kamarudin bin Md Ali
- Mr Oh Teik Khim (Appointed on 2 July 2020)
- Dato' Othman bin Abdullah (Demised on 4 April 2020)

A summary of the main activities undertaken by the BNC/NRC in the discharge of its duties with regard to nomination matters for the financial year ended 31 December 2020 is as follows:

1. Evaluated the performance of the Board and Board Committees with regard to their structure, operations and role and responsibilities;
2. Assessed the qualification, level of time commitment, skills and experience of individual Directors;
3. Assessed the independence of Independent Directors;
4. Assessed the re-appointment of retiring Directors at the annual general meeting;
5. Assessed the appointment of Director and Chief Executive Officer;
6. Assessed the appointment of new member of Board Committees;
7. Assessed the performance of key senior management;
8. Reviewed the terms of reference of the BNC;
9. Made available to Directors the relevant training programme on a regular basis; and
10. Facilitated board induction by providing annual report and board induction manual.

The NRC is responsible for assessing and recommending new nominees to the Board, re-appointment of retiring Directors as well as Directors to fill seats on Board Committees; assessing the effectiveness of the Board and the Board Committees; and to review the required mix of skills, experience and other qualities which Directors should bring to the Board. The NRC is responsible to assess the independence of Independent Directors based on the criteria established by the NRC in line with the Listing Requirements of Bursa Securities, the Company's Policy on Tenure of Independent Directors and as suggested in Exhibit 8 of the Corporate Governance Guide: Towards Boardroom Excellence (2nd Edition) issued by Bursa Securities. The NRC is also responsible to assess and recommend to the Board the appointment of Executive Director, Chief Executive Officer, oversee the succession of Board members and Chief Executive Officer and evaluate the performance of Executive Director, Chief Executive Officer and other key senior management of the Group. The NRC facilitates board induction and oversees continuing education programmes to be provided to Board members in areas that would strengthen their contribution to the Board. The terms of reference of NRC is reviewed at least once a year and updated as appropriate to reflect changes to regulations and the Company's circumstances that might impact upon the responsibilities of the NRC. The terms of reference of NRC is published on the website of the Company.

PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

II. Board Composition (continued)

The NRC is chaired by an Independent Director. The Chairman of the NRC leads in recruitment of candidates for Board members and key senior management and leads the annual assessment of the effectiveness of the Board and Board Committees as well as the performance of individual Directors. The Chairman of the NRC reports to the Board its proceedings after each meeting on all matters within its duties and responsibilities. The minutes of the NRC meetings are tabled to the Board for notation.

The assessment on the effectiveness of the Board and the Board Committees is undertaken via Evaluation Form comprising questions related to Board's structure, Board's operations, Board's roles and responsibilities, Board Chairman's role and responsibilities and Board Committees of the Company. The Evaluation Form is completed by each NRC member and kept by the Company Secretaries. The findings from the Evaluation Form are compiled and tabled to the NRC for discussion. Subsequently, relevant reports with views and recommendations of the NRC are prepared and presented to the Board for consideration. The effectiveness of the Board and Board Committees is assessed in the areas of composition, mix of skills and experience, administration and process of meeting, quality of decision making, contribution and commitment.

In the assessment of individual Directors by the NRC, the skills and experience of individual Directors are reviewed to ensure the composition of the Board is appropriate with a good mix of skills and core competencies in order to discharge its duties and responsibilities and to meet the business needs of the Group. The level of time commitment of individual Directors to discharge their responsibilities is assessed based on the record of their attendance at the Board and Board Committee meetings held during the financial year, the number of directorships in public listed companies held by them and their participation in continuing training programme and/or non-structured continuing professional development through reading articles relating to topics relevant to the business of the Group. In the case of Independent Directors, their independence is assessed by the NRC based on the criteria established by the NRC in line with the Listing Requirements of Bursa Securities, the Company's Policy on Tenure of Independent Directors and as suggested in Exhibit 8 of the Corporate Governance Guide: Towards Boardroom Excellence (2nd Edition) issued by Bursa Securities. The assessment is undertaken to ensure that Independent Directors are able to continue to provide independent view to the deliberation and decision making of the Board and Board Committee meetings and act in the best interest of the Company. The NRC deliberates on the outcome of the annual assessment on individual Directors and independence of Independent Directors and presents the outcome with their views and recommendations to the Board for consideration.

For appointment of new Director, the selection of candidates is facilitated through recommendations from the Directors or external parties including the Company's contacts in related industries, and finance, legal and accounting professions. In assessing the suitability of a new Director appointment, the NRC takes into consideration a candidate's skills, knowledge, experience, competency and other relevant factors as may be determined by the NRC which would contribute to the Board's mixed of skills. Capabilities, integrity, reputation, time commitment of a candidate to discharge his duties and responsibilities and contribution that a candidate would bring to the Board and to the Group and other appropriate character and requisite quality of that person are also be taken into account by the NRC in the assessment of appointment of new Director. Bankruptcy search is conducted on the candidate as part of the suitability assessment. The above criteria are also applied in assessment of appointment of Chief Executive Officer. The NRC deliberates on the results of the assessment on the candidate for appointment to the Board or for appointment of Chief Executive Officer and reports their recommendations to the Board for approval.

The consent of retiring Directors for their re-election at annual general meeting is obtained and bankruptcy search is conducted on them before the NRC reviews on the re-election of retiring Directors. In considering re-election of retiring Directors, due regard is given to a Director's skill, experience, contribution at Board and Board Committee meetings and time he has devoted to discharge his duties. The NRC deliberates on the results of annual assessment and bankruptcy search conducted on them and their performance and attendance at the Board and Board Committee meetings and reports their recommendations to the Board for consideration.

The NRC assesses the performance of the Executive Director, Chief Executive Officer and other key senior management of the Group based on their contribution, commitment and achievement of targets set in the business plan approved by the Board.

PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

II. Board Composition (continued)

For the financial year under review, the NRC assessed the performance of the Board and the Board Committees and reviewed the skill and experience of individual Directors, and was satisfied that expectations have been met. The NRC assessed independence of Independent Directors based on the criteria set in the annual assessment of their independence and was satisfied with the results of the assessment. The NRC considered the skills, experience, contribution and level of time commitment of the Directors who are subject to retirement by rotation at the forthcoming Sixteenth Annual General Meeting and assessed that the retiring Directors are fit and proper persons for re-election as Directors of the Company. The NRC evaluated the performance of the Executive Director, Chief Executive Officer and key senior management of the Group for the financial year under review and ascertained that they are fit and proper to manage the business of the Group; and the Board was informed of this accordingly.

During the financial year, there was an appointment of Director and the selection of candidate was facilitated through recommendation from an existing Director. The said candidate had also been recommended for his appointment as member of the Board Audit & Risk Management Committee and NRC respectively. The NRC had assessed that the candidate was fit and proper to be appointed as Director and member of Board Committees and recommended his appointment to the Board for approval. With the assistance of the Company Secretaries, the NRC had provided the newly appointed Director the Company's latest Annual Report and a board induction manual to facilitate initial introduction to the Group and for on-going reference. The contents of said manual included group structure, substantial shareholding structure, extract of the Constitution of the Company and Listing Requirements of Bursa Securities pertaining to Directors and their powers and duties, proceedings of Directors, Board Charter, terms of reference, schedule of meetings of Board and respective Board Committees and contact details of the Directors. There was also an appointment of Chief Executive Officer during the financial year. The said candidate was an existing Director of the Company and had been assessed fit and proper by the NRC for his appointment as Chief Executive Officer and the same was recommended to the Board for approval.

The Board aims to maintain a diversity of expertise, skills, competency, personalities and attributes among the Directors so as to provide a comprehensive range of perspectives and experiences, resulting in improved decision making. The Board members are persons of high calibre and integrity and are able to devote sufficient time to discharge their duties. Whilst the Directors recognise the contribution that women could bring to the Board, it has not established a specific target for the appointment of women candidates in its recruitment of Directors. The Board supports the policy of non-discrimination on gender, ethnicity and age for the Board and the workforce. The Board will only set aside specific targets in relation to gender and ethnicity and age diversity if the situation so requires and if it is in the best interest of the Company.

III. Remuneration

The NRC is also responsible for assessing and recommending to the Board the remuneration of Directors and key senior management, and the payment of performance bonus and salary increments for employees of the Group. The NRC members shall abstain in discussion and voting on their individual remuneration.

The Board has approved a remuneration policy for Directors and key senior management ("Remuneration Policy") which outlines the remuneration framework and procedures to determine the remuneration of Directors and key senior management and the NRC is guided by the Remuneration Policy in carrying out the assessment of remuneration of Directors and key senior management. The Remuneration Policy is made available on the Company's website at www.ecmlibra.com at the dedicated section on Investor Relations and will be reviewed at least once a year to ensure it continues to remain appropriate and fit for its purpose.

The remuneration framework entails annual performance review against key performance indicator to evaluate performance and determine reward for Executive Directors and key senior management with emphasis being placed on financial performance of the Group as well as the individual performance, experience, scope of work and responsibilities, aims at to attract, motivate and retain the right employees. The remuneration of Executive Directors and key senior management comprises salary, defined contribution plan, monetary incentives and other fringe benefits.

PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

III. Remuneration (continued)

For Non-Executive Directors, the level of remuneration would commensurate with the experience and level of responsibilities undertaken by them. The remuneration of Non-Executive Directors comprises annual Directors' fees, an allowance of RM1,000 for every Board and Board Committee meeting attended, medical coverage and other claimable benefits. The remuneration of Non-Executive Directors shall be reviewed annually and subject to the approval of the shareholders at the annual general meeting.

The details of the remuneration of the Directors of ECMLG received/receivable from the Company and Group for the financial year ended 31 December 2020 are set out below:

	Group				Company			
	Salaries RM'000	Director fees RM'000	Other emoluments[3] RM'000	Total RM'000	Salaries RM'000	Director fees RM'000	Other emoluments[3] RM'000	Total RM'000
Executive Directors								
Dato' Lim Kian Onn[1]	330	-	50	380	330	-	50	380
Mr Gareth Lim Tze Xiang[2]	147	-	18	165	-	-	-	-
	477	-	68	545	330	-	50	380
Non-Executive Directors								
Dato' Seri Kalimullah bin Masheerul Hassan	-	25	5	30	-	25	5	30
Dato' Lim Kian Onn[1]	-	9	2	11	-	9	2	11
Datuk Kamarudin bin Md Ali	-	26	12	38	-	26	12	38
Dato' Othman bin Abdullah	-	6	3	9	-	6	3	9
En Mahadzir bin Azizan	-	24	13	37	-	24	13	37
Mr Oh Teik Khim	-	12	4	16		12	4	16
Mr Gareth Lim Tze Xiang[2]	-	6	4	10	-	6	4	10
	-	108	43	151	-	108	43	151
Total Directors' Remuneration	477	108	111	696	330	108	93	531

Notes:

1 Redesignated from Executive Director to Non-Executive Director on 1 June 2020.
2 Redesignated from Non-Executive Director to Executive Director on 1 June 2020.
3 "Other emoluments" represents the Company's contribution to Employees Provident Fund for Executive Directors and allowances for Non-Executive Directors.

The remuneration of the senior management of ECMLG Group (not including Executive Directors) for the financial year ended 31 December 2020 is set out below:

Range of Remuneration	Senior Management
RM200,001 to RM250,000	1
RM500,001 to RM550,000	1
Total	**2**

PRINCIPAL B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Audit Committee

The Board Audit & Risk Management Committee ("BARMC") of the Company comprises solely Independent Directors since it was established on 28 June 2006. The position of Chairman for the Board and the BARMC are held by two different Directors. There are separations of roles and responsibilities between both the Chairmen to avoid any impairment in objectivity of the Board and the BARMC. None of the members of the BARMC is a former key audit partner. A Director who is a former key audit partner will only be appointed to the BARMC after he has passed the two (2) year cooling-off period. To be in line with the Code, the terms of reference of the BARMC have included all the above terms.

The Board, through the BARMC, has an appropriate and transparent relationship with the external auditors. The BARMC undertakes an annual assessment of the suitability and independence of the Group's external auditors according to the guidelines and procedures set out in the External Auditors Assessment Policy before recommending their re-appointment to the Board and shareholders for approval. The BARMC with the feedback provided by management assesses the external auditors via evaluation form comprising various questions which structured to test on the suitability and independence of external auditors. In undertaking the assessment, due consideration is given to the adequacy of resources of the external auditors to manage and undertake the audit, the level and quality of service provided by the external audit team, communication between the external auditors and management as well as the competence, knowledge, experience and independence of advice provided by the engagement partner. Based on the results of the evaluation, the BARMC considers and recommends the re-appointment of external auditors to the Board for consideration and to the shareholders for approval. The tenure of re-appointment of external auditors shall lapse at the conclusion of the next annual general meeting. The contracts for provision of non-audit services will not be entered into with the external auditors if there is a conflict of interest and the task to be performed required the services of internal auditors. The appointment of the external auditors for provision of non-audit services will be assessed and reviewed by the BARMC according to the principles and criteria set out in the External Auditors Assessment Policy before recommending to the Board for approval. The BARMC will ensure the provision of non-audit services by the external auditors do not interfere with the exercise of independent judgement of the external auditors and shall not be in conflict with their duties as statutory auditors.

The members of the BARMC are kept abreast with the relevant development in accounting standards, practices and rules by the Chief Financial Officer and external auditors. All members of the BARMC are financially literate and are able to understand matters under the purview of the BARMC including the financial reporting process.

II. Risk Management and Internal Control Framework

The Statement on Risk Management & Internal Control as set out on pages 23 to 25 provides an overview of the management of risks and state of internal controls within the Group and the features of the risk management and internal control framework and the adequacy and effectiveness of this framework.

The internal audit function of the Group has been outsourced to an independent internal audit service provider ("Internal Auditors") who reports directly to the BARMC. The BARMC relies on the support of the Internal Auditors to ensure the internal audit function is effective and able to function independently. During the financial year, the BARMC reviewed and approved the internal audit plan. Based on the approved internal audit plan, the Internal Auditors scheduled and conducted internal audit reviews and subsequently provided the BARMC with reports highlighting outcome of the review and their recommendations; as well as reporting on management action taken to redress any lapses.

The internal audit personnel are not related to any of the Directors of the Company and have no conflict of interest with ECMLG.

PRINCIPAL C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. Communication with Stakeholders

The Company is committed to provide all stakeholders with timely and equitable access to material information that is comprehensive and accurate to ensure its compliance with the disclosure requirements as set out in the Listing Requirements of Bursa Securities and other applicable laws. In line with this commitment and for transparency and accountability, material corporate disclosures are deliberated by the Board before being released to the public.

PRINCIPAL C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (continued)

I. Communication with Stakeholders (continued)

The Company's website, www.ecmlibra.com, serves as the main mean of communication of the Company to reach its shareholders and general public. To maintain transparency and to promote timely dissemination of corporate disclosures, all information made public to Bursa Securities, such as the Company's Annual Report, quarterly financial results, all corporate announcements and circular to shareholders together with the Board Charter, Code of Ethics, terms of reference of Board Committees and other corporate information are made available on the Company's website at the dedicated section on Investor Relations. The Company would also publish summary of the key matters discussed at the general meeting as soon as practicable on the Company's website.

The contact details of the Company are published on the website of the Company and stakeholders can contact the Company if they require further details of the Company. The management has the option of calling for meetings with investors/analysts if it is deemed necessary. Besides that, the Board has identified the Company Secretaries as the liaison persons of the Company whom shareholders can refer to if they require any assistance on matters affecting their interests. The contact details of the Company Secretaries are published on the website of the Company. The Board is of the opinion that all these arrangements have been satisfactory to all stakeholders.

II. Conduct of General Meetings

The Company's annual general meeting serves as the main forum for dialogue with shareholders. The notice of annual general meeting of the Company is sent out together with the annual report to shareholders at least twenty-eight (28) days prior to the meeting as described in Practice 12.1 of the Code. The notice of annual general meeting is also published in the press and on the website of the Company and made public via Bursa Securities. The Board with the assistance of the Company Secretaries ensures the notice of annual general meeting to shareholders contains sufficient information related to the resolutions to be discussed and decided at the annual general meeting.

The date for annual general meeting for the ensuing financial year is made available to the Directors in advance before the end of the current financial year which allows the Directors to plan ahead with their schedule. The attendance of the whole Board at the annual general meeting will provide an opportunity for shareholders to communicate with each Director and for the Board to clarify and elaborate on issues raised by shareholders at the meeting. The Board includes the Chairmen of the BARMC and NRC will also be at the annual general meeting to answer questions from shareholders on the respective committees' activities. Hence, shareholders will have sufficient information to make informed voting decision at the meeting.

Shareholders are encouraged to attend the annual general meeting, to communicate with the Board, to participate in the question and answer session and to vote on all resolutions set out in the notice of meeting. Shareholders who are unable to attend the annual general meeting are encouraged to appoint proxy/proxies (not more than two proxies) to attend, speak and vote on their behalf. For the convenience of shareholders, the Company will have its annual general meeting at a venue that is accessible by public transportation. With sufficient notice of annual general meeting given to shareholders, shareholders who are unable to attend the meeting will have sufficient time to appoint their proxies to attend, speak and vote on their behalf.

This Statement was approved by the Board on 26 April 2021.

statement on risk management & internal control

Responsibility

The Board of Directors ("Board") is responsible for managing the risks of the Group and its system of internal control as well as reviewing its adequacy and integrity. The Board recognises that the Group's system of risk management & internal control is designed to manage and minimise the risk of failure to achieve the Group's objectives. Hence, it is able to only provide a reasonable and not absolute assurance against a material misstatement of management and financial information or against financial losses and fraud. This on-going process has been in place during the financial year under review and up to the date of approval of the Statement on Risk Management & Internal Control for inclusion in the Annual Report.

Key Processes

There is an on-going process for identifying, evaluating and managing the significant risks faced by the Group, and the said process is reviewed by the Board and accords with the Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers.

The Board has appointed the Board Audit & Risk Management Committee ("BARMC") comprising Independent Directors to examine the effectiveness of the Group's risk management policies, processes and infrastructure which are established to manage various types of risks and to ensure an effective internal audit function. This is accomplished through the Chief Financial Officer who undertakes the risk management function and the independent outsourced internal auditors ("Internal Auditors") who undertake the internal audit function for the Group. The focus is on areas of priority identified through risk assessment and in accordance with the plans approved by the BARMC. In the process of risk identification and evaluation, a "bottom-up" approach is adopted. Specific risks are identified by the respective business/operating units and self-assessed with guidance by the Chief Financial Officer in the identification, evaluation and quantification, monitoring and management of such risks undertaken by the Group as a whole. The regular risk assessment exercise using the bottom-up approach promotes risk awareness and facilitates the effective control and management of potential risks for the Group, as risk identification, evaluation and mitigation are reported to the Chief Financial Officer for review and reporting to top management and the BARMC, for high-level direction and management, where applicable.

The Chief Financial Officer undertakes the risk management function of the Group and reports to the BARMC. In identifying risks, the Chief Financial Officer covers regulatory compliance, operational, financial, legal and cyber risks and so forth. The BARMC reviews the Risk Management Framework and Risk Management Procedure Manual applicable to the Group before recommending to the Board for approval. The Risk Management Framework and Risk Management Procedure Manual are subject to review annually, or as and when there are any material changes in the regulatory requirements and business environment. The Risk Management Framework outlines the approach and management structure in the Group towards the management of risk. It further provides for a general framework in the methodologies and processes adopted by the Group in identifying, monitoring and reporting risk. Likewise, the Risk Management Procedure Manual lays out the procedures in the Group's approach towards risk management. The Risk Management Framework encompasses the following:

1. Identifying the full spectrum of risks including potential risks; segregation of controllable from uncontrollable risks and identifying causes for the risk occurrences;

2. Assessing risk severity and probability, and combining estimates of severity and probability in the context of existing control measures;

3. Comparing the risk exposures to the entity's risk appetite and identifying those risk exposures that are deemed as unacceptable;

4. Identifying risk mitigation actions; instituting an on-going review of risk and controlling its effectiveness as the business and environment changes, with tighter monitoring in areas of greatest change and risk, and assessing the quality and appropriateness of mitigation actions; and

5. Providing timely exception and periodic reports to facilitate informed risk management decisions.

The BARMC reviews periodic reports from the Chief Financial Officer on risk management related to business and activities of the Group to ensure proper management of risks and appropriate measures are taken on a timely basis to mitigate any identified weaknesses in the control environment.

Key Processes (continued)

In carrying out its responsibilities, the BARMC relies on the support of the Chief Financial Officer and the Internal Auditors who report directly to the BARMC, in providing assurance on the adequacy and effectiveness of internal controls. The Chief Financial Officer provides the BARMC with periodic reports pertaining to compliance with internal risk management policies and parameters as well as compliance with relevant regulatory and statutory requirements. The Internal Auditors conduct internal audit reviews and provide the BARMC with reports highlighting the outcome of the review on the adequacy and effectiveness of internal controls; as well as reporting on management action taken to redress lapses, if any, and to enhance the system of internal control.

The framework of the Group's system of internal control and key procedures include:

- a management structure with clearly defined lines of responsibility and appropriate levels of delegation to govern the Group's business activities to be consistent with the Group's overall business objective and risk appetite and subjected to adequate risk management and internal controls;

- clear definitions of limits of authority to cover inter alia the day-to-day operations, credit limit, investment and capital expenditure. The limits of authority have been approved by the Board and put in place to ensure control procedures and limits are implemented and complied with;

- key functions such as finance, credit control, human resources and legal matters are controlled centrally. Internal control measures such as segregation of duties, independent checks, segmented system access controls and multi-tier authorisation processes are put in place to ensure these key functions are operating within the control environment;

- the management determines the applicability of risk monitoring and reporting procedures and is responsible for the identification and evaluation of significant risks applicable to their areas of business and operation together with the design and operation of suitable internal controls. The business and support units each undertakes periodic self-assessment to identify and assess the effectiveness of the controls put in place for all material activities, processes and systems to manage the risks identified. The undertaking of self-assessment serves as an early warning tool to drive appropriate management action before the risks materialise into losses;

- policies and procedures with embedded internal controls are documented in a series of Policies and Procedures that are subject to periodic review for updating of any changes in operational processes or regulatory requirements. The business and support units in the Group are guided by the Policies and Procedures in performing their duties to ensure compliance with internal controls and relevant laws and regulations;

- corporate values, which emphasise on ethical behaviour and quality services, are formalised into a Code of Conduct as set out in the Group's Employee Handbook and the Board Charter. The Code of Conduct provides guidance to the Directors and employees of the Group on expected moral and ethical behaviour in carrying out their duties; and

- updates relating to regulatory requirements/guidelines from Bursa Malaysia Securities Berhad, Securities Commission Malaysia and other regulatory bodies are disseminated to the relevant employees of the Group on a timely manner to ensure compliance of the activities of the Group with the relevant regulatory requirements.

The Group has put in place a Whistle Blowing Policy that governs reporting and investigations of allegations of suspected improper/unethical activities, violations of the laws, regulations, internal policies, procedures, guidelines and code of ethics as well as whistle blower protection. The Whistle Blowing Policy is incorporated in the Employee Handbook and accessible to the employees of the Group. The BARMC has been entrusted by the Board to be responsible for overseeing the application of the Whistle Blowing Policy for the Group.

During the financial year, the Group has established and updated its Anti-Bribery and Corruption Policy and Gift and Hospitality Policy as a control measure to ensure Directors and all employees are well aware of their responsibilities in regards to observing and upholding the Group's zero-tolerance position on bribery and corruption and abide by the said policies. The Anti-Bribery and Corruption Policy and the Gift and Hospitality Policy are available on the intranet and website of the Company and accessible to all employees of the Group.

On a yearly basis, all the business units within the Group draw up their business plan and budget and their performance are tracked on a monthly basis as part of the overall management of the business risk.

Key Processes (continued)

As required by the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the external auditors have reviewed this Statement on Risk Management & Internal Control for inclusion in the Annual Report. Based on their limited assurance procedures performed and evidence obtained, nothing has come to their attention that causes them to believe that the Statement on Risk Management & Internal Control is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers, nor is the Statement on Risk Management & Internal Control factually inaccurate.

The Board confirms that there is an on-going process that has been in place throughout the financial year ended 31 December 2020 for identifying, evaluating and managing significant risks faced by the Group. The Board has reviewed the adequacy and effectiveness of the risk management and internal control system within the Group for the financial year with the support of the Chief Financial Officer and Internal Auditors. From the review, no significant control weaknesses that have resulted in any material loss to the Group were identified during the financial year under review. The Board has received assurance from the Chief Executive Officer and Chief Financial Officer that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Group.

