



APEX | group
APEX EQUITY HOLDINGS BERHAD
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TOGETHER
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ANNUAL
REPORT
2022



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CORPORATE STRUCTURE



CORPORATE INFORMATION

Board of Directors

Farhash Wafa Salvador
Group Executive Chairman
(appointed on 27 December 2022)

Dato' Leong Wai Leng
Group Executive Director
(appointed on 20 June 2022 as Group Deputy Managing Director and subsequently redesignated as Group Executive Director on 27 December 2022)

Lim Kok Eng
Group Executive Director
(appointed on 20 June 2022)

Woon Wai En
Independent Non-Executive Director
(appointed on 20 June 2022)

Lee Siow Hong
Independent Non-Executive Director
(appointed on 11 April 2022)

Rozana Shamsuddin
Independent Non-Executive Director
(appointed on 20 June 2022)

Dato' Ahmad Redza Abdullah
Independent Non-Executive Director
(appointed on 20 June 2022 and resigned on 22 September 2022)

Dato' Choong Chee Meng
Group Managing Director
(redesignated from Non-Independent Non-Executive Director on 20 June 2022, and subsequently resigned on 23 December 2022)

Chithra Ganesalingam
Independent Non-Executive Chairman
(retired on 20 June 2022)

Leong Sek Hoe
Non-Independent Non-Executive Director
(ceased as a director on 20 June 2022)

Ng Kit Ching
Independent Non-Executive Director
(ceased as a director on 20 June 2022)

Dr. Yap Lang Ling
Independent Non-Executive Director
(ceased as a director on 20 June 2022)

H'ng Boon Keng
Independent Non-Executive Director
(ceased as a director on 20 June 2022)

Audit Committee

Chairman

Woon Wai En
(appointed as Chairman on 20 June 2022)

Members

Lee Siow Hong
(appointed as a member on 20 June 2022)

Rozana Shamsuddin
(appointed as a member on 20 June 2022)

H'ng Boon Keng
(ceased as Chairman on 20 June 2022)

Ng Kit Ching
(ceased as a member on 20 June 2022)

Dr. Yap Lang Ling
(ceased as a member on 20 June 2022)

Nomination and Remuneration Committee

(the Nomination Committee and Remuneration Committee merged on 11 April 2022)

Chairman

Lee Siow Hong
(appointed as Chairman on 11 April 2022)

Members

Woon Wai En
(appointed as a member on 20 June 2022)

Rozana Shamsuddin
(appointed as a member on 20 June 2022)

Leong Sek Hoe
(ceased as a member on 20 June 2022)

Ng Kit Ching
(ceased as a member on 20 June 2022)

Dr. Yap Lang Ling
(ceased as a member on 20 June 2022)

CORPORATE INFORMATION (CONT'D)

Group Board Risk Committee

Chairman

Rozana Shamsuddin

(appointed as Chairman on 20 June 2022)

Members

Woon Wai En

(appointed as a member on 20 June 2022)

Lee Siow Hong

(appointed as a member on 20 June 2022)

Dr. Yap Lang Ling

(ceased as Chairman on 20 June 2022)

Ng Kit Ching

(ceased as a member on 20 June 2022)

H'ng Boon Keng

(ceased as a member on 20 June 2022)

Registered Office

6th Floor, Menara Apex, Off Jalan Semenyih,
Bukit Mewah, 43000 Kajang, Selangor Darul Ehsan.
Tel : 603-8736 1118
Fax : 603-8737 3261
Website : www.apexequity.com.my

Share Registrar

Sectrars Management Sdn. Bhd.

[201501002558 (1127890-P)]

Lot 9-7, Menara Sentral Vista,
No. 150, Jalan Sultan Abdul Samad, Brickfields,
50470 Kuala Lumpur.
Tel : 603-2276 6138/6139
Fax : 603-2276 6131

Company Secretaries

Low Kim Heow (MAICSA 7007682)

SSM PC No. 201908002950

Wong Youn Kim (MAICSA 7018778)

SSM PC No. 201908000410

(Appointed on 20 June 2022)

Mak Chooi Peng (MAICSA 7017931)

SSM PC No. 201908000889

(resigned on 20 June 2022)

Auditors

Crowe Malaysia PLT

Kuala Lumpur Office, Level 16, Tower C,
Megan Avenue II, 12, Jalan Yap Kwan Seng,
50450 Kuala Lumpur.
Tel : 603-2788 9999
Fax : 603-2788 9998

Principal Bankers

Alliance Bank Malaysia Berhad
CIMB Bank Berhad
Hong Leong Bank Berhad
Malayan Banking Berhad
Standard Chartered Bank Malaysia Berhad

Stock Exchange Listing

Main Market of Bursa Malaysia Securities Berhad

Stock Short Name: APEX

Stock Code: 5088

DIRECTORS' PROFILE

FARHASH Wafa SALVADOR

Group Executive Chairman

Age 40, Male, Malaysian

Mr. Farhash Wafa Salvador ("Mr. Farhash") was appointed to the Board on 27 December 2022 as Group Executive Chairman.

Mr. Farhash brings with him over more than a decade's worth of experience in the field of business, consultancy and advisory. In the business front, his illustrious career spans across a broad range of sectors which includes construction, technology, hotel, food & beverage. He is also a staunch advocate to promoting the development of the Small Medium Enterprise (SME) industry in the country. Moreover, Mr. Farhash is a multi-talented innovator with five award-winning patents held across the world including the United States, United Kingdom, France, Germany, and China.

As testament to Mr. Farhash talents and invaluable contribution to the industry, he was named, amongst the many, Emerging Entrepreneur of the Year in 2020 by the Global Business Leadership Awards, Enterprising Entrepreneur of the Year in 2019 and Technopreneur of the Year in 2018 by SEBA, Malaysia Outstanding National Entrepreneur Bumiputra in Business in 2018, 100th most influential young entrepreneur in 2017 and Bumiputera Entrepreneur Startup Scheme Award by the Bumiputera Agenda Leadership Unit (TERAJU) in 2016.

Mr. Farhash is or had been a director and/or shareholder in at least ten private companies which includes Swag Technologies Sdn Bhd, Salvador & Sons Sdn Bhd and Pacific Samudera Sdn Bhd. He was also an Independent Non-Executive Director of Bluemont Group Limited (now known as Southern Archipelago Limited) from 2014 to 2016, a Public Listed Company listed on the Mainboard of the Singapore Exchange (SGX).

He presently also sits in the Board of Advisory of Yayasan Usahawan Malaysia, a non-government organisation that thrives on the frontier of gathering, creating and developing sustainable companies with strong entrepreneurship traits.

Mr. Farhash graduated with an honours Bachelor of Arts Degree in Business Administration and subsequently a Master of Science Degree in Finance from the renowned University of Portsmouth, United Kingdom. He is also an alumnus of Harvard University in the United States, one of the most prestigious schools in the world, having attained the Executive Certificate in Public Leadership from Harvard Kennedy School.

Mr. Farhash is also presently the Non-Independent Non-Executive Chairman of 7-Eleven Malaysia Holdings Berhad.

DIRECTORS' PROFILE (CONT'D)

YBHG. DATO' LEONG WAI LENG

Group Executive Director
Age 53, Female, Malaysian

YBhg. Dato' Leong Wai Leng ("YBhg. Dato' Leong") was appointed to the Board on 20 June 2022 as Group Deputy Managing Director and subsequently redesignated as Group Executive Director on 27 December 2022.

YBhg. Dato' Leong commenced her career at PriceWaterhouse Malaysia in 1993 where she gained invaluable experience in the field of audit.

Subsequently, YBhg. Dato' Leong served more than 22 years at the Securities Commission Malaysia ("SC") (where she gained extensive experience in the field of auditing, accounting and securities market regulations, having held various key positions as Head of Corporate Surveillance and Head of Inspection in the Audit Oversight Board ("AOB") (She last held the position of Deputy Director Head of Investigation prior to her retirement in 2020.

During her tenure at the SC, YBhg. Dato' Leong was instrumental in restructuring key processes and functions within the organisation as well as implementing measures to enhance the SCs regulatory function. She was also a pioneer member during the inception of AOB and was entrusted to set up the building blocks of AOBs fundamental processes. In addition to that, YBhg. Dato' Leong was also tasked with spearheading several working groups to coordinate enforcement actions and strengthening market regulations with extremely successful results.

In executing the various roles entrusted to her, YBhg. Dato' Leong has also established strong working relationships with various international regulators such as the China Securities Regulatory Commission, Ministry of Finance of the Peoples Republic of China and ASEAN Audit Regulators Group. YBhg. Dato' Leong represented the SC as an elected council member of the Malaysian Institute of Accountants (from October 2015 to October 2019) where she provided recommendations on a broad range of matters affecting the Malaysian Capital Market.

YBhg. Dato' Leong later joined a boutique financial services company where she was responsible in overseeing the accounting and treasury functions of the group which comprises, amongst others, the following businesses: Investment Banking (Labuan), Money Exchange, Moneylending.

In recognition for her services to the nation, YBhg. Dato' Leong was conferred the Darjah Setia Pangkuan Negeri (D.S.P.N.) by the 8th Yang di-Pertua Negeri of Penang TYT Tun Dato' Seri Utama Ahmad Fuzi bin Haji Abdul Razak in year 2021.

YBhg. Dato' Leong does not hold any directorship in any other public company or listed issuer.

DIRECTORS' PROFILE (CONT'D)

LIM KOK ENG

Group Executive Director
Age 56, Male, Malaysian

Mr. Lim Kok Eng ("Mr. Lim") was appointed to the Board on 20 June 2022 as Group Executive Director.

Mr. Lim graduated from the Monash University Australia with an Honours in Economics and Computing. He is a member of the Malaysian Institute of Accountants ("MIA").

Mr. Lim has more than 30 years of experience in audit and data analytics. He first commenced his career at Arthur Andersen ("AA") & Co. (now known as Ernst & Young Malaysia) as a consultant in the field of audit and computer risk management before joining various private and public listed companies covering the areas of Internal Audit, Finance and Sales Division. Aside the corporate field, Mr. Lim has more than 15 years experiences working in various statutory bodies. He joined Bank Negara Malaysia in the Special Investigation Unit and led the Computer Forensics team in the Investigation Department.

Subsequently, Mr. Lim joined Bursa Malaysia Berhad as Head of the Exchange Market Data Information Services, primarily in charge of managing data analytics, index operation and distribution of market data. Mr. Lim later joined the Securities Commission Malaysia ("SC") and subsequently be appointed as the Head of the Analytics Department where he was instrumental in setting up key processes to discover, interpret, and communicate significant patterns from raw capital market data which allowed various stakeholders to make informed decision in an expedient and expeditious manner.

Mr. Lim was the co-founder of DIBots IT Solutions Sdn Bhd (DIBots), one of the first local platform which provides global intelligence data to create data intelligent solutions to help customers gain better insights into their business, competitors, and investment.

Mr. Lim does not hold any directorship in any other public company or listed issuer.

DIRECTORS' PROFILE (CONT'D)

LEE SIOW HONG

Independent Non-Executive Director

Age 59, Male, Malaysian

Mr. Lee Siow Hong ("Mr. Lee") was appointed to the Board and as the Chairman of the Nomination and Remuneration Committee on 11 April 2022. He was subsequently appointed as a member of Audit Committee and Group Board Risk Committee.

Mr. Lee is a Fellow of the Chartered Institute of Management Accountants ("FCMA") United Kingdom ("UK"), Fellow of the Chartered Global Management Accountants ("CGMA") UK and a member of the Malaysian Institute of Accountants ("MIA").

He started his career as an accountant with professional accountancy firms in Malaysia and England. Upon returning to Malaysia in year 1991, Mr. Lee worked as an accountant in Sunway Group's subsidiary involved in construction and building material industries for 10 years. During his employment with Sunway Group, Mr. Lee gradually progressed to be the Group Financial Controller of one main board public listed company for 2 years and his job duties involved financial accounting, financial management, corporate finance, corporate turn-around and company restructuring.

Mr. Lee was formerly the General Manager of Kenneison Brothers Sdn Bhd, a subsidiary of Kejora Harta Berhad and was promoted to Chief Operating Officer in charge of finance, civil and building construction, asphalt and stone aggregates quarry operations for 3 years. He was also involved in civil and building construction for both private and government projects. After leaving Kenneison Brothers Sdn Bhd, he became an independent consultant and advisor for several construction companies for 3 years before he joined Hap Seng Building Materials Sdn Bhd, a subsidiary of Hap Seng Consolidated Berhad as General Manager in charge of stone aggregate quarry operations and business development. He was later promoted to Director of Operations taking charge of all stone aggregate's quarries, clay brick operations and ball clay mines both in Sabah and West Malaysia. His job functions involved in sales and marketing, production, manufacturing and business development.

Mr. Lee was the Chief Executive Officer of Gelang Semarak Sdn. Bhd. for two years, in charge of sand mining operations, land reclamation project for one industrial park in Pahang.

Mr. Lee does not hold any directorship in any other public company or listed issuer.

DIRECTORS' PROFILE (CONT'D)

WOON WAI EN

Independent Non-Executive Director

Age 59, Male, Malaysian

Mr. Woon Wai En ("Mr. Woon") was appointed to the Board on 20 June 2022. He was also appointed as Chairman of the Audit Committee, member of the Group Board Risk Committee and Nomination and Remuneration Committee.

Mr. Woon is a Chartered Accountant of the Malaysian Institute of Accountants ("MIA") and also a Fellow Member of the Chartered Institute of Management Accountants.

He started his career as an Accounts Executive with Mechmar Berhad in 1989. From 1990 to 1993, he was with Welcome Pharmaceutical (M) Sdn Bhd as an Accounts Manager. He then joined VADS Berhad from 1993 to 2005 where his last held position was the General Manager for Business Support Services. He subsequently joined Moccis Trading Sdn Bhd as its Chief Financial Officer from 2005 to 2009.

From 2012 to 2016, he joined Kris Sakti Holdings Sdn Bhd, an Investment Holding company as its Chief Financial Officer. Mr. Woon was the Group Chief Operating Officer for Sarawak Cable Berhad, a position he held since joining the company in 2017 until his retirement in January 2022.

All in all, Mr. Woon is an accomplished and result driven financial and accounting professional with 30 years of experience in finance and operations management.

Mr. Woon is also an Independent Non Executive Director of LB Aluminium Bhd.

DIRECTORS' PROFILE (CONT'D)

ROZANA SHAMSUDDIN

Independent Non-Executive Director

Age 58, Female, Malaysian

Pn. Rozana Shamsuddin ("Pn. Rozana") was appointed to the Board on 20 June 2022. She was also appointed as Chairman of Group Board Risk Committee, a member of the Audit Committee and the Nomination and Remuneration Committee.

Pn. Rozana graduated from ITM, Shah Alam (now known as UiTM) in 1989 after having completed the Advanced Diploma in Law course (which is now the LLB Hons).

She was called to the Malaysia bar in 1990 and has been practicing actively for the past 33 years. Pn. Rozana started her legal practice with Messrs E. Ramasamy & Co in Muar and was handling criminal matters and litigation work until she joined Messrs Abdul Raman Saad & Associates, at one of its branch office in Melaka in 1997, where she started handling conveyancing work for retail and corporate matters and also began providing non contentious legal advice to retail and corporate clients.

Pn. Rozana then moved to Kuala Lumpur in 2010 when she was invited to join Messrs Kamal Hisham & Associates. During her practice with the firm, Pn. Rozana was one of the partners in charge of its business and legal consultancy office in Dubai. Thereafter she continued her legal practice in Messrs Ismail Sabri Wee & Wong before setting up Messrs Rozana Segaran & Co with her other 3 partners in 2018.

During the first Movement Control Order ("MCO"), Pn. Rozana started her post graduate programs in Law at UiTM Shah Alam and successfully obtained her Masters in Law in 2022.

Pn. Rozana does not hold any directorship in any other public company or listed issuer.

Notes

1. None of the Directors have any family relationship with any Director and/or major shareholder of the Company.
2. None of the Directors have any conflict of interest with the Company.
3. None of the Directors have been convicted for offences within the past 5 years (other than traffic offences, if any) and there were no public sanctions or penalties imposed by the relevant regulatory bodies during the financial year ended 31 December 2022.
4. Details of Board meeting attendance of each Director are disclosed in the Corporate Governance Overview Statement in this Annual Report.

SENIOR MANAGEMENT PROFILE

KONG MING MING

Executive Director of Apex Securities Berhad
(formerly known as JF Apex Securities Berhad)
Age 53, Female, Malaysian

Ms. Kong Ming Ming ("Ms. Kong") was appointed as an Executive Director of Apex Securities Berhad, a wholly-owned subsidiary of Apex Equity Holdings Berhad on 27 November 2017. She is also the Head of Dealing (Equity) of Apex Securities Berhad since 2010.

Ms. Kong graduated with a Bachelor of Science (Business Administration) Degree from the Colorado State University, U.S.A in 1993. She started her career with Apex Securities Berhad holding various positions before being promoted to Senior Vice President Dealing in 2008. Ms. Kong has more than two decades of working experience in the stockbroking industry.

ZAIRUL AZMAN BIN JEMAARI

Executive Director of Apex Securities Berhad
(formerly known as JF Apex Securities Berhad)
Age 53, Male, Malaysian

Encik Zairul Azman bin Jemaari ("Encik Zairul Azman") was appointed as the Executive Director of Apex Securities Berhad, a wholly-owned subsidiary of Apex Equity Holdings Berhad on 31 May 2017.

Encik Zairul Azman graduated from the Universiti Kebangsaan Malaysia (UKM) with a degree in Bachelor of Economics (Hons) majoring in Economic Analysis & Public Policy. He has been in the stockbroking industry since 1993 and has 29 years' experience in dealing department especially for institutional clients.

He was a Credit Control Officer cum Registered Dealer's Representative in Jupiter Securities Sdn. Bhd before joining MIDF Investment Bank Berhad as a Registered Dealer's Representative. He subsequently joined Apex Securities Berhad as an Assistant Vice President in Dealing in 2009. Encik Zairul Azman was promoted to Executive Director Dealing in May 2017 and a member of the Board of Directors of Apex Securities Berhad. He specialises in dealing in securities for institutional clients.

TAN CHENG HAN

Group Financial Controller
Age 54, Male, Malaysian

Mr. Tan Cheng Han has more than 30 years of working experience in the fields of audit, operations, compliance and group accounts. He holds a professional qualification from the Chartered Institute of Management Accountants and is a member of Malaysian Institute of Accountants.

He joined Apex Securities Berhad in December 2004 and prior to this, he was with a financial services group involved in stockbroking, futures broking and asset management.

SENIOR MANAGEMENT PROFILE (CONT'D)

WONG ZHEN FAI, KEVIN

Executive Director of Apex Development Sdn. Bhd.
Executive Director of Apex Equity Capital Sdn. Bhd.
Age 35, Male, Malaysian

Mr. Wong Zhen Fai, Kevin ("Kevin") was appointed as the Executive Director of Apex Development Sdn. Bhd., a wholly-owned subsidiary of Apex Equity Holdings Berhad on 20 June 2022. Kevin was also appointed as the Executive Director of Apex Equity Capital Sdn. Bhd., another wholly-owned subsidiary of Apex Equity Holdings Berhad on 1 September 2022.

Kevin commenced his career as a regulator in Securities Commission Malaysia (SC). Over the years at the SC, Kevin gained an extensive range of experience in coordinating and managing complex regulatory assignments, especially in corporate governance initiatives, corporate risk assessment, risk profiling, auditing & accounting matter, industry analysis, and business transformation. He was also appointed an Investigating Officer of the SC and involved in international regulatory coordination, capital market planning, and risk assessment on Public Listed Companies in Malaysia.

Kevin possesses great learning capabilities, and coupled with high analytical and problem-solving skills, these have enabled him to perform excellently throughout the years. His ability to think creatively and decisively given the fast-paced and dynamic working environment as well as being an excellent communicator, have further earned him many successes throughout his career.

Kevin is the key driver of strategic planning, prioritising initiatives, and allocating resources against key performance metrics, and working cross-functionally to operationalise initiatives. He also provides decision support through data gathering and information analysis, and presents value added recommendations to relevant stakeholders.

Kevin later joined a boutique financial services company covering a wide range of businesses such as Investment Banking (Labuan), Money Exchange, Moneylending. His responsibilities include amongst others, overseeing the organisation's investment activities and allocation of corporate resources, as well as formulating plans to ensure that the undertakings of the organisation commensurate with its long-term growth strategy.

Kevin graduated with a bachelor's degree in Psychology from University of East London, United Kingdom (UK) as well as a master's degree in Business Management from University of Hertfordshire, UK.

LEONG KOK HOONG

Executive Director of Apex Development Sdn. Bhd.
Age 55, Male, Malaysian

Mr. Leong Kok Hoong ("Kok Hoong") was appointed as the Executive Director of Apex Development Sdn. Bhd., a wholly-owned subsidiary of Apex Equity Holdings Berhad on 20 June 2022.