The Board is of the view that the Group's risk management and internal control system is adequate and sufficient after taking into consideration of the on-going processes in place for identifying, evaluating and managing significant risks faced by the Group and the assurance from the management; and after taking into account of any material development up to the date of approval of this Statement on Risk Management & Internal Control for inclusion in the Annual Report. The Board opines that the risk management and internal control system provides reasonable assurance that the structure and operation of controls are appropriate for the activities of the Group so as to safeguard the assets and the interests of stakeholders of the Group, and for the Group to achieve its objectives.

This Statement was approved by the Board on 26 April 2021.

chairman's statement

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present to you our annual report for the financial year ended 31 December 2020 ("FY2020").

On Business and Financial

As with much of the broader travel and hospitality sector, FY2020 has been a difficult year for ECM Libra Group Berhad ("the Group"). Just as the Group completed its transformation into a hospitality business with the acquisition of the Tune Hotel portfolio and the opening of the Chow Kit and MoMo's hotels in Kuala Lumpur in early 2020, the COVID-19 pandemic shut down borders globally and decimated demand for lodging services.

Nevertheless, the Group responded quickly and decisively to the adverse economic and trading conditions with a quick pivot to supporting the Government of Malaysia's quarantine efforts coupled with significant cost cutting and focus on realising operational efficiencies contributing to its 1,497 - room portfolio of assets breaking even operationally during the months of August, September and December when Malaysia was not under stringent lockdown. The Group also shelved all new hotel development and refurbishment works during the year as we sought to maintain cash reserves and extend runway to weather the COVID-19 storm.

Overall, the Group's hospitality business saw a blended occupancy of 34% and RevPAR of RM41 as compared to the assets' held in prior year performance of 86% and RM168 respectively. With hospitality comprising 89% of the Group's revenue by segmentation, the Group unfortunately registered a loss for FY2020 of RM21.62 million.

Despite the COVID-19 outbreak severely constraining financial and operating performance and yielding a negative net cash flow including investing and financing activities of RM39.88 million over FY2020, the Group has cash reserves of RM16.59 million as at the end of FY2020 and forecasts this to be adequate to cover operational and funding commitments for FY2021 barring any further material repercussions arising from the pandemic.

On business outlook, the Group remains optimistic as to the longer term prospects for hospitality especially in light of the predicted release of pent up demand once vaccinations provide immunity for the broader population and the coming year does not appear to be a less difficult. In view of the uncertain market conditions, no dividend payment is contemplated for FY2020.

On Corporate Social Responsibilities

ECM Libra Foundation ("the Foundation") has continued to focus on the Social aspects of Sustainability for the Group since its inception in October 2014. Together with the rest of the world we were confronted by the COVID-19 pandemic before the end of the first quarter. We found ourselves in uncharted waters but wasted no time in extending our helping hand in as many ways and areas as we possibly can both through private and government channels.

Most critically, when we learnt that ventilator machines were of topmost priority, the Foundation donated RM0.50 million to The Edge COVID-19 Epidemic Fund set up to purchase equipment such as ventilator machines, personal protection equipment and masks for government hospitals around the country. The Foundation further sponsored students from University Tunku Abdul Rahman's Engineering Faculty with their innovative and rapid design and production of face shields using 3D Printing Technology to deliver 1,500 face shields to several hospitals. Besides that, the Foundation offered 4,500 paid room nights at Tune Hotel PWTC for frontliners that need isolation facilities.

The most vulnerable and marginalised communities in the country – the indigenous groups such as Orang Asli, single mothers, B40, orphans, refugees, stateless people and migrants' workers are the hardest hit in the pandemic due to loss of income from the Movement Control Order . While the Government has provided many incentives, there were tens of thousands who still needed help and the Foundation partnership with non-governmental organisation ("NGO") such as Global Peace Foundation, Light of Shalom Society Malacca, Caremongers Ampang and others to provide them with essential food supplies.

When the pandemic continued unabated, the Foundation decided to create a dedicated and focused Food Aid Programme which was launched in June 2020 with a pledge of RM3.00 million.

On Corporate Social Responsibilities (continued)

Working with 11 NGOs, namely PERTIWI Soup Kitchen, Kechara Soup Kitchen, Human Aid Society Selangor, Light of Shalom Society Malacca, Persatuan Jaringan Shalom Kuantan, Good Shepherd Services, Yayasan Chow Kit, 4x4 Relief Malaysia, Sisters of Janal Amal, Women:girls and Pejabat Ahli Parlimen Lembah Pantai, the Foundation provided groceries and packed dinner boxes to 2,300 families and individuals across the country, including Sabah and Sarawak in stages from December 2020 till March 2021.

Apart from that, the Foundation organised the Battle of the Bulge Squash game between Tan Sri Tony Fernandes and Tan Sri Salim Fateh which raised a further RM0.76 million for some of the NGOs mentioned above. Although the squash game has been postponed due to the untenable pandemic condition, the money collected has been distributed to the selected NGOs to feed the needy.

Back to the education focus, programs sponsored by the Foundation were challenged by the pandemic as well. With schools closed, travelling and social gathering prohibited, these programs had to rethink their approach to achieve the goals they set out earlier in the year or in some cases revise their targets. The partners that we worked with, Edvolution Enterprise, Closing the Gap, Global School Leaders, Goodkids had all pivoted to online training and teaching. It was a new learning curve for everyone, from our sponsored service providers, Education Ministry officers, headmasters, teachers to students. Despite the challenges, many of these programs achieved their goals of helping students with their studies and self-development.

This year despite the pandemic restrictions, the Foundation, with the help of Global Peace Foundation Malaysia, successfully kicked off the Mobile School project for 5 Orang Asli villages, Kg Petoh, Kg Terubing, Kg. Teraling, Kg Patah Jelutong and Kg Cerampak in Pahang. This program focuses on basic literacy and numeracy. The approach taken is to train in-village youth to provide pre-school lessons 3-5 times a week for children who do not have the ability to attend government pre-schools either due to lack of funds or lack of access such as transport. The response from the community leaders in these villages have been very positive and as the pandemic delayed the start of most activities till June 2020, the program will continue into FY2021 with new villages to be added based on success and positive reception by the village leaders and parents.

Through our partner, Leaderonomics, this year's leadership development camp, our SPARK Camp, was conducted on an online format on the 5th, 12th and 19th -22nd December 2020 involving 60 participants from all over the country including Sabah & Sarawak. The fully virtual camp was a first, but nevertheless succeeded in creating excitement amongst the campers and received accolades from the participants. There were new challenges encountered but overcome with determination. In fact, some of the campers in rural Kelantan had to go out of their house to get better internet coverage while collaborating with their fellow campers from other parts of the country.

One of the cornerstones of the SPARK Programme in the past has always been the LEAD Project, a community project planned by the campers throughout the camp and executed on the second-last day. We are pleased to report our SPARK Camp participants managed to continue this tradition to carry out this community project this year through online sessions. Using their imagination and creativity they were able to treat their target community homes with virtual craft lessons, tours around the world, virtual global zoo visits, teaching English through cooking, online sing-a-longs as well as awareness talks on self-love, and even musical performances; bringing hope and joy to the residents of the homes.

Appreciation

I would like to thank our staff for their commitment and sacrifices over the course of a difficult 2020 with many volunteering significant pay reductions over the period in order to help the Group navigate the turbulent period. I would also like to thank you, our shareholders for your unwavering confidence and trust in us steering the group.

We look forward to a better year 2021 but anticipate a more sustained recovery taking place beyond this fiscal year in 2022. As such, the Group remains focused on deploying its best efforts to emerge stronger, leaner and better equipped for growth in the future.

Dato' Seri Kalimullah bin Masheerul Hassan
Chairman of the Board of Directors

management discussion and analysis

OVERVIEW OF THE GROUP'S BUSINESS AND OPERATIONS

ECM Libra Group Berhad (the "Company") and its subsidiaries (together referred as the "Group") are involved in the following business segments:

- Hospitality Business;
- Structured Financing; and
- Investment Holding;

On the Hospitality Business, ECML Hotels Sdn Bhd, a wholly owned subsidiary, owns and operates 6 hotels – Tune Hotel Georgetown Penang, Tune Hotel 1Borneo Kota Kinabalu and starting from financial year 2020, 4 additional hotels namely; Tune Hotel KLIA Aeropolis, Tune Hotel Danga Bay Johor, The Chow Kit - an Ormond Hotel and MoMo's Kuala Lumpur. The Group also has a 50% equity interest in OHG Services Sdn Bhd, which holds the concession to manage and operate Tune Hotel KLIA-KLIA2.

On Investment Holding, it involves general investments and corporate-related activities carried out by the Company, investing in education, manufacturing and property investments-related businesses.

UPDATE ON CORPORATE EXERCISES

(a) On 2 January 2020, the Group completed the acquisition of the rights to operate and maintain Tune Hotel KLIA Aeropolis from Tune Hotels Sdn Bhd (now known as OMT Hotels Sdn Bhd) ("OMT").

(b) On 2 September 2020, the Company announced the completion of the sale and purchase agreement with OMT for the proposed acquisition of hospitality assets : (1) Tune Hotel Danga Bay; (2) two hotels in Kuala Lumpur, namely "The Chow Kit, an Ormond Hotel" and "MoMo's Kuala Lumpur" together with a vacant land (for car park use) ("acquisition of hospitality assets").

REVIEW OF FINANCIAL RESULTS

The Group registered a loss after taxation of RM21.62 million for the financial year ended 31 December 2020 ("FY2020") from a profit after taxation of RM30.33 million in the previous financial year ended 31 December 2019 ("FY2019"). Just as the Group completed the acquisition of the 4 hotels in FY2020, the COVID-19 pandemic hit resulting in closure of borders, stringent lockdown in parts of FY2020 as well as restricted movements within Malaysia, thus having a significant negative impact onto the Group's overall performance.

Other comprehensive income recorded at a loss of RM3.23 million in FY2020 compared to loss of RM1.94 million in FY2019. Higher loss was due largely to fair value loss on lower market value of quoted and unquoted investments of RM5.38 million offset by foreign currency translation gain of RM2.16 million on investments denominated in foreign currencies.

REVIEW OF FINANCIAL CONDITION

Liquidity and Capital Resources

The Group has RM177.68 million (2019: RM202.53 million) in shareholders' fund as at 31 December 2020, translating into RM0.37 (2019: RM0.42) per share. Cash and bank balances and deposits with financial institutions totaled RM16.59 million as at 31 December 2020 (2019: RM55.99 million). The decrease in cash and bank balances and deposits with financial institutions is mainly due to the cash flows used for investing activities i.e. acquisition of hospitality assets.

Assets

Total assets of the Group as at 31 December 2020 stood at RM225.63 million, a decrease of RM2.33 million from RM227.96 million a year ago. The increase in total non-current assets from RM140.28 million to RM200.63 million is mainly due to the acquisition of the 4 new hotels, which was funded by cash and bank balances and deposits with financial institutions as well as borrowings. A decrease in trade receivables from RM25.84 million down to RM2.28 million is due to capitalisation of property, plant and equipment from other receivables upon the acquisition of hospitality assets completed during the year.

REVIEW OF FINANCIAL CONDITION (continued)

Liabilities

Total liabilities of the Group as at 31 December 2020 increased RM22.52 million from RM25.43 million to RM47.95 million. The increase was due largely to drawdown of RM20.21 million revolving credit to fund the acquisition of Tune Hotel Danga Bay, Johor and the 2 hotels in Kuala Lumpur; namely The Chow Kit – an Ormond Hotel and MoMo's Kuala Lumpur.

REVIEW OF BUSINESS SEGMENT OPERATIONS

	FY2020		FY2019	
	Revenue and Other Income	**Profit/(loss) before tax**	**Revenue and Other Income**	**Profit/(loss) before tax**
Continuing Operations:				
Hospitality	12,755	(21,812)	8,959	(797)
Structure financing	591	461	2,142	2,055
Investment holding	779	(1,260)	1,674	(6,278)
	14,125	(22,611)	12,775	(5,020)
Discontinued Operations:				
Fund management	-	-	41,300	35,647
	-	-	41,300	35,647
Total	14,125	(22,611)	54,075	30,627

Hospitality

Revenue and other income for FY2020 increased RM3.80 million (42%) mainly due to the revenue contribution from the 4 new hotels acquired in FY2020.

On profitability, the Hospitality segment posted a loss before tax of RM21.81 million in FY2020 from RM0.80 million a year ago. The increase in the loss of RM21.01 million reflects the difficult operating conditions in light of the COVID-19 pandemic. In addition, a number of material expenses were also incurred relating to i) impairment losses recognised upon reflecting the recoverable amount of the hotel assets amounting to RM7.62 million, ii) RM1.94 million in pre-opening expenses for the 2 new hotels in Kuala Lumpur and iii) RM2.48 million of stamping and acquisition transaction related costs expensed during the year. The share of loss of equity-account joint ventures increased from a loss of RM1.21 million in FY2019 to a loss of RM3.27 million in FY2020. The loss was mainly due to losses from Tune Hotel KLIA-KLIA2.

Structured Financing

The Structured Financing segment recorded a lower revenue and profit before tax in FY2020 mainly due to a decrease in loan portfolio. Credit quality of loan outstanding remains sound with no allowance for expected credit loss or impairment required.

Investment Holding

The Investment holding posted lower revenue and other income of RM0.78 million due to lower distribution income from investments and the drop in interest income following the drop in interest rates by the licensed banks. Despite the lower revenue and other income, loss before tax was lower attributed to on-going cost containment measures.

MOVING FORWARD

The COVID-19 pandemic continues to impact the Group's hospitality portfolio. Malaysia's continued closure of borders and repeated movement control orders have prevented a sustained recovery in hotel occupancies. Whilst the Group continues to focus on realising cost and operational efficiencies, most of these have been realised over the course of the past year and the near to medium-term outlook remains challenging.

sustainability statement

This Sustainability Statement issued by ECM Libra Group Berhad ("the Company") provides an overview of sustainability practices of the Company and its subsidiaries (together referred to as "the Group") for the financial year ended 31 December 2020.

The Group strives to uphold its corporate mission to cultivate a caring, responsible and accountable organization. Our commitment to sustainability is guided by our vision, mission and core values. We are committed to carrying out our businesses in a socially responsible and sustainable manner so as to enhance the quality of life of our society while pursuing business sustainability aimed at creating values for our shareholders and other stakeholders. The Group instills the principles of sustainability into its strategies, policies and procedures, and integrates economic, environmental, social and governance considerations into its decision making.

SUSTAINABILITY GOVERNANCE STRUCTURE

The Group and the Company's sustainability strategy are determined by the Board who provides oversight of the corporate sustainability performance. They are assisted by the Board of Audit and Risk Management Committee ("BARMC"). Sustainability governance is also driven at the management level by the Executive Committee ("EXCO") members, chaired by the Chief Executive Officer. The EXCO meets on a weekly and monthly basis to discuss material issues and strategies pertaining to the Company and the Group.

STAKEHOLDERS' ENGAGEMENT

The Group acknowledges the importance of its stakeholders to the Group's continued success and business sustainability. The Group believes that sustainability can only be achieved with the involvement of all its stakeholders. We strive to improve our stakeholders' engagement through various communication channels and they are described briefly below:

Stakeholders	Mode of communication
Customers	- Face-to-face interaction - Personalized Service - Monitoring guest satisfaction through surveys
Shareholders	- Quarterly reports and annual report - Media engagements - Annual general meeting - Company's website
Management	- Monthly business performance meetings - Weekly and monthly EXCO meetings
Employees	- Leadership development programs - Annual Performance Appraisal - Departmental briefing
Community	- Volunteerism - Media releases
Government and Regulators	- Regular consultation and meetings - Working with external professionals such as solicitors, auditors, tax agents and other consultants

MATERIAL SUSTAINABILITY MATTERS

The Group conducts materiality assessment which identifies sustainability issues affecting its business and stakeholders.

The assessment involves the following steps:

1. The Group identifies potential sustainability issues by referencing to the list of material sustainability matters identified by the Group and the Company.
2. The Group prioritizes material issues based on its assessment of the impact of the issues to the business and the level of concern to its stakeholders.
3. The material sustainability matters are then validated by EXCO and BARMC.

The material issues identified are as follows:

Material Matters	Definition of Material Matters
Customers' experience	To delight our guests with our Asian hospitality by delivering consistent quality and value and creating experiences which stems from our heritage.
Employees' experience	To create a working environment that motivates our colleagues to excel and to achieve their personal and career goals, and to make them feel involved and valued, thus strengthening employee loyalty and productivity.
Social and community	Social responsibilities to uplift the underserved and underprivileged community. To aid nation's health care workers on the frontlines during COVID-19 pandemic.
Managing the environmental footprint	Aim to reduce energy use as part of our commitment to operating efficiently and upholding our reputation as a responsible corporate citizen.
Good governance	Aim to conduct our business in an economically, socially and environmentally responsible manner, and always in the best interests of our stakeholders and the local communities.
Cyber security and data privacy	To mitigate the growing threat of cyberattacks, unceasing improvements are being made to increase vulnerability assessment as well as to enhance employee knowledge and awareness of developing information, security and cyber threats.

MANAGEMENT OF SUSTAINABILITY MATTERS

1. Guests' experience

We are committed to be the first choice for guests, our Asian hospitality is the spirit of welcome and generosity that stems from our heritage and is at the heart of everything we do.

We believe in enhancing our customer experience by our unique Asian open house concept, where we open the doors and welcomes everyone with warmth and no formalities.

Our uncompromising focus on guest experience has led us to incorporate guest satisfaction measurement by gathering guest's feedback via surveys in Trustyou, a guest review platform. All guest's feedback is handled appropriately by our staff, who have been trained on problem resolution.

2. Employees' experience

We recognize that employees are the key driver of organizations to ensure sustainable business growth. We provide equal employment opportunity to all regardless of race, gender and age group.

We are committed to ensure employees' safety and well-being, and respect the employees' rights, ethnicity and gender diversity. The Group reviews remuneration and benefits of employees on an annual basis by reference to the market rate and conditions, aimed at creating a productive and motivated workforce, attracting talent and employees' retention.

We strive to build a strong culture of learning and to continuously improving employees' skills through training and development, on-the-job and off-the-job trainings.

MANAGEMENT OF SUSTAINABILITY MATTERS (continued)

2. **Employees' experience** (continued)

We have a whistle-blowing policy that serves to provide a platform for employees to report, in good faith and confidence without fear of reprisals and concerns, on any improper conduct within the Group.

With the current major economic and social disruption brought about by the global COVID-19 pandemic, we have implemented measures to protect the health of our employees. Strict protocols and work organization adjustments have been put in place and will be adapted according to the evolution of the situation.

In addition to adhering to the restricted movements enforced by the Government, we have also put in place the necessary precautionary measures across our properties to safeguard the health and well-being of our employees, as well as the community around us. Careful consideration is taken prior to the implementation of each action to ensure that they are in accordance with the guidelines issued by the Ministry of Health to minimize the risk of spreading of the virus.

3. **Social and community**

The Group promotes philanthropic activities. ECM Libra Foundation, funded by its founding partners, has been the Group's philanthropic arm since its inception in 2004. Since then, the Foundation has endeavored to uplift the underserved and underprivileged Malaysian through education.

In that quest, the Foundation has spent tens of millions of ringgits setting up tuition centers, hostels for the poor, refurbishing broken down classrooms, funding non-governmental organization ("NGOs") and organisations which have developed skill-training programs both for students and teachers.

The entire nation was affected by the COVID-19 pandemic which resulted in the imposition of a country-wide Movement Control Order on 18 March 2020. The Group and ECM Libra Foundation collaborated and provided free 4,500 room nights' accommodation and complimentary breakfast to the frontline staff of Hospital Kuala Lumpur at the Tune Hotel PWTC.

In addition, ECM Libra Foundation together with Kechara and Pertiwi Soup Kitchen COVID-19 Food Aid Programme in Kuala Lumpur had distributed cooked meals to the needy around the Chow Kit area and the meals were cooked and packed by MoMo's Kuala Lumpur, a hotel under the Ormond Group.

In Kota Kinabalu, Sabah, Tune Hotel 1Borneo Kota Kinabalu in collaboration with a number of Oil & Gas companies, had initiated food donation to the frontline staff at the Queen Elizabeth Hospital as well as for the underprivileged community.

Please refer to the Corporate Sustainability Reporting of the Chairman's Statement for further details on other initiatives undertaken by ECM Libra Foundation in Year 2020.

4. **Managing the environmental footprint**

We are concerned about environmental issues such as pollution and climate change which affects everyone's quality of life. We are committed to minimizing, as far as possible, our environmental footprint by adopting responsible approaches on resources usage.

Our concerned on environmental issues such as pollution and climate change which affects the quality of life have made us fully committed in minimizing resources usage.

We endeavor to reduce wastage in our operations by employing the 3R concept - Reduce, Reuse and Recycle.

We will continue with our efforts to identify energy and water saving opportunities in the hotel whilst raising awareness amongst staff and guests on energy conservation.

We encourage our employees to reduce electricity usage wherever possible and to promote energy conservation and efficiency.

MANAGEMENT OF SUSTAINABILITY MATTERS (continued)

5. Good governance

Good governance is essential to ensure that the operations of the Group and the Company are managed in a manner where all stakeholders are treated fairly and professionally. The Chief Financial Officer undertakes the risk management function of the Group and reports to the BARMC.

6. Cyber security and data privacy

As the world becomes more digitized, we recognise there is an increasing threat of important data being accessed via unauthorized means. We strive to ensure the confidentiality and protection of customers' and stakeholders' information and documents as guided by the Personal Data Protection Act, 2010.

directors' responsibility statement for the audited financial statements

The Directors are required by the Companies Act 2016 to prepare financial statements for each financial year to give a true and fair view of the state of affairs of the Group and of the Company as at the end of the financial year and of the results and cashflows for the year then ended. The Directors are satisfied that in preparing the financial statements of the Group for the financial year ended 31 December 2020, the Group had adopted and applied consistently appropriate accounting policies, supported by reasonable and prudent judgments and estimates. The Directors also consider that all applicable approved accounting standards in Malaysia had been followed and the financial statements had been prepared on a going concern basis and in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Directors are responsible for ensuring that the Company maintains sufficient accounting records that disclose with reasonable accuracy the financial position of the Group and of the Company, and which enable them to ensure that the financial statements comply with the Companies Act 2016.

The Directors also have general responsibility for taking such steps that are reasonably expected of them to safeguard the assets of the Group and of the Company, and taking reasonable steps for the prevention and detection of fraud and other irregularities.

financial statements

directors' report

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

Principal activities

The principal activity of the Company is investment holding and provision of management services. The principal activities and other information relating to the subsidiaries and joint ventures are disclosed in Note 17 and Note 18 to the financial statements, respectively.

Results

	Group RM'000	Company RM'000
Loss for the financial year attributable to owners of the Company	(21,624)	(15,197)

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

In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature, other than as disclosed in the financial statements.

Dividend

No dividend has been paid or declared by the Company since the end of the previous financial year. The Directors do not recommend the payment of any dividend for the current financial year ended 31 December 2020.

Issue of shares and debentures

There were no changes in the issued and paid-up capital of the Company during the financial year.

The Company did not issue any debentures during the financial year.

Options granted over unissued shares

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

Directors

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

Dato' Seri Kalimullah bin Masheerul Hassan
Dato' Lim Kian Onn
Datuk Kamarudin bin Md Ali
En Mahadzir bin Azizan
Mr Gareth Lim Tze Xiang
En Akil Hassan bin Kalimullah - alternate director to Dato' Seri Kalimullah bin Masheerul Hassan
Mr Oh Teik Khim *(appointed on 2 July 2020)*
Dato' Othman bin Abdullah *(demised on 4 April 2020)*

Directors of the subsidiaries

The directors of the subsidiaries (excluding Directors who are also Directors of the Company) since the beginning of the financial year to the date of this report are:

Mr Christopher Mark Anthony Lankester
Mr Navinderjeet Singh A/L Naranjan Singh *(appointed on 28 August 2020)*
Mr Lim Kam Choy *(resigned on 28 August 2020)*

Directors' benefits

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors or the fixed salary of a full time employee of the Company or of its related corporations as disclosed in Note 8 to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest except for Dato' Seri Kalimullah bin Masheerul Hassan and Dato' Lim Kian Onn who may be deemed to derive a benefit by virtue of those transactions and agreements for the provision of tenancies as disclosed in Note 31, made by the Company and its related corporations with Dato' Seri Kalimullah bin Masheerul Hassan and Dato' Lim Kian Onn and corporations in which Dato' Seri Kalimullah bin Masheerul Hassan and Dato' Lim Kian Onn are deemed to have interests.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Indemnities to directors or officers

The Group and the Company do not maintain Directors' and Officers' Liability Insurance in respect of any legal action taken against the directors and officers in the discharge of their duties while holding office for the Group and the Company. No insurance has been effected for any director and officer of the Group and the Company during the financial year.

Directors' remuneration

The Directors' remuneration are disclosed in Note 8 to the financial statements.

Directors' interests

The Directors at the end of the financial year who had beneficial interests in the ordinary shares of the Company and/or its related corporations during the financial year ended 31 December 2020, as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act, 2016, are as follows:

	Number of ordinary shares			
	As at 1.1.2020	**Acquired**	**Sold**	**As at 31.12.2020**
Direct interest in the Company				
Dato' Seri Kalimullah bin Masheerul Hassan	**70,562,815**	-	-	**70,562,815**
Dato' Lim Kian Onn	**34,977,978**	-	-	**34,977,978**
Datuk Kamarudin bin Md Ali	**50,000**	-	-	**50,000**
Mr Christopher Mark Anthony Lankester	**5,023,915**	-	-	**5,023,915**
Indirect interest in the Company				
Dato' Lim Kian Onn	**130,387,186**	-	-	**130,387,186**

Dato' Lim Kian Onn, by virtue of his interests in the Company and pursuant to Section 8(4) of the Companies Act, 2016, is deemed to have interests in the shares of all the subsidiaries of the Company to the extent that the Company has an interest.

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

Other statutory information

(a) Before the statements of comprehensive income and statements of financial position of the Group and the Company were made out, the Directors took reasonable steps:

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

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

(b) At the date of this report, the Directors are not aware of any circumstances which would render:

 (i) the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and

 (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

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

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

Other statutory information (continued)

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

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

   (ii) any contingent liability in respect of the Group and of the Company which has arisen since the end of the financial year.

(f) In the opinion of the Directors:

   (i) no contingent or other liability has become enforceable or is likely to become enforceable within the year of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due; and

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

Significant events

The significant events during the financial year are disclosed in Note 36 to the financial statements.

Auditor and auditors' remuneration

The auditors, Ernst & Young PLT, have expressed their willingness to continue in office.

The remuneration of the auditors is as disclosed in Note 6 to the financial statements.

To the extent permitted by law, the Group and the Company have 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. No payment was made to indemnify Ernst & Young PLT during or since the end of the financial year.

This report was approved by the Board of Directors on 26 April 2021. Signed on behalf of the Board in accordance with a resolution of the Directors.

Dato' Seri Kalimullah bin Masheerul Hassan

Gareth Lim Tze Xiang

Kuala Lumpur, Malaysia
28 April 2021

statement by directors

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

We, Dato' Seri Kalimullah bin Masheerul Hassan and Gareth Lim Tze Xiang, being two of the Directors of ECM Libra Group Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 46 to 123 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2020 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors on 26 April 2021.

Dato' Seri Kalimullah bin Masheerul Hassan

Gareth Lim Tze Xiang

Kuala Lumpur, Malaysia
28 April 2021

statutory declaration

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

I, Navinderjeet Singh A/L Naranjan Singh, being the officer primarily responsible for the financial management of ECM Libra Group Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 46 to 123 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the abovenamed Navinderjeet Singh A/L
Naranjan Singh at Kuala Lumpur in the
Federal Territory on 28 April 2021

Navinderjeet Singh A/L Naranjan Singh

Before me,

Tan Kim Chooi
Commissioner for Oaths

28 April 2021

independent auditors' report

to the members of ECM Libra Group Berhad
(Incorporated in Malaysia)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of ECM Libra Group Berhad, which comprise the statements of financial position as at 31 December 2020 of the Group and of the Company, and statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 46 to 123.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2020, and of their financial performance and their cash flows for the 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 Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International 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.

Key audit matters

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

We have fulfilled the responsibilities described in the *Auditors' responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

1. Business combinations

   (Refer to Notes 2.5 and Note 37 to the financial statements)

   The Group acquired several new businesses during the year. MFRS 3 *Business Combinations* requires the identifiable assets acquired and liabilities assumed to be recognised as of the acquisition date and measured at fair value as at that date. Management engaged independent professional valuers to estimate the fair value of the identifiable assets acquired. Estimating the fair value of the identifiable assets acquired involved the use of significant judgment and estimates. Accordingly, we identify this to be an area of focus.

   In addressing this matter, we performed, amongst others, the following audit procedures:

   - We assessed the competence, capabilities and objectivity of the independent professional valuers;

   - We obtained an understanding of the methodology adopted by management and the independent professional valuers in estimating the fair value of the identifiable assets acquired and the liabilities assumed on acquisition date and assessed whether such methodology is consistent with those used in the industry;

Report on the audit of the financial statements (continued)

Key audit matters (continued)

1. Business combinations (continued)

    - We evaluated key assumptions used in the valuations such as occupancy rates, average room rates and the estimated margins by making reference to available market data and historical financial results of these businesses; and

    - We also evaluated the adequacy of the Group's disclosures made in the financial statements in relation to the acquisitions.

2. Impairment assessment of (a) non-current assets of hospitality segment and (b) investment in a subsidiary, ECML Hotels Sdn Bhd

    (Refer to Notes 2.14, 13, 14, 15 and 17 to the financial statements)

    (a) Non-current assets of hospitality segment

    The Group is required to perform an impairment test of the cash generating unit ("CGU") or groups of CGU when there is an indication that a CGU or groups of CGU may be impaired by comparing the carrying amount with its recoverable amount.

    The hospitality segment of the Group reported significant loss for the financial year ended 31 December 2020 as the performance of the hospitality businesses has been severely affected by the implementation of movement control measures and travel restrictions by the Government in response to the COVID-19 pandemic in Malaysia, indicating that the carrying amounts of the related property, plant and equipment ("PPE"), rights-of-use assets ("ROU") and intangible assets ("Hospitality Assets") may be impaired. Accordingly, management performed an assessment of the recoverable amounts of CGU based on the higher of fair value less costs of disposal ("FVLCD") and value-in-use ("VIU").

    When assessing the FVLCD, management has engaged independent professional valuers to estimate the fair values. In respect of management's assessment of the VIU, it involves estimating the future cash inflows and outflows that will be derived from the CGU and discounting them at an appropriate rate. The aforementioned impairment assessment gave rise to impairment loss of PPE of RM3.4 million, impairment loss of goodwill of RM2.6 million and impairment loss of ROU assets of RM1.6 million for the year ended 31 December 2020.

    (b) Investment in a subsidiary, ECML Hotels Sdn Bhd

    The Hospitality Assets as mentioned above are held by a subsidiary of the Company, ECML Hotels Sdn Bhd ("ECMLH"), which is principally engaged in the operation of hotels. The significant loss reported by ECMLH for the year ended 31 December 2020, which was contributed by the same factors as aforementioned, indicated that the carrying amount of the investment in ECMLH may be impaired. The carrying amount of investment in ECMLH was RM76.3 million, representing 44% of the Company's total assets.

    Management has performed an assessment of the recoverable amount of the investment in ECMLH based on the higher of FVLCD and VIU. This impairment gave rise to an impairment loss of investment in subsidiary of RM14.2 million for the year ended 31 December 2020.

Report on the audit of the financial statements (continued)

Key audit matters (continued)

2. Impairment assessment of (a) non-current assets of hospitality segment and (b) investment in a subsidiary, ECML Hotels Sdn Bhd (continued)

   Due to the significance of the Hospitality Assets and cost of investment in ECMLH, and the subjective nature of the impairment assessment, we considered the impairment assessment of these assets to be an area of audit focus. In addressing this matter, we performed, amongst others, the following audit procedures:

   - For recoverable amounts of groups of CGU determined using FVLCD, we have assessed the competence, capabilities and objectivity of the professional valuers. We have also obtained an understanding of the methodology adopted by the independent professional valuers in estimating the fair value of the assets and assessed whether such methodology is consistent with those used in industry. We discussed with the independent professional valuers to obtain an understanding of the property related data used as input to the valuation models and assessed the reasonableness of those inputs by comparing with the available market data;

   - In respect of the VIU, we have evaluated the management's key assumptions including the occupancy rates, average room rates and the estimated margins to the historical trends and estimated recovery of the hospitality industry. We also assessed whether the discount rate used to determine the present value of the cash flows reflects the return that investors would expect from similar investments.

   - We evaluated the adequacy of the Group's disclosures made in the financial statements for those key assumptions to which the outcome of the impairment assessment is most sensitive.

Information other than the financial statements and auditors' report thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and the Company and our auditors' report thereon.

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

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

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

Responsibilities of the directors for the financial statements

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

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

Report on the audit of the financial statements (continued)

Auditors' responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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.

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Wan Daneena Liza Bt Wan Abdul Rahman
02978/03/2022 J
Chartered Accountant

Kuala Lumpur, Malaysia
28 April 2021

statements of profit or loss

for the year ended 31 December 2020

		Group		Company	
	Note	2020	2019	2020	2019
		RM'000	RM'000	RM'000	RM'000
Continuing operations					
Revenue	3	**12,286**	11,743	**814**	3,422
Other income	4	**1,839**	1,032	**2,460**	68
Changes in inventories		**187**	(62)	**-**	-
Purchase of inventories		**(1,422)**	(567)	**-**	-
Impairment losses		**(7,623)**	-	**(16,444)**	-
Operating expenses		**(22,900)**	(14,937)	**(2,019)**	(8,502)
Operating loss		**(17,633)**	(2,791)	**(15,189)**	(5,012)
Finance costs	5	**(1,713)**	(1,017)	**(21)**	(49)
Share of results of joint ventures		**(3,265)**	(1,212)	**-**	-
Loss before tax	6	**(22,611)**	(5,020)	**(15,210)**	(5,061)
Income tax credit/(expense)	9	**987**	(195)	**13**	(18)
Loss for the year from continuing operations		**(21,624)**	(5,215)	**(15,197)**	(5,079)
Discontinued operation					
Profit from discontinued operation, net of tax	10	**-**	35,549	**-**	38,376
(Loss)/profit for the year		**(21,624)**	30,334	**(15,197)**	33,297
Attributable to owners of the Company		**(21,624)**	30,334	**(15,197)**	33,297
		Sen	**Sen**		
Basic (loss)/earnings per ordinary share:					
- from continuing operations	11	**(4.51)**	(1.09)		
- from discontinued operation	11	**-**	7.41		
		(4.51)	6.32		

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

statements of comprehensive income

for the year ended 31 December 2020

	Group		Company	
	2020	**2019**	**2020**	**2019**
	RM'000	**RM'000**	**RM'000**	**RM'000**
(Loss)/profit for the year	**(21,624)**	30,334	**(15,197)**	33,297
Other comprehensive loss:				
Items that will not be reclassified to profit or loss in subsequent periods (net of tax):				
Fair value changes on financial assets	**(5,384)**	(1,381)	**(5,384)**	(1,381)
Items that may be reclassified to profit or loss in subsequent periods (net of tax):				
Exchange differences on translation of investment in foreign operations	**2,158**	(563)	**-**	-
Other comprehensive loss for the year, net of tax	**(3,226)**	(1,944)	**(5,384)**	(1,381)
Total comprehensive (loss)/income for the year, net of tax	**(24,850)**	28,390	**(20,581)**	31,916
Attributable to owners of the Company	**(24,850)**	28,390	**(20,581)**	31,916

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

statements of financial position

as at 31 December 2020

	Note	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Assets					
Non-current assets					
Property, plant and equipment	13	**103,350**	32,688	**539**	747
Intangible assets	14	**199**	-	**-**	-
Right-of-use assets	15	**15,463**	446	**261**	446
Deferred tax assets	16	**1,232**	-	**-**	-
Investment in subsidiaries	17	**-**	-	**80,263**	10,929
Investment in joint ventures	18	**64,902**	65,762	**31,868**	34,146
Other investments	19	**15,488**	41,381	**15,488**	41,381
Other receivables	20	**-**	-	**33,198**	30,513
		200,634	140,277	**161,617**	118,162
Current assets					
Inventories		**200**	13	**-**	-
Contract assets	21	**77**	16	**-**	-
Tax recoverable		**103**	87	**85**	75
Loans, advances and financing	22	**5,738**	5,738	**-**	-
Trade and other receivables	20	**2,284**	25,836	**389**	23,970
Cash and bank balances and deposits with financial institutions	23	**16,589**	55,988	**12,985**	53,858
		24,991	87,678	**13,459**	77,903
Total assets		**225,625**	227,955	**175,076**	196,065
Equity and liabilities					
Current liabilities					
Loans and borrowings	24	**20,754**	-	**-**	-
Trade and other payables	26	**4,442**	5,794	**311**	523
Lease liabilities	15	**699**	248	**192**	192
Contract liabilities	21	**131**	81	**-**	-
Tax payable		**-**	49	**-**	-
		26,026	6,172	**503**	715
Net current (liabilities)/assets		**(1,035)**	81,506	**12,956**	77,188

statements of financial position continued

as at 31 December 2020

	Note	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Equity and liabilities (continued)					
Non-current liabilities					
Loans and borrowings	24	18,411	18,947	-	-
Lease liabilities	15	3,503	289	84	267
Deferred tax liabilities	16	10	22	10	23
		21,924	19,258	94	290
Total liabilities		47,950	25,430	597	1,005
Net assets		177,675	202,525	174,479	195,060
Equity attributable to owners of the Company					
Share capital	27	107,546	107,546	107,546	107,546
Retained earnings		76,188	97,812	73,922	89,119
Reserves	28	(6,059)	(2,833)	(6,989)	(1,605)
Total equity		177,675	202,525	174,479	195,060
Total liabilities and equity		225,625	227,955	175,076	196,065

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

statements of changes in equity

for the year ended 31 December 2020

Group	Share capital	Foreign currency translation (deficit)/ reserve	Fair value through other comprehensive income deficit	Retained earnings	Total equity
		← Non-distributable	→	Distributable	
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2020	**107,546**	**(1,010)**	**(1,823)**	**97,812**	**202,525**
Loss for the year	**-**	**-**	**-**	**(21,624)**	**(21,624)**
Other comprehensive income/(loss)	**-**	**2,158**	**(5,384)**	**-**	**(3,226)**
Total comprehensive income/(loss)	**-**	**2,158**	**(5,384)**	**(21,624)**	**(24,850)**
At 31 December 2020	**107,546**	**1,148**	**(7,207)**	**76,188**	**177,675**

Group	Share capital	Foreign currency translation deficit	Fair value through other comprehensive income deficit	General reserve	Retained earnings	Total equity
		← Non-distributable		→	Distributable	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2019	107,546	(447)	(442)	2,788	64,690	174,135
Profit for the year	-	-	-	-	30,334	30,334
Other comprehensive loss	-	(563)	(1,381)	-	-	(1,944)
Total comprehensive (loss)/income	-	(563)	(1,381)	-	30,334	28,390
Transfer of reserves *	-	-	-	(2,788)	2,788	-
At 31 December 2019	107,546	(1,010)	(1,823)	-	97,812	202,525

* This relates to general reserve in respect of the Company's Employees' Share Option Scheme which has expired.

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

Company	Share capital RM'000	Non-Distributable: Fair value through other comprehensive income deficit RM'000	Distributable: Retained earnings RM'000	Total equity RM'000
At 1 January 2020	**107,546**	**(1,605)**	**89,119**	**195,060**
Loss for the year	**-**	**-**	**(15,197)**	**(15,197)**
Other comprehensive loss	**-**	**(5,384)**	**-**	**(5,384)**
Total comprehensive loss	**-**	**(5,384)**	**(15,197)**	**(20,581)**
At 31 December 2020	**107,546**	**(6,989)**	**73,922**	**174,479**

Company	Share capital RM'000	Non-distributable: Fair value through other comprehensive income deficit RM'000	Non-distributable: General reserve RM'000	Distributable: Retained earnings RM'000	Total equity RM'000
At 1 January 2019	107,546	(224)	2,746	53,076	163,144
Profit for the year	-	-	-	33,297	33,297
Other comprehensive loss	-	(1,381)	-	-	(1,381)
Total comprehensive (loss)/income	-	(1,381)	-	33,297	31,916
Transfer of reserves *	-	-	(2,746)	2,746	-
At 31 December 2019	107,546	(1,605)	-	89,119	195,060

* This relates to general reserve in respect of the Company's Employees' Share Option Scheme which has expired.

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

statements of cash flows

for the year ended 31 December 2020

		Group		Company	
	Note	2020	2019	2020	2019
		RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities					
(Loss)/profit before tax:					
- from continuing operations		**(22,611)**	(5,020)	**(15,210)**	(5,061)
- from discontinued operation		**-**	35,647	**-**	38,376
Adjustments for:					
Allowances for expected credit losses on trade and other receivables, net		**47**	43	**-**	-
Bad debts written off		**25**	-	**-**	-
Amortisation of intangible assets	6	**33**	-	**-**	-
Depreciation of property, plant and equipment	6	**1,445**	650	**209**	204
Depreciation of right-of-use assets	6	**1,010**	185	**185**	185
Gain on bargain purchase	4	**(1,265)**	(808)	**-**	-
Gain on disposal of a subsidiary	10	**-**	(35,000)	**-**	(38,541)
Impairment loss of property, plant and equipment	6	**3,380**	-	**-**	-
Impairment loss of right-of-use assets	6	**1,644**	-	**-**	-
Impairment loss of intangible assets	6	**2,599**	-	**-**	-
Impairment loss of investment in a subsidiary	6	**-**	-	**14,166**	-
Impairment loss of investment in a joint ventures	6	**-**	-	**2,278**	-
Interest expense	5	**1,713**	1,017	**21**	49
Interest income		**(1,164)**	(2,523)	**(627)**	(2,037)
Loss on disposal of property, plant and equipment	6	**4**	-	**4**	-
Net foreign exchange differences		**3**	5	**(2,438)**	588
Net gain on financial assets at fair value through profit or loss	3	**(129)**	(1,158)	**(129)**	(1,158)
Share of results of joint ventures		**3,265**	1,212	**-**	-
Operating loss before changes in working capital		**(10,001)**	(5,750)	**(1,541)**	(7,395)
(Increase)/decrease in operating assets:					
Contract assets		**(61)**	-	**-**	-
Inventories		**(187)**	61	**-**	-
Loans, advances and financing		**-**	50,917	**-**	-
Trade and other receivables		**1,036**	(24,116)	**127**	497
Increase/(decrease)in operating liabilities:					
Contract liabilities		**50**	-	**-**	-
Trade and other payables		**(3,236)**	13,543	**(212)**	(1,238)
Cash (used in)/generated from operations		**(12,399)**	34,655	**(1,626)**	(8,136)

	Note	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Cash flows from operating activities (continued)					
Cash (used in)/generated from operations		**(12,399)**	34,655	**(1,626)**	(8,136)
Interest received		**1,242**	3,694	**627**	2,159
Interest paid		**(1,691)**	(901)	**(22)**	(17)
Tax refunded		**-**	449	**-**	259
Tax paid		**(116)**	(472)	**(10)**	(73)
Net cash (used in)/generated from operating activities		**(12,964)**	37,425	**(1,031)**	(5,808)
Cash flows from investing activities					
Net advances to subsidiaries		**-**	-	**(60,045)**	(19,775)
Advances to joint ventures		**(246)**	-	**(246)**	-
Repayment of loan by subsidiaries		**-**	-	**-**	51,259
Repayment of loan to a subsidiary		**-**	-	**-**	(2,933)
Net proceeds from disposal of/(investment in) financial assets		**20,636**	(20,251)	**20,636**	(20,251)
Purchase of property, plant and equipment		**(53,551)**	(9,306)	**(5)**	(85)
Purchase of right-of-use assets		**(12,793)**	-	**-**	-
Purchase of intangible assets		**(8)**	-	**-**	-
Net proceeds from disposal of a subsidiary	10	**-**	25,548	**-**	50,781
Net cash (used in)/generated from investing activities		**(45,962)**	(4,009)	**(39,660)**	58,996
Cash flows from financing activities					
Drawdown of loans and borrowings		**20,207**	9,000	**-**	-
Payment of lease liabilities - principal		**(680)**	(204)	**(182)**	(204)
Placement with bank as security pledged for borrowing		**(477)**	-	**-**	-
Net cash generated from/(used in) financing activities		**19,050**	8,796	**(182)**	(204)
Net (decrease)/increase in cash and cash equivalents		**(39,876)**	42,212	**(40,873)**	52,984
Effects of foreign exchange differences		**-**	(5)	**-**	-
Cash and cash equivalents at beginning of the financial year		**55,988**	13,781	**53,858**	874
Cash and cash equivalents at end of the financial year	23	**16,112**	55,988	**12,985**	53,858

Cash and cash equivalents

The closing cash and cash equivalents comprise of the following:

	Note	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Cash and bank balances	23	**12,399**	1,874	**10,645**	157
Deposits with financial institutions	23	**4,190**	54,114	**2,340**	53,701
		16,589	55,988	**12,985**	53,858
Less: Cash and bank balances restricted for use	23.1	**(477)**	-	**-**	-
		16,112	55,988	**12,985**	53,858

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

notes to the financial statements

1. CORPORATE INFORMATION

The Company is a public limited company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The principal place of business of the Company is located at Ground Floor, East Wing, Bangunan ECM Libra, 8 Jalan Damansara Endah, Damansara Heights, 50490 Kuala Lumpur.

The principal activity of the Company is investment holding and provision of management services. The principal activities of the subsidiaries and joint ventures are disclosed in Note 17 and Note 18, respectively.

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 26 April 2021.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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

The financial statements have been prepared on a historical cost basis except otherwise disclosed in the accounting policies below.

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

As at 31 December 2020, the Group reported a net loss of RM21,624,000 (2019: net profit of RM30,334,000) and negative operating cash flows of RM12,964,000 (2019: positive operating cash flows of RM37,425,000), and as at that date, the Group's current liabilities exceeded its current assets by RM1,035,000 (2019: net current assets of RM81,506,000). This indicates the existence of material uncertainty that may cast significant doubt on the Group's ability to continue as going concern.

The Directors are of the view that the Group will continue to generate sufficient future profits and sufficient cash flows from its operations for the next twelve months from the reporting date and also expects the lender to provide continued financial support by making available the existing and remaining unutilised borrowing facility to the Group. Accordingly, the Directors believe it is appropriate to prepare the financial statements of the Group on a going concern basis.

In the previous financial year, the Group and the Company presented the statements of financial position in order of liquidity. Following the disposal of the fund management segment as diclosed in Note 10, the Group and the Company have changed their presentation to classified statements of financial positions, separating current and non-current assets and liabilities in the current financial year.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 January 2020, the Group and the Company adopted the following amendments to MFRSs and IC interpretations which are effective for annual periods beginning on or after 1 January 2020:

Description	Effective for annual periods beginning
Amendments to MFRS 9 *Financial Instruments*, MFRS 139 *Financial Instruments: Recognition and Measurement* and MFRS 7 *Financial Instruments: Disclosures - Interest Rate Benchmark Reform*	1 January 2020
Amendments to MFRS 3 *Business Combinations - Definition of a Business*	1 January 2020
Amendments to MFRS 101 *Presentation of Financial Statements - Definition of Material*	1 January 2020
Amendments to References to the Conceptual Framework *in MFRS Standards*	1 January 2020

The adoption of the above standards did not have any significant effect to the financial statements of the Group and of the Company.

2.3 Standards issued but not yet effective

The standards that are issued but not yet effective up to the date of issuance of the Group's and of the Company's financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

Description	Effective for annual periods beginning on or after
Amendments to MFRS 16 *Leases - Covid-19-Related Rent Concessions*	1 June 2020
Amendments to MFRS 4 *Insurance Contracts - Extension of the Temporary Exemption from Applying MFRS 9*	17 August 2020
Amendments to MFRS 9 *Financial Instruments*, MFRS 139 *Financial Instruments: Recognition and Measurement*, MFRS 7 *Financial Instruments: Disclosures*, MFRS 4 *Insurance Contracts and* MFRS 16 *Leases - Interest Rate Benchmark Reform - Phase 2*	1 January 2021
Amendments to MFRS 16 *Leases - COVID-19-Related Rent Concessions beyond 30 June 2021*	1 April 2021
Amendments to MFRS 3 *Business Combinations - Reference to the Conceptual Framework*	1 January 2022
Amendments to MFRS 116 *Property, Plant and Equipment - Proceeds before Intended Use*	1 January 2022
Amendments to MFRS 137 *Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts - Cost of Fulfilling a Contract*	1 January 2022
Amendments to MFRSs contained in the document entitled "*Annual Improvements to MFRS Standards 2018 - 2010*"	1 January 2022
Amendments to MFRS 101 *Presentation of Financial Statements - Disclosure of Accounting Policies*	1 January 2023
Amendments to MFRS 108 *Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates*	1 January 2023
MFRS 17 *Insurance Contracts* and Amendments to MFRS 17 *Insurance Contracts*	1 January 2023
Amendments to MFRS 101 *Presentation of Financial Statements - Classification of Liabilities as Current or Non-current*	1 January 2023
Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between an Investor and its Associate of Joint Venture*	Deferred

The adoption of the above standards will have no material impact on the financial statements in the period of initial application.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. The financial statements of the Company's subsidiaries are prepared for the same reporting date as the Company, using consistent accounting policies for transactions and events in similar circumstances.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if, and only if, the Group has:

- power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);

- exposure, or rights, to variable returns from its investment with the investee; and

- the ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement with the other vote holders of the investee;

- rights arising from other contractual arrangements; and

- the Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date's fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 9: *Financial Instruments* ("MFRS 9"), is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with MFRS 9. Other contingent consideration that is not within the scope of MFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit ("CGU") and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Investment in joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group's investments in joint venture are accounted for using the equity method.