Kok Hoong brings with him 30 years of rich experience in the construction, property development, information technology and supply chain industries garnered through multinationals, affiliates of public listed companies and entrepreneurial environments.

On top of having a strong foundation in financial reporting and management matters, Kok Hoong is also highly experienced in matters relating to human resources, stakeholder management, legal and business development.

He was successful in helping his employers get through both the 1997 and 2008 Financial Crisis by overseeing the implementation of critical risks and control process which had ensured the survivability of the businesses. Having gone through multiple business cycles, Kok Hoong possess a robust understanding of risks and controls.

As he later got involved in business development, his sharp business acumen has enabled him to secure several sole agency representations from reputable foreign principals which is a testament to his capabilities.

Kok Hoong completed his professional qualification from The Chartered Institute of Management Accountants (CIMA), UK in 1990 and was admitted as a member of the Malaysia Institute of Accountants (MIA) in 1994 as a Chartered Accountant.

He is also a brother of Dato' Leong, a Director of the Company.

SENIOR MANAGEMENT PROFILE (CONT'D)

CHANG MIN DE

Executive Director of Apex Equity Capital Sdn. Bhd.

Age 32, Male, Malaysian

Mr. Chang Min De ("Min De") was appointed as the Executive Director of Apex Equity Capital Sdn. Bhd., a wholly-owned subsidiary of Apex Equity Holdings Berhad on 19 December 2022.

Min De commenced his career as an auditor in the Audit & Assurance division of PricewaterhouseCoopers (PwC) Malaysia. During his tenure at PwC, he was primarily responsible for financial statements and internal control audits and had worked in assignments covering local and multinational public listed companies. He is conversant in both local and international financial reporting and auditing requirements.

Min De subsequently joined the Securities Commission Malaysia's (SC) Corporate Surveillance Department. His primary responsibilities include evaluating corporate exercises, performing assessments on public interest entities, conducting industry-wide thematic studies, providing strategic enforcement recommendations to upper management, carrying out regulatory actions and conducting corporate risk assessments.

Min De later joined a boutique financial services company where he was responsible to assist the Group Director in overseeing the accounting and treasury functions of the group which comprises, amongst others, the following businesses: Investment Banking (Labuan), Money Exchange, Moneylending.

Min De graduated with a bachelor's degree with Honours in Accounting and Finance from the London School of Economics (LSE), United Kingdom. He is currently a designated Business & Finance Professional (BFP) and Chartered Accountant (ACA) of the Institute of Chartered Accountants in England and Wales (ICAEW), member of the Malaysian Institute of Accountants (MIA), an ASEAN Chartered Professional Accountant (ASEAN CPA) and a Practising Certificate holder of the Companies Commission Malaysia (SSM).

Notes

1. None of the Senior Management has any family relationship with any Director and/or major shareholder of the Company except for Leong Kok Hoong as disclosed in his profile.
2. None of the Senior Management has any conflict of interest with the Company.
3. None of the Senior Management has been convicted for offences within the past 5 years (other than traffic offences, if any) and there were no public sanctions or penalties imposed by the relevant regulatory bodies during the financial year ended 31 December 2022.

CHAIRMAN'S STATEMENT

Market Overview

The Malaysian equity market continued to be vibrant. In 2022, there were 35 new listings, the highest on the local stock exchange since 2006. The initial public offerings (IPOs) managed to raise RM3.49 billion which is a 27% increase over the RM2.75 billion raised in 2021 and achieved total market capitalisation of RM11.15 billion. The strong IPO momentum is likely to continue in 2023 with Bursa Malaysia aiming for 39 new listings with total proceeds of over RM3 billion and market capitalisation of RM10 billion.

In 2022, the Malaysian equity market also saw a return of RM4.4 billion foreign fund inflows, reversing the outflow trend seen in the past four years (vs net outflows of 2021: RM3.2 billion; 2020: RM24.6 billion; 2019 & 2018: RM11-12 billion each). Foreign fund inflow is expected to improve this year after the new government was formed as political uncertainties were removed after the 15th General Election (GE15).

However, due to global uncertainties such as supply chain disruption stemmed from the Russia-Ukraine war, and global inflation leading to interest rate hikes concerns over recession, the local bourse had a lacklustre performance in 2022. The benchmark index FBM KLCI declined by 4.6% to 1,495.49 points. The sluggish market performance was also caused by unfavourable internal factors such as political uncertainty prior to GE15, pressured corporate earnings and weaker currency overshadowing our post-pandemic economic rebound. The local bourse recorded a weaker total value traded of RM530.86 billion compared to RM897.04 billion in 2021. Similarly, total volume traded declined 49% to 729.30 billion units from 1.43 trillion units traded in 2021.

The global economy is expected to have a slower growth in 2023. The International Monetary Fund's World Economic Outlook Report projected global GDP to grow by 2.7% in 2023, which slower than its 2022 forecast of 3.2%. The Malaysian Government has indicated that 2023 will be a slower year, with domestic GDP targeted to grow 4%-5%, which is below 2022's 8.7%. As such, we envisage that the Malaysian capital markets particularly the stockbroking industry will remain challenging and volatile in the midst of looming uncertainties, posed by both global and internal factors.

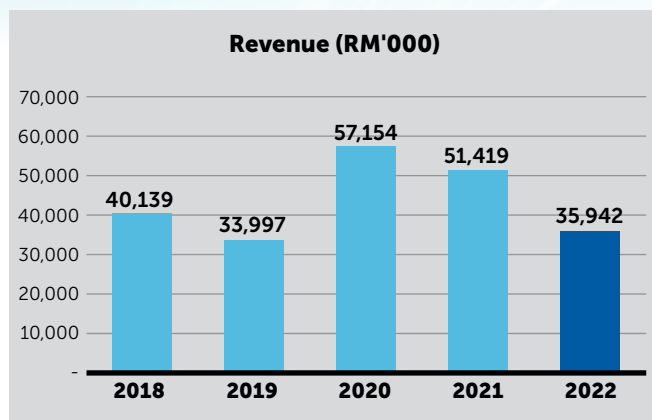
On this note, I, on behalf of my fellow directors have the pleasure of presenting to you the Annual Report together with the Audited Financial Statements for the financial year ended 31 December 2022 ("FY 2022").

Financial Results

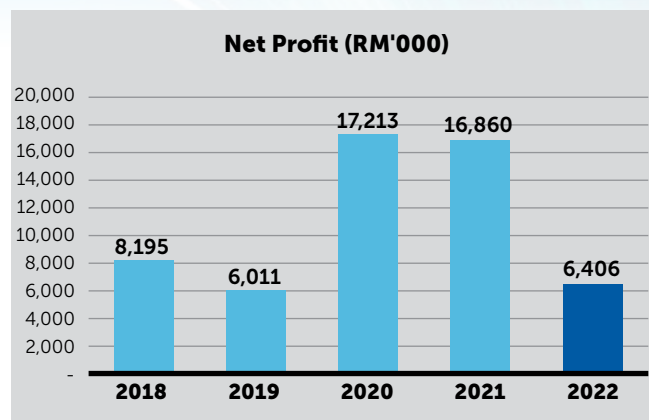
For FY2022, Apex registered a weaker revenue of RM35.94 million as compared to RM88.42 million in FY2021, falling 59.35% y-o-y. Similarly, the Group's pre-tax profit also declined to RM6.79 million from RM27.12 million recorded in FY 2021, representing a 74.96% y-o-y decrease. Consequently, the Group recorded a lower net profit of RM6.41 million, 70.16% decrease from RM21.48 million in FY 2021. The Group's earnings per share for the FY 2022 decreased to 3.16 sen from 10.60 sen in FY2021.

CHAIRMAN'S STATEMENT (CONT'D)

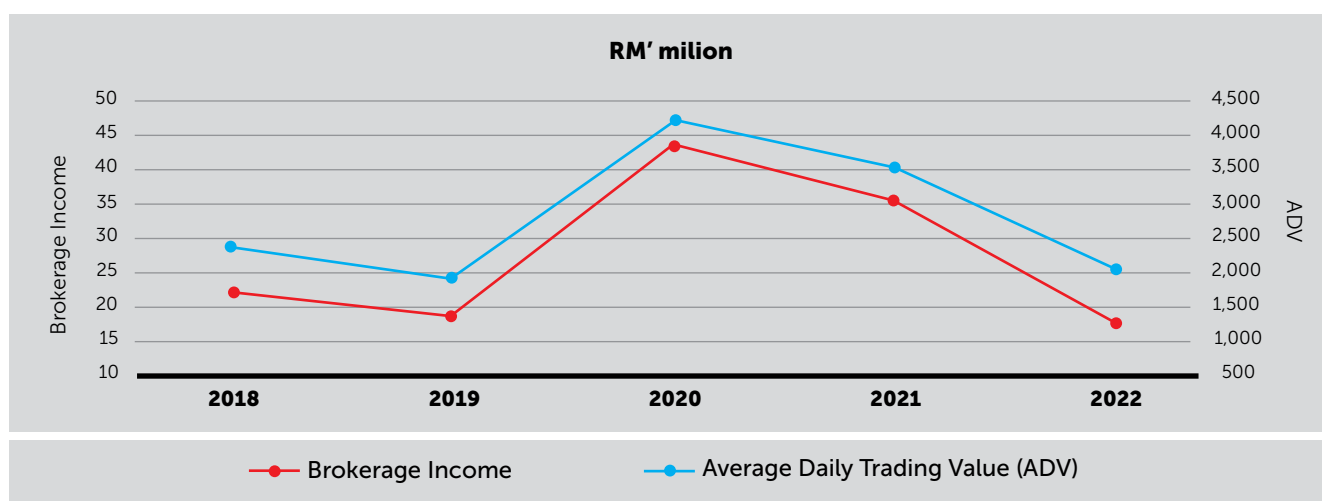
The significant drop in the Group's revenue and profit was mainly due to the disposal of land held for development in 2021. Excluding the one-off gains from the land disposal in FY2021, FY2022 revenue and net profit declined at lesser extents of 30% and 62% respectively from a year ago.



FY2021 revenue after excluding one-off sale of land held for development of RM37 million.



FY2021 net profit after excluding one-off profit from sale land sale.



In addition, the decline in revenue and net profit was due to the sluggish market performance. Brokerage income fell to RM17.72 million (FY 2021: RM35.50 million) which is in line with the decline of average daily trading value (ADV) as market sentiment grew weaker in anticipation of economic turmoil ahead. Total ADV in Bursa Malaysia decreased by 41.5% y-o-y to RM 2.07 billion in FY 2022.

Nevertheless, contributions from the Group's lending business under Apex Equity Capital Sdn Bhd expanded to RM2.9 million as compared to zero revenue in the previous financial year. The diversification has helped the Group to cushion the impact of slowdown in the brokerage segment.

CHAIRMAN'S STATEMENT (CONT'D)

Prospects

Despite the uncertain and challenging times ahead, the Apex Group strives to achieve better business growth moving forward. The Group will also remain committed in building capacity to grow its business and capitalizing on any opportunities for expansion alongside diversified products and offerings to become a prominent player in the market. In line with the Securities Commission Malaysia's Capital Market Masterplan 3, Apex Group will be leveraging on digitalization and automation to achieve greater productivity and operational efficiency whilst minimizing overheads to remain competitive in the industry.

We will continue to adopt sound, innovative and niche business strategies by offering diversified and more investment products to cater for the needs of different segments of investors and traders as well as the underserved investment community. Besides deepening our market penetration via strategic business expansions, we are exploring the opportunities for regional collaboration to diversify our geographical business exposure and tap on rising business opportunities in the regional markets.

Internally, we continue to place emphasis on integrating strong ethics and a compliance culture in the day-to-day management of our business. We will manage our operating and administrative costs efficiently, optimising and streamlining the group structure to yield greater productivity whilst minimising the cost to income ratio. At the same time, we will continue to train and instil leadership qualities to enhance staff development and to create a dynamic and professional management team in managing our business more profitable and also to fulfil our social and corporate responsibilities.

Moving forward, Apex is aiming to grow its businesses to provide better value to our stakeholders. The Group has a strong financial strength and we believe that with a strong management team, Apex is expected to do better in the coming years.

Environmental, Social and Governance ("ESG")

Apex remains committed in implementing Environmental, Social and Governance (ESG) practices and promoting sustainability within the group. The Group's ESG efforts are spearheaded by the Corporate Sustainability Committee, which is led by the Chief Executive Officer/Executive Director, with sustainability approaches being embedded in the strategic direction of the Apex Group.

Our sustainability commitment extends to the local communities. Last year, we conducted our Corporate Social Responsibility (CSR) programme through charity donations totalling RM25,223 to three orphanages, which is higher than the RM16,950 donated in 2021.

To promote strong governance within Apex, the management has put in place the Whistleblowing Policy, and Anti-Bribery and Corruption Policy. Apex is also steadfast in protecting the environment and combating climate change by conserving electricity consumption, proper waste management and recycling of paper.

Board Movement

Apex's boardroom was refreshed with new members being appointed to the Board of Directors. Apex believes with decades of experience in the corporate scene, the new directors will be able to lead the Group to greater heights.

Appreciation

On behalf of the Board of Directors, I would like to express my sincere appreciation to the directors, management team and all the employees of Apex Group for their commitment, expertise, loyalty and continuous dedication towards the group's performance. I would also like to take this opportunity to thank our shareholders, customers, business associates and bankers for their continuous co-operation, support and confidence in the group. Last but not least, I would like to record my thanks to all the relevant regulatory authorities for their support and assistance throughout the financial year.

Farhash Wafa Salvador
Group Executive Chairman

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors of Apex Equity Holdings Berhad ("Apex" or "the Company") ("the Board") is committed to ensuring good corporate governance is practiced throughout the Company and its subsidiaries ("the Group") as a fundamental part of discharging its fiduciary responsibilities to protect and enhance shareholders' value and the financial performance of the Group. The Board recognises the need to lead Apex to achieve high standards and excellence in corporate governance in the best interest of the Company for all its stakeholders without compromising the interests of its other stakeholders. The Board understands that this is not just through achieving the desired financial performance but also through being ethical and sustainable.

The Board is pleased to present an overview of the Group's corporate governance practices, which summarise the Group's application of the Principles and Recommendations of the Malaysian Code on Corporate Governance ("MCCG") throughout the financial year ended 31 December 2022 ("FY 2022").

This Corporate Governance Overview Statement ("Statement") is prepared in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("MMLR") and it is to be read together with the Corporate Governance Report 2022 of the Company ("CG Report") which can be found on the Company's website at www.apexequity.com.my. The CG Report provides details of the Group's application and departures, including alternative practices of the principles and recommendations of MCCG.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

The Board's main roles are to govern, set the strategic directions and exercising oversight function on management. The Board is primarily responsible for the Group's overall strategic plans and direction to ensure its sustainability, overseeing the conduct of the businesses, risk management, succession planning, effective investor relations and ensuring the systems and processes of internal controls and management are adequate and effective.

The Board provides overall strategic guidance, effective oversight on the governance and management of the business affairs of the Group.

The principal roles and responsibilities assumed by the Board in discharging its leadership function and fiduciary duties towards meeting the goals and objectives of the Group are as follows:

- Reviewing and adopting a strategic plan which supports long-term value creation and business sustainability;
- Monitoring the conduct of business;
- Reviewing the adequacy and integrity of the management information and internal control systems and identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures;
- Succession planning;
- Ensuring effective communication with stakeholders; and
- Reviewing quarterly financial results and business performance of the Group.

In discharging its duties, the Board is guided by its Board Charter which outlines the duties and responsibilities of the Board and the Board Committees. Matters specifically reserved for the Board and those delegated to Board Committees are clearly defined in the Board Charter.

During FY 2022, the Board was assisted by 3 Board committees, namely the Audit Committee ("AC"), Group Board Risk Committee ("GBRC") and Nomination and Remuneration Committee ("NRC") (collectively referred to as "the Board Committees"), which operate within its respective defined terms of reference ("TOR") approved by the Board. The TOR of the respective Board Committee are periodically reviewed and assessed to ensure that the respective TORs remain relevant and adequate in governing the functions and responsibilities of the committee concerned and reflect the latest developments in the MMLR and the MCCG.

CORPORATE GOVERNANCE

OVERVIEW STATEMENT (CONT'D)

Group Board Risk Committee

The Board formed a new Group Board Risk Committee ("GBRC") on 11 April 2022 to assist the Board in reviewing and monitoring the adequacy and integrity of the Group's risk management and internal control framework. The GBRC is supported by the Group Risk Management Committee ("GRMC") and the Group Internal Audit ("GIA").

The GRMC will assist the GBRC to identify, assess, mitigate and monitor critical risks highlighted by business units and implements risk management policies and strategies approved by the Board. The GIA, which undertakes the internal audit function, assists the GBRC to review, evaluate and monitor the effectiveness of the Group's governance, risk management and internal control processes.

Roles and Responsibilities of the Chairman and Chief Executive

The roles and responsibilities of the Chairman and the Group Executive Director's ("GED")/ Chief Executive Officer ("CEO") are clearly separated. The Chairman is primarily responsible for matters pertaining to the Board and overall conduct of the Board in its collective oversight of management. The current GEDs responsible for the formulation of corporate goals and objectives and the implementation of strategies to achieve them as well as day to day management of the Company.

Specific duties of the Chairman and the GEDs/ CEO are available in the Board Charter.

The Chairman of the Board is not a member of any Board Committees to ensure there is proper check and balance as well as objective review by the board.

The Board acknowledges that having the same person assume the positions of Chairman of the Board, and Chairman of the Board Committees gives rise to the risk of self-review and may impair the objectivity of the Chairman and the Board when deliberating on the observations and recommendations put forth by the Board Committees.

Following the retirement of the Non-Executive Chairman, Ms. Chithra Ganesalingam on 20 June 2022, the Board appointed Dato Ahmad Redza Abdullah as the Non-Executive Chairman. Dato' Chong Chee Meng was redesignated as the Group Managing Director of the Company on 20 June 2022. On 20 June 2022 the Board also appointed Dato' Leong Wai Leng as the Group Deputy Managing Director and Mr. Lim Kok Eng as the Group Executive Director of the Company.

On 22 September 2022, Dato' Ahmad Redza Abdullah has resigned as the Independent Non-Executive Chairman of the Company.

On 23 December 2022, Dato' Choong Chee Meng has resigned as the Group Managing Director of the Company and Dato' Leong Wai Leng was redesignated as Group Executive Director.

Following the resignation of Dato' Ahmad Redza Abdullah, the Board has appointed Mr. Farhash Wafa Salvador as the Group Executive Chairman of the Company on 27 December 2022.

Role of the Company Secretaries

The Board is supported by Company Secretaries who provide advisory services, particularly on applicable governance best practices, corporate administration and Board processes to facilitate overall compliance with the MCCG, Companies Act 2016 and applicable laws and regulations.

Access to Information and Advice

Prior to the Board meetings, every Director is given an agenda and a comprehensive set of board papers consisting of reports on the Group's financial performance, the quarterly or annual financial results, minutes of preceding meetings of the Board and/or Board Committees, and relevant proposal papers (if any) to allow them sufficient time to review, consider and deliberate knowledgeably on the matters to be tabled.

Senior management as well as advisers and professionals appointed on corporate proposals undertaken by the Group are invited to attend the meetings to furnish the Board with their views and explanations on relevant agenda items tabled to the Board and to provide clarification on issues that may be raised by any Director.

CORPORATE GOVERNANCE

OVERVIEW STATEMENT (CONT'D)

In between Board meetings, approvals on matters requiring the sanction of the Board are sought by way of circular resolutions enclosing all the relevant information to enable the Board to make informed decisions. All circular resolutions approved by the Board are tabled for notation at the subsequent Board meeting.

The Board also perused the recommendations deliberated by the Board Committees through their respective minutes of meetings and through the briefing by the Chairman of the respective Board Committees. The Chairmen of the Board Committees is responsible for informing the Board at the Board meetings of any salient matters noted by the Board Committees and which may require the Board's direction or decision. Minutes of Board and Board Committees meetings are circulated on a timely manner for comments. Action items are highlighted for follow-up by Management.

The Board members have access to the advice and services of the Company Secretaries and senior management for the purpose of the Board's affairs and the business. The Board, whether as a full Board or in their individual capacity, in the furtherance of their duties and responsibilities, may seek independent professional advice at the Company's expense.

Board Charter

The Board Charter sets out the composition and balance, roles and responsibilities and processes of the Board and to ensure that all Board members acting on behalf of the Group are aware of their duties and responsibilities as Board members.

The Board Charter is reviewed by the Board, as and when required, to ensure its relevance in assisting the Board to discharge its duties with the changes in the corporate laws and regulations that may arise from time to time and to remain consistent with the Board's objectives and responsibilities.

The Board Charter is published on the Company's website at www.apexequity.com.my

Code of Conduct

The Group's Code of Conduct ("the Code") governs the standards of conduct and behaviour expected from the Directors and employees in all aspects of the Group's operations. To ensure its compliance with the Code, the Board and senior management will ensure all levels of officers and employees communicate and are informed through emails or hardcopy memos. The Board will periodically review and reassess the adequacy of the Code. The Code is published on the Company's website at www.apexequity.com.my

Whistleblowing Policy

The Board has implemented a Whistleblowing Policy to enable employees and members of the public to raise any alleged improper conduct committed or about to be committed within the Group. The Whistleblowing Policy sets out the procedures for dealing with any complaints lodged by whistleblowers.