Under the equity method, the investments in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

The statement of profit or loss reflects the Group's share of the results of operations of the joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interests in the joint venture.

The aggregate of the Group's share of profit or loss of a joint venture is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the joint venture.

The financial statements of the joint venture are prepared as of the same reporting date as the Group. When necessary, adjustments are made to bring the accounting policies into line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognises the loss as "Share of results of joint ventures" in the statement of profit or loss.

Upon loss of significant influence of the joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

In the Company's separate financial statements, investment in joint ventures are stated at cost less impairment losses.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Current versus non-current classification

The Group and the Company present assets and liabilities in the statements of financial position based on current/ non-current classification.

An asset is current when it is:

- expected to be realised or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within twelve months after the reporting year; or
- cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting year.

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting year; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting year.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group and the Company classify all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.8 Fair value measurement

The Group and the Company measure financial instruments and non-financial assets at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group and the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Fair value measurement (continued)

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

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.9 Foreign currencies

The Group's consolidated financial statements are presented in Ringgit Malaysia (RM), which is also the functional currency of the Company. All financial information is presented in RM and has been rounded to the nearest thousand, unless otherwise stated.

(i) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment in a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recognised in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.9 Foreign currencies (continued)

(ii) Foreign operations

For consolidation purposes, the assets and liabilities of foreign operations are translated into RM at the rate of exchange prevailing at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of transactions. The exchange differences arising on the translation are recognised in OCI and are presented in the foreign currency translation reserve in equity. On disposal of a foreign operation, the component of other comprehensive income relating to that particular operation is reclassified to profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

2.10 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through OCI, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the Group and the Company initially measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient are measured at the transaction price determined under MFRS 15: *Revenue from Contract with Customers* ("MFRS 15") (refer to the accounting policies in Note 2.22 revenue from contracts with customers).

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's and the Company's business model for managing financial assets refers to how they manage their financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group and the Company commit to purchase or sell the asset.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Financial instruments (continued)

(i) Financial assets (continued)

<u>**Subsequent measurement**</u>

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

- Financial assets at amortised cost (debt instruments);
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instrument);
- Financial assets at fair value through profit or loss; and
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments).

(a) Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's and the Company's financial assets at amortised cost include trade and other receivables (excluding prepayments), loans advances and financing and cash and cash equivalents.

(b) Financial assets at fair value through OCI (debt instruments)

The Group and the Company did not have or designate any financial assets at fair value through OCI (debt instruments).

(c) Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group and the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under MFRS 132 *Financial Instruments*: *Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group and the Company benefit from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group and the Company elected to classify irrevocably its investments as disclosed in Note 19 under this category.

(d) Fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss. This category includes derivative instruments and listed equity investments which the Group and the Company had not irrevocably elected to classify at fair value through OCI.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Financial instruments (continued)

(i) Financial assets (continued)

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired; or
- The Group and the Company have transferred other rights to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group and the Company have transferred substantially all the risks and rewards of the asset, or (b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset

When the Group and the Company have transferred its rights to receive cash flows from an asset or have entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continue to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

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

Impairment

Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Allowance for expected credit losses and trade receivables — Note 2.25 (iv)
- Trade and other receivables — Note 20

For trade receivables and contract assets, the Group and the Company apply a simplified approach in calculating expected credit losses ("ECLs") and uses a provision matrix to calculate the ECLs for trade and other receivables, and contract assets. Therefore, the Group and the Company do not track changes in credit risk, but instead recognise a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company have established a provision matrix that their based on their historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group and the Company consider a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group and the Company may also consider a financial asset to be in default when internal or external information indicates that the Group and the Company are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Financial instruments (continued)

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's and the Company's financial liabilities include trade and other payables, lease liabilities and loans and borrowings.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

a) Financial liabilities at FVTPL

The Group and the Company did not have or designate any financial liabilities at FVTPL.

b) Financial liabilities at amortised cost

This is the category most relevant to the Group and the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to lease liabilities, interest-bearing loans and borrowings, and trade and other payables. For more information, refer to Notes 15, 24 and 26, respectively.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

(iii) Offsetting of financial instruments

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Property, plant and equipment

Items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses, if any. Capital work-in-progress is stated at cost, net of accumulated impairment losses, if any.

When significant parts of plant and equipment are required to be replaced at intervals, the Group and the Company depreciate them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Freehold land is stated at cost. Freehold land has an unlimited useful life and therefore is not depreciated. Capital work-in-progress is also not depreciated as these assets are not available for use.

Depreciation of buildings constructed on leasehold land is provided for on a straight-line basis to write off the cost of the asset to its residual value over the shorter of the estimated useful life of 50 years or the respective remaining lease periods of the leasehold land.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

Buildings	46 - 50 years
Renovations	5 - 10 years
Furniture and fittings and office equipment	4 - 5 years
Computers	5 years
Motor vehicles	5 years

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.12 Leases

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

Group and Company as a lessee

The Group and the Company apply a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group and the Company recognise lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Group and the Company recognise right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.12 Leases (continued)

Group and Company as a lessee (continued)

i) Right-of-use assets (continued)

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Land and buildings	14 - 48 years
Office equipment	4 years
Office premise	3 - 5 years

If ownership of the leased asset transfers to the Group and the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 2.14.

ii) Lease liabilities

At the commencement date of the lease, the Group and the Company recognise lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and the Company and payments of penalties for terminating the lease, if the lease term reflects the Group and the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group and the Company use its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Group and the Company apply the short-term lease recognition exemption to its short-term leases of building, machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

Group and Company as a lessor

Leases in which the Group and the Company do not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the CGU level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

Software

Computer software is measured initially at cost. Following initial acquisition, computer software is measured at cost less any accumulated amortisation and accumulated impairment losses.

The useful life of computer software is assessed to be finite. Computer software is amortised on a straight-line basis over the estimated economic useful lives at an annual rate of 20% - 33.3% and assessed for impairment whenever there is an indication that it may be impaired. The amortisation period and the amortisation method for computer software with finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and is treated as changes in accounting estimates. The amortisation expense on computer software with finite lives is recognised in profit or loss.

2.14 Impairment of non-financial assets

The Group and the Company assess, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group and the Company estimate the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal ("FVLCD") and its value in use ("VIU"). The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.14 Impairment of non-financial assets (continued)

Impairment losses of continuing operations are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group and the Company estimate the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

2.15 Inventories

Inventories consists of food and beverages, consumables and general supplies which are stated at the lower of cost and net realisable value, with cost being determined on the first-in, first-out basis. The costs comprise costs of purchase.

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

2.16 Discontinued operation

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale or distribution, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of profit or loss and other comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative period.

2.17 Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

2.18 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised in equity in the year in which they are declared.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.19 Employee benefits

(i) Short-term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group and the Company. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plans

The Group and the Company participate in the national pension schemes as defined by the laws of the countries in which it has operations. The Group and the Company make contributions to the Employee Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

2.20 Provisions

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

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

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

2.21 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.22 Revenue

(i) Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

The Group transfers control of a good or service at a point in time unless one of the following over time criteria is met:

- The customer simultaneously receives and consumes all of the benefits provided by the Group as the Group performs;

- The Group's performance creates or enhances an asset that the customer controls as the asset is created; or

- The Group's performance does not create an asset with an alternative use to the Group and the Group has enforceable right to payment for performance completed to date.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.22 Revenue (continued)

(i) Revenue from contracts with customers (continued)

The Group's revenue from contracts with customers are further described below:

(a) Room revenue, sale of food and beverages and other ancillary services revenue

Hotel revenue from room rental is recognised over time during the period of stay for the hotel guests.

Revenue from food and beverage and other ancillary services are generally recognised at the point in time when the services are rendered.

(b) Management fees

Revenue from management fee is recognised when services are rendered and the performance obligations are satisfied by the Group over time.

Payment terms are either on cash terms or on credit terms of 30 days for corporate customers.

(ii) Other sources of income

Revenue from other sources are recognised as follows:

(a) Interest income is recognised on accrual basis over time using the effective interest method.

(b) Portfolio management fees such as management fees and performance fees are recognised upon rendering of fund management services or if it becomes probable that the performance of the fund will continue to exceed the target rate as and when fund management services are rendered.

(c) Other fees such as arrangement fees are recognised as and when services are performed.

(d) Gains or losses on disposal of investments are recognised upon execution of the transaction or trade by the stockbroker.

(e) Dividend and distribution income are recognised when the rights to receive payment is established.

(f) Rental income is recognised on a straight-line basis over the lease term. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(iii) Contract balances

(a) Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due,a contract asset is recognised for the earned consideration that is conditional.

In the context of revenue recognised over time in room rental, contract asset is the excess of cumulative revenue earned over the billings to date.

(b) Trade receivables

A trade receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.22 Revenue (continued)

(iii) Contract balances (continued)

(c) Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier).

In the context of revenue recognised over time in room rental, contract liability is the excess of billings to date over cumulative revenue earned.

2.23 Taxes

(i) Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss.

(ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.23 Taxes (continued)

(ii) Deferred tax (continued)

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

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

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

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(iii) Sales and service tax (“SST”)

When SST is incurred, SST is recognised as part of the expense or cost of acquisition of the asset applicable as SST is not recoverable from the taxation authority.

Whereas, revenue is recognised net of the amount of SST billed as it is payable to the taxation authority. SST payable to the taxation authority is included as part of payables in the statements of financial position.

2.24 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Group who regularly reviews the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 32, including the factors used to identify the reportable segments and the measurement basis of segment information.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.25 Significant accounting judgments and estimates

The preparation of the consolidated and separate financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

(i) Fair value adjustments for business combinations

The Group remeasures the assets, liabiliities and contingent liabilities acquired through business combinations to fair value. Where possible, fair value adjustments are determined based on external independent valuation specialists, either based on income approach and comparison approach, and also present value techniques based on discounted cash flow ("DCF") model.

In relation to the fair value determined using the comparison approach, the fair value is determined by reference to transactions involving properties of similar nature, location and condition.

In relation to the fair value determined using the DCF model, the inputs to these models are taken from observable markets where possible but where this is not feasible, a degree of judgement is required in establishing fair value. Judgment include considerations of inputs such as forecast cash flows, growth rates, discount rates and operating margins. Changes in assumptions relating to these factors could affect the reported fair value amounts.

The key assumptions used to determine the fair value of the acquired identifiable assets and liabilities through business combinations are disclosed in Note 37.

(ii) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments.

The independentvaluation specialists have exercised judgement in determining the fair values of the lands based on comparison method and of the buildings based on replacement cost model less the amount of accrued physical depreciation as evidenced by the observed condition and assuming the continued use of the property for the designed purpose as part of a going concern but without specific relation to earnings.

Significant judgment was applied by the Group and the Company to value the unquoted investments measured at fair value through other comprehensive income as described in Notes 19 and 33.2.

(iii) Impairment of non-financial assets

The Group and the Company review the carrying amounts of the non-financial assets at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the Group and the Company shall estimate the recoverable amount of CGU or groups of CGU. The recoverable amount is measured at the higher of FVLCD and VIU. Impairment exists when the carrying value of CGU exceeds its recoverable amount.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.25 Significant accounting judgments and estimates (continued)

(iii) Impairment of non-financial assets (continued)

The FVLCD calculation is based on valuations by independent valuation specialist which were derived from comparisons with recent transactions involving other similar assets and where applicable, the age, size and title tenure and the capitalisation of the net income of the property.

The VIU calculation is based on a DCF model. The cash flows are derived from the budget for the next five years or upon expiry of the concession agreement and do not include restructuring activities that the Group and the Company are not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

The estimation of the recoverable amounts involves significant judgement and estimations. While the Group and the Company believe that the assumptions are appropriate and reasonable, changes in the assumptions may materially affect the assessment of recoverable amounts.

The accumulated impairment losses for property, plant and equipment, intangible assets, right-of-use assets, investment in subsidiaries and investment in joint ventures are disclosed in Notes 13, 14, 15, 17 and 18 respectively.

(iv) Allowance for expected credit losses ("ECL") of trade receivables

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics.

The Group performed a review of the recoverable amount of its receivables during the financial year. The review led to recognition of allowance for expected credit loss as disclosed in Note 20.

(v) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profit will be available against which the losses and capital allowances can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Assumptions about generation of future taxable profits depend on management's estimates of future cash flows. These depend on estimates of revenue, operating cost, capital expenditure, dividends and other capital management transactions. Judgment is also required about application of income tax legislation.

These judgments and assumptions are subject to risks and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets recognised in the statement of financial position and the amount of unrecognised tax losses and unrecognised temporary differences.

The carrying amount of the Group's and the Company's deferred tax assets and liabilities are as disclosed in Note 16.

3. REVENUE

	Group		Company	
	2020	**2019**	**2020**	**2019**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Revenue from contract with customers:				
Rental of hotel rooms	**7,242**	7,441	**-**	-
Sale of food and beverages	**3,099**	545	**-**	-
Management services fees	**559**	-	**-**	-
Others	**35**	20		
	10,935	8,006	**-**	-
Revenue from other sources:				
Fee income	**58**	209	**58**	227
Interest income from:				
- loans, advances and financing	**489**	1,894	**-**	-
- deposits with licensed banks	**675**	476	**627**	466
- subsidiaries	**-**	-	**-**	1,571
	1,222	2,579	**685**	2,264
Investment income:				
Net gain on financial assets at fair value through profit or loss:				
- distribution income	**94**	937	**94**	937
- changes in fair value	**16**	(581)	**16**	(581)
- gain on disposal	**19**	802	**19**	802
	129	1,158	**129**	1,158
	12,286	11,743	**814**	3,422
Timing of revenue recognition				
At a point in time	**4,485**	4,302	**814**	3,422
Over time	**7,801**	7,441	**-**	-
	12,286	11,743	**814**	3,422

All sales are made within Malaysia.

4. OTHER INCOME

	Note	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Rental income		**259**	145	**-**	-
Gain on foreign exchange translation		**-**	-	**2,438**	-
Gain on bargain purchase	4.1	**1,265**	808	**-**	-
Miscellaneous		**315**	79	**22**	68
		1,839	1,032	**2,460**	68

4.1 Gain on bargain purchase

On 2 January 2020 and 1 August 2020, the Group acquired Tune Hotel KLIA Aeropolis and The Chow Kit, an Ormond Hotel from OMT Hotels Sdn Bhd ("OMT"), a related party of key management personnels for a purchase consideration of RM926,000 and RM17,060,000 respectively. On the date of acquisition, the net assets were remeasured to fair value in accordance with MFRS 3 *Business Combinations*, which resulted in a gain on bargain purchase of RM278,000 and RM987,000 respectively, as disclosed in Note 37.

In the previous financial year, the acquisition of Tune Hotel Kota Kinabalu from OMT has resulted in a gain on bargain purchase of RM808,000.

5. FINANCE COSTS

	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Interest expense on:				
- lease liabilities	**260**	40	**21**	32
- revolving credits	**474**	-	**-**	-
- term loans	**979**	977	**-**	-
- related company	**-**	-	**-**	17
	1,713	1,017	**21**	49

6. LOSS BEFORE TAX

In addition to the other items disclosed elsewhere in the financial statements, the following items have been included in arriving at loss before tax:

		Group		Company	
	Note	2020	2019	2020	2019
		RM'000	RM'000	RM'000	RM'000
Auditors' remuneration					
- statutory audit		**171**	106	**50**	50
- regulatory-related services		**5**	5	**5**	5
Net allowances for/(writeback of) expected credit losses on:					
- trade receivables	20	**67**	-	**-**	-
- other receivables	20	**(20)**	43	**-**	-
Bad debt written off		**25**	-	**-**	
Depreciation of property, plant and equipment	13	**1,445**	474	**209**	204
Amortisation of intangible assets	14	**33**	-	**-**	-
Depreciation of right-of-use assets	15	**1,010**	185	**185**	185
Employee benefits expense	7	**7,439**	7,115	**1,134**	5,788
Loss on disposal of property, plant and equipment	13	**4**	-	**4**	-
Loss on foreign exchange translation		**3**	5	**-**	588
Non-executive Directors' remuneration	8	**151**	269	**151**	259
Acquisition-related transaction costs	37	**2,485**	483	**-**	-
Impairment loss on:					
- property, plant and equipment	13	**3,380**	-	**-**	-
- intangible assets	14	**2,599**	-	**-**	-
- right-of-use assets	15	**1,644**	-	**-**	-
- investment in a subsidiary	17	**-**	-	**14,166**	-
- investment in a joint venture	18	**-**	-	**2,278**	-

7. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Wages and salaries	**5,863**	5,730	**751**	4,688
Contributions to defined contribution plan	**743**	719	**117**	606
Other benefits	**833**	666	**266**	494
	7,439	7,115	**1,134**	5,788

8. DIRECTORS' REMUNERATION

Forms of remuneration in aggregate for all Directors for the financial year are as follows:

	Group				Company			
2020	Salaries	Director Fees	Other emoluments[3]	Total	Salaries	Director Fees	Other emoluments[3]	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Executive Directors								
Dato' Lim Kian Onn[1]	**330**	**-**	**50**	**380**	**330**	**-**	**50**	**380**
Mr Gareth Lim Tze Xiang[2]	**147**	**-**	**18**	**165**	**-**	**-**	**-**	**-**
	477	**-**	**68**	**545**	**330**	**-**	**50**	**380**
Non-executive Directors								
Dato' Seri Kalimullah bin Masheerul Hassan	**-**	**25**	**5**	**30**	**-**	**25**	**5**	**30**
Dato' Lim Kian Onn[1]	**-**	**9**	**2**	**11**	**-**	**9**	**2**	**11**
Datuk Kamarudin bin Md Ali	**-**	**26**	**12**	**38**	**-**	**26**	**12**	**38**
Dato' Othman bin Abdullah	**-**	**6**	**3**	**9**	**-**	**6**	**3**	**9**
En Mahadzir bin Azizan	**-**	**24**	**13**	**37**	**-**	**24**	**13**	**37**
Mr Oh Teik Khim	**-**	**12**	**4**	**16**	**-**	**12**	**4**	**16**
Mr Gareth Lim Tze Xiang[2]	**-**	**6**	**4**	**10**	**-**	**6**	**4**	**10**
	-	**108**	**43**	**151**	**-**	**108**	**43**	**151**
Total Directors' remuneration	**477**	**108**	**111**	**696**	**330**	**108**	**93**	**531**

[1] Redesignated from Executive Director to Non-Executive Director on 1 June 2020.

[2] Redesignated from Non-Executive Director to Executive Director on 1 June 2020

[3] "Other emoluments" represents the Company's contribution to Employees Provident Fund for Executive Directors and allowances for Non-Executive Directors.

8. DIRECTORS' REMUNERATION (continued)

2019	Group Salaries RM'000	Group Director Fees RM'000	Group Other emoluments[1] RM'000	Group Total RM'000	Company Salaries RM'000	Company Director Fees RM'000	Company Other emoluments[1] RM'000	Company Total RM'000
Executive Directors								
Dato' Seri Kalimullah bin Masheerul Hassan	900	-	135	1,035	900	-	135	1,035
Dato' Lim Kian Onn	1,320	-	198	1,518	1,320	-	198	1,518
	2,220	-	333	2,553	2,220	-	333	2,553
Non-executive Directors								
Datuk Kamarudin bin Md Ali	-	53	30	83	-	53	25	78
Dato' Othman bin Abdullah	-	48	15	63	-	48	15	63
En Mahadzir bin Azizan	-	50	31	81	-	50	26	76
Mr Gareth Lim Tze Xiang	-	33	9	42	-	33	9	42
	-	184	85	269	-	184	75	259
Total Directors' remuneration	2,220	184	418	2,822	2,220	184	408	2,812

[1] "Other emoluments" represents the Company's contribution to Employees Provident Fund for Executive Directors and allowances for Non-Executive Directors.

9. INCOME TAX (CREDIT)/EXPENSE

	Note	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Recognised in profit or loss					
Income tax (credit)/expense:					
- on continuing operations		**(987)**	195	**(13)**	18
- on discontinued operation	10	**-**	98	**-**	-
Total income tax (credit)/ expense		**(987)**	293	**(13)**	18
Major components of income tax expense include:					
Current tax expense					
Current year		**97**	293	**-**	-
Over provision in prior year		**(65)**	(46)	**-**	-
		32	247	**-**	-
Deferred tax expense (Note 16)					
Relating to origination and reversal of temporary differences		**(950)**	44	**1**	19
(Over)/under provision in prior years		**(69)**	2	**(14)**	(1)
		(1,019)	46	**(13)**	18
Total income tax (credit)/expense		**(987)**	293	**(13)**	18

9. INCOME TAX (CREDIT)/EXPENSE (continued)

Income tax is calculated at the Malaysian statutory tax rate of 24% (2019: 24%) of the estimated assessable (loss)/profit for the year.

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

		Group		Company	
	Note	**2020**	**2019**	**2020**	**2019**
		RM'000	**RM'000**	**RM'000**	**RM'000**
(Loss)/profit before tax:					
- from continuing operations		**(22,611)**	(5,020)	**(15,210)**	(5,061)
- from discontinued operation	10	**-**	35,647	**-**	38,376
		(22,611)	30,627	**(15,210)**	33,315
Tax at Malaysian statutory rate of 24% (2019: 24%)		**(5,427)**	7,350	**(3,650)**	7,996
Tax effects of:					
Non-allowable expenses		**4,634**	1,243	**3,992**	869
Non-taxable income		**(303)**	(8,898)	**(584)**	(9,488)
Current losses for which no deferred tax asset was recognised		**231**	630	**231**	630
Deferred tax asset not recognised on unabsorbed capital allowance		**12**	12	**12**	12
(Over)/under provision in prior years:					
- income tax		**(65)**	(46)	**-**	-
- deferred tax		**(69)**	2	**(14)**	(1)
		(987)	293	**(13)**	18

10. DISCONTINUED OPERATION

In the previous financial year, the Company entered into a conditional share purchase agreement with Kenanga Investors Berhad for the disposal of the entire equity interest in Libra Invest Berhad. The sale was completed on 8 July 2019.

Profit attributable to the discontinued operation was as follows:

		Group		Company	
	Note	**2020**	**2019**	**2020**	**2019**
		RM'000	**RM'000**	**RM'000**	**RM'000**
Revenue		-	6,251	-	-
Other income		-	49	-	-
Gain on disposal of discontinued operation		-	35,000	-	38,541
Operating expenses		-	(5,653)	-	(165)
Profit before tax	9	-	35,647	-	38,376
Income tax expense	9	-	(98)	-	-
Profit for the year		-	35,549	-	38,376
Included in the operating expenses are:					
- Depreciation of property, plant and equipment	13	-	(176)	-	-

The gain on disposal of the discontinued operation is attributable entirely to the gain on the disposed interest in Libra Invest Berhad.

The net cash flows incurred by Libra Invest Berhad are, as follows:

	2019
	RM'000
Operating	12,925
Investing	76
Financing	56
Net cash inflow	13,057

10. DISCONTINUED OPERATION (continued)

The major classes of assets and liabilities of Libra Invest Berhad and the effect of the disposal on the financial position of the Group and of the Company in the previous financial year are, as follows:

Group	Note	2019 RM'000
Cash and cash equivalents		25,233
Trade and other receivables		4,098
Property, plant and equipment		1,520
Trade and other payables		(14,937)
Deferred tax liabilities	16	(133)
Net assets		15,781
Gain on disposal of discontinued operation		35,000
Fair value of consideration received, satisfied in cash		50,781
Cash and cash equivalents of subsidiaries disposed of		(25,233)
Net cash inflow		25,548
Company		
Fair value of consideration received, satisfied in cash		50,781
Cost of investment		(12,240)
Gain on disposal of discontinued operation		38,541

11. (LOSS)/EARNINGS PER ORDINARY SHARE

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

The basic (loss)/earnings per ordinary share is calculated by dividing the Group's (loss)/profit for the financial year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2020	**2019**
(Loss)/profit for the financial year attributable to owners of the Company (RM'000):		
- from continuing operations	**(21,624)**	(5,215)
- from discontinued operation	**-**	35,549
Weighted average number of ordinary shares in issue (units '000)	**479,926**	479,926
Basic (loss)/earnings per ordinary share (sen):		
- from continuing operations	**(4.51)**	(1.09)
- from discontinued operation	**-**	7.41
	(4.51)	6.32

11. (LOSS)/EARNINGS PER ORDINARY SHARE (continued)

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

The Group has no dilution in its earnings per ordinary share in the current and previous financial year as there are no dilutive potential ordinary shares.

12. DIVIDENDS

For the current financial year ended 31 December 2020, the Directors do not recommend the payment of any dividend.

13. PROPERTY, PLANT AND EQUIPMENT

Group	Note	Land and Buildings*	Renovations	Furniture and fittings and office equipment	Computers	Motor vehicles	Work-in progress	Total
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cost								
At 1 January 2020		**31,864**	**-**	**203**	**136**	**942**	**153**	**33,298**
Additions arising from business combinations	37	**68,175**	**2,938**	**3,818**				**74,931**
Additions		**11**	**76**	**133**	**-**	**-**	**477**	**697**
Reclassified to intangible assets	14	**-**		**-**	**(68)**	**-**	**-**	**(68)**
Reclassified to right-of-use assets	15	**-**	**-**	**(118)**	**-**	**-**	**-**	**(118)**
Disposals		**-**	**-**	**-**	**(5)**	**-**	**-**	**(5)**
At 31 December 2020		**100,050**	**3,014**	**4,036**	**63**	**942**	**630**	**108,735**
Accumulated depreciation and impairment								
At 1 January 2020		**250**	**-**	**42**	**51**	**267**	**-**	**610**
Charge during the financial year	6	**734**	**27**	**483**	**13**	**188**	**-**	**1,445**
Reclassified to intangible assets	14	**-**	**-**	**-**	**(6)**	**-**	**-**	**(6)**
Reclassified to right-of-use assets	15	**-**	**-**	**(43)**	**-**	**-**	**-**	**(43)**
Disposals		**-**	**-**	**-**	**(1)**	**-**	**-**	**(1)**
Impairment losses	13.1	**3,278**	**10**	**7**	**-**	**-**	**85**	**3,380**
At 31 December 2020		**4,262**	**37**	**489**	**57**	**455**	**85**	**5,385**
Net carrying amount								
At 31 December 2020		**95,788**	**2,977**	**3,547**	**6**	**487**	**545**	**103,350**

13. PROPERTY, PLANT AND EQUIPMENT (continued)

Group	Note	Land and Buildings* RM'000	Renovations RM'000	Furniture and fittings and office equipment RM'000	Computers RM'000	Motor vehicles RM'000	Work-in progress RM'000	Total RM'000
Cost								
At 1 January 2019		22,056	137	944	3,616	957	140	27,850
Additions arising from business combinations	37	9,808	-	-	-	-	-	9,808
Additions		-	-	193	100	-	13	306
Disposal of a subsidiary		-	(137)	(934)	(3,580)	(15)	-	(4,666)
At 31 December 2019		31,864	-	203	136	942	153	33,298
Accumulated depreciation and impairment								
At 1 January 2019		24	13	546	2,430	93	-	3,106
Charge during the financial year								
- Continuing operations	6	226	-	42	17	189	-	474
- Discontinued operation	10	-	7	44	125	-	-	176
Disposal of a subsidiary		-	(20)	(590)	(2,521)	(15)	-	(3,146)
At 31 December 2019		250	-	42	51	267	-	610
Net carrying amount								
At 31 December 2019		31,614	-	161	85	675	153	32,688

* Included in the Group's net carrying amount of land and buildings are freehold land of RM31,170,000 (2019: RM17,308,000).

13. PROPERTY, PLANT AND EQUIPMENT (continued)

Company	Note	Furniture and fittings and office equipment RM'000	Computers RM'000	Motor vehicles RM'000	Total RM'000
Cost					
At 1 January 2020		**53**	**68**	**942**	**1,063**
Additions		**5**	**-**	**-**	**5**
Disposals		**-**	**(5)**	**-**	**(5)**
At 31 December 2020		**58**	**63**	**942**	**1,063**
Accumulated depreciation					
At 1 January 2020		**4**	**45**	**267**	**316**
Charge during the financial year	6	**8**	**13**	**188**	**209**
Disposals		**-**	**(1)**	**-**	**(1)**
At 31 December 2020		**12**	**57**	**455**	**524**
Net carrying amount					
At 31 December 2020		**46**	**6**	**487**	**539**
Cost					
At 1 January 2019		-	36	942	978
Additions		53	32	-	85
At 31 December 2019		53	68	942	1,063
Accumulated depreciation					
At 1 January 2019		-	34	78	112
Charge during the financial year	6	4	11	189	204
At 31 December 2019		4	45	267	316
Net carrying amount					
At 31 December 2019		49	23	675	747

13. PROPERTY, PLANT AND EQUIPMENT (continued)

13.1 Impairment losses

During the financial year, management had identified external and internal indicators of impairment in respect of property, plant and equipment, right-of-use assets and intangible assets of the Group's hospitality segment. The Group's hospitality segment reported significant losses in the current financial year as the performance of the hotels owned and operated by the Group has been severely affected by the implementation of movement control measures and travel restrictions in response to the COVID-19 pandemic in Malaysia which had resulted in declining room occupancies. Management had performed an assessment of the recoverable amounts of the Cash Generating Units ("CGU") or groups of CGUs, which is defined as the higher of value in use ("VIU") or fair value less cost of disposal ("FVLCD").

In respect of the Group's property, plant and equipment, the aforementioned impairment review gave rise to a total impairment loss of RM3,380,000, which was recognised in profit or loss in the current year of which:

(a) RM3,367,000 together with impairment of intangible assets of RM7,000 related to a loss making hotel (Tune Hotel Penang) within the hospitality segment as disclosed in Note 14. The recoverable amount of the hotel of RM19,107,000 was based on FVLCD which was derived from a valuation by an independent professional valuer using the income approach (Level 3 of the fair value hierarchy).

The significant inputs used in the valuation are disclosed below:

Significant unobservable inputs

Projected average hotel room rate	RM85 - RM108
Projected yearly occupancy rate	40% - 71%
Discount rate	8.0%
Terminal capitalisation rate	6.5%

(b) RM13,000 together with impairment of right-of-use assets of RM1,644,000 related to a loss-making CGU (Tune Hotel KLIA Aeropolis) within the hospitality segment, as disclosed in Note 15(c).

13.2 Assets pledged as security

As at 31 December 2020, the net book values of the property, plant and equipment of RM102,782,000 (2019: RM31,941,000) are subject to a first legal charge to secure bank loans granted to the Group as disclosed in Note 24.

14. INTANGIBLE ASSETS

Group	Note	Goodwill RM'000	Software RM'000	Total RM'000
Cost				
At 1 January 2020		-	-	-
Reclassified from property, plant and equipment	13	-	**68**	**68**
Additions arising from business combination	37	**2,592**	**169**	**2,761**
Additions		-	**8**	**8**
At 31 December 2020		**2,592**	**245**	**2,837**
Accumulated amortisation and impairment				
At 1 January 2020		-	-	-
Reclassified from property, plant and equipment	13	-	**6**	**6**
Charge during the financial year	6	-	**33**	**33**
Impairment losses	14.1	**2,592**	**7**	**2,599**
At 31 December 2020		**2,592**	**46**	**2,638**
Net carrying amount				
At 31 December 2020		-	**199**	**199**

14.1 Impairment losses

Goodwill

Goodwill is acquired through business combinations and is allocated to the hospitality CGUs, which are also operating and reportable segments. RM2,090,000 and RM502,000 of the goodwill has been allocated to Tune Hotel Danga Bay and MoMo's Kuala Lumpur respectively, as disclosed in Note 37.

The Group performed its annual impairment test in respect to the goodwill acquired through business combinations. Accordingly, the Group had recognised impairment losses on the entire goodwill balance of RM2,592,000 that was allocated to both CGUs.

In relation to the impairment of goodwill allocated to Tune Hotel Danga Bay, the recoverable amount of RM13,578,000 was based on FVLCD, which was derived from a valuation report by an independent professional valuer using the income approach (Level 3 of the fair value hierarchy).

The significant inputs used in the valuation are disclosed below:

Significant unobservable inputs	Range
Projected average hotel room rate	RM70 - RM105
Projected yearly occupancy rate	35% - 70%
Discount rate	9.0%
Terminal capitalisation rate	7.0%

In relation to the impairment of goodwill allocated to MoMo's Kuala Lumpur, the recoverable amount of RM33,060,000 was based on FVLCD, which was derived from a valuation report by an independent professional valuer, estimated based on comparisons with recent transactions involving other similar assets (Level 3 of the fair value hierarchy).

15. LEASES

15.1 Right-of-use assets

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

Group	Note	Land and buildings RM'000	Office equipment RM'000	Office premises RM'000	Total RM'000
Cost					
At 1 January 2019		-	-	-	-
Additions		-	-	631	631
At 31 December 2019/ 1 January 2020		-	-	631	631
Reclassified from property, plant and equipment	13	**-**	**118**	**-**	**118**
Additions arising from business combinations	37	**13,252**	**-**	**-**	**13,252**
Additions		**2,830**	**186**	**1,328**	**4,344**
At 31 December 2020		**16,082**	**304**	**1,959**	**18,345**
Accumulated depreciation and impairment					
At 1 January 2019		-	-	-	-
Charge during the financial year	6	-	-	185	185
At 31 December 2019/ 1 January 2020		-	-	185	185
Reclassified from property, plant and equipment	13	**-**	**43**	**-**	**43**
Charge during the financial year	6	**399**	**114**	**497**	**1,010**
Impairment losses	15.1(c)	**1,598**	**46**	**-**	**1,644**
At 31 December 2020		**1,997**	**203**	**682**	**2,882**
Net carrying amount					
At 31 December 2020		**14,085**	**101**	**1,277**	**15,463**
At 31 December 2019		-	-	446	446

15. LEASES (continued)

15.1 Right-of-use assets (continued)

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year (continued):

Company	Note	Office premises RM'000	Total RM'000
Cost			
At 1 January 2019		-	-
Additions		631	631
At 31 December 2019/1 January 2020/31 December 2020		**631**	**631**
Accumulated depreciation			
At 1 January 2019		-	-
Charge during the financial year	6	185	185
At 31 December 2019/1 January 2020		185	185
Charge during the financial year	6	**185**	**185**
At 31 December 2020		**370**	**370**
Net carrying amount			
At 31 December 2020		**261**	**261**
At 31 December 2019		446	446

(a) Low-value assets and short-term lease

The Group has certain leases of premises with lease terms of 12 months or less. The Group and the Company also have other leases of office equipment that are low-value. The Group and the Company apply the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

(b) Concession Agreement

Included in the land and building of the Group of RM2,234,000 is the rights to inter alia, design, construct, install, operate and maintain a limited-service hotel comprising 218 rooms known as "Tune Hotel KLIA Aeropolis", located at a portion of land measuring approximately 4,406.86 square meters at Sepang, Selangor pursuant to the acquisition of concession agreement with Malaysia Airports (Properties) Sdn Bhd ("MAP") dated 2 January 2020 until 11 February 2034 ("Concession Agreement") from OMT Hotels Sdn Bhd, as disclosed in Note 37.

In accordance with the Concession Agreement, MAP will grant the Group the right and authority to:

(i) design, construct, build, operate, maintain and manage the hotel on a built-operate-transfer model;
(ii) provide hotel services; and
(iii) use the concession area for permitted use.

The costs and expenses associated with the hotel operations rights will be borne by the Group.

15. LEASES (continued)

15.1 Right-of-use assets (continued)

(c) Impairment losses

Management had performed an assessment of the recoverable amount of the CGUs within the hospitality segment as disclosed in Note 13 and accordingly, an impairment loss of RM1,644,000 in respect of right-of-use assets has been recognised in the profit or loss in the current financial year. The impairment on right-of-use assets is wholly allocated to a loss-making CGU within the hospitality segment (Tune Hotel KLIA Aeropolis).

The recoverable of the CGU of RM2,317,000 was based on VIU derived from cash flow projections approved by the Board of Directors covering a 13-year period up to the expiry of the concession period pursuant to the Concession Agreement with MAP until 11 February 2034, as disclosed in Note 15.1(b). The cash flow projections reflect management expectation of revenue growth, operating cost, margins based on their recent experiences, discounted using a pre-tax discount rate of 13.8%.

(d) Security

As at 31 December 2020, the net book values of right-of-use assets of RM11,852,000 (2019: RM nil) are subject to a first legal charge to secure bank loans granted to the Group, as disclosed in Note 24.

15.2 Lease liabilities

The carrying amounts of lease liabilities and the movements during the year are as follows:

	Group		Company	
	2020	**2019**	**2020**	**2019**
	RM'000	**RM'000**	**RM'000**	**RM'000**
As at 1 January	**537**	-	**459**	-
Addition	**4,452**	749	**-**	631
Accretion of interest	**260**	40	**21**	32
Payments	**(1,047)**	(252)	**(204)**	(204)
As at 31 December	**4,202**	537	**276**	459
Current	**699**	248	**192**	192
Non-current	**3,503**	289	**84**	267
Total	**4,202**	537	**276**	459

The incremental borrowing rates of lease liabilities are as follows:

	Group		Company	
	2020	**2019**	**2020**	**2019**
	%	**%**	**%**	**%**
Land and buildings	**5.47**	-	**-**	-
Office equipment	**12.25**	12.25	**-**	-
Office premises	**5.47 - 5.97**	5.97	**5.97**	5.97

15. LEASES (continued)

15.2 Lease liabilities

The remaining maturities as at the reporting date were as follows:

	Group		Company	
	2020	**2019**	**2020**	**2019**
	RM'000	**RM'000**	**RM'000**	**RM'000**
On demand or within one year	**699**	248	**192**	182
More than 1 year but not later than 2 years	**693**	289	**84**	277
More than 2 years but not later than 5 years	**701**	-	**-**	-
Later than 5 years	**2,109**	-	**-**	-
	4,202	537	**276**	459

The following are the amounts recognised in profit or loss:

	Group		Company	
	2020	**2019**	**2020**	**2019**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Depreciation expenses of right-of-use assets	**1,010**	185	**185**	185
Interest expenses on lease liabilities	**260**	40	**21**	32
Expenses relating to leases of low value assets	**18**	36	**-**	-
Expenses relating to short-term lease	**21**	-	**-**	-
Total	**1,309**	261	**206**	217

The Group and the Company had total cash outflows for leases of RM1,086,000 (2019: RM252,000) and RM204,000 (2019: RM204,000) respectively.

16. DEFERRED TAX ASSETS/(LIABILITIES)

	Note	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
At beginning of the financial year		**(22)**	(109)	**(23)**	(5)
Recognised in profit or loss					
- Relating to origination and reversal of temporary differences	9	**950**	(44)	**(1)**	(19)
- Over/(under) provision of deferred tax in prior financial years	9	**69**	(2)	**14**	1
		1,019	(46)	**13**	(18)
Deferred taxes acquired in business combinations		**225**	-	**-**	-
Included in discontinued operation	10	**-**	133	**-**	-
At end of the financial year		**1,222**	(22)	**(10)**	(23)
Presented, after appropriate offsetting, as follows:					
Deferred tax assets		**1,232**	-	**-**	-
Deferred tax liabilities		**(10)**	(22)	**(10)**	(23)
		1,222	(22)	**(10)**	(23)

The components and movements of deferred tax assets and liabilities as at the end of the year are as follows:

Group	Revaluation of land and building at acquisition RM'000	Deferred revenue RM'000	Unabsorbed capital allowances RM'000	Unutilised business losses* RM'000	Total RM'000
Deferred tax assets					
At 1 January 2020	**-**	**-**	**-**	**-**	**-**
Recognised in profit or loss	**8**	**53**	**2,639**	**770**	**3,470**
Arising from business combination	**225**	**-**	**-**	**-**	**225**
At 31 December 2020	**233**	**53**	**2,639**	**770**	**3,695**

* In Malaysia, the unutilised business losses can be carried forward and available for use for seven years starting from the year of assessment 2018.

	Leases RM'000	Property, plant and equipment RM'000	Total RM'000
Deferred tax liabilities			
At 1 January 2019	-	(109)	(109)
Recognised in profit or loss	-	(46)	(46)
Included in discontinued operation	-	133	133
At 31 December 2019/1 January 2020	-	(22)	(22)
Recognised in profit or loss	**(80)**	**(2,371)**	**(2,451)**
At 31 December 2020	**(80)**	**(2,393)**	**(2,473)**

16. DEFERRED TAX ASSETS/(LIABILITIES) (continued)

Company	Property, plant and equipment RM'000
Deferred tax liabilities	
At 1 January 2019	(5)
Recognised in profit or loss	(18)
At 31 December 2019/1 January 2020	(23)
Recognised in profit or loss	**13**
At 31 December 2020	**(10)**

17. INVESTMENT IN SUBSIDIARIES

		Company	
	Note	2020 RM'000	2019 RM'000
Unquoted shares at cost			
At beginning of the financial year		**10,929**	15,669
Increase in investment in subsidiaries		**83,500**	7,500
Less: Disposal of a subsidiary		**-**	(12,240)
Less: Accumulated impairment loss	6	**(14,166)**	-
At end of the financial year		**80,263**	10,929

During the financial year, the Company increased its investment in subsidiaries by RM83,500,000 (2019: RM7,500,000) by way of capitalisation of amounts due from these subsidiaries, as follows:

	Note	2020 RM'000
Loans to subsidiaries at the beginning of the financial year	20.2	**3,428**
Amounts due from subsidiaries at the beginning of the financial year	20.3	**20,027**
Net advances made to subsidiaries during the financial year		**60,045**
Capitalisation of amount owing from subsidiaries		**(83,500)**
		-

As at 31 December 2020, a subsidiary, ECML Hotels Sdn Bhd ("ECMLH") has reported losses as the performance of its hotels has been severely affected by the same factors aforementioned in Note 13, which indicates that the carrying amount of the investment in ECMLH may be impaired. Considering ECMLH's main underlying assets comprise the hospitality segment CGUs, management estimated the recoverable amount of the investment based on the higher of FVLCD and VIU of the CGUs and the review gave rise to the recognition of impairment loss of RM14,166,000 in the current financial year.

As disclosed in Note 10, the Company disposed its equity interest in Libra Invest Berhad in the previous financial year, resulting in a gain on disposal of RM38,541,000.

17. INVESTMENT IN SUBSIDIARIES (continued)

Details of the subsidiaries, all incorporated in Malaysia, are as follows:

Name of company	Effective percentage of ownership 2020	2019	Principal activities
	%	%	
ECM Libra Partners Sdn. Bhd.	**100**	100	Provision of credit services
ECML Hotels Sdn. Bhd.	**100**	100	Business of operating hotels
Ormond Group Sdn. Bhd.	**100**	100	Investment holding and provision of business management consultancy services

18. INVESTMENT IN JOINT VENTURES

	Note	Group 2020	Group 2019	Company 2020	Company 2019
		RM'000	RM'000	RM'000	RM'000
At cost					
Unquoted shares in Malaysia		**30,809**	30,809	**30,088**	30,088
Unquoted shares outside Malaysia		**37,256**	34,571	**4,058**	4,058
Cost of investment		**68,065**	65,380	**34,146**	34,146
Share of post-acquisition reserves		**(2,932)**	333	**-**	-
Impairment losses	6	**-**	-	**(2,278)**	-
Exchange differences		**(231)**	49	**-**	-
		64,902	65,762	**31,868**	34,146

Impairment loss recognised in the Company's profit or loss in current financial year of RM2,278,00 relates to investment in Tune Plato Ventures Sdn Bhd ("TPV") due to continuing losses and depleting shareholders' funds. The recoverable amount estimated by management based on VIU was RM3,722,000 which was based on shareholders' funds of TPV as at 31 December 2020.

Name of Company	Principal place of business	Effective Percentage of Ownership 2020	2019	Principal Activities
		%	%	
OHG Services Sdn. Bhd.	Malaysia	**50**	50	Construct, manage and operate a hotel
Ormond Lifestyle Services Sdn. Bhd.	Malaysia	**50**	50	Operate restaurant, food caterer and food specialist businesses

18. INVESTMENT IN JOINT VENTURES (continued)

Name of Company	Principal place of business	Effective Percentage of Ownership 2020 %	2019 %	Principal Activities
Held through Ormond Lifestyle Services Sdn. Bhd. and/or its subsidiaries:				
- Prompt Business Sdn. Bhd.	Malaysia	**-**	30	In Member's Voluntary Liquidation on 26 November 2020
- Asiana Ventures Sdn. Bhd.	Malaysia	**25.5**	25.5	Investment holding
- Firma Atasan Sdn. Bhd. *	Malaysia	**-**	15	Disposed during the year
TP International Pty Ltd ATF TP Hotel (Flinders) Trust	Australia	**50**	50	Trustee for TP Hotel (Flinders) Trust
TP Hotel (Flinders) Trust	Australia	**40.005**	40.005	Property investments holding
Ormond Group Pte. Ltd.	Singapore	**50**	50	Provision of hospitality businesses
Tune Plato Ventures Sdn. Bhd.	Malaysia	**50**	50	Investment holding
Held through Tune Plato Ventures Sdn. Bhd. and/or its subsidiaries:				
- LSA Ventures Sdn. Bhd.	Malaysia	**50**	50	Investment holding
- Subhome Management Sdn. Bhd. *	Malaysia	**-**	25	Disposed during the year

* Not audited by member firms of Ernst & Young PLT.

The Group's interest in the joint ventures is accounted for using the equity method in the consolidated financial statements. All entities prepared their financial statements in accordance with International Financial Reporting Standards. The financial statements of the joint ventures are prepared as of the same reporting date of the Company. The functional currency of TP International Pty Ltd and TP Hotel (Flinders) Trust is Australian Dollars, whereas for Ormond Group Pte. Ltd. is Singapore Dollars. The functional currency of all other entities is Ringgit Malaysia.

18. INVESTMENT IN JOINT VENTURES (continued)

The following table summarises the information of the Group's joint ventures, adjusted for any differences in accounting policies and reconciles the information to the carrying amount of the Group's interest in joint ventures:

2020 Group	Ormond Group Pte. Ltd.	OHG Services Sdn. Bhd.	Ormond Lifestyle Services Sdn. Bhd. Group	TP International Pty Ltd	TP Hotel (Flinders) Trust	Tune Plato Ventures Sdn. Bhd. Group	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Summarised statement of financial position							
Non-current assets	**-**	**56,958**	**24,261**	**-**	**70,351**	**7,570**	**159,140**
Current assets	**-**	**4,355**	**1,203**	**459**	**4,869**	**19**	**10,905**
Non-current liabilities	**-**	**(24,990)**	**(106)**	**-**	**(82,367)**	**-**	**(107,463)**
Current liabilities	**(40)**	**(5,679)**	**(1,226)**	**(1,038)**	**(2,178)**	**(19)**	**(10,180)**
Non-controlling interests	**-**	**-**	**(16,850)**	**-**	**-**	**-**	**(16,850)**
Total equity	**(40)**	**30,644**	**7,282**	**(579)**	**(9,325)**	**7,570**	**35,552**
Total equity	**(40)**	**30,644**	**7,282**	**(579)**	**(9,325)**	**7,570**	**35,552**
Group's share in equity (%)	**50%**	**50%**	**50%**	**50%**	**40.005%**	**50%**	
Group's share in equity	**(20)**	**15,322**	**3,641**	**(290)**	**(3,730)**	**3,785**	**18,708**
Advances owing by joint venture company	**34**	**-**	**-**	**213**	**32,951**	**-**	**33,198**
Carrying amount of fair valuation on net assets (a)	**-**	**7,937**	**-**	**-**	**1,538**	**-**	**9,475**
Goodwill	**-**	**-**	**-**	**100**	**3,421**	**-**	**3,521**
Carrying amount in the statement of financial position	**14**	**23,259**	**3,641**	**23**	**34,180**	**3,785**	**64,902**
2019							
Summarised statement of financial position							
Non-current assets	-	62,006	519	-	65,413	17,295	145,233
Current assets	-	11,521	3,894	246	7,934	1,711	25,306
Non-current liabilities	-	(27,684)	(124)	-	(76,273)	-	(104,081)
Current liabilities	(24)	(10,227)	(831)	(636)	(3,793)	(271)	(15,782)
Non-controlling interests	-	-	-	-	-	(8,728)	(8,728)
Total equity	(24)	35,616	3,458	(390)	(6,719)	10,007	41,948

18. INVESTMENT IN JOINT VENTURES (continued)

2019 Group	Ormond Group Pte. Ltd.	OHG Services Sdn. Bhd.	Ormond Lifestyle Services Sdn. Bhd. Group	TP International Pty Ltd	TP Hotel (Flinders) Trust	Tune Plato Ventures Sdn. Bhd. Group	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Total equity	(24)	35,616	3,458	(390)	(6,719)	10,007	41,948
Group's share in equity (%)	50%	50%	50%	50%	40.005%	50%	
Group's share in equity	(12)	17,808	1,729	(195)	(2,688)	5,004	21,646
Advances owing by joint venture company	-	-	-	-	30,513	-	30,513
Carrying amount of fair valuation on net assets (a)	-	8,544	-	-	1,538	-	10,082
Goodwill	-	-	-	100	3,421	-	3,521
Carrying amount in the statement of financial position	(12)	26,352	1,729	(95)	32,784	5,004	65,762

(a) Included in the carrying amount of fair valuation on net assets is the fair value of an identified intangible asset, which is prepaid lease of RM7,937,000 (2019: RM8,544,000) and freehold land of RM1,538,000 (2019: RM1,538,000). The prepaid lease is related to a concession agreement and is amortised on a straight-line basis over the remaining concession period, commencing from the date of acquisition on 16 May 2018 to 31 January 2034. The amortisation charge for the financial year ended 31 December 2020 is RM607,000 (2019: RM607,000). Freehold land is not depreciated.