All complaints of alleged misconduct received on an independent and confidential basis will be investigated and the necessary actions taken to protect the interests of the Group and stakeholders.

Board Composition and Independence

The NRC assists the Board in the assessment of the performance of the Board, Board Committees and individual Directors and in the selection of candidates for proposed appointment to the Board. The NRC consists of all Independent Non-Executive Director ("INED")s.

INEDs do not participate in the day-to-day management as well as the daily business of the Group except acting as an oversight. In staying clear of any potential conflict of interest situation, the INEDs remain in a position to fulfill their responsibility to provide a check and balance to the Board. They provide independent and objective views, advice and judgment which take into account the interests of the Group as well as shareholders, investors and other stakeholders

CORPORATE GOVERNANCE

OVERVIEW STATEMENT (CONT'D)

Tenure of INEDs

The tenure of an INED shall not exceed a cumulative term of 9 years. Upon completion of the 9 years, an INED may continue to serve on the board as Non-Independent Non-Executive Director ("NINED"). If the Board intends to retain an INED beyond 9 years, it will provide justification and seek annual shareholders' approval through a two-tier voting process. As at the date of this NRC Report, none of the current INEDs has served more than 9 years.

Appointments and Re-elections to the Board

Candidates for appointment to the Board as INED are selected after taking into consideration the mix of skills, experience and strength that would be relevant for the effective discharge of the Board's responsibilities. Potential candidates are first evaluated by the NRC and, if recommended by the NRC, subsequently, by the Board based on their respective profiles as well as their character, integrity, professionalism, independence and their ability to commit sufficient time and energy to the Company's matters. Prior to consideration by the Board, the candidate is also required to declare his state of financial condition, independence and furnish details of any subsisting legal proceedings in which he is a party. The Company will also conduct its internal vetting process on each candidate prior to their appointment.

Article 102 of the Company's Articles of Association provides that 1/3 of the Directors for the time being or if their number is not 3 or a multiple of 3, then the number nearest to 1/3, shall retire from office by rotation at an annual general meeting ("AGM") of the Company. Article 109 of the Company's Articles of Association further provides that any newly appointed director shall hold office only until the next following AGM of the Company and shall be eligible for re-election but shall not be taken into account in determining the retirement of directors by rotation at such meeting.

The Board has reviewed the suitability of the following Directors due for re-election at the forthcoming 33rd AGM:

i	Farhash Wafa Salvador	retiring pursuant to Article 109
ii	Dato' Leong Wai Leng	retiring pursuant to Article 109
iii	Lim Kok Eng	retiring pursuant to Article 109
iv	Woon Wai En	retiring pursuant to Article 109
v	Rozana Shamsuddin	retiring pursuant to Article 109

Board Diversity

The Board recognises diversity as an essential element to strengthen the composition of the Board as well as senior management. The Board will adopt a Board Diversity Policy which sets out the approach to maintain a Board comprising talented and dedicated Directors with a diverse mix of skills, expertise, experience, gender and age as well as the requisite independence, as required, for the elective functioning of the Board.

The Board is of the view that the suitability of potential candidate for the Board is dependent on the candidate's competency, skills, experience, expertise, character, time commitment, integrity and other qualities in meeting the needs of the Company, regardless of gender. There are currently 2 female Directors on the Board.

Annual Assessment

The NRC annually reviews the size and composition of the Board and the Board Committees in order to ensure that the Board and Board Committees have the requisite competencies and capacity to electively oversee the overall business and carry out their respective responsibilities. The NRC uses the Board and Board Committee Evaluation Form comprising questionnaires for the assessment. The effectiveness of the Board is assessed in the areas of the Board's responsibilities and composition, administration and conduct of meetings, communication and interaction with management and stakeholders and Board engagement.

The annual evaluations of the individual Director/Board Committee member are performed by the NRC via the Directors' Evaluation Form comprising questionnaires pertaining to the Director's knowledge and skills, participation, contribution and performance, caliber and personality.

To assess the independence of the INEDs, each of the INEDs annually provides the NRC with their Self-Assessment Independence Checklist.

CORPORATE GOVERNANCE

OVERVIEW STATEMENT (CONT'D)

Meetings and Time Commitment

The Board meets at least 4 times a year at quarterly intervals with additional meetings convened where necessary. During FY 2022, ten (10) Board meetings were held to deliberate on matters such as the Group's financial results, business plan, budget, appointment of management, appointment of INED for Apex Securities Berhad ("ASB") (formerly known as JF Apex Securities Berhad), remuneration for non-executive directors, strategic decisions, and strategic direction of the Group amongst others. Board meetings for each year are scheduled in advance before the end of the preceding year in order for Directors to plan their schedules. Based on the attendance by Directors who held office during FY 2022, the Board is satisfied with the level of time commitment of the Directors towards fulfilling their roles and responsibilities as Directors. The record of attendance of the Directors at Board meetings and various Board Committees' meetings for FY 2022 is disclosed in the table below:-

Directors	Board	AC	NC	RC
Chithra Ganesalingam (retired on 20 June 2022)	6/6	N/A	N/A	N/A
Yap Lang Ling (ceased as Director on 20 June 2022)	5/5	2/2	1/1	1/1
Ng Kit Ching (ceased as Director on 20 June 2022)	5/5	2/2	1/1	1/1
H'ng Boon Keng (ceased as Director on 20 June 2022)	5/5	2/2	1/1	N/A
Leong Sek Hoe (resigned on 20 June 2022)	5/5	N/A	1/1	1/1
Dato' Ahmad Redza Abdullah (resigned on 22 Sep 2022)	1/2	N/A	N/A	N/A
Dato' Choong Chee Meng (resigned on 23 Dec 2022)	7/10	N/A	N/A	N/A
Lee Siow Hong (appointed as Director on 11 Apr 2022)	8/10	2/2	5/5	5/5
Dato' Leong Wai Leng (appointed as Director on 20 June 2022)	2/3	N/A	N/A	N/A
Lim Kok Eng (appointed as Director on 20 June 2022)	3/3	N/A	N/A	N/A
Woon Wai En (appointed as Director on 20 June 2022)	3/3	2/2	4/4	4/4
Rozana Shamsuddin (appointed as Director on 20 June 2022)	3/3	2/2	4/4	4/4
Farhash Wafa Salvador (appointed as Director on 27 Dec 2022)	N/A	N/A	N/A	N/A

All the Directors do not hold directorships more than that prescribed under the MMLR.

In FY 2022, all the Directors attended more than the minimum of 50% of Board meetings held as stipulated under paragraph 15.05 of the MMLR. Additionally, in between meetings, the Directors also approved various matters requiring the sanction of the Board by way of circular resolutions.

CORPORATE GOVERNANCE

OVERVIEW STATEMENT (CONT'D)

Directors' Training

The Directors also made time to attend external training programmes to equip themselves with the knowledge to discharge their duties more effectively and to keep abreast of developments on a continuous basis in compliance with paragraph 15.08 of the MMLR. Details of training programmes and seminars attended by each Director who held office during FY 2022 are as follows:

Name	Date	Programme
Farhash Wafa Salvador	-	-
Dato' Leong Wai Leng	4-6 July 2022	Mandatory Accreditation Programme (MAP) by ICDM
	25 Aug 2022	Beneficial Ownership Framework by SSM
	1 Sept 2022	Crypto Tools by MIA
	5 Sept 2022	Leadership by MIA
	8 Sept 2022	Technical Change in Malaysian Financial Reporting Standards (MFRS) by MIA
	14 Sept 2022	Fraud Detection by MIA
	4 Oct 2022	Practical Guide for Directors by SSM
	17 Nov 2022	Anti-Money Laundering and Counter Financing of Terrorism (AML/CFT) by HRD Corp Trainer
Lim Kok Eng	4-6 July 2022	Mandatory Accreditation Programme (MAP) by ICDM
	24 Sept 2022	AMLA & MACC Section 17A (Ms. Yeap Bee Chin, Symphony Digest)
	29 Oct 2022	Anti-Money Laundering and Anti-Terrorism Financing Training for Directors & Management by AITLAU Management Services Sdn Bhd
	11 Nov 2022	The ABC of ESG & Sustainability in Business
	8 Feb 2023	'Malaysia FATCA Reporting Seminar' by S&P Global supported by the ASCM
Woon Wai En	20-22 Sept 2022	Mandatory Accreditation Programme (MAP) by ICDM
	9 Mar 2023	Budget Webinar by Tricor
	10 Mar 2023	Fraud Risk Management by MIA
	22 Mar 2023	Corporate Members' Exclusive: A 60-Minute Crisis Management – A Guide for Board Member by ICDM
Lee Siow Hong	4-6 July 2022	Mandatory Accreditation Programme (MAP) by ICDM
	6 Dec 2022	SC's Audit Oversight Board Conversation with Audit Committee
	22 Mar 2023	Corporate Members' Exclusive: A 60-Minute Crisis Management – A Guide for Board Member by ICDM
Rozana Shamsuddin	12-14 July 2022	Mandatory Accreditation Programme (MAP) by ICDM
	25 Aug 2022	Emerging Trends Talk: ESG Oversight – Role of The Board by ICDM
	1 Dec 2022	Becoming A Future – Focused Risk Management Committee by ICDM
	28 Feb 2023	(Re)building The Board for Innovation by ICDM

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE B: EFFECTIVENESS AUDIT AND RISK MANAGEMENT

Suitability and Independence of External Auditors

The external auditors report to the AC in respect of their audit on each year's statutory financial statements on matters that require the attention of the AC. At least once a year, the AC will meet with the external auditors without the presence of the management.

The external auditors declared their independence annually to the AC as specified by the By-Laws issued by the Malaysian Institute of Accountants, in their annual audit plan presented to the AC.

The AC annually assesses the audit quality, suitability, objectivity, effectiveness and independence of the external auditors. The AC also ensures that any provision of non-audit services by the external auditors are not in conflict with their role as auditors. Based on the assessment, the Board was satisfied with the independence and performance of the external auditors and recommended to the Board to put forth a proposal for their re-appointment at the forthcoming 33rd AGM of the Company.

Risk Management and Internal Control Framework

The Board has put in place a GRMC at ASB level, comprising representatives from the Heads of Group/ Department and the Credit Risk Management Department to evaluate, monitor and manage the risks that may impede the fulfilment of our business objectives.

The GRMC has been tasked to identify and communicate the existing and potential critical risk areas and the management action plans to mitigate such risks by working with the internal auditors in providing periodic reports and updates to the GBRC.

Minutes of GRMC meetings are confirmed at GRMC meetings and subsequently presented to the GBRC at every GBRC meeting for notation.

The GBRC and GRMC will continue to pursue its objective of identifying and managing risks associated with the operations of the Group and take the necessary measures to strengthen its internal control to enable fulfilment of the Group's business objectives.

Internal Audit Function

The Internal Auditor team performs their functions impartially with proficiency and due professional care. The Internal Auditor team undertakes regular monitoring of the Group's key controls and procedures, which is an integral part of the Group's system of internal control.

Internal audit reports are presented to the AC for review and deliberation at every AC meeting. The AC is briefed on the progress made in respect to each recommendation, and of each corrective measure taken based on the audit findings. The internal auditor reports directly to the AC to ensure independency.

Further details are set out in the Statement on Risk Management and Internal Control in this Annual Report.

The function of the internal auditor and work carried out to discharge her duties and responsibilities during FY 2022 are set out in the AC report in this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

Compliance with Applicable Financial Reporting Standards

The Board is assisted by the AC to oversee the Group's financial reporting processes and the quality of its financial reporting and to ensure that the financial statements of the Group and the Company comply with applicable financial reporting standards in Malaysia. Such financial statements comprise the quarterly financial report announced to Bursa Securities and the annual audited financial statements.

A statement by the Board of its responsibilities in respect of the preparation of the annual audited financial statements is set out in this Annual Report.

Investors Relations and Shareholders Communication

The Company recognises the importance of effective and timely communication with shareholders, investors and other stakeholders to keep them informed of the Group's latest financial performance and material business/corporate matters affecting the Group. Such information is available to shareholders and investors through the Annual Reports, the various disclosures and announcements made to Bursa Securities and the Company's corporate website.

The AGM provides the principal platform for dialogue and interactions with the shareholders. At every AGM, the Chairman of the AGM sets out the performance of the Group for the financial year then ended. Questions and answer session will then be convened wherein the Directors, Company Secretaries and the external auditors are available to answer the questions raised by the shareholders. Voting at AGMs are conducted by poll as poll voting reflects shareholders' views more accurately and fairly as every vote is properly counted in accordance with the one share, one vote principle.

Meanwhile, the Company will continue to explore the deployment of technology to enhance the quality of engagement with shareholders and further facilitate greater participation by shareholders at general meetings of the Company in the future.

Shareholders and the public can also access information on the Group's background, products and financial performance through the Company's website www.apexequity.com.my

Both this Corporate Governance Overview Statement and the CG Report were approved by the Board on 19 April 2023.

AUDIT COMMITTEE REPORT

MEMBERSHIP AND MEETINGS

Members

1	Woon Wai En, Chairman (appointed on 20 June 2022)	Independent Non-Executive Director
2	Lee Siow Hong (appointed on 11 April 2022)	Independent Non-Executive Director
3	Rozana Shamsuddin (appointed on 20 June 2022)	Independent Non-Executive Director
4	H'ng Boon Keng, Chairman (ceased as Chairman on 20 June 2022)	Independent Non-Executive Director
5	Ng Kit Ching (ceased as a member on 20 June 2022)	Independent Non-Executive Director
6	Dr. Yap Lang Ling (ceased as a member on 20 June 2022)	Independent Non-Executive Director

Following the cessation of office of Mr. H'ng Boon Keng ("Mr. H'ng"), Ms. Ng Kit Ching ("Ms. Ng") and Dr. Yap Lang Ling ("Dr. Yap") on 20 June 2022 as members of the Audit Committee ("AC"), the Board of Directors of the Company ("the Board") had on 20 June 2022 appointed additional directors comprising both Executive Directors and Independent Non-Executive Directors ("INED") on the Board.

At present, the Audit Committee ("AC") comprises 3 members namely, Mr Woon Wai En as Chairman of the AC, Mr. Lee Siow Hong and Pn. Rozana Shamsuddin as members of the AC. The Chairman of the AC is a qualified accountant and a member of the Malaysian Institute of Accountants. The composition complies with the MMLR.

The new AC is governed by its Terms of Reference, which is available on the Company's website at www.apexequity.com.my.

Meetings and Attendance

A total of 4 meetings were held during the financial year ended 31 December 2022 ("FY 2022"). Details of attendance of each member of the AC who held office during FY 2022 are as follows:-

Members	Attendance
Woon Wai En (appointed on 20 June 2022)	2/2
Lee Siow Hong (appointed on 11 April 2022)	2/2
Rozana Shamsuddin (appointed on 20 June 2022)	2/2
H'ng Boon Keng (ceased as a member on 20 June 2022)	2/2
Ng Kit Ching (ceased as a member on 20 June 2022)	2/2
Yap Lang Ling (ceased as a member on 20 June 2022)	2/2

AUDIT COMMITTEE REPORT (CONT'D)

SUMMARY OF ACTIVITIES DURING FY 2022

During FY 2022, the activities carried out by the AC are as follows:

Financial

1. Reviewed the unaudited quarterly results for the financial quarters ended 31 March 2022, 30 June 2022 and 30 September 2022 before they were presented to the Board for approval.
2. Reviewed the audited financial statements, directors' reports and other significant accounting issues arising from the audit for the financial year ended 31 December 2021 ("FY 2021") with the external auditors before they were presented to the Board for approval.
3. Reviewed and recommended all the reports and statements for inclusion in the Company's 2021 Annual Report to the Board for approval.
4. Reviewed and took note of all related party transactions reported for FY 2022.

Matters relating to External Auditors

1. Reviewed and approved the audit review memorandum (final audit findings for FY 2021 prepared by the External Auditors).
2. Reviewed with the External Auditors, the results of the audit, audit report and recommendations.
3. Conducted two (2) private meetings with the External Auditors without the presence of management so as to provide the external auditors with an avenue to express any concerns they may have.
4. Reviewed and assessed the performance, suitability and independence of the external auditors. After carrying out the evaluation, recommended to the Board to propose to shareholders the re-appointment of the external auditors at the AGM of the Company.
5. Reviewed the audit services and non-audit services provided by the External Auditors and their corresponding fees incurred. The AC had concluded that the External Auditors had remained independent during FY 2022.

Matters relating to Internal Auditors

1. Reviewed and approved the internal audit annual plan which included the risk-based methodology, resources requirements and proposed internal audit planned activities for financial year 2023.
2. Approved the revised FY2022 internal audit plan to ensure appropriateness in view of changes in management.
3. Audit Committee took note of the Group Internal Audit Charter which was reviewed as part of the regular exercise and the Internal Audit Charter was guided by the International Professional Practices Framework (IPPF) requirements issued by Institute Internal Auditors.
4. Reviewed and deliberated the internal audit reports that highlighted audit issues, root causes, recommendations as well as management's responses.
5. Reviewed the adequacy of the Management's responses to audit findings and unresolved outstanding issues.
6. Assessed and evaluated the performance and effectiveness of the internal audit during FY 2022, which includes the scope, functions, competency and resources as well as their ability to serve the Group in terms of technical competencies and manpower resource sufficiency.

The Head, Group Internal Audit, External Auditors and certain members of the senior management team attended the AC meetings by invitation. The AC chairman reported the proceedings of the AC meetings to the Board after every AC meetings. Minutes of the AC meetings are circulated to all members of the Board and significant issues were brought up and discussed at Board meetings.

AUDIT COMMITTEE REPORT (CONT'D)

SUMMARY OF ACTIVITIES OF THE INTERNAL AUDIT FUNCTION

In accordance to paragraph 15.27 of MMLR, a listed issuer must establish an internal audit function which is independent of the activities it audits & must ensure its internal audit function report directly to AC.

In furtherance thereof, the internal audit activities in FY 2022 were performed in-house by a group of internal auditors. The Group Internal Audit ("GIA") assists the Audit Committee and the Board by providing an independent objective assessment on the adequacy and effectiveness of Company's internal control system and processes.

The Group Internal audit reports directly to the AC and internal audit plans are tabled to the Audit Committee for reviewed and approved to ensure adequate coverage. The total cost incurred for the internal audit function for FY 2022 amounted to RM 274,920.

- * Group Internal Audit responsibilities and scope of internal - audit activities are outlined in the Internal Audit Charter the internal audit function was governed by the relevant regulatory guidelines and guidance of IPPF issue by The IIA.
- * The Internal Audit Charter is reviewed once in every three years or such shorter duration as may be necessitated to ensure relevance and alignment with the requirements of Internal Professional Practice Framework ("IPPF").
- * GIA continues to formulate the internal audit plan using a risk- based approach, taking into consideration Group's risk profile, regulatory requirements as well as input from AC and senior management.

- * The following activities were carried out by GIA during FY 2022:

- ◆ Formulated an annual internal audit plan and tabled for AC's review and approval.
- ◆ Performed periodical internal control testing of business units, operational and process across the Group as identified in the annual internal audit plan.
- ◆ Internal control weaknesses observed during the course of audit review were highlighted to the appropriate level of management for their attention and resolution. The GIA shares the findings, observations and recommendations with senior management.
- ◆ Reported the outcome of the internal audit by way of a formal internal audit report to the AC and Board on a quarterly basis, highlighting the audit issues, root causes , recommendations as well as Management's response and action plans for improvements and/or rectifications, for AC and Board's review and deliberation.
- ◆ Updated the status of internal audit assignments in the internal audit reports.
- ◆ Tracked and reported the implementation status of action plans committed by the Management to address audit findings highlighted by Group Internal Audit.

EVALUATION OF THE AC

The evaluation of the term of office and performance of the AC and each of its member is carried out annually by the Nomination and Remuneration Committee ("NRC") and presented to the Board for information. The results of the self-assessment were documented and assessed by the NRC prior to presentation to the Board for information.

This report was approved by the Board on 19 April 2023.

NOMINATION AND REMUNERATION COMMITTEE REPORT

MEMBERSHIP AND MEETINGS

Following the cessation of office of Mr. Leong Sek Hoe, Ms. Ng Kit Ching and Dr. Yap Lang Ling as members of the NRC on 20 June 2022, the Board of Directors of the Company ("the Board") appointed new Independent Non-Executive Director ("INED")s to reconstitute the new Nomination and Remuneration Committee ("NRC") comprised these 3 INEDs as described in the table below, all of whom are INEDs. The authorities, duties and responsibilities of the NRC is governed by its terms of reference, which is available on the Company's website at www.apexequity.com.my.