2020 Group	Ormond Group Pte. Ltd.	OHG Services Sdn. Bhd.	Ormond Lifestyle Services Sdn. Bhd.	TP International Pty Ltd	TP Hotel (Flinders) Trust	Tune Plato Ventures Sdn. Bhd. Group	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Included in the assets and liabilities are:							
Cash and cash equivalents	**-**	**2,287**	**8,256**	**337**	**1,886**	**10**	**12,776**
Current financial liabilities (excluding trade and other payables and provisions)	**-**	**(4,888)**	**(186)**	**-**	**-**	**-**	**(5,074)**
Non-current financial liabilities (excluding trade and other payables and provisions)	**-**	**(27,816)**	**(106)**	**-**	**-**	**-**	**(27,922)**

18. INVESTMENT IN JOINT VENTURES (continued)

2020 Group	Ormond Group Pte. Ltd. RM'000	OHG Services Sdn. Bhd. RM'000	Ormond Lifestyle Services Sdn. Bhd. RM'000	TP International Pty Ltd RM'000	TP Hotel (Flinders) Trust RM'000	Tune Plato Ventures Sdn. Bhd. Group RM'000	Total RM'000
Summarised statement of comprehensive income							
(Loss)/profit, representing total comprehensive (loss)/ income for the year	**(16)**	**(4,972)**	**1,409**	**(130)**	**(1,985)**	**(20)**	**(5,714)**
Included in the total comprehensive (loss)/ income are:							
Revenue	**-**	**14,747**	**3,099**	**-**	**-**	**-**	**17,846**
Depreciation and amortisation	**-**	**(5,352)**	**(327)**	**-**	**(1)**	**-**	**(5,680)**
Interest income	**-**	**-**	**-**	**-**	**273**	**-**	**273**
Interest expense	**-**	**(1,640)**	**-**	**-**	**-**	**-**	**(1,640)**
Income tax expense	**-**	**8**	**-**	**-**	**-**	**-**	**8**
Group's share of results							
Group's share of profit or loss	**(8)**	**(3,093)**	**705**	**(65)**	**(794)**	**(10)**	**(3,265)**
Capital commitment							
Share of capital commitment	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2019							
Included in the assets and liabilities are:							
Cash and cash equivalents	-	7,235	2,130	242	5,135	1,642	16,384
Current financial liabilities (excluding trade and other payables and provisions)	-	(3,952)	(98)	-	-	-	(4,050)
Non-current financial liabilities (excluding trade and other payables and provisions)	-	(27,684)	(124)	-	-	-	(27,808)
Summarised statement of comprehensive income							
(Loss)/profit, representing total comprehensive (loss)/ income for the year	(24)	2,158	1,197	(120)	(3,786)	(1,396)	(1,971)

18. INVESTMENT IN JOINT VENTURES (continued)

2019 Group	Ormond Group Pte. Ltd. RM'000	OHG Services Sdn. Bhd. RM'000	Ormond Lifestyle Services Sdn. Bhd. RM'000	TP International Pty Ltd RM'000	TP Hotel (Flinders) Trust RM'000	Tune Plato Ventures Sdn. Bhd. Group RM'000	Total RM'000
Included in the total comprehensive (loss)/ income are:							
Revenue	-	37,820	7,788	-	-	-	45,608
Depreciation and amortisation	-	(4,998)	(229)	-	(1)	(66)	(5,294)
Interest income	-	74	23	-	124	49	270
Interest expense	-	(2,522)	-	-	-	-	(2,522)
Income tax expense	-	(1,126)	(341)	-	-	(41)	(1,508)
Share of loss of joint ventures	-	-	-	-	-	(793)	-
Group's share of results							
Group's share of profit or loss	(12)	473	599	(60)	(1,514)	(698)	(1,212)
Capital commitment							
Share of capital commitment	-	-	-	-	-	405	405

19. OTHER INVESTMENTS

	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Non-current				
At fair value through profit or loss:				
Unit trust fund in Malaysia	**-**	20,958	**-**	20,958
At fair value through OCI:				
Quoted shares in Malaysia	**203**	251	**203**	251
Unquoted investment in Malaysia	**8,450**	13,789	**8,450**	13,789
Unquoted investment outside Malaysia	**6,835**	6,383	**6,835**	6,383
	15,488	41,381	**15,488**	41,381

20. TRADE AND OTHER RECEIVABLES

	Note	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Non-current					
Amount due from joint ventures		**-**	-	**33,198**	30,513
Current					
Trade receivables	20.1	**857**	182	**-**	-
Allowance for expected credit losses	20.1	**(67)**	-	**-**	-
		790	182	**-**	-
Loans to subsidiaries	20.2	**-**	-	**-**	3,428
Amounts due from subsidiaries	20.3	**-**	-	**-**	20,027
Interest receivables		**3**	81	**1**	80
Deposits		**785**	94	**97**	94
Other receivables	20.4	**254**	25,288	**200**	279
Prepayments		**475**	234	**91**	62
		2,307	25,879	**389**	23,970
Allowance on expected credit losses on other receivables	20.4	**(23)**	(43)	**-**	-
		2,284	25,836	**389**	23,970

20.1 Trade receivables

Trade receivables are unsecured, interest free and are on 30 days terms. Other credit terms are assessed and approved on a case-by-case basis. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

The Group has no significant concentration of credit risk that may arise from exposures to a single debtor or to group of debtors.

The aging analysis of the Group's trade receivables is as follows:

	Group 2020 RM'000	Group 2019 RM'000
Neither past due nor impaired	**393**	170
1 to 30 days past due not impaired	**75**	-
31 to 60 days past due not impaired	**52**	11
61 to 90 days past due not impaired	**55**	-
91 to 120 days past due not impaired	**155**	-
More than 121 days past due not impared	**60**	1
	397	12
Impaired	**67**	-
	857	182

20. TRADE AND OTHER RECEIVABLES (continued)

20.1 Trade receivables (continued)

Movement in allowance account:

	Group	
	2020	**2019**
	RM'000	**RM'000**
At 1 January	**-**	-
Allowance for the year	**67**	-
At 31 December	**67**	-

20.2 Loans to subsidiaries

Loans to subsidiaries in the previous financial year were unsecured, subject to an average interest rate of 6.07% per annum and were repayable on demand.

The loans has been capitalised as part of investment in subsidiaries during the financial year as diclosed in Note 17.

20.3 Amounts due from subsidiaries

Included in amounts due from subsidiaries in the previous financial year was an amount owing from ECML Hotels Sdn. Bhd. of RM20,022,000 for payments made on behalf in lieu of renovation costs and RM5,000 owing from Ormond Group Sdn. Bhd. for payments made on behalf in lieu of incorporation expenses.

The amounts due from subsidiaries were unsecured, interest free and repayable on demand.

The amounts has been capitalised as part of investment in subsidiaries during the financial year as disclosed in Note 17.

20.4 Other receivables

Included in the other receivables in the previous financial year was an amount due from OMT Hotels Sdn. Bhd. ("OMT") of RM23,015,000 for renovation works on the Chow Kit, an Ormond Hotel and Momo's Kuala Lumpur. In the event the conditional sale and purchase agreement is terminated, OMT shall reimburse the renovation costs paid up to the date of termination within 3 business days after receiving a notice of demand, failing which OMT shall pay interest on the renovation costs then outstanding at the rate of 8% per annum calculated on a daily basis from the first day immediately after the expiry of the said period until the date the renovation costs are fully paid.

The renovation works have been completed in the current financial year and constitutes as part of the business combinations as disclosed in Note 37.

Movement in allowance account:

	Group	
	2020	**2019**
	RM'000	**RM'000**
At 1 January	**43**	-
Allowance for the year	**-**	43
Reversal of expected credit loss	**(20)**	-
At 31 December	**23**	43

21. CONTRACT BALANCES

	Group	
	2020	2019
	RM'000	RM'000
Contract assets from room rental	**77**	16
Contract liabilities from room rental	**(131)**	(81)

Contract assets are initially recognised for revenue earned from rental of hotel rooms as receipt of consideration is payable upon check-out by the room guests. Upon check-out by room guests, amount recognised as contract assets are reclassified to trade receivables.

Contract liabilities are initially recognised when a customer pays consideration, or is contractually required to pay consideration, before the Group recognises the related revenue.

Set out below is the amount of revenue recognised from:

	Group	
	2020	2019
	RM'000	RM'000
Amounts included in contract liabilities at the beginning of the year	**81**	23

The transaction price allocated to the remaining performance obligations (unsatisfied and partially unsatisfied) as at 31 December are as follows:

Within one year	**(131)**	(81)

22. LOANS, ADVANCES AND FINANCING

	Group	
	2020	2019
	RM'000	RM'000
Term loans, representing gross loans, advances and financing	**5,738**	5,738

The loans, advances and financing to a customer is due within one year and the interest charge on the term loan is at a fixed interest rate of 8.5% per annum (2019: 8.5% per annum). The loans, advances and financing are secured by unquoted and quoted equity instruments.

23. CASH AND BANK BALANCES AND DEPOSITS WITH FINANCIAL INSTITUTIONS

		Group		Company	
	Note	2020	2019	2020	2019
		RM'000	RM'000	RM'000	RM'000
Cash and bank balances	23.1	**12,399**	1,874	**10,645**	157
Deposits placements with licensed financial institutions maturing within three months		**4,190**	54,114	**2,340**	53,701
		16,589	55,988	**12,985**	53,858
Weighted average effective interest rate (%)		**1.86%**	3.30%	**1.83%**	3.30%
Weighted average maturity period (days)		**12**	12	**16**	12

23.1 The amounts which are restricted in usage and do not form part of cash and cash equivalents are as follows:

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Monies held in Debt Service Reserve Accounts ("DSRA")	477	-	-	-

The Group is required to maintain a deposit in the DSRA with the lender equivalent to three months interest payment payable at all times as part of the conditions of the revolving credit facility, as disclosed in Note 24(b)(iii).

24. LOANS AND BORROWINGS

	Group	
	2020	2019
	RM'000	RM'000
Current		
Secured term loan	**542**	-
Secured revolving credit	**20,212**	-
	20,754	-
Non-current		
Secured term loan	**18,411**	18,947
	39,165	18,947

As at the reporting date, the weighted average effective rates for loans and borrowings, were as follows:

	Group	
	2020	2019
	RM'000	RM'000
Term loan - floating rates	**5.07%**	5.97%
Revolving credit - floating rates	**4.26%**	-

24. LOANS AND BORROWINGS (continued)

The remaining maturities as at the reporting date were as follows:

	Group	
	2020	**2019**
	RM'000	**RM'000**
On demand or within one year	**20,754**	-
More than 1 year and less than 2 years	**2,282**	3,158
More than 2 years and less than 5 years	**7,725**	8,120
More than 5 years	**8,404**	7,669
	39,165	18,947

(a) Term loan

The term loan is secured by:

(i) a first party legal charge over Tune Hotel Penang;

(ii) a first party deed of assignment on all rights and title, interest and benefits of Tune Hotel Kota Kinabalu;

(iii) a specific debenture over Tune Hotel Penang and Tune Hotel Kota Kinabalu (collectively to be referred to as "the Properties") together with present and future fixtures and fittings on the Properties; and

(iv) a corporate guarantee from the Company.

(b) Revolving credit

The revolving credit is secured by:

(i) a first party specific debenture over Tune Hotel Danga Bay, the Chow Kit, an Ormond Hotel and Momo's Kuala Lumpur with an open air car park (collectively to be referred to as "the Properties 2")

(ii) a first party legal charge over the Properties 2;

(iii) charge and assignment of Debt Service Reserve Account and the credit balances therein;

(iv) an assignment over insurance assigning all of its rights, titles, interests and benefits in and under the insurance proceed in relation to the Properties 2; and

(v) a corporate guarantee from the Company.

25. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

Group	Revolving credit RM'000	Term loan RM'000	Total RM'000
At 1 January 2019	-	9,941	9,941
Drawdown	-	9,000	9,000
Transaction cost	-	6	6
At 31 December 2019/1 January 2020	-	18,947	18,947
Drawdown	**20,207**	**-**	**20,207**
Transaction cost	**5**	**6**	**11**
At 31 December 2020	**20,212**	**18,953**	**39,165**

26. TRADE AND OTHER PAYABLES

		Group		Company	
	Note	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Trade payables	26.1	**662**	3,101	**-**	-
Advance deposits		**56**	-	**-**	-
Accrued expenses		**2,212**	437	**183**	428
Retention sum for renovation works		**587**	559		-
Other payables		**925**	1,697	**128**	95
		4,442	5,794	**311**	523

26.1 Trade payables are non-interest bearing and the normal credit terms granted to the Group range from 30 to 60 days (2019: 30 to 60 days).

27. SHARE CAPITAL

Group and Company	Number of shares 2020 units '000	Amount 2020 RM'000	Number of shares 2019 units '000	Amount 2019 RM'000
Issued and fully paid-up	**479,926**	**107,546**	479,926	107,546

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

28. RESERVES

	Note	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Non-distributable					
Fair value through other comprehensive income	28.1	**(7,207)**	(1,823)	**(6,989)**	(1,605)
Foreign currency translation differences	28.2	**1,148**	(1,010)	**-**	-
		(6,059)	(2,833)	**(6,989)**	(1,605)

28.1 Fair value through other comprehensive income represents unrealised losses arising from changes in the fair value of financial assets recognised through other comprehensive income.

28.2 Foreign currency translation differences comprises foreign currency translation arising from the translation of the financial statements of foreign operations.

29. COMMITMENTS

	Group 2020 RM'000	Group 2019 RM'000
Approved and contracted for		
Proposed acquisition of Tune Hotel KLIA Aeropolis	**-**	833
Proposed acquisition of Tune Hotel Danga Bay	**-**	16,450
Proposed acquisition of the Chow Kit, an Ormond Hotel and MoMo's Kuala Lumpur	**-**	45,590
Property, plant and equipment	**-**	7,017
Joint venture		
Share of capital commitment of joint venture	**-**	405

30. FINANCIAL GUARANTEES

The Company provided corporate guarantees to certain financial institutions for total of RM59,000,000 (2019: RM19,000,000) loans and borrowings taken by a subsidiary. The Company assessed and regarded that the credit enhancements provided by these guarantees are minimal. As such, the Company did not ascribe any values to these corporate guarantees.

31. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) Related parties and relationships

The related parties of, and their relationships (other than those disclosed in Note 20 and Note 26) with the Group and the Company are as follows:

Related parties	Relationships
Key management personnel	All Directors of the Company and members of management committee who make critical decisions in relation to the strategic direction of the Group and of the Company.
Related parties of key management personnel (deemed as related to the Group)	Close family members and dependents of key management personnel and entities that are controlled or significantly influenced by, or for which significant voting power in such entities reside with, directly or indirectly, by key management personnel or their close family members.

(b) Significant related party transactions and balances

Related party transactions have been entered into in the normal course of business under normal trade terms. The significant related party transactions of the Group and of the Company other than those disclosed elsewhere in the financial statements are as follows:

	Group		Company	
	2020	**2019**	**2020**	**2019**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Income/(expenses):				
Interest income from subsidiaries	**-**	-	**-**	1,571
Loan administrative income received from a subsidiary	**-**	-	**120**	50
Payment of lease liability charged by a related party	**(426)**	(204)	**(204)**	(204)

(c) Compensation of Directors and key management personnel

The remuneration of Directors and other members of key management for the financial year was as follows:

	Group		Company	
	2020	**2019**	**2020**	**2019**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Fees and meeting allowances	**151**	269	**151**	259
Short-term employee benefits	**477**	2,220	**330**	2,220
Defined contribution plan	**68**	333	**50**	333
	696	2,822	**531**	2,812

31. SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

(c) Compensation of Directors and key management personnel (continued)

Included in the total compensation of Directors and key management personnel are:

	Note	Group 2019 RM'000	Group 2018 RM'000	Company 2019 RM'000	Company 2018 RM'000
Directors' remuneration	8	696	2,822	531	2,812

32. SEGMENTAL REPORTING

The Group's reportable operating segments are identified based on business units which are engaged in providing different services and products, as follows:

(a) Investment holding - general investments and corporate related activities.

(b) Structured financing - structured lending and financial services related activities.

(c) Hospitality - management and operations of hotels and restaurant and investment in hospitality related business through joint ventures.

(d) Fund management - unit trust funds and asset management

In the previous financial year ended 31 December 2019, the Company entered into a conditional share purchase agreement with Kenanga Investors Berhad for the proposed disposal of the entire equity interest in Libra Invest Berhad, which was the business unit engaged in fund management. The sale was completed on 8 July 2019. Consequently, the fund management segment was presented as discontinued operation in prior year.

2020 Group	Continuing operations			
	Investment holding RM'000	**Structured financing RM'000**	**Hospitality RM'000**	**Total RM'000**
Revenue	**756**	**586**	**10,944**	**12,286**
Changes in inventories	**-**	**-**	**187**	**187**
Purchase of inventories	**-**	**-**	**(1,422)**	**(1,422)**
Other income	**23**	**5**	**1,811**	**1,839**
Impairment losses	**-**	**-**	**(7,623)**	**(7,623)**
Operating expenses	**(2,017)**	**(130)**	**(20,753)**	**(22,900)**
Operating (loss)/profit	**(1,238)**	**461**	**(16,856)**	**(17,633)**
Finance costs	**(22)**	**-**	**(1,691)**	**(1,713)**
Share of results of joint ventures	**-**	**-**	**(3,265)**	**(3,265)**
(Loss)/profit before tax	**(1,260)**	**461**	**(21,812)**	**(22,611)**
Income tax credit/(expense)	**12**	**(95)**	**1,070**	**987**
(Loss)/profit after tax	**(1,248)**	**366**	**(20,742)**	**(21,624)**
Total assets	**94,651**	**7,762**	**123,212**	**225,625**
Total liabilities	**598**	**8**	**47,344**	**47,950**

32. SEGMENTAL REPORTING (continued)

2020 Group	Continuing operations: Investment holding RM'000	Structured financing RM'000	Hospitality RM'000	Total RM'000
Other information				
Included in the (loss)/profit after tax are:				
- Interest income	**627**	**528**	**9**	**1,164**
- Gain on bargain purchase	**-**	**-**	**1,265**	**1,265**
- Depreciation and amortisation	**(394)**	**-**	**(2,094)**	**(2,488)**
Investment in joint ventures	**-**	**-**	**64,902**	**64,902**
Capital expenditure	**5**	**-**	**95,988**	**95,993**

	Continuing operations				Discontinued operation	
2019 Group	**Investment holding RM'000**	**Structured financing RM'000**	**Hospitality RM'000**	**Sub-total RM'000**	**Fund management RM'000**	**Total RM'000**
Revenue	1,606	2,131	8,006	11,743	6,251	17,994
Changes in inventories	-	-	(62)	(62)	-	(62)
Purchase of inventories	-	-	(567)	(567)	-	(567)
Other income	68	11	953	1,032	35,049	36,081
Operating expenses	(7,920)	(87)	(6,930)	(14,937)	(5,653)	(20,590)
Operating (loss)/profit	(6,246)	2,055	1,400	(2,791)	35,647	32,856
Finance costs	(32)	-	(985)	(1,017)	-	(1,017)
Share of results of joint ventures	-	-	(1,212)	(1,212)	-	(1,212)
(Loss)/profit before tax	(6,278)	2,055	(797)	(5,020)	35,647	30,627
Income tax expense	(18)	(177)	-	(195)	(98)	(293)
(Loss)/profit after tax	(6,296)	1,878	(797)	(5,215)	35,549	30,334
Total assets	97,021	7,464	123,470	227,955	-	227,955
Total liabilities	1,006	17	24,407	25,430	-	25,430
Other information						
Included in the (loss)/profit after tax are:						
- Interest income	466	1,904	-	2,370	-	2,370
- Gain on bargain purchase	-	-	808	808	-	808
- Depreciation and amortisation	(389)	-	(270)	(659)	(176)	(835)
Investment in joint ventures	-	-	65,762	65,762	-	65,762
Capital expenditure	716	-	10,029	10,745	-	10,745

33. FINANCIAL INSTRUMENTS

33.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

(i) Financial assets measured at amortised cost ("FA")
(ii) Financial assets at fair value through other comprehensive income ("FVOCI");
(iii) Financial assets at fair value through profit or loss ("FVTPL"); and
(iv) Financial liabilities measured at amortised cost ("FL").

Group	Carrying amount	FA/ (FL)	FVTPL	FVOCI
	RM'000	RM'000	RM'000	RM'000
2020				
Financial assets				
Cash and bank balances and deposits with financial institutions	**16,589**	**16,589**	**-**	**-**
Other investments	**15,488**	**-**		**15,488**
Loans, advances and financing	**5,738**	**5,738**	**-**	**-**
Trade and other receivables excluding prepayments	**1,809**	**1,809**	**-**	**-**
	39,624	**24,136**	**-**	**15,488**
Financial liabilities				
Trade and other payables	**(4,442)**	**(4,442)**	**-**	**-**
Loans and borrowings	**(39,165)**	**(39,165)**	**-**	**-**
Lease liabilities	**(4,202)**	**(4,202)**	**-**	**-**
	(47,809)	**(47,809)**	**-**	**-**
2019				
Financial assets				
Cash and bank balances and deposits with financial institutions	55,988	55,988	-	-
Other investments	41,381	-	20,958	20,423
Loans, advances and financing	5,738	5,738	-	-
Trade and other receivables excluding prepayments	25,602	25,602	-	-
	128,709	87,328	20,958	20,423
Financial liabilities				
Trade and other payables	(5,794)	(5,794)	-	-
Loans and borrowings	(18,947)	(18,947)	-	-
Lease liabilities	(537)	(537)	-	-
	(25,278)	(25,278)	-	-

33. FINANCIAL INSTRUMENTS (continued)

33.1 Categories of financial instruments (ccontinued)

Company	Carrying amount RM'000	FA/ (FL) RM'000	FVTPL RM'000	FVOCI RM'000
2020				
Financial assets				
Cash and bank balances and deposits with financial institutions	**12,985**	**12,985**	**-**	**-**
Other investments	**15,488**	**-**	**-**	**15,488**
Trade and other receivables excluding prepayments	**33,496**	**33,496**	**-**	**-**
	61,969	**46,481**	**-**	**15,488**
Financial liabilities				
Trade and other payables	**(311)**	**(311)**	**-**	**-**
Lease liabilities	**(276)**	**(276)**	**-**	**-**
	(587)	**(587)**	**-**	**-**
2019				
Financial assets				
Cash and bank balances and deposits with financial institutions	53,858	53,858	-	-
Other investments	41,381	-	20,958	20,423
Trade and other receivables excluding prepayments	54,421	54,421	-	-
	149,660	108,279	20,958	20,423
Financial liabilities				
Trade and other payables	(523)	(523)	-	-
Lease liabilities	(459)	(459)	-	-
	(982)	(982)	-	-

33.2 Determination of fair value

The carrying amounts of cash and bank balances and deposits with financial institutions, loans, advances and financing, trade and other receivables, loans and borrowings and payables reasonably approximate their fair values due to the relatively short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

For financial assets measured at fair value, where available, quoted and observable market prices in an active market or dealer price quotations are used to measure fair value. These include listed equity securities, prices quoted by independent data providers and independent broker quotations.

Where such quoted and observable market prices are not available, fair values are determined using appropriate valuation techniques, which include the use of discounted cash flow models ("DCF") and market comparison method performed by external independent valuer.

33. FINANCIAL INSTRUMENTS (continued)

33.2 Determination of fair value (continued)

The valuation techniques used incorporate assumptions regarding the discount rate, estimates of future cash flows and other factors, as applicable. Changes in these assumptions could materially affect the fair value derived. The Group and the Company generally use widely recognised valuation techniques with market observable inputs, if available, for the determination of fair value, which require minimal management judgment and estimation, due to the low complexity of the financial assets held.

The comparison method seeks to determine the value of property by comparing and adopting as a yardstick, recent transactions and prices involving other similar properties in the vicinity. Due consideration is given for such factors including property type, location, plot size and permitted/licenced uses of the property. The comparison method of valuation entails separate valuations of the land and buildings to arrive at the market value of the subject property. The yardstick applied by the Group and the Company is the price per square foot.