Members

1	Lee Siow Hong, Chairman	Independent Non-Executive Director
2	Woon Wai En (appointed as a member on 20 June 2022)	Independent Non-Executive Director
3	Rozana Shamsuddin (appointed as a member on 20 June 2022)	Independent Non-Executive Director
4	Ng Kit Ching (ceased as a member on 20 June 2022)	Independent Non-Executive Director
5	Dr. Yap Lang Ling (ceased as a member on 20 June 2022)	Independent Non-Executive Director
6	Leong Sek Hoe (ceased as a member on 20 June 2022)	Independent Non-Executive Director

Meetings and Attendance

A total of 5 meetings were held during the financial year ended 31 December 2022 ("FY 2022"). Details of attendance of each member of the NRC who held office during FY 2022 are as follows:-

	Members	Attendance
1	Lee Siow Hong, Chairman	5/5
2	Woon Wai En (appointed as a member on 20 June 2022)	4/4
3	Rozana Shamsuddin (appointed as a member on 20 June 2022)	4/4
4	Ng Kit Ching (ceased as a member on 20 June 2022)	1/1
5	Dr. Yap Lang Ling (ceased as a member on 20 June 2022)	1/1
6	Leong Sek Hoe (ceased as a member on 20 June 2022)	1/1

SUMMARY OF ACTIVITIES DURING FY 2022

The NRC performed the following activities in discharging its duties for FY 2022:

Composition of Board and Board Committees

1. Reviewed the changes in terms of composition of women directors, INEDs and senior management.
2. Reviewed the profiles of a list of candidates sourced externally and from the Institute of Corporate Directors Malaysia for the positions of INEDs and senior management of the Company and Group, and carried out interviews with the shortlisted candidates. The selection and review consideration are as follows:
 - Required mix of skills, experience, independence and diversity, including gender, where appropriate;
 - Character, knowledge, expertise and experience;
 - Professionalism, integrity, competence and time commitment; and
 - The independent directors' abilities to discharge such responsibilities/functions as expected from the independent directors.

Retirement and Re-election

1. Reviewed and assessed the performance and contribution of Directors who retired at the 32nd Annual General Meeting ("AGM") and nominated them for re-election and thereafter, recommended to the Board that resolutions for their re-election be tabled at the said AGM.

NOMINATION AND REMUNERATION COMMITTEE REPORT (CONT'D)

Annual Performance Assessment

1. Reviewed and assessed the required mix of skills, expertise and experience required by the Board and of the individual Directors and members of the Board Committees.
2. Reviewed and assessed the effectiveness of the Board as a whole, the Board Committees, and the contribution of each individual Director by undertaking an evaluation process involving self-assessment by individual Directors.
3. Reviewed and assessed the independence of the INEDs based on the criteria set out in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR").
4. Reviewed and assessed the term of office, competency and performance of the Audit Committee and its members as a whole.
5. Reviewed and assessed the competency and performance of the Company Secretaries.

Other matters

1. Reviewed and reported to the Board on remuneration and personnel policies, compensation and benefits with the aim of attracting, retaining and motivating individuals of the highest quality.
2. Reviewed and restructured the Directors' fees and benefits for non-executive directors and recommended to the Board to propose to the shareholders for approval.
3. Reviewed and endorsed the management's proposal for staff bonuses for FY 2022, and salary increments for year 2023 and recommended to the Board for approval.

Based on the annual assessment carried out by the Board in FY 2022, the Board is generally satisfied that the Directors have been effective in their overall discharge of functions and duties and their ability to act in the best interest of the Group. The composition of the Board and the Board Committees has the right mix of skills and knowledge, and the responsibilities of the Directors were well defined and set out in the Board Charter.

Criteria for Assessment and Recruitment

Selection of candidates for appointment as Directors may be recommended by Directors, senior management, major shareholders or independent sources. The NRC assesses the suitability of the candidates before recommending the candidates to the Board for appointment.

In evaluating the suitability of candidates, the NRC considers, inter-alia, their background, knowledge, integrity, competency, experience, commitment (including time commitment) and potential contribution to the Company and its subsidiaries ("the Group"). Additionally, in the case of candidates proposed for appointment as INEDs, the candidates' independence. This is consistent with the Group's practice of being an equal opportunity employer where all appointments and employments are based strictly on merit and are not driven by any racial or gender bias.

REMUNERATION FOR DIRECTORS

Remuneration is aligned with the business strategy and long-term objectives of the Group and complexity of its activities. The remuneration packages for executive directors are structured to reflect the demands of the Group's operations as well as the talent pool, and to link rewards to corporate and individual achievements comprising both fixed and variable elements. The remuneration packages reflect the scale and complexity of both the business and the role, and have to be competitive with the market. Executive directors are not involved in deciding their own remuneration.

The remuneration packages for non-executive directors comprise fixed fee, meeting allowances and benefits which are not linked to the financial results. The remuneration packages are structured to reflect the responsibilities, experience required and time demanded in discharging their duties and responsibilities. Where applicable, the Board also takes into consideration any relevant information from survey data. The remuneration payable to non-executive directors is subject to shareholders' approval at the annual general meeting ("AGM") of the Company and Directors who are also shareholders will abstain from voting at the AGM to approve their own remuneration.

NOMINATION AND REMUNERATION COMMITTEE REPORT (CONT'D)

Details of the aggregate remuneration of the Directors of the Company during FY 2022 are categorised as follows:

Name	Director's Fee RM'000	Salaries, bonuses and other benefits RM'000	Defined contribution benefits RM'000	Benefits in-kind RM'000	Total RM'000
Non-Executive Directors:					
Lee Siow Hong	42	5	-	-	47
Woon Wai En (appointed as a Director on 20 June 2022)	-	-	-	-	-
Rozana Shamsuddin (appointed as a Director on 20 June 2022)	-	-	-	-	-
Dato' Ahmad Redza Abdullah (appointed as a Director on 20 June 2022 and resigned on 22 Sep 2022)	-	-	-	-	-
Dr. Yap Lang Ling (ceased as a Director on 20 June 2022)	25	7	-	-	32
Ng Kit Ching (ceased as a Director on 20 June 2022)	25	7	-	-	32
H'ng Boon Keng (ceased as a Director on 20 June 2022)	19	7	-	-	26
Chithra Ganesalingam (retired as a Director on 20 June 2022)	55	6	-	-	61
Lee Cheow Fui (resigned on 25 April 2022)	25	2	-	-	27
Executive Directors:					
Farhash Wafa Salvador (appointed as Executive Chairman on 27 December 2022)	-	-	-	-	-
Dato' Choong Chee Meng (redesignated as Group Managing Director on 20 June 2022 and resigned on 23 Dec 2022)	39	594	70	11	714
Dato' Leong Wai Leng (appointed as Deputy Managing Director on 20 June 2022 and re-designation Group Executive Director on 23 December 2022)	-	505	60	12	577
Lim Kok Eng (appointed as Executive Director on 20 June 2022)	-	315	38	-	353
	230	1,448	168	23	1,869

REMUNERATION OF SENIOR MANAGEMENT PERSONNEL

The Board has chosen to disclose the remuneration of the top senior management staff in bands instead of on a named basis as the Board considers the information on the remuneration of these employees to be highly confidential, sensitive and proprietary. The transparency and accountability aspects of corporate governance, applicable to the remuneration of these staff, are deemed appropriately served by the above disclosures.

The remuneration of the senior management (including salary, bonus, defined contribution benefit, benefit-in kind and other remuneration) in each band of RM50,000 during FY 2022 are as follows:-

Total Remuneration in Bands of RM50,000	No of key management personnel and position
200,000 – 250,000	1
250,001 – 300,000	1
300,001 – 350,000	-
350,001 – 400,000	4
400,001 – 450,000	1

SUSTAINABILITY STATEMENT

At Apex Equity Holdings Berhad ("Apex"), we are committed to our endeavour as a financial services provider, business partner, employer, community member and a value creator for our shareholders. For years, we have emerged as a niche broker group tapping on the unique diversity of our people, market skills and expertise to support commerce across and within our markets. We provide a reliable channel for our clients to invest in the Malaysian and foreign capital markets. As part of our sustainability journey, we will continue to engage our stakeholders to ensure that we evolve to sustain in the long run and achieving our goals as well as enhancing the well-being of our stakeholders.

Our Sustainability Statement ("this Statement") focuses on Apex Equity Holdings Berhad's ("Apex") group ("Apex Group")'s sustainability practices in relation to on the economic, environmental, and social impacts of our activities and initiatives in accordance with the Global Reporting Initiative ("GRI") Standards, prioritizing our focus on reviewing our material issues and mapping out our route forward to embed sustainability throughout our business operations.

Apex Group is committed to building a niche business model that suits its strength and capability competing in the marketplace. Apex's sustainability strategy aims to deliver lasting value to its shareholders, stakeholders, and employees.

Our sustainability practices and preparation of this Statement are guided by the Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements ("MMLR") Sustainability Reporting Guide issued by Bursa Securities and guidelines issued by the GRI.

This Statement contains certain forward-looking statements relating to future performance where such statements are premised on current assumptions and circumstances, which could change, hence they necessarily involve uncertainty. Various factors could cause actual results to differ materially from those expressed or implied by these forward-looking statements.

REPORTING STANDARDS

Our reporting approach is based on the framework and guidance provided by GRI in accordance with the "core" option of the GRI Standards, adhering to the GRI Principles for defining report contents as follows:

- **Stakeholder Inclusiveness** - Being responsive to stakeholder expectations and interest
- **Sustainability Context** - presenting performance in the wider sustainability context
- **Materiality** - focusing on issues where we can have the greatest impact and that are most important to our business stakeholders
- **Completeness** - including all information that is of significant economic, environmental and social impact to enable stakeholders to assess Apex Group's performance.

REPORTING SCOPE AND BOUNDARIES

This Statement covers the reporting period from 1 January 2022 to 31 December 2022 ("FY 2022") and based on material topics that we have identified. Our focus for FY 2022 was on reviewing our sustainability approaches which covers economic, environmental and communal other than governance. Our scope and boundaries cover all our entities and operations in Malaysia.

OUR APPROACH TO DRIVING SUSTAINABILITY

Our approach to sustainability is based on our core values of excellence, united we achieve, integrity, humility and building relationship, supported by policies and procedures. We consistently embed sustainability into the core of our business, and seek to continuously improve upon all aspects of our sustainability journey, including our approach, processes and performance. The following value-added sustainability framework forms the basis of Apex's steps to strengthen our approach to sustainability.

SUSTAINABILITY STRATEGY

- To assess long term sustainability of Apex Group, through direct board oversight and delegation to Corporate Sustainability Committee ("CSC") which will assess major business and operating strategies, including the environmental, social and governance ("ESG") issues.
- To conduct analysis on sustainability challenges affecting key Apex stakeholders including employees, investors, suppliers and customers.
- To conduct systematic performance review and identify areas for improvements.
- To provide quality services to all of Apex's clients as they are the most valuable stakeholders.

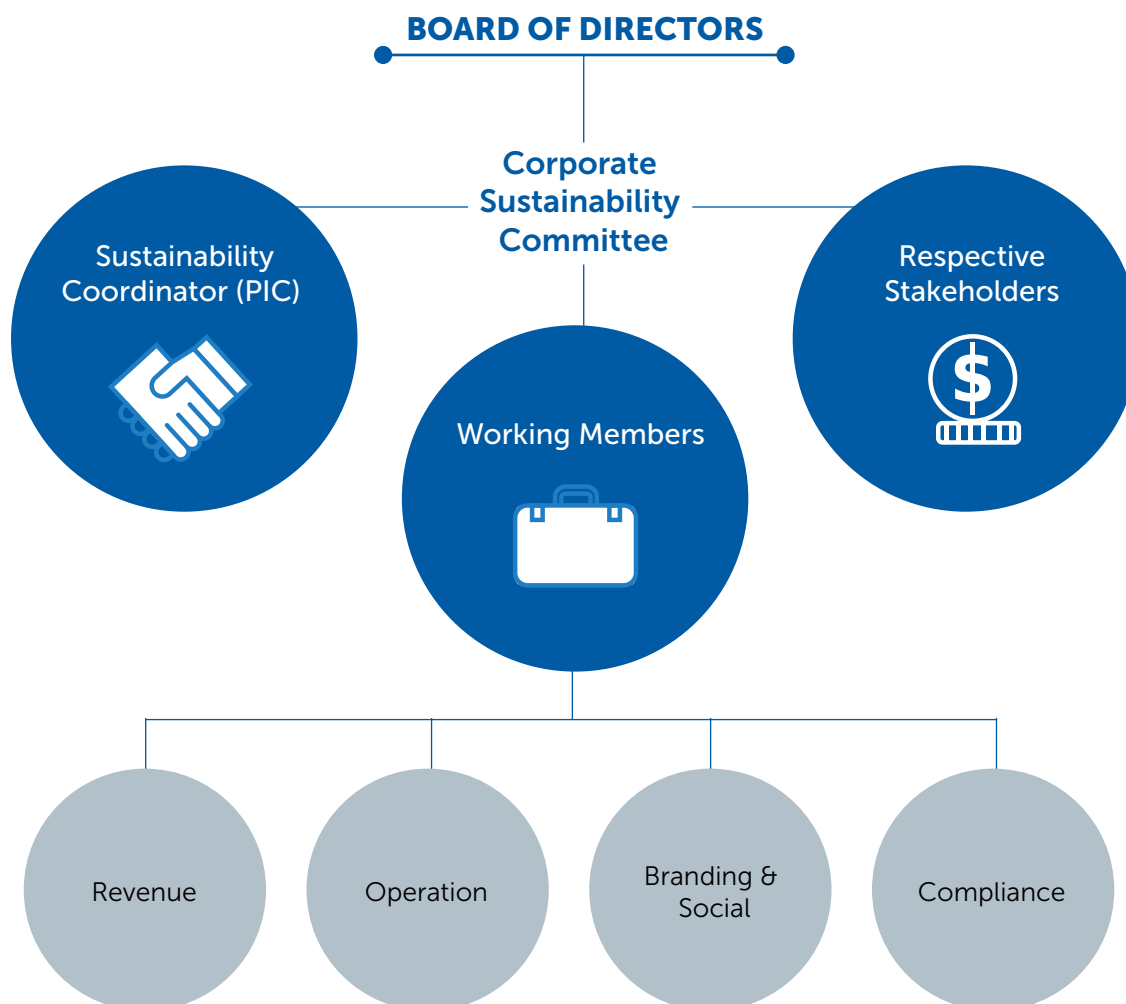
SUSTAINABILITY STATEMENT (CONT'D)

SUSTAINABILITY GOVERNANCE

All matters related to sustainability in Apex are governed and managed across various levels in the organisation. We strive to maintain high standards of corporate governance best suited to the needs and interests of our Group. Our Board has the ultimate responsibility and works together with the key senior management team to steer the Apex Group's sustainability efforts and performance.

In line with sustainability, we ensure that the sustainability efforts are embedded in the strategic direction of the Apex Group by involving all the pertinent working members. Due to numerous changes in Board of Directors of the holding company, the CSC was led by the Chief Executive Officer ("CEO")/Executive Director of the principal subsidiary for the FY 2022. The working members comprise all departments and operational units responsible for implementing the initiatives within the organisation. Moving forward, the Group Executive Director will steer the CSC.

The CSC of Apex is set out as follows:



SUSTAINABILITY STATEMENT (CONT'D)

Roles and Responsibilities of CSC

To deliberate matters pertaining to ESG by involving relevant working members.

To assist in the sustainability reporting enhancement and to support comprehensive sustainability efforts.

To enhance the materiality factors, metrics and targets to measure issues that are material to the business and move towards bench-marking the progress against international standards of sustainability reporting.

To strengthen the approaches on sustainability in terms of strategy, governance, materiality, economic, environmental and social.



Roles and Responsibilities of the Working Members

To plan, coordinate and implement sustainability initiatives.

To recommend milestone and timeline, deliverables and outcome of initiatives to the CSC.

To monitor and track departmental or business unit's initiatives aligning to sustainability.

To assemble input from the relevant departments and functions of the overall operational management of the sustainability matters.

To involve in the identification of material matters and material assessment process.



The following policies adopted by Apex Group serve to embed our commitment towards responsible corporate governance across our operations:

- Sustainability Policy with focus on ESG
- Group Risk Management Policy & Procedures
- Human Resources & Administration Policy on Code of Conduct/Ethics
- Personal Data Protection Policy & Procedures
- Remuneration Policy & Procedures
- Related Party Transaction Policy
- Anti-Bribery and Corruption Policy ("ABC") & Procedures
- Business Continuity Plan including Pandemic management, including prevention and control measures

SUSTAINABILITY STATEMENT (CONT'D)

In order to facilitate awareness, the above policies are communicated to our employees on the Group's intranet and notice board, and to the wider stakeholders such as suppliers, contractors, business partners and associates on our corporate website. We require all employees to abide by these policies and our ethical standards as stipulated in our employee handbook as they deliver excellence for the Company. In encouraging high standards of honesty and integrity in decision-making and behaviour, we encourage employees to consider the ethical implications and all other aspects of our ethics programme before giving and receiving gifts, in their dealings with third parties such as stakeholders, partners, vendors, and the general public.

We shall strive to ensure that our employees continue to uphold the value of integrity, act professionally and ethically. In 2022, we conducted a session of ABC training programme for management and staff to provide them with in-depth understanding of fraudulent acts and to promote integrity through ethical principles in the course of their duties.

OUR MATERIALITY ASSESSMENT PROCESS

Despite the challenging operating environment, Apex continues to practice prudence and stay focused on delivering quality growth, while being watchful of emerging risks.

The process of identifying our materiality matters is as below:



1. Objectives & Scope

The Objective of the CSC is to build a sustainable business for generations to come, and to further embed sustainability practices on the businesses to improve the overall sustainability performance.

Apex undertakes continuous materiality study within the top and middle management to determine the objectives and scope of the sustainability reporting covering all our subsidiaries remain relevant.

2. Identification of Relevant Sustainability Matters

The process initiated aims to address sustainability issues relevant to Apex and its stakeholders by identifying relevant material factors and managing the associated risks. In generating the material factors, the Group assesses the operating environment and emerging trends affecting our sector. We then engaged with the internal stakeholders, the various working members, to derive the sustainability matters. The references include Bursa Malaysia's Sustainability Reporting Guide and Toolkits, and international standards such as the Global Reporting Initiative Standards.

We review material factors and sustainability matters in order to ensure that our understanding of both the current and future risks and opportunities facing our markets is adequately addressed, as well as to gather stakeholder perspectives and ensure we are responding to their needs. As we update our material factors, we will continue to address them in a holistic and integrated manner, which may involve developing new policies and procedures, implementing various initiatives, measures and action plans, setting indicators as well as to establish a proper mechanism to capture, analyse and report sustainability data and information.

OUR MATERIAL FACTORS

The materiality process involved several steps including:

- Identification of potential material topics by reviewing GRI aspects, benchmarking against key corporate peers and analysing past reports, which reflects the feedback from customers, community representatives and employees generally.
- Inventory of aspects and topics most important to external stakeholders, customers and their supply chain vendors, based upon requests, surveys and ongoing engagement during the reporting period.

SUSTAINABILITY STATEMENT (CONT'D)

The prioritisation of the material issues is listed in the table below:

Key Materiality

Material Factors	Description	What Are The Risk	What Are The Opportunities
Competition	Apex is exposed to competition within the industry.	Lesser chance to secure business will impact the business and performance	<ul style="list-style-type: none"> Niche market products could be offered. Regional partnerships. Improved technology-based platform.
Market Stability	An effective and balanced regulatory framework for client's protection while facilitating business efficiency and innovation.	Any breach in regulation, lack of effective corporate governance (CG) that undermines integrity or stability will influence stakeholder confidence	<ul style="list-style-type: none"> Having a robust approach to engender trust and confidence, which encourages participation and growth Fostering a strong CG and sustainability culture will foster confidence from investors.

The prioritisation of the material factors was based on the impact it has on our operating environment. The Group has taken the necessary measurements and actions to manage the sustainable materiality in order to be in line with its corporate strategy.

Material Factors - Significant Impact

No	Factors	Why Material	Managing Materiality
1	Market Conditions and Apex's position	Market condition affects all businesses in every industry. Knowing Apex's position will enable right business decisions.	Conducting assessment of Apex's strength and weaknesses will enable Apex to grasp opportunities and avoid or mitigate threats.
2	Liberalisation of the Regulatory Framework	Direct impact on the revenue and business.	To keep abreast with the regulatory changes will allow Apex to focus on its ability to compete and sustain in its business.
3	Optimization of Resources	To help the operations/ business processes become efficient and effective.	Taking the necessary measures to ensure that all our resources are being optimised through Information Technology automation and integration, as well as sufficient human resources via talent development and retention.
4	Compliance with Regulatory Requirements and company's Policies and Procedures	Compliance with laws, business rules and regulations is one of our main business requirements.	Ensure we have a sufficient staff force who are adequately trained to carry out their responsibilities to meet operational needs and compliance obligations.
5	Cyber Security	Cyber threats and data breach could devastate the entire operations and business continuity.	To protect against cyber-attacks and to continuously enhance our cyber security measures.
6	Service Quality	It is part of our core business value to satisfy needs of all our customers. Ability to satisfy the customer would ensure retention and sustainability of our business.	By obtaining prompt stakeholder feedback to gauge our service quality and customer satisfaction level.
7	Corporate Governance	To ensure that the company adheres to CG policies and framework, procedures, rules and regulations. Non-compliance will result in loss of confidence in the company.	Good governance is conducted via various board committees and management sub-committees. The board ensures and oversees governance policies are adhered through engagements with Internal Audit, Compliance and the Risk Management committee.
8	Integrity and Anti-Bribery/Corruption	Corruption and failure in upholding integrity will tarnish corporate image and disrupt business activities due to trust deficit.	To inculcate a corporate culture of integrity through top-down briefings and training to educate staff on the need to maintain high integrity values and the adverse consequences of corruption on an organization.