The significant unobservable input is the adjustment of the price per square foot for factors specific to the properties of the joint ventures and subsidiaries within the Group and the Company. The extent and direction of this adjustment depends on the number and characteristics of the observable market transactions in similar properties that are used as the starting point for valuation. Although this input is a subjective judgment, management considers that the overall valuation would not be materially affected by reasonably possible alternative assumptions.

Fair value measurement

The following table shows the Group's and the Company's financial instruments which are measured at fair value at the reporting date analysed by the various levels within the fair value hierarchy:

Group and Company	**Level 1**	**Level 2**	**Level 3**	**Total**
2020	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Financial assets				
Financial assets at fair value through other comprehensive income				
- Quoted shares	**203**	**-**	**-**	**203**
- Unquoted investments	**-**	**-**	**15,285**	**15,285**
	203	**-**	**15,285**	**15,488**
2019				
Financial assets				
Financial assets at fair value through other comprehensive income				
- Quoted shares	251	-	-	251
- Unquoted investments	-	-	20,172	20,172
Financial assets at fair value through profit or loss				
- Unit trust fund	-	20,958	-	20,958
	251	20,958	20,172	41,381

Transfers between Level 1 and Level 2 fair values

There were no transfer between Level 1 and Level 2 of the fair value hierarchy during the financial year (2019: no transfer in either directions).

33. FINANCIAL INSTRUMENTS (continued)

33.2 Determination of fair value (continued)

Fair value measurement (continued)

Level 3 fair value

The following table shows a reconciliation of Level 3 fair values:

Group and Company	**2020 RM'000**	**2019 RM'000**
Unquoted investments		
At 1 January	**20,172**	20,700
Purchases	**450**	451
Fair value loss recognised in other comprehensive income	**(5,337)**	(979)
At 31 December	**15,285**	20,172

The fair value of unquoted equity investments have been estimated using comparison method for investments that derive the significant majority of their value from underlying property holdings and DCF techniques for all other investments.

The DCF model under income approach incorporates the following unobservable inputs: the forecast cash flows, the cost of capital, long term growth rates and long term operating margins.

The table below illustrates the impact on the fair value arising from the key unobservable inputs.

Sensitivity analysis

Group and Company	**Other comprehensive income**	
2020	**Increase RM'000**	**Decrease RM'000**
Cost of capital (0.5% movement)	**(164)**	**180**
Long term growth rate (0.5% movement)	**199**	**(182)**
Long term operating margin (1.0% movement)	**81**	**(81)**
Price per square foot (0.5% movement)	**34**	**(34)**
2019		
Cost of capital (0.5% movement)	(119)	129
Long term growth rate (0.5% movement)	145	(133)
Long term operating margin (1.0% movement)	74	(74)
Price per square foot (0.5% movement)	126	(126)

The estimated fair value would increase/(decrease) if the long term growth rate, long term operating margin or price per square foot is higher/(lower). The estimated fair value would (decrease)/increase if the cost of capital were higher/(lower).

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to a variety of financial risks, which include credit risk, market risk and liquidity risk.

The Board of Directors is responsible for managing the Group's and the Company's financial risks and has appointed the Board of Audit and Risk Management Committee ("BARMC") to oversee the effectiveness of the Group's and the Company's risk management policies and processes.

The Group's and the Company's overall risk management is carried out through internal control processes and is being separately set out below to reflect the substantial component of the Group's and the Company's financial risks.

Credit risk

Credit risk is the risk of a financial loss if a customer, borrower or counterparty to a financial instrument fails to meet its contractual financial obligations.

The Group's exposure to credit risk arises principally from its operating activities (primarily trade and other receivables) and from its lending activities. The Company's exposure to credit risk arises principally from advances to subsidiaries and financial guarantee given to bank for credit facilities granted to a subsidiary.

(a) Trade receivables and contract assets

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. At each reporting date, the Group assesses whether any of the trade receivables and contract assets are credit impaired.

The gross carrying amounts of credit impaired trade receivables and contract assets are written off (either partially or fully) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables and contract assets that are written off could still be subject to enforcement activities.

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables and contract assets are represented by the carrying amounts in the statement of financial position.

The Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial instruments.

Recognition and measurement of impairment loss

Trade receivables are non-interest bearing and are on 30 days terms. Other credit terms are assessed and approved on a case-by case basis.

The Group and the Company apply a simplified approach in calculating expected credit losses ("ECLs") and uses a provision matrix to calculate the ECLs for trade and other receivables, and contract assets. Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 20.

(b) Loans, advances and financing

The Group manages credit risk arising from loans, advances and financing by undertaking credit evaluation to minimise such risk.

- Lending to individuals

  The credit granting to individuals is individually underwritten, which amongst others, includes the assessment of the historical repayment track record, the current repayment capacity of the customers, types of facilities and collaterals offered. The credit approving authority has the responsibility to ensure that credit risk is properly assessed and all crucial credit information of the customers, types of facilities and collaterals offered are included in the loan application.

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

(b) Loans, advances and financing (continued)

- Lending to corporate customers

  Credit granting to corporate customers is individually underwritten. Credit officers identify and assess the credit risks of the corporate customers, taking into consideration their financial and business profiles, industry and economic factors, or other credit supports.

As at the end of the reporting period, the maximum exposure to credit risk arising from loans, advances and financing are represented by the carrying amounts in the statement of financial position.

Recognition and measurement of impairment loss

The Group uses three categories of internal credit risk ratings for loans, advances and financing which reflect their credit risk and how the ECL allowance is determined for each of those categories. These internal credit risk ratings reflect probability-weighted outcomes, the time value of money and other reasonable and supportable assumptions based on information that is available without undue cost or effort at the reporting date about past events, current conditions and other forward looking factors.

As at the end of the reporting period, the maximum exposure to credit risk arising from loans, advances and financing is represented by their carrying amounts in the statement of financial position. An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to loans, advances and financing, is as follows:

Group	**Stage 3** **RM'000**
Gross carrying amount as at 1 January 2019	57,903
Interest income	1,894
Repayments	(54,059)
At 31 December 2019/1 January 2020	5,738
Interest income	**489**
Repayments	**(489)**
At 31 December 2020	**5,738**
Allowance for ECL as at 31 December 2020 and 2019	-

(i) Expected credit losses

For all loans, advances and financing that were considered individually significant, the Group assessed on a case-by-case basis at each reporting date whether there has been a significant increase in credit risk. Loans that experience a significant increase in credit risk are transferred from Stage 1 to either Stage 2 or Stage 3. The criteria that the Group use to determine that there was objective evidence of impairment include:

- The principal or interest or both was past due for more than 90 days or 3 months; and/or
- The amount was past due or the outstanding amount has been in excess of the approved limit for 90 days or 3 months or less, whereby the facility or borrower exhibits credit quality weaknesses arising from the Group's internal credit risk assessment.

At the reporting date, all loans are classified as Stage 3 (2019: Stage 3).

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

(b) Loans, advances and financing (continued)

Recognition and measurement of impairment loss (continued)

(ii) The credit risk of financial assets of the Group is mitigated by the collateral held against the financial assets. At the reporting date, the value of the collateral held by the Group exceeds the carrying amount of the loans, advances and financing.

(iii) Repossessed collateral

These are assets obtained by taking possession of collateral held as security against loans, advances and financing.

Repossessed collaterals are sold as soon as practicable. Repossessed collaterals are recognised in other assets on the statements of financial position. At the reporting date, there was no repossessed collateral.

(c) Financial guarantees

The Company provides unsecured financial guarantees to commercial banks in respect of banking facilities granted to a subsidiary. The Company monitors the ability of the subsidiary to service its loan regularly.

The maximum exposure to credit risk amounts to RM59,000,000 (2019: RM19,000,000) representing the outstanding banking facilities of the subsidiary as at the end of the reporting period. The financial guarantee is provided as credit enhancements to the subsidiary's secured loan.

Recognition and measurement of impairment loss

The Company assumes that there is significant increase in credit risk when a subsidiary's financial position deteriorates significantly. The Company considers a financial guarantee to be credit impaired when the subsidiary is unlikely to repay its credit obligation to the bank in full or the subsidiary is continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default of the guaranteed loans individually using internal information available. At the reporting date, there was no allowance for impairment in respect of financial guarantees.

Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices that will affect the Group's and the Company's financial position or cash flows.

(a) Equity price risk

Equity price risk arises from the Group's and the Company's investments in equity securities.

Management of the Group monitors the equity investments on a portfolio basis. All buy and sell decisions are approved by the Board of Directors of the Company.

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market risk (continued)

(a) Equity price risk (continued)

The following tables demonstrate the sensitivity of the Group and the Company's investments in quoted equity investments classified as financial assets at fair value through OCI to a reasonably possible change in equity price in FTSE Bursa Malaysia KLCI ("FBMKLCI") at the end of the reporting period with all other variables held constant and assuming the Group's and the Company's quoted equity investments moved in correlation with the FBMKLCI:

	Increase/(decrease)	
Group and Company	**2020**	**2019**
Effect on equity:	**RM'000**	**RM'000**
Strengthen 10% (2019: 10%)	**19**	25
Weaken 10% (2019: 10%)	**(19)**	(25)

The following table demonstrates the sensitivity of the Group's and the Company's (loss)/profit to a reasonably possible change in unit price of the unit trust fund at the end of the reporting period with all other variables held constant:

	Increase/(decrease)	
Group and Company	**2020**	**2019**
Effect on profit or loss:	**RM'000**	**RM'000**
Strengthen 1%	**-**	200
Weaken 1%	**-**	(200)

(b) Interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of financial assets and liabilities.

The Group's and the Company's exposure to interest rate risk is mainly confined to short-term placements with financial institutions. The Group and the Company mitigate interest rate risk exposure by way of maintaining deposits on short-term basis.

The Group is also exposed to interest rate through loans, advances and financing provided to its customers and variable rate borrowings obtained from the banks.

The interest rate profile of the Group's and the Company's interest-bearing financial instruments, based on the carrying amounts as at the end of the reporting period was:

	Group		Company	
	2020	**2019**	**2020**	**2019**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Floating rate instruments				
Loans to subsidiaries	**-**	-	**-**	3,428
Loans and borrowings	**(39,165)**	(18,947)	**-**	-
	(39,165)	(18,947)	**-**	3,428

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market risk (continued)

(b) Interest rate risk (continued)

A 25 basis point increase in interest rates based on currently observable market environment with all other variables held constant, would have the following effect on the Group's and the Company's (loss)/profit after tax and equity:

	Group		Company	
	2020	**2019**	**2020**	**2019**
	RM'000	**RM'000**	**RM'000**	**RM'000**
(Decrease)/increase in profit after tax				
Floating rate instruments	**(74)**	(36)	-	7

An equivalent decrease in interest rates shown above would result in an equivalent, but opposite impact. The projection assumes a constant financial position and that all positions run to maturity.

(c) Foreign currency risk

The Group and the Company are exposed to foreign currency risk on investment in joint ventures and financial assets (quoted shares outside Malaysia) that are denominated in a currency other than RM. The currencies giving rise to this risk are primarily Australian Dollar ("AUD").

The Group and the Company do not hedge its foreign currency risk. The Group's and the Company's exposure to foreign currency risk, based on the carrying amounts as at the end of the reporting period was:

	Denominated in AUD	
Group and Company	**2020**	**2019**
	RM'000	**RM'000**
Advances owing by joint ventures	**33,164**	30,513

A 10% strengthening of RM against the above currencies at the end of the reporting period would have decreased the Group's and the Company's profit after tax and equity by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group and the Company considered to be reasonably possible at the end of the reporting period with all other variables remained constant.

	Denominated in AUD	
Group and Company	**2020**	**2019**
	RM'000	**RM'000**
Decrease in profit after tax	**2,520**	2,319

A 10% weakening of RM against the above currencies at the end of the reporting period would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remained constant.

Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as they fall due. The Group's and the Company exposure to liquidity risk arises principally from its various payables, loans and borrowings.

Liquidity risk is managed on a projected cash flow basis including the maintenance of a portfolio of highly liquid assets that can be easily liquidated as buffer against any unforeseen interruption to cash flows.

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk (continued)

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

Group	Carrying amount RM'000	Contractual interest	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
2020							
Trade and other payables	**4,442**		**4,442**	**4,442**	**-**	**-**	**-**
Loans and borrowings	**39,165**	**4.26% - 5.07%**	**44,572**	**22,149**	**3,322**	**9,966**	**9,135**
Lease liabilities	**4,202**	**5.97% - 12.25%**	**5,422**	**817**	**868**	**1,094**	**2,643**
	47,809		**54,436**	**27,408**	**4,190**	**11,060**	**11,778**
2019							
Trade and other payables	5,794	-	5,794	5,707	87	-	-
Loans and borrowings	18,947	5.97%	25,069	979	4,289	10,809	8,992
Lease liabilities	537	5.97% - 12.25%	577	277	300	-	-
	25,278		31,440	6,963	4,676	10,809	8,992
Company							
2020							
Trade and other payables	**311**	**-**	**311**	**311**	**-**	**-**	**-**
Lease liabilities	**276**	**5.97%**	**288**	**203**	**85**	**-**	**-**
	587		**599**	**514**	**85**	**-**	**-**
2019							
Trade and other payables	523	-	523	523	-	-	-
Lease liabilities	459	5.97%	493	204	289	-	-
	982		1,016	727	289	-	-

35. CAPITAL MANAGEMENT

The Group's and the Company's objectives when managing capital are to safeguard the Group's and the Company's ability to continue as going concern in order to provide returns to shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or buy-back shares from the open market to be held as treasury shares and cancellation of treasury shares.

There has been no change in the Group's and the Company's approach to capital management in the current and prior financial years.

36. SIGNIFICANT EVENTS

(a) On 4 May 2017, the Group and the Company entered into a sale and purchase agreement with OMT Hotels Sdn Bhd ("OMT") to purchase the rights to operate and maintain a 5-storey limited-service hotel comprising 218 rooms known as "Tune Hotel KLIA Aeropolis", located at a portion of land measuring approximately 4,406.86 square meters at Sepang, Selangor for a purchase consideration of RM926,000 ("SPA 1").

OMT is a company of which certain directors have interests and have common directorships with the Company.

The acquisition of Tune Hotel KLIA Aeropolis was completed on 2 January 2020.

(b) On 8 August 2019, the Group entered into a sale and purchase agreement with OMT for the proposed acquisition of:

(i) a piece of land together with a 7-storey limited-service hotel known as "Tune Hotel Danga Bay" comprising 218 hotel rooms ("Danga Bay Property")

(ii) three pieces of land in Bandar Kuala Lumpur together with an existing structure which was re-developed into two hotels known as "The Chow Kit, an Ormond hotel" comprising 113 hotel rooms and "MoMo's Kuala Lumpur" comprising 99 hotel rooms and one piece of land that was re-developed into a car park measuring approximately 348.00 square meters (collectively known as "KL Property"),

(Collectively, the Danga Bay Property and the KL Property are referred to as "Hospitality Assets")

(iii) together with the Hospitality Assets Businesses for a total cash consideration of RM62,040,000 ("SPA 2").

(b) Pursuant to the SPA 2, on 1 January 2020, OMT granted the Group a licence to operate, manage and maintain the operation, management and/or maintenance of the KL Property upon fulfilling the relevant condition precedents set out under the SPA.

SPA 2 has been completed on 2 September 2020.

(c) The COVID-19 pandemic has significantly disrupted many business operations around the world. For the Group, the impact on hospitality business operations has not been a direct consequence of the COVID-19 outbreak, but a result of the measures taken by the Government of Malaysia ("GOM") to contain it. Up to the date of this financial statements, the Group has seen a significant impact of COVID-19 outbreak on the Group's revenue, earnings, cash flows and financial condition. Due to the movement control measures imposed by the GOM, the Group had also temporarily closed its hotels during certain periods between April 2020 and June 2020.

The Group will continue to monitor the development of these events and continues to implement cost cutting measures to mitigate the impact of COVID-19 to the Group's business.

37. BUSINESS COMBINATIONS

31 December 2020

On 2 January 2020, the Group acquired the rights to operate and maintain Tune Hotel KLIA Aeropolis for a cash consideration of RM926,000, as disclosed in Note 36(a).

On 1 August 2020, the Group further acquired the Hospitality Assets for a cash consideration of RM62,040,000, as disclosed in Note 36(b).

37. BUSINESS COMBINATIONS (continued)

31 December 2020 (continued)

The following summarises the fair values of the identifiable assets and liabilities of the hotels acquired as at the respective dates of acquisitions:

Group	Note	Tune Hotel KLIA Aeropolis	Tune Hotel Danga Bay	The Chow Kit, an Ormond Hotel	Momo's Kuala Lumpur	Total
		RM'000	RM'000	RM'000	RM'000	RM'000
Fair value recognised on acquisition						
Assets						
Property, plant and equipment	13	-	13,700	28,070	33,161	74,931
Intangible assets	14	-	-	30	139	169
Right-of-use assets	15	1,292	-	11,960	-	13,252
Liabilities						
Deferred tax (liabilities)/assets		(88)	660	(312)	159	419
Total identifiable net assets at fair value		1,204	14,360	39,748	33,459	88,771
Renovation works borne by the Group		-	-	(21,701)	(5,431)	(27,132)
Gain on bargain purchase arising on acquisition	4	(278)	-	(987)	-	(1,265)
Goodwill arising on acquisition	14	-	2,090	-	502	2,592
Fair value of consideration transferred		926	16,450	17,060	28,530	62,966
Financed through:						
Cash and cash equivalents		-	12,770	10,875	18,188	41,833
Loans and borrowings		926	3,680	6,185	10,342	21,133
Total purchase consideration		926	16,450	17,060	28,530	62,966

Deferred tax liabilities/(assets) have been recognised in relation to the temporary difference arising from the difference between the carrying value and tax base of the property, plant and equipment, intangible assets and right-of-use assets.

(i) In respect to Tune Hotel KLIA Aeropolis, the right-of-use assets is measured at fair value using a discounted earnings technique derived from cash flow projections approved by the Board of Directors covering a 14-year period up to the expiry of the concession period pursuant to a Concession Agreement with MAP untill 11 February 2034, as disclosed in Note 15.1(b). The fair value estimate is based on pre-tax discount rate of 15.1%.

(ii) In respect to Tune Hotel Danga Bay, the property, plant and equipment is measured at fair value using a valuation report prepared by an independent professional valuer using the income method (Level 3 of the fair value hierarchy).

The significant unobservable inputs used in the valuation model are as follows:

Significant unobservable inputs	Range
Projected average hotel room rate	RM70 - RM104
Projected yearly occupancy rate	35% - 85%
Discount rate	9.0%
Terminal capitalisation rate	7.0%

37. BUSINESS COMBINATIONS (continued)

31 December 2020 (continued)

(iii) In respect to The Chow Kit, an Ormond Hotel and MoMo's Kuala Lumpur, the assets are measured at fair value using valuation reports prepared by an independent professional valuer, estimated based on comparisons with recent transactions involving other similar assets (Level 3 of the fair value hierarchy).

Total acquisition related cost of RM2,485,000 for stamp duty has been recognised in other operating expenses in the Group's statement of profit or loss.

31 December 2019

In the previous financial year, the Group acquired Tune Hotel Kota Kinabalu with its existing hotel operating business for RM9,000,000 which was financed through loans and borrowings.

The fair values of the identifiable assets and liabilities as at the date of acquisition were:

Group	Note	Tune Hotel Kota Kinabalu
		RM'000
Identifiable assets acquired and liabilities assumed		
Property, plant and equipment, representing total identifiable net assets at fair value	13	9,808
Gain on bargain purchase arising on acquisition	4	(808)
Purchase consideration, financed through loans and borrowings		9,000

The net assets recognised were based on an independent valuation performed by external property valuers on 29 April 2019.

other information

1. MATERIAL CONTRACTS

There are no material contracts including contracts relating to loans (not being contracts entered into the ordinary course of business) which had been entered into by the Company and its subsidiaries involving Directors' and major shareholders' interests, either still subsisting at the end of the financial year or entered into since the end of the previous financial year.

2. AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees paid and payable by the Company and the Group to the external auditors for the financial year ended 31 December 2020 are as follows:

	Company (RM)	**Group (RM)**
Statutory audit fees	50,000	170,800
Non-audit fees		
- Review of Statement on Risk Management & Internal Control	5,000	5,000
Total	55,000	175,800

3. ANALYSIS OF SHAREHOLDERS AS AT 27 APRIL 2021

Total no. of issued shares	:	479,925,823
Class of shares	:	Ordinary shares
Voting rights	:	1 vote for each share held on a poll

Distribution schedule of shareholdings:

Size of holdings	**Number of shareholders**	**%**	**Number of shares**	**%**
Less than 100	5,406	42.74	160,685	0.03
100 – 1,000	3,862	30.53	1,478,208	0.31
1,001 – 10,000	2,677	21.16	8,601,140	1.79
10,001 – 100,000	624	4.93	18,096,283	3.77
100,001 – less than 5% of issued shares	74	0.59	65,865,141	13.73
5% and above of issued shares	6	0.05	385,724,366	80.37
Total	12,649	100.00	479,925,823	100.00

3. ANALYSIS OF SHAREHOLDERS AS AT 27 APRIL 2021 (continued)

Thirty largest shareholders:

Name of shareholders		Number of shares	%
1.	HSBC Nominees (Tempatan) Sdn Bhd - Pledged Securities Account – Credit Suisse AG, Singapore for Tune Group Sdn Bhd	118,967,386	24.79
2.	HSBC Nominees (Asing) Sdn Bhd - exempt an for Bank Julius Baer & Co Ltd	105,334,214	21.95
3.	Kenanga Nominees (Asing) Sdn Bhd - Truesource Pte Ltd	56,694,973	11.81
4.	Amsec Nominees (Tempatan) Sdn Bhd - Pledged Securities Account – AmBank (M) Berhad for Kalimullah bin Masheerul Hassan	43,574,753	9.08
5.	Lim Kian Onn	34,977,978	7.29
6.	Kalimullah bin Masheerul Hassan	26,175,062	5.45
7.	Maybank Securities Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Tan Ching Ching	15,164,100	3.16
8.	Tan Han Chuan	12,008,600	2.50
9.	Plato Capital Sdn Bhd - Pledged Securities Account for Christopher Mark Anthony Lankester	4,809,221	1.00
10.	Kenanga Nominees (Tempatan) Sdn Bhd - ECM Libra Foundation	3,699,255	0.77
11.	CGS-CIMB Nominees (Tempatan) Sdn Bhd - exempt an for CGS-CIMB Securities (Singapore) Pte Ltd	3,674,948	0.77
12.	Lim Su Tong @ Lim Chee Tong	3,636,270	0.76
13.	Kenanga Nominees (Tempatan) Sdn Bhd - Quek Siow Leng	1,437,163	0.30
14.	Kenanga Nominees (Tempatan) Sdn Bhd - Lim Kian Onn	1,278,300	0.27
15.	Tassapon Bijleveld	1,180,827	0.25
16.	Sumberama Sdn Bhd	1,019,300	0.21
17.	Maybank Nominees (Tempatan) Sdn Bhd - Chua Eng Ho Wa'a @ Chua Eng Wah	1,010,700	0.21
18.	Teo Kwee Hock	907,900	0.19
19.	Maybank Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Liew Kon Sing @ Liew Kong	830,400	0.17
20.	Kenanga Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Kalimullah bin Masheerul Hassan	813,000	0.17
21.	Citigroup Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Leong Chin Chye	650,000	0.14
22.	Yap Bing Sia	555,100	0.12
23.	Tan Swan Po @ Dolly Tan	554,933	0.12
24.	RHB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Vijaya Alphonsus Rajadurai	521,900	0.11
25.	AllianceGroup Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Yong Loy Huat	500,000	0.10

3. ANALYSIS OF SHAREHOLDERS AS AT 27 APRIL 2021 (continued)

Thirty largest shareholders: (continued)

Name of shareholders		Number of shares	%
26.	RHB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Yong Loy Huat	500,000	0.10
27.	Detik Jalur Sdn Bhd	485,430	0.10
28.	Sendjaja Widjaja	448,714	0.09
29.	Yu Sze Yung	400,000	0.08
30.	Affin Hwang Nominees (Tempatan) Sdn Bhd - DBS Vickers Secs (S) Pte Ltd for Goon Tuck Khoon	398,900	0.08

Substantial shareholders as per Register of Substantial Shareholders of the Company as at 27 April 2021:

	Direct interest		Deemed interest	
Name of substantial shareholders	**Number of shares**	**%**	**Number of shares**	**%**
Dato' Seri Kalimullah bin Masheerul Hassan	70,562,815	14.70	-	-
Dato' Lim Kian Onn	36,256,278	7.56	130,387,186[(1)]	27.17
Truesource Pte Ltd	56,694,973	11.81	-	-
Plato Capital Limited	-	-	56,694,973[(2)]	11.81
Garynma MY Capital Limited	72,255,050	15.06	-	-
Garynma MY Holdings Limited	-	-	72,255,050[(3)]	15.06
Julius Baer Trust Company (Singapore) Limited	-	-	72,255,050[(4)]	15.06
Tune Group Sdn Bhd	118,967,386	24.79	-	-
Tan Sri Anthony Francis Fernandes	-	-	118,967,386[(5)]	24.79
Datuk Kamarudin bin Meranun	-	-	118,967,386[(5)]	24.79

Notes:

(1) Deemed interest of 27.17% by virtue of his interest in Plato Capital Limited and his interest via Garynma Trust which holds all the shares in Garynma MY Holdings Limited pursuant to Section 8(4) of the Companies Act 2016 and his spouse's shareholding pursuant to Section 59(11)(c) of the Companies Act 2016.