SUSTAINABILITY STATEMENT (CONT'D)

3. Our Stakeholders Engagement

We recognise that on-going communication with stakeholders is essential for our growth. Our interaction involves a large number of different stakeholder groups and such engagement is important to ensure that we can identify, prioritize and address material matters which can be adopted in our business strategies. All issues raised by stakeholders are brought to the attention of the Management Taskforce meetings by the respective business and functional units. On-going engagements where applicable, are carried out on a regular basis as they are integral to our business development, relationships with stakeholders and commitment to sustainability.

Our key stakeholders are outlined in the table below, along with the forms of engagement and key topics of interest that we seek to address. We plan and deploy responsible stakeholders' engagement and promotion activities to communicate with the targeted stakeholders through various platforms, both internally and externally, to upkeep our corporate brand and strengthen our presence in the industry.

Stakeholder Group	Engagement Approach	Engagement Focus & Objectives
Customers	<ul style="list-style-type: none"> Customer service and contact centre Online trading platform Market Updates & Strategy campaigns Research coverage and articles online Apex e-game as trading simulation Constant engagement with tenants 	<ul style="list-style-type: none"> Customers' feedback improves our delivery Availability of access to various markets and investment products allow diversification Provide investment leads and opportunities Promote e-game with incentives as a training platform for stock trading skill development Customer complaint management
Employees	<ul style="list-style-type: none"> Employees appraisal Other employee engagement (such as townhall meetings, annual festive celebrations and sports club events) Career progression opportunities AMLA and Anti-Corruption training needs Human resources development and management 	<ul style="list-style-type: none"> Assess employees' ability Provide work life balance Performance evaluation and reward Career progression, employee skill development needs Adherence to code of ethics/conduct besides compliance culture and value building
Business Partners	<ul style="list-style-type: none"> Remisiers and Futures Broker Representative ("FBR") engagement Supplier evaluations and selection Contracts & Agreements with Anti-Corruption & Bribery clauses Procurement Evaluation Process for good decision-making and approval 	<ul style="list-style-type: none"> To understand remisier/FBR's needs Continuous education and skill development for our Reps to service clients Integrity pledge by Reps and suppliers Supplier assessment and review Procurement process to source suitable vendors and alternative products if any
Regulators and Government Authorities	<ul style="list-style-type: none"> Participation in regulators' & government events, briefings and consultations Liaison with government/ regulatory bodies for application/ document submissions Compliance with rules and regulations of Bursa & SC, and other governmental or regulatory bodies Consistent fact finding and fact sharing communication with regulators 	<ul style="list-style-type: none"> Continuous communication to obtain updates on relevant information and issues of concern Obtain and keep abreast of latest regulatory updates, pronouncements or announcements Rules and regulatory compliances and submissions under the oversight of Compliance and Internal Audit departments Monitoring of any non-compliance by customers, agents, representatives or suppliers by consistently engaging with regulators
Community	<ul style="list-style-type: none"> Corporate Social Responsibility ("CSR") programmes Sponsorship and donation Apex Sport Club events to promote harmonious relationship among employees 	<ul style="list-style-type: none"> Community engagement and support financially or non-financial via the Sports Club CSR contribution (e.g., donations to needy organizations/ orphanages) annually
Media	<ul style="list-style-type: none"> Media interviews or enquiries as part of investor relations Press conference or release where necessary Analysts' reports or comments quoted by the media on their stock or market coverage 	<ul style="list-style-type: none"> Notification of relevant General Meetings or significant events Media enquiries on our Group's results, activities or industry developments Research reports and coverage of certain stocks being highlighted by media requiring further elaboration

SUSTAINABILITY STATEMENT (CONT'D)

Shareholders & Investment Community

- Apex General Meetings
- Analyst briefings and updates
- Financial result announcements

- Bursa announcements on Quarterly Financial Results and Annual Reports
- Apex website for posting of information on the Group's Vision, Mission, activities, policies and key personnel
- Apex E-Trade website for stock and derivatives market information and trading

4. Assessment and Prioritization of Material Sustainability Matters

Apex has undertaken a stakeholder prioritization and engagement process to engage with its stakeholders. These include on-going efforts to engage with stakeholders in the usual course of business through the day-to-day operations, as well as specific engagements carried out to seek stakeholders' feedback. The outcome of these engagements was considered in the course of the Group's materiality assessment.

The applicability and relevance of the identified sustainability matters were reviewed by the CSC through internal meetings with the members of senior management, in accordance with research findings, peer companies benchmarking and the management's evaluation. As part of the process in conducting the materiality assessment of sustainability matters, the Group has conducted the following specific engagement processes:

- Determining the key stakeholders with whom the Group should engage, and carrying out assessments to identify key stakeholders based on each stakeholder's influence and dependence by the Group.
- Conducting discussions to gather inputs to gauge stakeholders' concerns in arriving at the list of sustainability matters identified.
- Taking into account feedback from clients and dealer's representatives gathered through various channels during the course of conducting its business.

5. Process Review

The management constantly reviews and improves the processes and outcome of the process including managing its material sustainability matters in its business and operations.

ECONOMIC

Economic scenario remains as our core element based on market conditions and global uncertainties such as the supply chain disruption stemmed from the Russia-Ukraine war, global inflation, interest rate hikes by central banks around the world, risk of recession and unfavourable domestic factors, such as weaker currency and changes in policies by the new government, which overshadow our country's post-COVID-19 economic rebound and corporate earnings recovery.

The Apex Group has taken greater efforts in identifying critical risk areas which influence the strategy of its businesses. Our commitment to business is focussed on strong corporate governance and prudent management in view of challenging internal and external environment.

Despite the uncertain and challenging times ahead, the Apex Group will constantly strive to achieve its targeted business growth. The Group will also remain committed in building its business and capitalizing on any opportunities for expansion besides providing diversified products and offerings. On cost optimization, the management is exploring the idea of leveraging on digitalization and automation to achieve greater productivity and operational efficiency whilst minimizing overheads to remain competitive in the industry. Also, the Group will continue to keep abreast with the regulatory reform and to strictly adhere to regulatory rules and guidelines with updated corporate governance framework and requirements being implemented. Our vigorous pursuit of high quality and comprehensive solutions have led to increasing local recognition, positioning us strongly to capitalise on significant opportunities in the coming years.

SUSTAINABILITY STATEMENT (CONT'D)

Data Protection and Security

We process significant quantity of personal and sensitive data due to the nature of our business. We respect privacy rights and are committed to provide privacy-compliant services to our valued customers through responsible data security management. We do not use customer data for secondary purposes without approval. Sensitive and personal information is handled strictly in accordance with the Personal Data Protection Act 2010 that serves as an integral guidance to the Company. To maintain the integrity of the company data, our IT Access Control and User Access Management Policies list clear guidelines safeguarding access to IT systems and applications. Access to all sensitive information is protected by access controls to ensure it is not improperly disclosed, modified, or rendered. To strengthen our system, we enhanced our IT security features which include firewall and antivirus to protect against viruses, malware exploits.

Information security materials are made available on our intranet to better educate employees on prevailing risks, especially in the handling of sensitive corporate data, in compliance with the Personal Data Protection Act 2010.

ENVIRONMENTAL

Apex's nature of operation does not have significant impact on the environment. However, we consider the direct and indirect impact of our business on the environment and manage our ecological footprint as we grow. As a responsible company, we endeavour to play our part in inculcating a culture of responsible management in energy use, waste management, pollution, and greenhouse gas emissions across our business operations, including adhering to all applicable laws, regulations and standards related to the environmental protection.

Apex has continuously engaged with clients to adopt e-contract notes and e-statements.

ELECTRICITY MANAGEMENT & CONSUMPTION

Apex encourages all its employees to conserve electricity and takes a holistic view towards energy reduction by promoting eco-friendly practices in the workplace. These includes installing energy saving LED light bulbs in our office, promoting e-statements, e-contract note, paperless environment and recycling papers in the work place to reduce the use of paper for communication purposes both internally and externally.

We understand that the energy management is essential for combating climate change and for lowering an organization's overall environmental footprint. Our electricity supply is from the local supply and we aim to minimize the energy usage in our offices by implementing the following efforts:

- A lighting schedule across key areas in our office to switch off lights during certain hours of least use.
- Maintenance and replacement of electrical equipment and light fittings to maximize energy efficiency.
- Educate staff to switch off lights, water dispenser, air conditioning, or other electrical appliances in office and pantry when they are not required.

The electricity consumption is as below:

Environment	2020 RM	2021 RM	2022 RM
Total Electricity Consumption	586,141.49	448,173.85	471,968.21

We aim to reduce electricity consumption by 5% in 2023 and also looking into feasibility study on installing solar panel to promote green energy.

WASTE MANAGEMENT

The Group's business activities and operations do not generate hazardous waste. However, we acknowledged that the environmental impact of paper usage is significant. The Group's approach to waste management is to avoid unnecessary plastics and paper consumption and waste generation, where possible and appropriate, in order to reduce the wastage. Apex has always looked at ways including the following paper management:

- Avoiding printing and photocopying and emphasising on paperless via electronic mode. In addition to this, practise of double-sided printing or reducing the size to have the best economical usage of papers.
- Reusing – by printing on the other side of the printed papers.
- Recycle – recycle the used and shredded papers by having proper recycling bins.

RECYCLING OF RESOURCES

We promote the principles of reduce, reuse, and recycle to extend product life, where applicable, to drive organisational green behavioural change and inculcate green minded employees in the workplace. All our employees are encouraged to go paperless in carrying out our daily work and only print physical copies of documents as necessary (double-sided and in black and white, if practicable). Additionally, we have adopted the practice of circulating e-meeting papers whereby documents and files are transmitted via soft copies.

SUSTAINABILITY STATEMENT (CONT'D)

CORPORATE SOCIAL RESPONSIBILITY

The Importance of Community

The Group is committed to promote CSR whilst pursuing business growth to enhance shareholders and stakeholders value. We continue to uphold values for safety, quality, integrity, diversity, innovation and sustainability have shaped our on-going commitment to CSR and have challenged us to reach even higher to ensure we are a responsible corporate citizen, employer of choice, and a positive contributor to the economy.

A strong commitment to social responsibility can protect and enhance a company's brand. As the word gets out about a company's good works, it can help create a positive working environment and attract potential employee with a strong commitment to CSR programmes.

Our Approach

Workplace

Apex aspires to be the employer of choice. To maximise productivity, the basic substance is to have the right people for the right tasks. To achieve optimum productivity, the Group:

- Provides a clear career path to all employees;
- Endeavours to enhance their skills and competencies through training & development programmes; and
- All employees are provided with a comfortable and functional workplace.

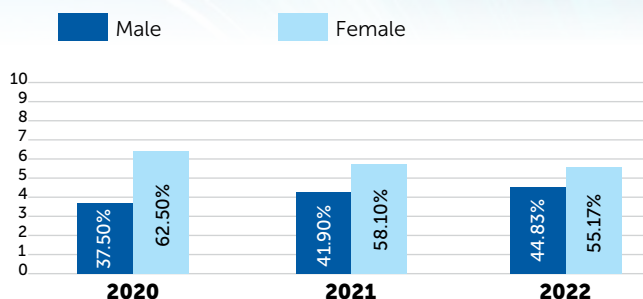
Recognising the importance of a healthy and positive lifestyle, Apex promotes sports and its CSR principles. We cultivates teamwork as well as sense of belonging among employees through recreation events and sports activities.

Apex recognises and values the benefits of diversity in people, ideas and cultures. By respecting diversity in the workplace, we avoid prejudice in creating a comfortable workplace. We do not tolerate unlawful discrimination such as age, gender, race, ethnic background, sexual orientation, gender identity, national origin or religious beliefs. This applies to interactions with employees and any other stakeholders including customers and suppliers.

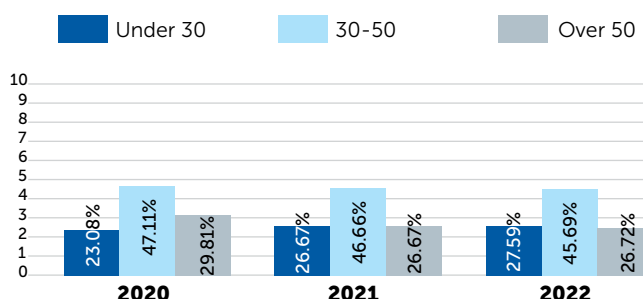
Apex is committed in maintaining cordial relationship with our employees in accordance with all policies, namely Code of Conduct and Business Ethics Policy and Human Resources and Labour Standards Policy that support our belief in workplace diversity. We strive to provide equal employment opportunities by adhering to strict guidelines in recruiting, training and promoting employees at all levels fairly.

The following sustainability graphs are illustrated based on the social segment in the organisation.

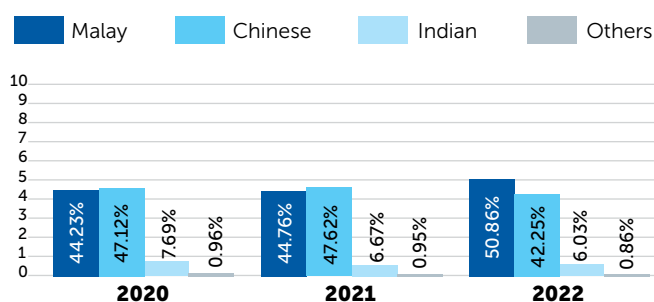
Employment Diversity In Terms of Gender



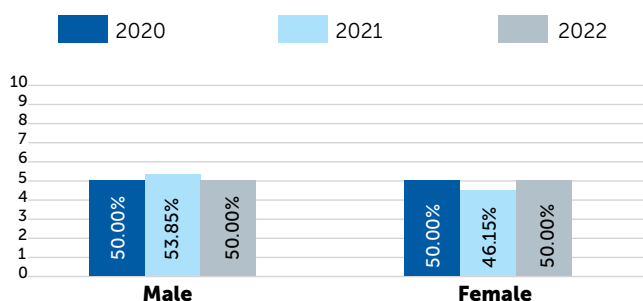
Employment Diversity In Terms of Age



Employment Diversity In Terms of Race



Breakdown of Senior Management by Gender



SUSTAINABILITY STATEMENT (CONT'D)

EDUCATION AND INDIVIDUAL DEVELOPMENT

Apex Group strives to promote a continuous learning culture through providing training for its employees to become industry experts. This also serves to provide the expertise in servicing our clients and also efficiently performing in the workplace. We endeavour to focus on talent development by offering its employees learning opportunities through in-house as well as external training programmes. We are committed to integrate best practices through training and providing relevant circulars/guidelines to employees to promote awareness on corporate governance and risks issues involving the industry and inculcate and adopt new measures to prevent fraudulent practices. We also sponsor employees in pursuing self-improvement in terms of courses and examination fees in relevant fields.

We are committed to motivate and develop employees regardless individual's ethnicity, race, colour, religion, gender, age and disability. Through merit-based performance management process, the Heads of Departments help their teams to identify training needs, skills gaps, and challenges faced during job, and help chart their individual career development plans.

Talent Retention and Succession Planning

At Apex, we strongly believe that our employees are our most valuable assets. By creating an inclusive working environment, this would help us in retaining talents through enhancing their sense of belonging. Aligning with our human capital management strategies, we strive to improve employee satisfaction through provision of career advancement, competitive remuneration and structured development in both functional and leadership areas. Succession plans are put in place for key positions to ensure sustainability in terms of continuous effective and efficient operations within the Company, in addition to cultivating a healthy leadership pipeline. Our employee benefits comply fully with the Employment Act 1955 and beyond, including various allowances, medical and insurance coverage. We review our employee benefits and reward programmes periodically to ensure our potential candidates are drawn to the Group and existing employees remain motivated.

To foster a culture of engagement, we continuously invest in building our engagement capabilities and monitor the progress we are making, to identify any development areas. The Heads of Departments also play a key role in creating a respectful and trusting relationship with their direct reports. Various employee engagement activities were organised to ensure our employees feel connected with each other, to the Company and the goals of the business.

Whistle Blowing and Grievance Mechanisms

The Group has formulated management principles, including adopting an open communication and encourage our employees to raise concerns on any case of non-compliance in any of our business, at the earliest possible opportunity. We recognise that the grievances management is an integral aspect of our social performance efforts. Our Whistleblowing Policy and Procedures is in place as a safe channel for employees and external stakeholders to report potential or actual improprieties in financial and operational matters. Complaints can be made verbally or in writing to the key senior management personnel, and we are committed to carry out independent investigations for appropriate remedial and follow-up actions. Externally, the Contact Us section in our website serves as an avenue for individuals and communities to submit their concerns or grievances to our key management personnel directly.

All concerns arising from our business processes shall be freely raised, and our Board of Directors and management are committed to the fair resolution of workplace disputes or issues, in accordance with our Whistleblowing Policy and Procedures.

We recognise the importance of confidentiality and shall grant anonymity to the complainants. We have zero tolerance towards retaliation by any employee against any person who in good faith reports possible violations and are committed to ensuring no one suffers any detrimental treatment for reporting their suspected breaches of minimum standards, work-related issues, harassment, or discrimination taking place in any part of our business.

SPORTS AND RECREATIONAL ACTIVITIES

In Apex, we develop and participate in programmes and project in partnership with the community around us to promote wellness and sustainability. This is done to benefit our community beyond the tradition aspiration and wellness.

It's our culture and belief that sport and recreation can improve the quality of life of individuals and communities, promote social inclusion, improve the body's health and immune systems, counter anti-social behaviour, raise individual self-esteem and confidence, and widen horizons.

We promote the following elements of wellness for the individuals and community:

SUSTAINABILITY STATEMENT (CONT'D)

Community

Apex Group constantly and consciously organises our Corporate Social Responsibility (CSR) programme based on three principles as follows:

- (a) Responsibility, Transparency and Accountability;
- (b) Care and Unity; and
- (c) Value Creation and Enhancement for All.

Our sustainability commitment extends to the local communities. Apex is committed to enrich their lives and create a better shared future for the community we live and work in through social investments and corporate giving, focusing on education, healthcare and community enrichment programmes. We continuously encourages people who may not have the resources to make monetary contributions or the time and skills to be involved in voluntary programmes, to make a difference. It has been a "tradition" of the Apex Sports Club to organise such event yearly and each time we received good response from the public.

Apex Group has increased its contribution to CSR activities in FY 2022 to RM25,223 (2021 : RM16,950). This an increase despite the challenging environment of the pandemic.

For the financial ahead, we have set a target of RM40,000 for the financial year ending 2023 as contribution to CSR activities.

The Group's contributions to the society are as illustrated below:

Donation to 3 Underprivelege Homes –



1) Openhands



2) Pertubuhan Warisan Puteri



3) Lotus Charity care

SUSTAINABILITY STATEMENT (CONT'D)

Safe Workplace Practices

The Group places great emphasis on safety and health aspects of its employees while maintaining a comfortable and conducive work environment to ensure a workplace that is free from theft or harm, violence or intimidation and other unsafe or disruptive influences due to internal and external conditions. This includes healthy practices in the wake of the COVID-19 pandemic such as sanitising the common work spaces, ensuring sufficient distancing and hand sanitisers made widely available. The addition of desk shield for staff manning countertops and staff in workstation proximity further provides assurance of staff well-being as well as added measure to lower the risk of any infection spread.

Apex prioritised the safety of our people and the community at large through implementation of response measures across our operations as we strive to maintain quality service to clients with minimal disruptions. To reduce potential spread of COVID-19 in the workplace, we remained committed in ensuring full compliance with the Ministry of Health of Malaysia's SOPs and management guidelines through implementation of COVID-19 preventive measures. These included:

- Established COVID-19 response procedures for office and operations
- Carried out case investigation and contact tracing in the event of reported infections at the workplace
- Create COVID-19 awareness programmes across various channels including via emails and signages at entrances, lobbies and lifts
- Reinforced strict hygiene standards and safety measures in offices and operation sites
- Hand sanitiser stations were set up for employees throughout our offices and operation sites
- Deployed vigilant cleaning and regular sanitisation in the workplace and our fleet of vehicles

Leadership & Commitment

Top management ensures that the requirements of the management system, including the policies and objectives, are consistent with the strategic context and direction of our organisation, and that the policies and objectives are established whilst ensuring that the human and financial resources needed for crucial implementation and enforcement are available.

LOOKING AHEAD

Apex has made some development towards formalizing sustainability within our business to enhance our initiatives undertaken and our reporting structure. As we continue on our sustainability journey, our ultimate goal is to build a sustainable business for generations to come. To achieve this, we will continually keep abreast of developments in our industry, actively and regularly engage our stakeholders, build upon our existing sustainability framework, and seek to further embed sustainable practices within our businesses so as to improve our overall sustainability performance. We are proud of our work with clients to promote sustainable economic growth in our markets.

This Statement has been approved by the Board and is current as at 19 April 2023.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors of Apex Equity Holdings Berhad ("Apex" or "the Company") ("the Board") is pleased to present the Statement On Risk Management And Internal Control ("Statement"). This Statement is prepared pursuant to paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and guided by the "Statement on Risk Management & Internal Control - Guidelines for Directors of Listed Issuers".

BOARD'S RESPONSIBILITY AND ACCOUNTABILITY

Our Board of Directors ("Board") is charged with overall responsibility for our Group's system of risk management and internal control to ensure its adequacy and effectiveness of our strategies, governance and processes. The risk management and internal control system covers the efficiency and effectiveness of the operation control of the Group which include but not limited to financial, regulatory, compliance, security, etc. Because of the limitations that are inherent in any system of internal control, the Board recognizes that the Group's system of risk management & internal control is designed to manage and minimize the risk of failure to achieve the Group's objectives. Therefore, it is able to provide reasonable and not absolute assurance against the occurrence of any material misstatement of management and financial information, or financial losses or fraud.

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

The Board and Management of the Group are committed to the implementation of an internal control system to manage those risks that could affect the Group's continued growth and financial viability. Measures are taken to continuously evaluate changes in the risk profile of the Group and business complexities to assist the Board and Management to anticipate and manage all potential risks and protect Shareholders' value. The oversight role on the risk management and internal controls, will be carried out on behalf of the Board by the Group Board Risk Committee ("GBRC") and Audit Committee ("AC"). The matters will be reviewed by the respective sub-boards and any key matters will be highlighted and to be deliberated for further action at the Board.

RISK MANAGEMENT FRAMEWORK & KEY PROCESSES

The Group has implemented and consistently applies the Enterprise Risk Management ("ERM") framework in the Group's core business operations and it is an on-going risk management process for identifying, evaluating and managing the key risks faced by the Group. Each risk identified are incorporated into the risk register and individually rated as Extreme, High, Medium or Low risk. The rating process is guided by a matrix of "likelihood" and "impact" being considered.

Within the framework, the Group has established a Group Risk Management Committee ("GRMC") to monitor the Group's risk management activities and meets regularly, to assess and evaluate the risks faced by the Group for ensuring that the existing mitigation actions are adequate. The risk owners drive the implementation of risk mitigation measures towards achieving a residual risk that is within acceptable tolerance.

The Group has set the following risk tolerance levels:

- a Extreme risk:** Immediate action required and must be dealt with straight away;
- b High risk:** Senior management attention needed;
- c Moderate risk:** Management responsibility must be specified;
- d Low risk:** Manage by routine procedures

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

In carry out its responsibilities, all key management staff are required to assume responsibility for risk management within their areas of responsibility and ensure that risk management is embedded in day-to-day business and decision-making processes. On a quarterly basis, the GRMC will update and report to the Group Board Risk Committee ("GBRC") and the Board of Directors on the status of risk management activities. Changes to risk profiles and emerging risks are also identified and promptly brought to the attention of Board and Committees.

Elements of internal control and key procedures

To ensure that a sound system of controls is in place, the key elements of internal control and key procedures are implemented via the following:

Regular Management Meetings

At senior management level, a number of management-level committees have been established to assist the Board to holistically manage the risks and business of the Group. These committees, namely the Audit Committee, Group Board Risk Committee, Group Risk Management Committee, Nomination and Remuneration Committee, to meet regularly and address all classes of risk within the Board delegated mandates.

Organization Structure

Formal organizational structure in place to clearly define the accountability, reporting lines and approving authorities to build an appropriate system of checks and balances, corresponding to the needs of the business and operations activities.

Internal Policies and Procedures

Internal policies, procedures and practices including authority limit on key activities that lay down the objective, scope, policies and operating procedures for the Group, are made available to appropriate staff in the Group. The policies and procedures are reviewed regularly to ensure aligned with the relevant regulatory requirements and in consideration of changing risks profile or new products or services.

Employees' Training

Training is provided to employees of the Group on relevant regulatory requirements, and guidance on implementation of internal controls to manage compliance risks.

Anti-bribery and corruption

The Group has adopted a zero-tolerance approach to bribery and corruption in any form, all employees and directors are required to comply with the relevant laws and regulations on anti-bribery and corruption. The Anti-Bribery and Corruption policy serves to protect the Group from financial and reputation loss as a result of regulatory and/or enforcement action.

Whistle-blowing

The Group has in place a Whistleblowing Policy to govern reporting and investigation of allegations of suspected improper/unethical activities, violations of regulations, internal policies & procedures and guidelines and code of ethics as well as whistle blower protection. The primary aim of the Whistleblowing Policy and its supporting mechanism is to enable individuals/concerned parties to raise genuine concerns without the fear of reprisal.

Business Continuity Management

Business Continuity Plans and Disaster Recovery Plans established for Group's core businesses to ensure business operations continue to keep running even in the event of disaster or disruption. The management is responsible to ensure that the Group is able to respond to and recover from significant unexpected events. Regular testing or drills are conducted for the purpose of staff preparedness, readiness of disaster recovery site and effectiveness of communication.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

TECHNOLOGY & CYBERSECURITY

Technology & Cyber security risk refers as potential detrimental events occurring from the use of information technology platforms, systems, applications and infrastructure which could result in financial loss, disruption of business operations or reputation to the Group. It is critical to all the operations of the businesses in the Group. The Group is becoming more vulnerable to cyber threats due to its increasing reliance on computers, programs, networks and social media. Various security measures have been put in place to minimize exposure to cyber security risk including identifying potential vulnerabilities in its operating environment, and ensuring timely response and recovery action are taken in the event of cyber-breach. Intensive system testing and review measures are conducted regularly to prevent unauthorized access to its computer servers, equipment and networks, including engaging external IT experts to assist in reviewing networks, server setup and firewall systems and to ensure that preventive measures taken are sufficient to mitigate cyber risks.

INTERNAL AUDIT FUNCTION

The Group has an established internal audit department namely, Group Internal Audit ("GIA") whose primary function is to assist the Audit Committee in providing independent assessment of the adequacy, efficiency and effectiveness of the established internal control system.

To ensure independence and objectivity, the Group Internal Audit reports directly to the Audit Committee and internal audit plans are tabled to the Audit Committee for review and approval to ensure adequate coverage.

On a quarterly basis, the results of the internal audit reviews and the recommendations for improvement are presented to the Audit Committee. In addition, the status of implementation of corrective actions to address control weaknesses is also followed up by the internal auditors to ensure that these unresolved outstanding issues have been resolved and satisfactorily implemented. Senior Management will continue to ensure appropriate actions are taken to enhance and strengthen the internal control environment

Further activities of the GIA are set out in the Audit Committee Report.

REVIEW OF THIS STATEMENT

As required under paragraph 15.23 of the MMLR, the external auditors have reviewed this Statement.

Their review was performed in accordance with the Audit and Assurance Practice Guide 3 ("AAPG 3"), a guidance issued by the Malaysian Institute of Accountants for auditors on engagements to report on this Statement to be included in Annual Report. Based on the review, the external auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the processes adopted by the Board in reviewing the adequacy and integrity of the risk management and internal control system within the Group.

AAPG 3 does not require the external auditors to consider whether this Statement covers all the risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board and management thereon.

This Statement is made in accordance with the resolution of the Board dated 19 April 2023.

CONCLUSION

Based on the foregoing as well as the inquiries and information provided, the Board has received assurance from the Executive Directors of the operating subsidiary companies and Group Financial Controller that the Group's risk management process and system of internal control are operating adequately and satisfactorily in all material aspects to meet the business objectives of the Group during the financial year ended 31 December 2022 and up to the date of approval of this Statement.

STATEMENT ON DIRECTORS' RESPONSIBILITY IN RELATION TO THE FINANCIAL STATEMENTS

The Directors are responsible for ensuring that the financial statements give a true and fair view of the state of affairs of the Group and of the Company as at the end of each financial year, and of the results and cash flows of the Group and of the Company for that financial year then ended.

In preparing the financial statements, the Directors have considered that:

- ▶ the Group and the Company have used appropriate accounting policies that are consistently applied;
- ▶ reasonable and prudent judgements and estimates have been made;
- ▶ all applicable approved accounting standards in Malaysia have been adhered to; and
- ▶ the financial statements have been prepared on a going concern basis.

The Directors are also responsible for ensuring that the Company maintains proper accounting records and other records that disclose with reasonable accuracy the financial position of the Group and of the Company, and that the financial statements comply with the regulatory requirements. The Directors have general responsibility for taking reasonably steps to safeguard the assets of the Group and of the Company, and to take all necessary measures to prevent fraud and other irregularities.

In undertaking the responsibilities placed upon them by the law, the Directors have relied upon the Group's system of internal control and the independent functioning of the internal audit function to provide them with assurance that the Group's accounting records and other relevant records have been maintained by the Group in a manner that enables them to sufficiently explain the transactions and financial position of the Group, and to ensure that true and fair financial statements and documents required by the Companies Act 2016 are prepared for the financial year to which these financial statements relate.

This statement is made in accordance with a resolution of the Board dated 19 April 2023.

AEHB GROUP FINANCIAL HIGHLIGHTS

YEAR ENDED 31 DECEMBER 2022

	2018 RM'000	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000
RESULTS - PROFIT AND LOSS					
Revenue	40,139	33,997	57,154	88,419	35,942
Profit/(loss) before tax	11,307	9,480	23,326	27,118	6,790
Profit/(loss) attributable to shareholders of the company	8,195	6,011	17,213	21,475	6,406
BALANCE SHEET					
Total assets	350,876	334,670	366,908	383,457	357,552
Total liabilities	50,682	32,518	47,543	48,696	36,373
Current assets	269,731	254,292	318,013	339,732	254,593
Due from clients/brokers	142,685	111,537	120,146	131,074	141,124
Current liabilities	50,682	31,867	47,142	48,499	36,365
Due to clients/brokers	35,675	16,728	21,420	29,496	16,006
Total borrowings	5,002	4,997	5,003	5,008	5,007
Net current assets	219,049	222,425	270,871	291,233	218,228
Net tangible assets	300,194	302,152	319,364	334,761	321,179
Shareholders' equity	300,194	302,152	319,364	334,761	321,179
Share capital	221,940	221,940	221,940	221,940	221,940
PER SHARE					
	Sen	Sen	Sen	Sen	Sen
Profit/(loss) before tax	5.58	4.68	11.51	13.38	3.35
Profit/(loss) attributable to shareholders of the company	4.04	2.97	8.49	10.60	3.16
Net tangible assets	148.14	149.11	157.60	165.20	158.50
Net dividend - cash	0.00	2.00	0.00	3.00	10.00
- share dividend	0.00	0.00	0.00	0.00	0.00

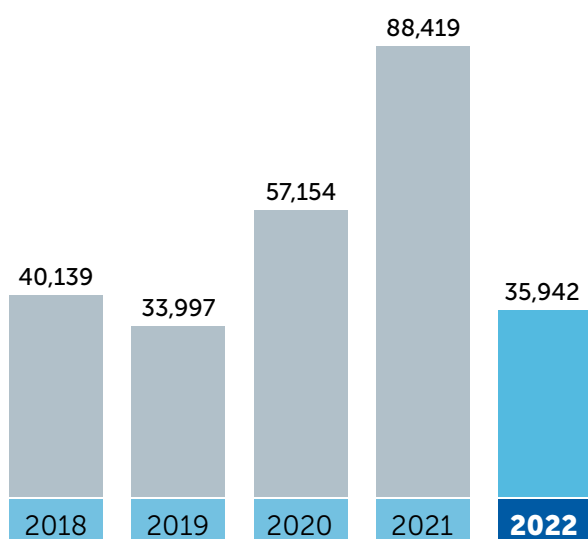
AEHB GROUP FINANCIAL HIGHLIGHTS (CONT'D)

	2018 RM'000	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000
FINANCIAL RATIOS					
Return on investment					
Return on shareholders' capital					
Profit/(loss) before tax	5.09%	4.27%	10.51%	12.22%	3.06%
Profit/(loss) attributable to shareholders of the company	3.69%	2.71%	7.76%	9.68%	2.89%
Return on shareholders' equity					
Profit/(loss) before tax	3.77%	3.14%	7.30%	8.10%	2.11%
Profit/(loss) attributable to shareholders of the company	2.73%	1.99%	5.39%	6.42%	1.99%
Return on shareholders' equity and total borrowings					
Profit/(loss) before tax	3.70%	3.09%	7.19%	7.98%	2.08%
Profit/(loss) attributable to shareholders of the company	2.69%	1.96%	5.31%	6.32%	1.96%
Margins					
Profit before tax/Revenue	28.17%	27.88%	40.81%	30.67%	18.89%
Profit attributable to shareholders of the company/Revenue	20.42%	17.68%	30.12%	24.29%	17.82%
Current ratio (times)	5.32	7.98	6.75	7.00	7.00
Gearing					
Total borrowings/shareholders' equity	1.67%	1.65%	1.57%	1.50%	1.56%
STOCK MARKET INFORMATION					
Share price - High (RM)	1.62	1.08	1.25	1.15	1.29
- Low (RM)	0.90	0.78	0.62	0.81	0.80
Last transacted price as at 31 December (RM)	0.94	0.80	0.96	1.10	1.19
Market capitalisation as at 31 December (RM'000)	200,749	170,850	205,020	234,919	254,140
Net price earnings ratio (times)	23.24	26.97	11.30	10.38	37.64

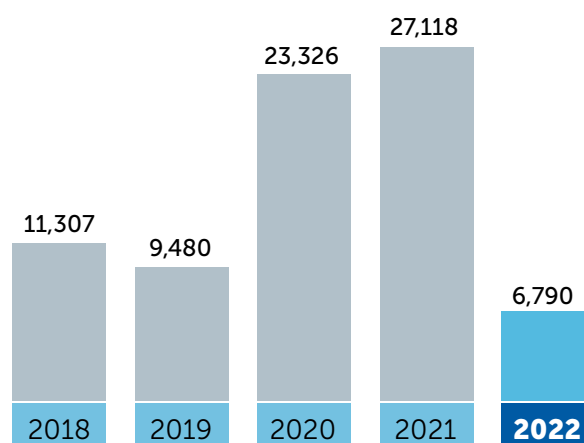
AEHB GROUP FINANCIAL HIGHLIGHTS (CONT'D)

5 Years Financial Performance

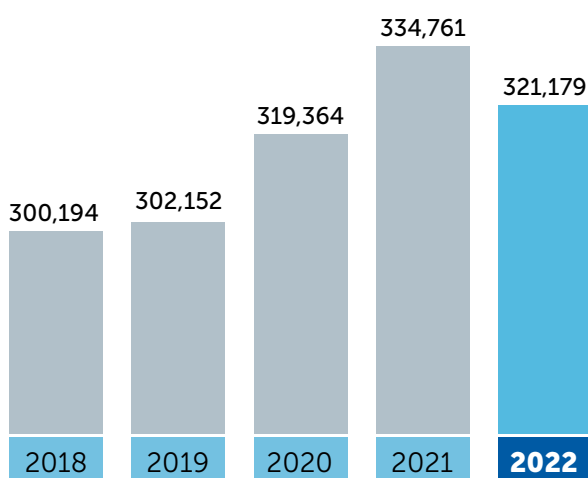
Revenue (RM'000)



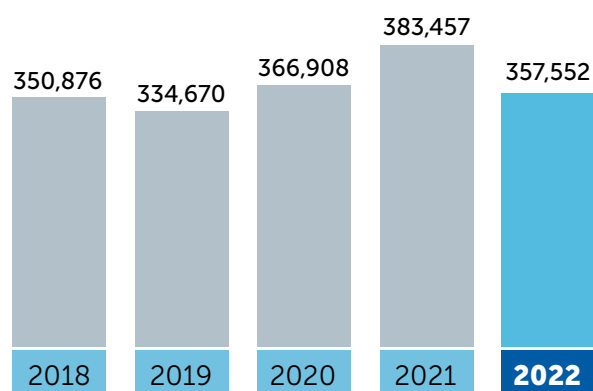
Profit Before Tax (RM'000)



Shareholders' Equity (RM'000)



Total Assets (RM'000)



MANAGEMENT DISCUSSION & ANALYSIS

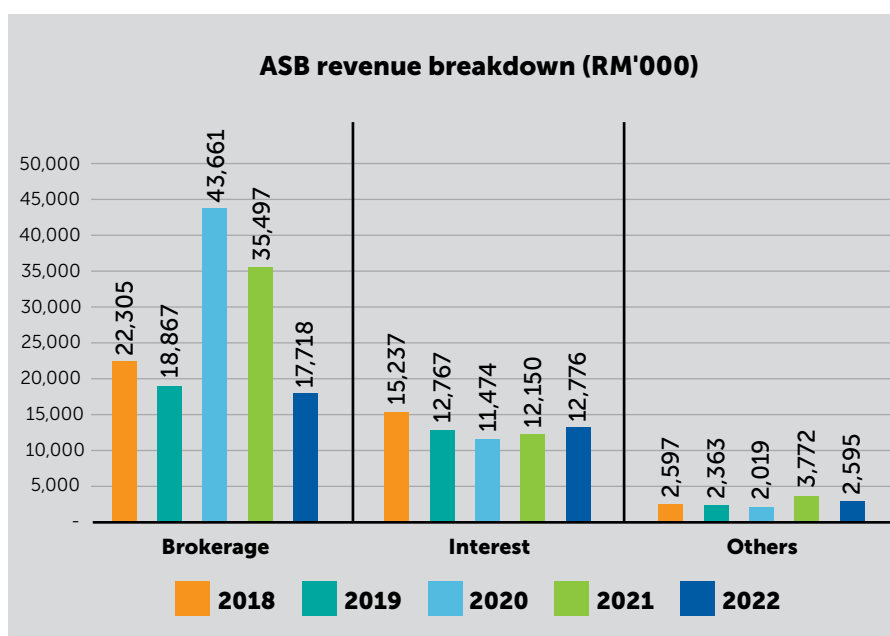
YEAR ENDED 31 DECEMBER 2022

Apex Securities Berhad ("ASB", formerly known as JF Apex Securities Berhad)

Overview

ASB is a wholly-owned subsidiary of Apex Equity Holdings Berhad ("AEHB"). Incorporated in 1979, ASB is principally engaged in the business as stocks, shares and futures brokers, investment advisors and dealers in securities. ASB's head office is located at Kajang and it has four branches, in Petaling Jaya, Puchong, Penang and Johor.

ASB's revenue decreased 36% to RM32.74 million for the financial year ended 31 December 2022 from RM50.95 million recorded in the previous financial year. The decrease in revenue was mainly attributed to lower brokerage income on lower securities transactions. Consequently, ASB registered a lower profit before tax of RM7.59 million for the financial year ended 31 December 2022 as compared to RM21.01 million in the previous financial year.



Prospect

The World Bank has projected Malaysia's GDP growth at +4% in 2023 following a strong recovery of +7.8% last year. Malaysia's extraordinary performance in 2022 was mainly due to the withdrawals from Employees Provident Fund, improved labour

market condition as well as other government policy measures which resulted in higher private consumption. Moving forward, economic growth is expected to decelerate as the economic miracle in 2022 is unlikely to be duplicable.

The local stock market is also expected to remain volatile as monetary tightening and the global economic slowdown will continue to affect investor's sentiment. Markets are now keeping a close eye on the US Federal Reserve's policy as further rate hike might depreciate the Ringgit currency, thereby prompting foreign fund outflows.

Given the current challenging environment, ASB anticipates a subdued outlook for stockbroking business for the financial year ending 2023. However, ASB will leverage on its strong financial position to deepen its market penetration through various business activities and expansion including expanding its resources, capability and capacity for future growth.

Source of revenue:

Brokerage: Commission from trading of equity and derivatives

Interest: Interest income from margin financing, money markets and late payment

Others: Income from fees, dividend, rental and others

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

Apex Development Sdn Bhd ("ADSB")

Overview

Apex Development Sdn Bhd ("ADSB") is a distinguished subsidiary of Apex Equity Holdings Berhad ("AEHB"), specializing in property holdings since its establishment in 1983. ADSB's prime revenue source is Menara Apex, a 10-storey office building located in Kajang.

It is noted that the financial year end 31 December 2022 saw an 11% decline in revenue for ADSB to RM1.69 million compared to RM1.90 million in the previous financial year mainly due to a reduction in Menara Apex's occupancy rate during the year. However, as a significant portion of Menara Apex is tenanted by companies within the Apex Group, it is anticipated that ADSB's revenue would remain stable for the financial year ahead.