(2) Deemed interest of 11.81% by virtue of Plato Capital Limited, being the holding company of Truesource Pte Ltd pursuant to Section 8(4) of the Companies Act 2016.

(3) Deemed interest of 15.06% by virtue of Garynma MY Holdings Limited, being the holding company of Garynma MY Capital Limited pursuant to Section 8(4) of the Companies Act 2016.

(4) Deemed interest of 15.06% by virtue of Julius Baer Trust Company (Singapore) Limited, being the trustee of Garynma Trust which holds all the shares in Garynma MY Holdings Limited pursuant to Section 8(4) of the Companies Act 2016.

(5) Deemed interest of 24.79% by virtue of his interest in Tune Group Sdn Bhd pursuant to Section 8(4) of the Companies Act 2016.

4. DIRECTORS' INTERESTS IN THE COMPANY AND/OR ITS RELATED CORPORATIONS AS AT 27 APRIL 2021

Other than as disclosed below, none of the other Directors of the Company has any interest in the Company and/or its related corporations:

	Direct interest		Deemed interest	
Name of directors	**Number of shares**	**%**	**Number of shares**	**%**
Dato' Seri Kalimullah bin Masheerul Hassan	70,562,815	14.70	-	-
Dato' Lim Kian Onn	36,256,278	7.56	130,387,186[(1)]	27.17
Datuk Kamarudin bin Md Ali	50,000	0.01	-	-

Note:

(1) Deemed interest of 27.17% by virtue of his interest in Plato Capital Limited and his interest via Garynma Trust which holds all the shares in Garynma MY Holdings Limited pursuant to Section 8(4) of the Companies Act 2016 and his spouse's shareholding pursuant to Section 59(11)(c) of the Companies Act 2016.

Dato' Lim Kian Onn, by virtue of his interests in the Company and pursuant to Section 8(4)(c) of the Companies Act 2016, is deemed to have interests in the shares of all the subsidiaries of the Company to the extent that the Company has an interest.

5. LIST OF PROPERTIES AS AT 31 DECEMBER 2020

Location	Description/ Existing use	Tenure	Land/ Floor Area	Age of building (years)	Net book value (RM'000)	Date of acquisition (A)/ revaluation (R)
Tune Hotel Penang Lot 348 Seksyen 15, Geran 11256 Lot 426 Seksyen 15, Geran 63526 Bandar Georgetown Daerah Timor Laut Pulau Pinang	Land with building for hotel use	Freehold	2,053.44 square metres	12	19,107	31.12.2020 (R)
Tune Hotel Kota Kinabalu Unit No. G-803, F-803, S-803 & T-803, 1 Borneo, Country Lease 015607057 Locality of Kuala Menggatal District of Kota Kinabalu Sabah	Land with building for hotel use	99-year leasehold expiring on 31.12.2103	3,946.99 square metres	13	9,506	29.4.2019 (A)
Tune Hotel Danga Bay Lot 46867, Geran 358300 Bandar Johor Bahru Daerah Johor Bahru Johor	Land with building for hotel use	Freehold	4,257.00 square metres	10	13,774	31.12.2020 (R)

5. LIST OF PROPERTIES AS AT 31 DECEMBER 2020 (continued)

Location	Description/ Existing use	Tenure	Land/ Floor Area	Age of building (years)	Net book value (RM'000)	Date of acquisition (A)/ revaluation (R)
The Chow Kit, an Ormond Hotel Lot 1305, Pajakan Negeri 24460 Bandar Kuala Lumpur Daerah Kuala Lumpur Wilayah Persekutuan Kuala Lumpur	Land with building for hotel use	99-year leasehold expiring on 12.2.2066	611.56 square metres	8	37,351	31.12.2020 (R)
MoMo's Kuala Lumpur Lot 20001, Geran 76084 Bandar Kuala Lumpur Daerah Kuala Lumpur Wilayah Persekutuan Kuala Lumpur	Land with building for hotel use	Freehold	383.00 square metres	8	32,964	31.12.2020 (R)
Vacant Land Lot 1590, Pajakan Negeri 10025 Bandar Kuala Lumpur Daerah Kuala Lumpur Wilayah Persekutuan Kuala Lumpur	Land for car park use	99-year leasehold expiring on 13.4.2068	348.00 square metres	NA	2,538	31.12.2020 (R)

notice of annual general meeting

NOTICE IS HEREBY GIVEN that the Sixteenth Annual General Meeting ("16th AGM") of ECM Libra Group Berhad ("Company") will be held fully virtual via live streaming and online remote voting from the Broadcast Venue at Tricor Leadership Room, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur on Thursday, 10 June 2021 at 2.30 p.m. in order:

AGENDA

AS ORDINARY BUSINESS

1. To receive the audited financial statements together with the reports of the Directors and Auditors thereon for the financial year ended 31 December 2020. **Please refer to explanatory note 1**

2. To approve the payment of Directors' fees of RM108,364 in respect of financial year ended 31 December 2020 to be divided amongst the Directors in such manner as the Directors may determine. **Resolution 1**

3. To approve the payment of Directors' remuneration (excluding Directors' fees) up to an amount of RM323,500 payable to the Non-Executive Directors from 11 June 2021 until the next Annual General Meeting of the Company. **Resolution 2**

4. To re-elect the following Directors who retire by rotation pursuant to Clause 105 of the Company's Constitution:

   (a) Dato' Lim Kian Onn; and **Resolution 3**
   (b) En Mahadzir bin Azizan. **Resolution 4**

5. To appoint Messrs BDO PLT as Auditors of the Company in place of the retiring Auditors, Messrs Ernst & Young PLT and to authorise the Directors to fix their remuneration. **Resolution 5**

AS SPECIAL BUSINESS

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

6. **Ordinary Resolutions - Continuation in Office as Independent Non-Executive Directors**

   (a) "**THAT** approval be and is hereby given to Datuk Kamarudin bin Md Ali, who has served as Independent Non-Executive Director of the Company for a cumulative term of fifteen (15) years, to continue to serve as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting of the Company."; and **Resolution 6**

   (b) "**THAT** subject to the passing of the Resolution 4, approval be and is hereby given to En Mahadzir bin Azizan, who has served as Independent Non-Executive Director of the Company for a cumulative term of fifteen (15) years, to continue to serve as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting of the Company.". **Resolution 7**

7. **Ordinary Resolution - Authority to Directors to Issue Shares**

   "**THAT** pursuant to Sections 75 and 76 of the Companies Act 2016 and subject always to the approval of the relevant authorities, the Directors be and are hereby empowered to issue shares in the Company, at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued pursuant to this resolution during the preceding twelve (12) months does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being and the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad AND THAT such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company." **Resolution 8**

8. To consider any other business of which due notice shall have been given.

By Order of the Board

WONG CHOY LING (MIA 47044)
(SSM PC No.: 202008004069)

REBECCA KONG SAY TSUI (MAICSA 7039304)
(SSM PC No.: 202008001003)

Secretaries
Kuala Lumpur
11 May 2021

NOTES:

1. As a precautionary measure in view of the COVID-19 pandemic, the 16th AGM will be conducted on a fully virtual basis through live streaming and online remote voting via Remote Participation and Voting ("RPV") facilities provided by Tricor Investor & Issuing House Services Sdn Bhd via its TIIH Online website at https://tiih.online. Please follow the procedures provided in the Administrative Guide for Annual General Meeting in order to register, participate and vote remotely via the RPV facilities.

2. The Broadcast Venue of the 16th AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairperson of the meeting to be at the main venue of the meeting. Please note that members/proxies/corporate representatives ARE NOT ALLOWED to attend the 16th AGM in person at the Broadcast Venue on the day of the 16th AGM.

3. Only a depositor whose name appears in the Record of Depositors of the Company as at 1 June 2021 shall be regarded as a member entitled to attend, speak and vote, and appoint not more than two (2) proxies to attend, speak and vote on his/her behalf, at the 16th AGM.

4. Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.

5. Where a member appoints more than one (1) proxy to attend the 16th AGM, the member shall specify the proportion of his/her shareholdings to be represented by each proxy. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy(ies).

6. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his/her attorney duly authorised in writing or if the appointer is a corporation, either under its common seal or under the hand of a duly authorised officer or attorney of the corporation.

7. The original duly executed Form of Proxy must be deposited at the Registered Office of the Company at 2nd Floor, West Wing, Bangunan ECM Libra, 8 Jalan Damansara Endah, Damansara Heights, 50490 Kuala Lumpur, Malaysia not less than 48 hours before the time appointed for holding the meeting or adjourned meeting.

8. By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms pursuant to the Personal Data Protection Act 2010 set out below:

   By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the 16th AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company or its Share Registrar for the purpose of the processing and administration of proxies and representatives appointed for the 16th AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 16th AGM (including any adjournment thereof), and in order for the Company or its Share Registrar to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company or its Share Registrar, the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company or its Share Registrar of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

9. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of 16th AGM will be put to vote by way of poll.

Explanatory notes

1. **Audited financial statements and reports of the Directors and Auditors for the financial year ended 31 December 2020**

   This agenda item is meant for discussion only as under the provision of Section 340(1) of the Companies Act 2016, the audited financial statements and the reports of the Directors and Auditors do not require a formal approval of the members and hence, this item will not be put forward for voting.

2. **Resolution 2 - Payment of Directors' remuneration (excluding Directors' fees)**

   The current Directors' remuneration (excluding Directors' fees) payable to the Non-Executive Directors comprises meeting allowances, medical coverage and other claimable benefits.

   The estimated meeting allowances payable to the Non-Executive Directors from 11 June 2021 until the next Annual General Meeting of the Company are calculated based on the number of scheduled meetings for Board of Directors ("Board") and Board Committees of the Company and the number of Non-Executive Directors to be involved in these meetings.

   The Board will seek approval of the members at the next Annual General Meeting of the Company in the event the Directors' remuneration (excluding Directors' fees) as proposed is insufficient due to an increase in the number of the Board and Board Committees meetings and/or increase in the Board size and/or revision to the existing Directors' remuneration structure.

3. **Resolution 5 - Appointment of Messrs BDO PLT as Auditors of the Company**

   The Board has reviewed the recommendation of the Board Audit & Risk Management Committee and agreed to propose the appointment of Messrs BDO PLT ("BDO") as Auditors of the Company in place of the retiring Auditors, Messrs Ernst & Young PLT, for approval of the members at the 16th AGM. The proposed change of Auditors is in line with good corporate governance of revisiting the appointment of the Company's Auditors from time to time. BDO has given their consent to act as Auditors of the Company. If their appointment is approved by the members, they shall hold office until the conclusion of the next Annual General Meeting of the Company.

4. **Resolutions 6 and 7 - Continuation in office as Independent Non-Executive Directors**

   The Board would like to seek members' approval for the ordinary resolutions to enable Datuk Kamarudin bin Md Ali and En Mahadzir bin Azizan to continue serving as Independent Non-Executive Directors of the Company until the conclusion of the next Annual General Meeting of the Company, despite the Company's Policy on Tenure of Independent Directors setting a cap on the tenure of Independent Directors to a cumulative period of twelve (12) years. In this Annual General Meeting of the Company, the said Independent Non-Executive Directors would have served the Company for a cumulative term of fifteen (15) years since 2006.

   The Board is recommending and supporting the resolutions for their continuing in office as Independent Non-Executive Directors, based on the following justifications that the two Directors:

   i. have met the criteria set in the annual assessment of their independence in line with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad;
   ii. have vast experience gained at senior management level in their past career. Their financial management and legal background have provided support to enable the Board to discharge its duties effectively and in a competent manner;
   iii. have acted in the best interest of the Company by providing independent view to the deliberations and decision making of the Board and Board Committees;
   iv. understand the Group and its businesses, the industry and challenges and therefore are able to contribute to the development of the Group;
   v. are able to devote time and commitment to attend to the functions and duties as independent director, including attendance and informed participation at Board and Board Committee meetings; and
   vi. have confirmed that notwithstanding the fifteen (15) year tenure, they can and will remain objective and independent in expressing their opinions and in participating in the decision making and act in the best interest of the Company.

   The ordinary resolutions, if passed, will allow Datuk Kamarudin bin Md Ali and En Mahadzir bin Azizan to continue serving as Independent Non-Executive Directors of the Company until the conclusion of the next Annual General Meeting of the Company.

   In line with Practice 5.3 of the Malaysian Code on Corporate Governance ("MCCG"), the approval of members will be sought through a two-tier voting process as described in the Guidance to Practice 5.3 of the MCCG.

5. **Resolution 8 - Authority to Directors to issue shares**

   The ordinary resolution, if passed, will give a renewed mandate to the Directors to issue shares in the Company from time to time provided that the aggregate number of shares to be issued pursuant to this resolution during the preceding twelve (12) months does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being ("Renewed Mandate"). The Renewed Mandate, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

   As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the last Annual General Meeting held on 9 September 2020 and which will lapse at the conclusion of the 16th AGM.

   In circumstances where an expansion/diversification plan requires the issue of new shares, the Renewed Mandate will enable the Directors to take prompt action and to avoid delay and cost in convening general meetings to approve such issue of shares.

statement accompanying notice of annual general meeting

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

1. Details of persons who are standing for election/re-election as Directors

i. No individual is seeking election as a Director at the Sixteenth Annual General Meeting ("16th AGM") of ECM Libra Group Berhad ("Company").

ii. The profiles of the two Directors, Dato' Lim Kian Onn and En Mahadzir bin Azizan, who are standing for re-election at the 16th AGM of the Company are disclosed in the Directors' profile on pages 4 to 5.

2. Ordinary Resolution - Authority to Directors to issue shares

Further details of the authority to Directors to issue shares in the Company pursuant to Sections 75 and 76 of the Companies Act 2016 are stated in the explanatory notes of the Notice of Annual General Meeting as set out on page 131.

administrative guide for annual general meeting

SIXTEENTH ANNUAL GENERAL MEETING ("16th AGM") OF ECM LIBRA GROUP BERHAD ("Company")

Date	:	**10 June 2021 (Thursday)**
Time	:	**2.30 p.m.**
Broadcast Venue	:	**Tricor Leadership Room, Unit 32-01, Level 32, Tower A Vertical Business Suite, Avenue 3, Bangsar South No. 8, Jalan Kerinchi, 59200 Kuala Lumpur**
Meeting Platform	:	**TIIH Online website at https://tiih.online**

VIRTUAL MEETING

As a precautionary measure in view of the COVID-19 pandemic, the 16th AGM will be conducted on a fully virtual basis through live streaming and online remote voting via Remote Participation and Voting ("RPV") facilities provided by Tricor Investor & Issuing House Services Sdn Bhd ("Tricor") via its TIIH Online website at https://tiih.online.

The Broadcast Venue of the 16th AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairperson of the meeting to be at the main venue of the meeting. Please note that members/proxies/ corporate representatives **ARE NOT ALLOWED** to attend the 16th AGM in person at the Broadcast Venue on the day of the 16th AGM.

ELIGIBILITY TO ATTEND AND APPOINTMENT OF PROXY

Only a depositor whose name appears in the Record of Depositors of the Company as at 1 June 2021 shall be regarded as a member entitled to attend, speak and vote, and appoint not more than two (2) proxies to attend, speak and vote on his/her behalf, at the 16th AGM.

If you wish to appoint a proxy to attend and vote on your behalf at the 16th AGM, the original duly executed Form of Proxy must be deposited at the Registered Office of the Company at 2nd Floor, West Wing, Bangunan ECM Libra, 8 Jalan Damansara Endah, Damansara Heights, 50490 Kuala Lumpur, Malaysia not less than 48 hours before the time appointed for holding the meeting or adjourned meeting.

PROCEDURES TO REMOTE PARTICIPATION AND VOTING VIA RPV FACILITIES

Please read and follow the procedures below to engage in remote participation through live streaming and online remote voting at the 16th AGM using the RPV facilities:

<u>Before the day of the 16th AGM</u>

Procedure	Action Required
1. Register as a user with TIIH Online	• Access the TIIH Online website at https://tiih.online. Register as a user under the "**e-Services**", select the "**Sign Up**" button followed by "**Create Account by Individual Holder**". Please refer to the tutorial guide posted on the homepage for assistance. • Registration as a user will be approved within one (1) working day and you will be notified via e-mail. • If you are already a user with TIIH Online, you are not required to register again. You will receive an e-mail to notify you that the remote participation is available for registration at TIIH Online.

Procedure	Action Required
2. Submit your request to attend the 16th AGM	● Registration is open from Tuesday, 11 May 2021 until the day of 16th AGM on Thursday, 10 June 2021. Shareholder(s) or proxy(ies) or corporate representative(s) or attorney(s) are required to pre-register their attendance for the 16th AGM to ascertain their eligibility to participate at the 16th AGM using RPV. ● Login with your user ID (i.e. email address) and password and select the corporate event: "**(REGISTRATION) ECM 16TH AGM**". ● Read and agree to the Terms & Conditions and confirm the Declaration. ● Select "**Register for Remote Participation and Voting**". ● Review your registration and proceed to register. ● System will send an email to notify that your registration for remote participation is received and will be verified. ● After verification of your registration against the Record of Depositors as at 1 June 2021, the system will send you an e-mail on or after 8 June 2021 to inform whether your registration for remote participation has been approved or rejected. (Note: Please allow sufficient time for the approval of new user of TIIH Online and registration for the RPV).

On the 16th AGM Day

Procedure	Action Required
1. Login to TIIH Online	● Login with your user ID and password for remote participation at the 16th AGM at any time from 1.30 p.m. i.e. 1 hour before the commencement of the 16th AGM at 2.30 p.m. on Thursday, 10 June 2021.
2. Participate through live streaming	● Select the corporate event: "**(LIVE STREAM MEETING) ECM 16TH AGM**" to engage in the proceedings of the 16th AGM remotely. ● If you have any question for the Chairman/Board of Directors, you may use the query box to transmit your question. The Chairman/Board of Directors will try to respond to questions (related to the business of the 16th AGM) submitted by remote participants during the 16th AGM. If there is time constraint, the responses will be e-mailed to you at the earliest possible, after the 16th AGM.
3. Online remote voting	● Voting session commences from 2.30 p.m. on Thursday, 10 June 2021 until a time when the Chairman announces the end of the voting session of the 16th AGM. ● Select the corporate event: "**(REMOTE VOTING) ECM 16TH AGM**" or if you are on the live stream meeting page, you can select "**GO TO REMOTE VOTING PAGE**" button below the Query Box. ● Read and agree to the Terms & Conditions and confirm the Declaration. ● Select the CDS account that represents your shareholdings. ● Indicate your votes for the resolutions that are tabled for voting. ● Confirm and submit your votes.
4. End of remote participation	● Upon the announcement by the Chairman on the conclusion of the 16th AGM, the live streaming will end.

Notes to users of the RPV facilities:

1. Should your registration for RPV be approved, we will make available to you the rights to join the live stream meeting and to vote remotely. Your login to TIIH Online on the day of the 16th AGM will indicate your presence at the virtual meeting.

2. The quality of your connection to the live broadcast is dependent on the bandwidth and stability of the internet at your location and the device you use.

3. In the event you encounter any issues with logging-in, connection to the live stream meeting or online voting on the day of the 16th AGM, kindly call Tricor Help Line at 011-40805616 / 011-40803168 / 011-40803169 / 011-40803170 for assistance or e-mail to tiih.online@my.tricorglobal.com for assistance.

DOOR GIFTS OR FOOD VOUCHERS

There will be no distribution of door gifts or food vouchers to members/proxies who participate at the 16th AGM.

SUBMISSION OF QUESTIONS FOR THE 16TH AGM

Members may submit questions to the Board of Directors prior to the 16th AGM via the TIIH Online Website at https://tiih.online by selecting "e-Services" to login, pose questions and submit electronically no later than Tuesday, 8 June 2021 at 2.30 p.m. or may use the query box to transmit questions to the Board of Directors via the RPV facilities during live streaming of the 16th AGM.

ENQUIRY

If you have any enquiries on the above, kindly contact Tricor from Mondays to Fridays, 8.30 a.m. to 5.30 p.m. (except on public holidays):

General Line	:	+603-2783 9299
Fax Number	:	+603-2783 9222
Email	:	is.enquiry@my.tricorglobal.com
Contact Persons	:	Mr Eric Low (603-2783 9267 / Eric.Low@my.tricorglobal.com)
	:	Encik Amier Arief (603-2783 9250 / Amier.Arief@my.tricorglobal.com)

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ecmlibra

ECM Libra Group Berhad
(200501031433)(713570-K)
(Incorporated in Malaysia)

FORM OF PROXY

I/We ______________________________ (NRIC No./Co. No.) ____________________

of ____

being a member/members of ECM Libra Group Berhad ("Company") hereby appoint

Name	Address	NRIC No.	Proportion of shareholdings to be represented by proxy (%)

and

Name	Address	NRIC No.	Proportion of shareholdings to be represented by proxy (%)

or failing him/her, the Chairman of the meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Sixteenth Annual General Meeting ("16th AGM") of the Company to be held fully virtual via live streaming and online remote voting from the Broadcast Venue at Tricor Leadership Room, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur on Thursday, 10 June 2021 at 2.30 p.m. and at any adjournment thereof.

My/Our proxy/proxies is/are to vote as indicated below with an "X":

NO.	RESOLUTIONS	FOR	AGAINST
	Ordinary Business		
1.	To approve the payment of Directors' fees		
2.	To approve the payment of Directors' remuneration (excluding Directors' fees)		
	To re-elect the following as Directors:		
3.	(a) Dato' Lim Kian Onn		
4.	(b) En Mahadzir bin Azizan		
5.	To appoint Messrs BDO PLT as Auditors of the Company and to authorise the Directors to fix their remuneration		
	Special Business To approve the continuation in office of the following as Independent Non-Executive Directors:		
6.	(a) Datuk Kamarudin bin Md Ali		
7.	(b) En Mahadzir bin Azizan		
8.	To approve the authority to Directors to issue shares		

Dated this __________ day of ____________________ 2021

Number of shares held

____
Signature(s)/Common Seal of Member(s)

Contact No.: ____________________

Notes:

1. As a precautionary measure in view of the COVID-19 pandemic, the 16th AGM will be conducted on a fully virtual basis through live streaming and online remote voting via Remote Participation and Voting ("RPV") facilities provided by Tricor Investor & Issuing House Services Sdn Bhd via its TIIH Online website at https://tiih.online. Please follow the procedures provided in the Administrative Guide for Annual General Meeting in order to register, participate and vote remotely via the RPV facilities.
2. The Broadcast Venue of the 16th AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairperson of the meeting to be at the main venue of the meeting. Please note that members/proxies/corporate representatives ARE NOT ALLOWED to attend the 16th AGM in person at the Broadcast Venue on the day of the 16th AGM.

Fold This Flap For Sealing

3. Only a depositor whose name appears in the Record of Depositors of the Company as at 1 June 2021 shall be regarded as a member entitled to attend, speak and vote, and appoint not more than two (2) proxies to attend, speak and vote on his/her behalf, at the 16th AGM.
4. Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.
5. Where a member appoints more than one (1) proxy to attend the 16th AGM, the member shall specify the proportion of his/her shareholdings to be represented by each proxy. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy(ies).
6. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his/her attorney duly authorised in writing or if the appointer is a corporation, either under its common seal or under the hand of a duly authorised officer or attorney of the corporation.
7. The original duly executed Form of Proxy must be deposited at the Registered Office of the Company at 2nd Floor, West Wing, Bangunan ECM Libra, 8 Jalan Damansara Endah, Damansara Heights, 50490 Kuala Lumpur, Malaysia not less than 48 hours before the time appointed for holding the meeting or adjourned meeting.
8. By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms pursuant to the Personal Data Protection Act 2010 set out in the Notice of 16th AGM dated 11 May 2021.
9. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of 16th AGM will be put to vote by way of poll.

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AFFIX
STAMP

Company Secretary
ECM Libra Group Berhad (200501031433) (713570-K)
2nd Floor, West Wing, Bangunan ECM Libra
8 Jalan Damansara Endah
Damansara Heights
50490 Kuala Lumpur
Malaysia

1st Fold Here