Prospect

ADSB remains committed to delivering value to its shareholders. To mitigate the decline in revenue for the financial year 2022, ADSB is redoubling its efforts to increase rental income from Menara Apex by exploring new marketing strategies to attract tenants and at the same time, will be implementing cost-saving measures to improve the building's overall profitability.

Given the Malaysia's expanding economy, rising population, and increasing urbanization which are expected to continue driving demand for property, this provides a favourable environment for ADSB to thrive. Aside from Menara Apex, ADSB will also actively evaluate and explore options for its other existing landbanks which has not been developed in the past. Furthermore, ADSB is exploring new opportunities to expand its property portfolio and diversify its revenue stream, including establishing strategic partnerships with industry experts in investments in residential properties or other commercial buildings. With such collaboration with other industry experts in property development, ADSB is well-positioned to take advantage of these opportunities and deliver long-term value to its shareholders.

Apex Equity Capital Sdn Bhd ("AECSB")

Overview

AECSB is a wholly owned subsidiary of Apex Equity Holdings Berhad ("AEHB"). Incorporated in 1993, AECSB is principally engaged in the businesses of money lending and property development.

AECSB's registered a revenue of RM2.87 million for the financial year ended 31 December 2022 generated through its moneylending business. There was no such revenue in the previous financial year as the moneylending business has been suspended few years ago and was revived in Q3 2022. The RM37 million revenue recorded for the financial year ended 31 December 2021 was a one-off revenue recorded from the disposal of its development lands in the prior year (2022:RM0, 2021:RM37mil). Consequently, AECSB registered a profit before tax of RM2.37 million for the financial year ended 31 December 2022 as compared to RM5.34 million in the previous financial year.

Prospect

Following the decision to reactivate the moneylending operations, AECSB expects its income for the financial year ending 31 December 2023 to comprise interest incomes from secured loans. Looking ahead, AECSB anticipates significant growth opportunities in the lending business through the expansion of its existing lending capacity while leveraging on the Group's financial strength as source of funding. In addition to that, the current rising interest rate environment is also expected to further enhance AECSB's profitability.

As AECSB continues to expand its lending capacity, the company is also exploring new avenues for growth, such as developing innovative lending products to cater to the evolving needs of its customers. AECSB remains committed to maintaining strong relationships with its customers and other stakeholders.

ADDITIONAL COMPLIANCE INFORMATION

A. Audit and Non-Audit Fees

The amount of audit fees and non-audit fees paid and payable by the Company and Group to the Company's external auditors or firms affiliated to the external auditors' firm for the financial year ended 31 December 2022 are as follows:-

	Company RM	Group RM
Audit services rendered	46,000	173,000
Non-audit services rendered	7,000	7,000
Total	53,000	180,000

B. Material Contracts

There were no material contracts entered into by the Company and its subsidiaries involving the Company's Directors' and/or major shareholders' interests, either still subsisting at the end of the financial year, or which were entered into since the end of the previous financial year.

C. Utilisation of proceeds

There were no proceeds raised from any corporate proposal during the financial year ended 31 December 2022.

FINANCIAL REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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DIRECTORS' REPORT

The directors have pleasure to submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2022.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding and the provision of management services. Previously, the Company was principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no other significant changes in the nature of these activities during the financial year.

RESULTS

	The Group	The Company
	RM'000	RM'000
Profit after taxation attributable to owners of the Company	6,406	701

DIVIDENDS

Dividends paid by the Company since the end of the previous financial year were as follows:-

Ordinary Share	RM'000
In respect of the financial year ended 31 December 2021	
A fourth interim single tier dividend of 1 sen per share, paid on 6 April 2022	2,026
A special single tier dividend of 9 sen per share, paid on 6 April 2022	18,238
	20,264

The directors do not recommend the payment of dividend in respect of the current financial year.

RESERVES AND PROVISIONS

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

ISSUES OF SHARES AND DEBENTURES

During the financial year:-

- (a) there were no changes in the issued and paid-up share capital of the Company; and
- (b) there were no issues of debentures by the Company.

TREASURY SHARES

As at 31 December 2022, the total issued and fully paid shares of the Company stood at 213,563,324 ordinary shares, of which 10,923,118 ordinary shares are being held as treasury shares, as disclosed in Note 19 to the financial statements.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

DIRECTORS' REPORT (CONT'D)

DIRECTORS

The names of directors of the Company who served during the financial year and up to the date of this report are as follows:-

Dato' Leong Wai Leng

(Appointed on 20.06.2022)

Lim Kok Eng

(Appointed on 20.06.2022)

Lee Siow Hong

(Appointed on 11.04.2022)

Rozana Shamsuddin

(Appointed on 20.06.2022)

Woon Wai En

(Appointed on 20.06.2022)

Farhash Wafa Salvador

(Appointed on 27.12.2022)

Dato' Ahmad Redza Abdullah

(Appointed on 20.06.2022 and resigned on 22.09.2022)

Dato' Choong Chee Meng

(Resigned on 23.12.2022)

Lee Cheow Fui

(Resigned on 25.04.2022)

Chithra Ganesalingam

(Retired on 20.06.2022)

Leong Sek Hoe

(Appointed on 22.03.2022 and not re-elected on 20.06.2022)

Dr. Yap Lang Ling

(Appointed on 22.03.2022 and not re-elected on 20.06.2022)

Ng Kit Ching

(Appointed on 22.03.2022 and not re-elected on 20.06.2022)

H'ng Boon Keng

(Appointed on 11.04.2022 and not re-elected on 20.06.2022)

The names of directors of the Company's subsidiaries who served during the financial year and up to the date of this report, not including those directors mentioned above, are as follows:-

Zairul Azman Bin Jemaari

Kong Ming Ming

Wong Zhen Fai

(Appointed 20.06.2022)

Leong Kok Hoong

(Appointed on 20.06.2022)

Chang Min De

(Appointed on 19.12.2022)

Dato' Zakaria Bin Arshad

(Appointed on 08.03.2023)

Khatimah Binti Mahadi

(Appointed on 11.04.2022 and resigned on 29.09.2022)

Chin Min Ming

(Appointed on 11.04.2022 and resigned on 27.06.2022)

Ng Keat Teong James

(Resigned on 20.06.2022)

Foo Siew Yuen

(Resigned on 29.06.2022)

Tan Cheng Han

(Resigned on 01.09.2022)

In accordance with the Company's Articles of Association, Farhash Wafa Salvador, Dato' Leong Wai Leng, Lim Kok Eng, Rozana Shamsuddin and Woon Wai En retire pursuant to Article 109 at the forthcoming Annual General Meeting. The retiring directors being eligible offer themselves for re-election.

DIRECTORS' REPORT (CONT'D)

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares of the Company and its related corporations during the financial year are as follows:-

	← Number of Ordinary Shares →		
At 20.06.2022 (Date of Appointment)	Bought	Sold	At 31.12.2022
The Company			
<i>Direct Interest</i>			
Lim Kok Eng	1,000	-	1,000
<i>Indirect Interest</i>			
Lim Kok Eng *	5,000	-	5,000

* Held through daughter pursuant to Section 59(11)(c) of the Companies Act 2016

The other directors holding office at the end of the financial year had no interests in shares of the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in the "Directors' Remuneration" of this report) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

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

OTHER STATUTORY INFORMATION

- (a) Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps:
- to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables and satisfied themselves that there were no known bad debts and that adequate allowance had been made for impairment losses on receivables; and
 - to ensure that any current assets which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

- At the date of this report, the directors are not aware of any circumstances:
 - which would render it necessary to write off any bad debts or the amount of the allowance for impairment losses on receivables in the financial statements of the Group and of the Company inadequate to any substantial extent;
 - which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading; or
 - which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- At the date of this report, there does not exist:
 - any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or
 - any contingent liability of the Group and of the Company which has arisen since the end of the financial year.
- No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

DIRECTORS' REPORT (CONT'D)

- (e) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (f) 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; and
 - there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

DIRECTORS' REMUNERATION

The details of the directors' remuneration paid or payable to the directors of the Company during the financial year are as follows:-

	The Group RM'000	The Company RM'000
Fees	230	230
Salaries, bonuses and other benefits	1,788	1,448
Defined contribution benefits	209	168
	2,227	1,846

The estimated monetary value of benefits-in-kind provided by the Group and the Company to the directors of the Company were RM33,188 and RM22,600 respectively.

INDEMNITY AND INSURANCE COST

Indemnity is given to all the directors of the Company and its subsidiaries, and certain officers of the Group. There was no indemnity given to the auditors of the Company.

During the financial year, the total amounts of indemnity coverage and indemnity premium paid by the Company which amongst others include the directors of the Company and its subsidiaries, and certain officers of the Group were RM10 million and RM135,000 respectively.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 5 to the financial statements.

The auditors' reports on the financial statements of the subsidiaries did not contain any qualification.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

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

AUDITORS

The auditors, Crowe Malaysia PLT, have expressed their willingness to continue in office.

The details of the auditors' remuneration for the financial year are as follows:-

	The Group RM'000	The Company RM'000
Audit fee	173	46
Non-audit fee	7	7
	180	53

Signed in accordance with a resolution of the directors dated 19 April 2023.

Dato' Leong Wai Leng

Lim Kok Eng

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Dato' Leong Wai Leng and Lim Kok Eng, being two of the directors of Apex Equity Holdings Berhad, state that, in the opinion of the directors, the financial statements set out on pages 63 to 117 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 of 31 December 2022 and of their financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the directors dated 19 April 2023.

Dato' Leong Wai Leng

Lim Kok Eng

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016

I, Tan Cheng Han, MIA Membership Number: 11280, being the officer primarily responsible for the financial management of Apex Equity Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 63 to 117 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned
Tan Cheng Han, NRIC Number: 680702-10-5897
at Kajang
in the State of Selangor
on this 19 April 2023

Tan Cheng Han

Before me

INDEPENDENT AUDITORS' REPORT

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Apex Equity Holdings Berhad, which comprise the statements of financial position as at 31 December 2022 of the Group and of the Company, and the 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 financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 63 to 117.

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 2022, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 36.3 to the financial statements, which described the ongoing litigation faced by the Group and the Company and the relative uncertainty of the outcome. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

INDEPENDENT AUDITORS' REPORT (CONT'D)

Key Audit Matters (Cont'd)

We have determined the matters described below to be the key audit matters to be communicated in our report.

Impairment of Receivables Refer to Note 11 to the financial statements

Key Audit Matter

We focused on this area because the Group carries significant amount of receivables with credit risk exposure, and the adequacy of the impairment loss for receivables involved the use of judgements.

How our audit addressed the key audit matter

Our audit procedures included, amongst others, the following:-

Trade receivables (excluding loan receivables)

- Obtained an understanding of:
 - The Group's control over the receivable collection process;
 - How the Group identifies and assess the impairment of receivables; and
 - How the Group makes the accounting estimates for impairment.
- Reviewed the ageing report and tested its reliability;
- Assessed the recoverability of major receivables including but not limited to, subsequent collections;
- Understand the methodologies and tested the model used for the computation of impairment; and
- Evaluated the reasonableness and the adequacy of the Group's allowance for impairment losses on receivables, in particular the expected credit losses.

Loan receivables

- Obtained an understanding of:
 - The money lending policies and procedures;
 - The process of evaluation of loan application to ultimate approval of loan;
- Inspected supporting documentations which included mainly the money lending agreement, background and credit check of borrowers and securities' agreement;
- Reviewed whether the Group's ECL model on loan receivables is in accordance with MFRS 9. This includes the management assessment of significant assumptions and considerations applied by the Group in the ECL model such as criteria for significant deterioration in credit quality;
- Reviewed how the Group perform assessment on the fair values of collateral pledged; and
- Obtained direct confirmations from loan receivables.

Revenue Recognition Refer to Note 24 to the financial statements

Key Audit Matter

We have considered revenue recognition as a key area of our audit as it is one of the significant items in the financial statements of the Group and an important driver of the Group's operating results.

Our focus is on two main revenue streams derived from stock and futures broking segment of the Group as follows:

- Brokerage income; and
- Interest income.

Brokerage income and interest income involved voluminous transactions and are mainly processed automatically through the Information Technology ("IT") system of the Group.

How our audit addressed the key audit matter

Our audit procedures for revenue included, amongst others, the following:-

- Tested the Group's control over the IT system that is critical to the revenue recognition and financial reporting through a combination of tests over the general control and the application control;
- Performed test of details on the existence of the revenue recorded, based on amongst others the inspection on the issuance of contract notes, invoices and/or journal entries, tracing from the relevant ledger accounts;
- Compared the performance of the Group especially on brokerage income earned to the overall stock market performance in Malaysia based on available published information;
- Tested completeness of revenue by tracing samples of contract notes, invoices and/or related journal entries during the financial year and also subsequent to the financial year, to the relevant ledger accounts; and
- Assessed the risk of management override of controls mainly through the review of journal entries testing.

INDEPENDENT AUDITORS' REPORT (CONT'D)

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with 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.

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.

INDEPENDENT AUDITORS' REPORT (CONT'D)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

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

OTHER MATTER

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.

Crowe Malaysia PLT

201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

Ooi Song Wan

02901/10/2024 J
Chartered Accountant

Kuala Lumpur
19 April 2023

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

		The Group		The Company	
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	5	-	-	205,991	225,991
Investment in an associate	6	-	-	-	-
Property and equipment	7	12,487	11,969	108	-
Investment properties	8	27,004	27,093	-	-
Right-of-use assets	9	173	618	-	-
Other assets	10	4,412	4,045	-	-
Receivables	11	56,883	-	-	-
Deferred tax assets	12	2,000	-	-	-
		102,959	43,725	206,099	225,991
CURRENT ASSETS					
Marketable securities held for trading	13	4,315	2,242	-	-
Receivables	11	145,914	136,067	144	66
Amount owing by subsidiaries	14	-	-	2,775	11,471
Current tax assets		344	-	79	30
Fixed deposits with a licensed bank	15	-	214	-	-
Cash and short-term funds	16	104,020	196,305	8,919	109
		254,593	334,828	11,917	11,676
Non-current asset held for sale	17	-	4,904	-	-
TOTAL ASSETS		357,552	383,457	218,016	237,667
EQUITY AND LIABILITIES					
EQUITY					
Share capital	18	221,940	221,940	221,940	221,940
Treasury shares	19	(7,459)	(7,459)	(7,459)	(7,459)
Reserves	20	106,698	120,280	241	19,804
TOTAL EQUITY		321,179	334,761	214,722	234,285
NON-CURRENT LIABILITY					
Lease liabilities	21	8	197	-	-
CURRENT LIABILITIES					
Payables	22	31,169	42,516	846	40
Amount owing to a subsidiary	14	-	-	2,448	3,342
Lease liabilities	21	189	362	-	-
Current tax liabilities		-	613	-	-
Bank overdraft	23	5,007	5,008	-	-
		36,365	48,499	3,294	3,382
TOTAL LIABILITIES		36,373	48,696	3,294	3,382
TOTAL EQUITY AND LIABILITIES		357,552	383,457	218,016	237,667

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	The Group		The Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
REVENUE	24	35,942	88,419	7,836	365
DIRECT OPERATING COSTS	25	(9,261)	(48,612)	-	-
GROSS PROFIT		26,681	39,807	7,836	365
OTHER INCOME		1,858	2,840	35	326
NET IMPAIRMENT GAIN ON FINANCIAL ASSETS	26	489	1,359	-	-
ADMINISTRATIVE AND GENERAL EXPENSES		(22,193)	(16,818)	(6,898)	(838)
FINANCE COSTS		(45)	(70)	(251)	(76)
PROFIT/(LOSS) BEFORE TAXATION	27	6,790	27,118	722	(223)
INCOME TAX EXPENSE	28	(384)	(5,643)	(21)	(52)
PROFIT/(LOSS) AFTER TAXATION		6,406	21,475	701	(275)
OTHER COMPREHENSIVE INCOME					
<u>Item that Will Not be Reclassified</u>					
<u>Subsequently to Profit or Loss</u>					
Fair value changes of equity instruments	10	276	-	-	-
TOTAL COMPREHENSIVE INCOME/ (EXPENSE) FOR THE FINANCIAL YEAR		6,682	21,475	701	(275)
PROFIT/(LOSS) AFTER TAXATION ATTRIBUTABLE TO:-					
Owners of the Company		6,406	21,475	701	(275)
TOTAL COMPREHENSIVE INCOME/ (EXPENSE) ATTRIBUTABLE TO:-					
Owners of the Company		6,682	21,475	701	(275)
EARNINGS PER SHARE (SEN):	29				
- basic		3.16	10.60		
- diluted		3.16	10.60		

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

The Group	Note	Non-Distributable		Distributable		Total Equity
		Share Capital RM'000	Fair Value Reserve RM'000	Treasury Shares RM'000	Retained Profits RM'000	
Balance at 1.1.2021		221,940	2,131	(7,459)	102,753	319,365
Profit after taxation/Total comprehensive income for the financial year		-	-	-	21,475	21,475
Distribution to owners of the Company:						
- Dividends	30	-	-	-	(6,079)	(6,079)
Balance at 31.12.2021/1.1.2022		221,940	2,131	(7,459)	118,149	334,761
Profit after taxation for the financial year		-	-	-	6,406	6,406
Other comprehensive income for the financial year:						
- Fair value changes of equity investments	10	-	276	-	-	276
Total comprehensive income for the financial year		-	276	-	6,406	6,682
Distribution to owners of the Company:						
- Dividends	30	-	-	-	(20,264)	(20,264)
Balance at 31.12.2022		221,940	2,407	(7,459)	104,291	321,179

The Company	Note	Distributable			Total Equity
		Share Capital RM'000	Treasury Shares RM'000	Retained Profits RM'000	
Balance at 1.1.2021		221,940	(7,459)	26,158	240,639
Loss after taxation/Total comprehensive expense for the financial year		-	-	(275)	(275)
Distribution to owners of the Company:					
- Dividends	30	-	-	(6,079)	(6,079)
Balance at 31.12.2021/1.1.2022		221,940	(7,459)	19,804	234,285
Profit after taxation/Total comprehensive income for the financial year		-	-	701	701
Distribution to owners of the Company:					
- Dividends	30	-	-	(20,264)	(20,264)
Balance at 31.12.2022		221,940	(7,459)	241	214,722

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	The Group		The Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES				
Profit/(Loss) before taxation	6,790	27,118	722	(223)
Adjustments for:-				
Depreciation:				
- property and equipment	655	463	13	-
- investment properties	7	8	-	-
- right-of-use assets	337	313	-	-
Interest expense	45	70	251	76
Loss/(Gain) arising from changes in fair value of marketable securities	11	(37)	-	-
Written off:				
- investment properties	82	-	-	-
- right-of-use assets	108	-	-	-
Dividend income	(108)	(197)	(4,700)	-
Gain on disposal of an associate	(280)	-	-	-
Gain on disposal of equipment	(53)	-	-	-
Interest income	(776)	(1,259)	(485)	(365)
Net impairment gain on financial assets	(489)	(1,359)	-	-
Operating profit/(loss) before working capital changes	6,329	25,120	(4,199)	(512)
Changes in clearing fund	(91)	(16)	-	-
Changes in marketable securities held for trading	(2,084)	(2,205)	-	-
Changes in receivables	(66,241)	(2,290)	(78)	6,947
Changes in non-current asset held for sale	-	30,500	-	-
Changes in payables	(11,347)	2,407	806	(180)
CASH FROM/(FOR) OPERATIONS	(73,434)	53,516	(3,471)	6,255
Dividend received	108	197	3,500	-
Interest received	776	1,259	35	-
Interest paid	(13)	(14)	-	-
Income tax paid	(3,341)	(6,810)	(70)	(56)
NET CASH (FOR)/FROM OPERATING ACTIVITIES	(75,904)	48,148	(6)	6,199

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

STATEMENTS OF CASH FLOWS (CONT'D)

		The Group		The Company	
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
CASH FLOWS FROM/(FOR)					
INVESTING ACTIVITIES					
Interest received from a subsidiary		-	-	450	365
Net repayment from/(advances to) subsidiaries		-	-	8,651	(1,185)
Purchase of equipment		(1,173)	(282)	(121)	-
Proceeds from redeemable non-cumulative convertible preference shares	5	-	-	20,000	-
Proceeds from disposal of an associate	17	5,184	-	-	-
Proceeds from disposal of equipment		53	-	-	-
Withdrawal/(Additions) of fixed deposits with tenure more than 3 months		214	(6)	-	-
NET CASH FROM/(FOR) INVESTING ACTIVITIES		4,278	(288)	28,980	(820)
CASH FLOWS FOR FINANCING ACTIVITIES					
Dividends paid	30	(20,264)	(6,079)	(20,264)	(6,079)
Interest paid on lease liabilities	31(a)	(32)	(56)	-	-
Net advances from a subsidiary	31(a)	-	-	100	800
Repayment of lease liabilities	31(a)	(362)	(312)	-	-
NET CASH FOR FINANCING ACTIVITIES		(20,658)	(6,447)	(20,164)	(5,279)
NET (DECREASE)/INCREASE					
IN CASH AND CASH EQUIVALENTS		(92,284)	41,413	8,810	100
CASH AND CASH EQUIVALENTS					
AT BEGINNING OF THE FINANCIAL YEAR		191,297	149,884	109	9
CASH AND CASH EQUIVALENTS					
AT END OF THE FINANCIAL YEAR	31(c)	99,013	191,297	8,919	109

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

1 GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The registered office, which is also the principal place of business, is located at 6th Floor, Menara Apex, Off Jalan Semenyih, Bukit Mewah, 43000 Kajang, Selangor Darul Ehsan.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 19 April 2023.

2 PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding and the provision of management services. Previously, the Company was principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no other significant changes in the nature of these activities during the financial year.

3 BASIS OF PREPARATION

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

3.1 During the current financial year, the Group has adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)

Amendments to MFRS 3: Reference to the Conceptual Framework
Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use
Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract
Annual Improvements to MFRS Standards 2018 – 2020

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the Group's financial statements.

3.2 The Group has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

4 SIGNIFICANT ACCOUNTING POLICIES

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Key Sources of Estimation Uncertainty

Management believes that there are no key assumptions made 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 other than as disclosed below:-

(a) Impairment of Investments in Subsidiaries

The Company assesses whether there is any indication that the cost of investment in subsidiaries are impaired at the end of each reporting date. Impairment is measured by comparing the carrying amount of an asset with its recoverable amount. Recoverable amount is measured at the higher of the fair value less cost to sell and value-in-use for that asset. The carrying amount of the investments in subsidiaries of the Company as at the reporting date is disclosed in Note 5 to the financial statements.

(b) Impairment of Property and Equipment and Investment Properties

The Group determines whether an item of its property and equipment and investment properties are impaired by evaluating the extent to which the recoverable amounts of these assets are less than their carrying amounts. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods are used to determine the recoverable amounts, such as valuation reports and discounted cash flows. The carrying amounts of the property and equipment and investment properties as at the reporting date are disclosed in Notes 7 and 8 to the financial statements respectively.

(c) Fair Value Estimates for Unquoted Financial Assets

The Group carries certain financial assets that are not traded in an active market at fair value. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. The amount of fair value changes would differ if the Group uses different valuation methodologies and assumptions, and eventually affect profit and/or other comprehensive income. The carrying amounts of these financial assets as at the reporting date are disclosed in Note 10 to the financial statements.

(d) Impairment on Trade Receivables

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables, except for loan receivables. The Group develops the expected loss rates based on the payment profiles of past sales and/or executed contract as well as the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward- looking information. If the expectation is different from the estimation, such difference will impact the carrying value of trade receivables.

For loan receivables, the Group uses the three-stage approach which reflects the change in credit quality of the financial instrument since initial recognition. Refer to the significant accounting policy in Note 4.13(a) to the financial statements.

The carrying amounts of trade receivables as at the reporting date are disclosed in Note 11 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(e) Impairment on Non-Trade Receivables

The loss allowances for non-trade financial assets are based on assumptions about risk of default (probability of default) and expected loss if a default happens (loss given default). It also requires the Group to assess whether there is a significant increase in credit risk of the non-trade financial asset at the reporting date. The Group uses judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions and forward-looking information. The carrying amounts of non-trade receivables and amount owing by subsidiaries as at the reporting date are disclosed in Notes 11 and 14 to the financial statements respectively.

(f) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group and the Company recognise tax liabilities based on their understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the period in which such determination is made. The carrying amount of current tax assets of the Group and of the Company are RM344,003 (2021 - current tax liabilities of RM612,988) and RM78,710 (2021 - RM29,709) respectively.

(g) Deferred Tax Assets

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unabsorbed capital allowances to the extent that it is probable that future taxable profits would be available against which the deductible temporary differences, unused tax losses and unabsorbed capital allowances could be utilised. Management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the assessment of the probability of the future taxable profits. The carrying amount of deferred tax assets as at the reporting date is disclosed in Note 12 to the financial statements.

Critical Judgements Made in Applying Accounting Policies

Management believes that there are no instances of application of critical judgement in applying the Group's accounting policies which will have a significant effect on the amounts recognised in the financial statements other than as disclosed below:-

(a) Classification between Investment Properties and Owner-occupied Properties

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group accounts for the portions separately. If the portions could not be sold separately, the property is investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

(b) Contingent Liabilities

The recognition and measurement for contingent liabilities are based on management's view of the expected outcome on contingencies after consulting legal counsel for litigation cases and experts, for matters in the ordinary course of business.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

(a) Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

(b) Non-controlling Interests

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(c) Changes In Ownership Interests In Subsidiaries Without Change of Control

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity of the Group.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 BASIS OF CONSOLIDATION (CONT'D)

(d) Loss of Control

Upon the loss of control of a subsidiary, the Group recognises any gain or loss on disposal in profit or loss which is calculated as the difference between:-

- (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and
- (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits). The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value of the initial recognition for subsequent accounting under MFRS 9 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

4.3 FUNCTIONAL AND FOREIGN CURRENCIES

(a) Functional and Presentation Currency

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

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

(b) Foreign Currency Transactions and Balances

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the exchange rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

4.4 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as financial assets, financial liabilities or equity instruments in accordance with the substance of the contractual arrangement and their definitions in MFRS 132. Interest, dividends, gains and losses relating to a financial instrument classified as liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 FINANCIAL INSTRUMENTS (CONT'D)

A financial instrument is recognised initially at its fair value (other than trade receivables without significant financing component which are measured at transaction price as defined in MFRS 15 at inception). Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

(a) Financial Assets

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value (through profit or loss, or other comprehensive income), depending on the classification of the financial assets.

Debt Instruments

(i) Amortised Cost

The financial asset is held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset. When the asset has subsequently become credit-impaired, the interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), excluding expected credit losses, through the expected life of the financial asset or a shorter period (where appropriate).

(ii) Fair Value through Other Comprehensive Income ("FVOCI")

The financial asset is held for both collecting contractual cash flows and selling the financial asset, where the asset's cash flows represent solely payments of principal and interest. Movements in the carrying amount are taken through other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference which are recognised directly in profit or loss. Interest income is calculated using the effective interest rate method.

(iii) Fair Value through Profit or Loss ("FVPL")

All other financial assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. The fair value changes do not include interest or dividend income.

The Group reclassifies debt instruments when and only when its business model for managing those assets change.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets (Cont'd)

Equity Instruments

All equity investments are subsequently measured at fair value with gains and losses recognised in profit or loss except where the Group has elected to present the subsequent changes in fair value in other comprehensive income and accumulated in the fair value reserve at initial recognition.

The designation at FVOCI is not permitted if the equity investment is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise.

Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established unless the dividends clearly represent a recovery of part of the cost of the equity investments.

(b) Financial Liabilities

(i) Financial Liabilities at FVPL

FVPL category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. The changes in fair value (excluding interest expense) of these financial liabilities are recognised in profit or loss.

(ii) Other Financial Liabilities

Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), through the expected life of the financial liability or a shorter period (where appropriate).

(c) Equity Instruments

Equity instruments classified as equity are measured initially at cost and are not remeasured subsequently.

(i) Ordinary Shares

Ordinary shares are classified as equity and recorded at the proceeds received, net of directly attributable transaction costs.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

(ii) Treasury Shares

When the Company's own shares recognised as equity are bought back, the amount of the consideration paid, including all costs directly attributable, are recognised as a deduction from equity. Own shares purchased that are not subsequently cancelled are classified as treasury shares and are presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of treasury shares.

Where treasury shares are reissued by resale, the difference between the sales consideration received and the carrying amount of the treasury shares is recognised in equity.

Where treasury shares are cancelled, their costs are transferred to retained profits.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 FINANCIAL INSTRUMENTS (CONT'D)

(d) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the carrying amount of the asset and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of a debt instrument classified as FVOCI, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity to profit or loss. In contrast, there is no subsequent reclassification of the fair value reserve to profit or loss following the derecognition of an equity investment.

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

(e) Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specific debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee or, when there is no specific contractual period, recognised in profit or loss upon discharge of the guarantee. If the debtor fails to make payment relating to a financial guarantee contract when it is due and the Company, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the amount of the credit loss determined in accordance with the expected credit loss model and the amount initially recognised less cumulative amortisation.

4.5 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of investments includes transaction costs.

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.6 INVESTMENTS IN ASSOCIATES

An associate is an entity in which the Group has a long-term equity interest and where it exercises significant influence over the financial and operating policies.

The investment in an associate is accounted for in the consolidated financial statements using the equity method based on the financial statements of the associate made up to the end of the reporting period. The Group's share of the post-acquisition profits and other comprehensive income of the associate is included in the consolidated statement of profit or loss and other comprehensive income, after adjustment if any, to align the accounting policies with those of the Group, from the date that significant influence commences up to the effective date on which significant influence ceases or when the investment is classified as held for sale. The Group's investment in the associate is carried in the consolidated statement of financial position at cost plus the Group's share of the post-acquisition retained profits and reserves. The cost of investment includes transaction costs.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation. The interest in the associate is the carrying amount of the investment in the associate determined using the equity method together with any long-term interests that, in substance, form part of the Group's net investment in the associate.

Unrealised gains or losses on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate. Unrealised losses are eliminated unless cost cannot be recovered.

When the Group ceases to have significant influence over an associate and the retained interest in the former associate is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as the initial carrying amount of the financial asset in accordance with MFRS 9. Furthermore, the Group also reclassifies its share of the gain or loss previously recognised in other comprehensive income of that associate to profit or loss when the equity method is discontinued. The difference between the fair value of any retained interest plus proceeds from the interest disposed of and the carrying amount of the investment at the date when equity method is discontinued is recognised in profit or loss.

4.7 PROPERTY AND EQUIPMENT

All items of property and equipment are initially measured at cost. Cost includes expenditure that are directly attributable to the acquisition of the asset and other costs directly attributable to bringing the asset to working condition for its intended use.

Subsequent to initial recognition, all property and equipment, other than freehold land, are stated at cost less accumulated depreciation and any impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7 PROPERTY AND EQUIPMENT (CONT'D)

Freehold land is not depreciated. Depreciation on other property and equipment is charged to profit or loss (unless it is included in the carrying amount of another asset) on the straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Buildings and apartment units	2%
Computer and office equipment	20% - 33.33%
Motor vehicles	20%
Plant and machinery	20%
Furniture, fixtures and fittings	10% - 20%
Renovation	15% - 20%

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property and equipment. Any changes are accounted for as a change in estimate.

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

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset, being the difference between the net disposal proceeds and the carrying amount, is recognised in profit or loss.

4.8 INVESTMENT PROPERTIES

Investment properties are properties which are owned or right-of-use asset held to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods and services or for administrative purposes.

Investment properties which are owned are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The right-of-use asset held under a lease contract that meets the definition of investment property is measured initially similarly as other right-of-use assets.

Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and impairment losses, if any.

Depreciation is charged to profit or loss on a straight-line method over their estimated useful lives of the investment properties. Depreciable amount is determined after deducting the residual value from the cost of the properties. Freehold land is not depreciated.

The principal annual rates used for this purpose are:-

Leasehold land	Over the remaining lease period
Building and apartments units	2%

Investment properties are derecognised when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.8 INVESTMENT PROPERTIES (CONT'D)

On the derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

Transfers are made to or from investment property only when there is a change in use. All transfers do not change the carrying amount of the property reclassified.

4.9 LEASES

The Group assesses whether a contract is or contains a lease, at the inception of the contract. The Group recognises a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for low-value assets and short-term leases with 12 months or less. For these leases, the Group recognises the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use assets and the associated lease liabilities are presented as a separate line item in the statements of financial position.

The right-of-use asset is initially measured at cost. Cost includes the initial amount of the corresponding lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any incentives received.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of the lease liability. The depreciation starts from the commencement date of the lease. If the lease transfers ownership of the underlying asset to the Group or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those property and equipment.

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

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in the future lease payments (other than lease modification that is not accounted for as a separate lease) with the corresponding adjustment is made to the carrying amount of the right-of-use asset or is recognised in profit or loss if the carrying amount has been reduced to zero.

4.10 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts.

4.11 TRUST ACTIVITIES

Certain subsidiaries act as trustees on a fiduciary capacity that result in holding or placing of assets on behalf of their clients. These assets and income arising thereon are not recognised as assets and income of the Group.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.12 NON-CURRENT ASSETS HELD FOR SALE

Non-current assets that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the non-current assets are remeasured in accordance with the Group's accounting policies. Upon classification as held for sale, the non-current assets are not depreciated and are measured at the lower of their previous carrying amount and fair value less cost to sell. Any differences are recognised in profit or loss. In addition, equity accounting of equity-accounted associates ceases once classified as held for sale or distribution.

4.13 IMPAIRMENT

(a) Impairment of Financial Assets

The Group recognises a loss allowance for expected credit losses ("ECL") on investments in debt instruments that are measured at amortised cost or at FVOCI, trade receivables and contract assets, as well as on financial guarantee contracts.

The expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

Simplified approach - Trade receivables

The Group always recognises lifetime expected credit losses for trade receivables and contract assets using the simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience and are adjusted for forward-looking information (including time value of money where appropriate).

General approach - Loan receivables

Allowance for impairment will be made based on the following three-stage approach which reflects the change in credit quality of the financial instrument since initial recognition:-

(i) Stage 1: 12-month ECL - not credit-impaired

For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit-impaired upon origination, the ECL associated with the probability of default events occurring within next 12-months will be recognised.

(ii) Stage 2: Lifetime ECL - not credit-impaired

For exposures where there has been a significant increase in credit risk since initial recognition but that are not credit-impaired, a lifetime ECL will be recognised.

(iii) Stage 3: Lifetime ECL - credit-impaired

Financial assets are assessed as credit-impaired when one or more events that have detrimental impact on the estimated future cash flows of that asset have occurred. For financial assets that are credit-impaired, a lifetime ECL will be recognised.

The measurement of ECL is a function of the probability of default ("PD"), loss given default ("LGD") (i.e. the magnitude of the loss if there is a default) and the exposure at default ("EAD"). The assessment of the PD and LGD are based on the Group's historical experience and informed credit assessment with consideration of forward-looking information (including time value of money where appropriate).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.13 IMPAIRMENT (CONT'D)

(a) Impairment of Financial Assets (Cont'd)

General approach - Other financial instruments

For all other financial instruments, the Group recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve, and does not reduce the carrying amount of the financial asset in the statements of financial position.

(b) Impairment of Non-financial Assets

The carrying values of assets, other than those to which MFRS 136 - Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss shall be recognised. The recoverable amount of an asset is the higher of the asset's fair value less costs to sell and its value-in-use, which is measured by reference to discounted future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

An impairment loss is recognised in profit or loss.

When there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately.

4.14 EMPLOYEE BENEFITS

(a) Short-Term Benefits

Wages, salaries, paid annual leave, paid sick leave, bonuses and non-monetary benefits are measured on an undiscounted basis and are recognised in profit or loss in the period in which the associated services are rendered by employees of the Group.

(b) Defined Contribution Plans

The Group's contributions to defined contribution plan are recognised in profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plan.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.15 INCOME TAXES

(a) Current Tax

Current tax assets and liabilities are the expected amount of income tax recoverable or payable to the taxation authorities.

Current taxes are measured using tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period and are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss (either in other comprehensive income or directly in equity).

(b) Deferred Tax

Deferred tax is recognised using the liability method for all temporary differences other than those that arise from goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

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

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Current and deferred tax items are recognised in correlation to the underlying transactions either in profit or loss, other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill or negative goodwill.

Current tax assets and liabilities or deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity (or on different tax entities but they intend to settle current tax assets and liabilities on a net basis) and the same taxation authority.

4.16 CONTINGENT LIABILITIES

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements, unless the probability of outflow of economic benefits is remote. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.17 OPERATING SEGMENTS

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

4.18 EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share is calculated by dividing the consolidated profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the reporting period, adjusted for own shares held.

4.19 BORROWING COSTS

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

4.20 FAIR VALUE MEASUREMENTS

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, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

Level 1	Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;
Level 2	Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
Level 3	Inputs are unobservable inputs for the asset or liability.

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.21 REVENUE

(a) Revenue from Contracts with Customers

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer and is measured at the consideration specified in the contract of which the Group expects to be entitled in exchange for transferring promised services to a customer, net of discounts.

The Group recognises revenue when (or as) it transfers control over a service to customer.

Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time. The Group transfers control of the service rendered at a point in time.

(i) Brokerage Income

Brokerage income is measured at the fair value of the consideration received or receivable and is recognised on an accrual basis upon execution of the contract.

(ii) Interest Income

Interest income is recognised on a time proportion basis using the effective interest method.

Where an account is impaired, interest is suspended with retroactive adjustment made to the date of the first default. Thereafter, interest is recognised on a cash basis or such time when the account is no longer classified as impaired.

(iii) Fees and Commission

Fees and commission are recognised on an accrual basis when services are rendered.

(iv) Rental Income from Properties

Rental income from properties is recognised on a straight-line-basis over the lease term. The aggregate cost of incentives provided to lessees is recognised as a reduction of rental income over the lease term on a straight-line basis.

(v) Management Fee

Management fee is recognised in the period in which the services are rendered.

(b) Revenue from Other Sources

Dividend Income

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

5 INVESTMENTS IN SUBSIDIARIES

	Note	The Company	
		2022 RM'000	2021 RM'000
Unquoted shares, at cost:			
- Ordinary Shares	(i)	139,991*	139,991
- Redeemable Non-Cumulative Convertible Preferences Shares ("RNCCPS")	(ii)	66,000	86,000
		205,991	225,991

* The addition in cost of investment in AEM is not presented as it is less than RM1,000

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

5 INVESTMENTS IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries, all of which are incorporated and having principal place of business in Malaysia, are as follows:-

Name of Subsidiary	Percentage of Issued Share Capital Held by Parent		Principal Activities
	2022	2021	
	%	%	
Subsidiaries of the Company			
Apex Securities Berhad (formerly known as JF Apex Securities Berhad) ("ASB")	100	100	Stock, share and futures brokers, investment advisor and dealer in securities.
Apex Development Sdn. Bhd. ("ADSB")	100	100	Property holding.
Apex Equity Capital Sdn. Bhd. ("AEC")	100	100	Money lending and property development.
Apex Equity Management Sdn. Bhd. ("AEM") (Note (i))	100	-	Dormant
Subsidiaries of ASB			
Apex Nominees (Asing) Sdn. Bhd. (formerly known as JF Apex Nominees (Asing) Sdn. Bhd.)	100	100	Provision of nominee services.
Apex Nominees (Tempatan) Sdn. Bhd. (formerly known as JF Apex Nominees (Tempatan) Sdn. Bhd.)	100	100	Provision of nominee services.

- (i) On 19 August 2022, the Company incorporated a new wholly-owned subsidiary, AEM, comprising 2 ordinary shares for a total cash consideration of RM2.

The salient features of RNCCPS are as follows:-

Tenure	The RNCCPS which has a 15 years tenure, were issued for cash by the following subsidiaries: - AEC issued 58 million RNCCPS in September 2014 and RM20 million RNCCPS was redeemed in April 2022, leaving RM38 million RNCCPS to be redeemed; and - ADSB issued 28 million RNCCPS in March 2017.
Redemption	The redemption is at the option of the subsidiary and may at any time apply any distributable profits or monies of the subsidiary and/or any amount standing to the credit of the share premium account which may be lawfully applied for the purpose in the redemption of RNCCPS. Any partial redemption shall be at a minimum of RM1 million.
Dividend	The holder of the RNCCPS shall be entitled to a payment of dividend, the rate and date of which shall be determined by the Board of Directors of the subsidiary from time to time. Such dividends shall not be cumulative.
Conversion Rights	The RNCCPS is convertible to ordinary shares upon expiry of the 15th year tenure at a conversion price of RM1.00 per share and at the conversion rate of one unconverted RNCCPS for one new ordinary share.

- (ii) During the financial year, AEC had redeemed 20 million of the RNCCPS at RM1.00 per RNCCPS for a total cash consideration of RM20 million. Consequent thereon, the carrying amount of the RNCCPS decreased from RM86 million to RM66 million at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

6 INVESTMENT IN AN ASSOCIATE

	The Group
	2021
	RM'000
Unquoted shares, at cost	7,075
Share of post-acquisition losses	(2,171)
	4,904
Reclassified to non-current asset held for sale (Note 17)	(4,904)
	-

The associate in which the Group previously held an equity interest of 43% via ASB was Astute Fund Management Berhad (formerly known as Apex Investment Services Berhad), a company incorporated and having its principal place of business in Malaysia. The principal activities of the associate are the establishment and management of unit trust funds and provision of portfolio management and investment advisory services.

During the previous financial year, ASB entered into an agreement to dispose its entire equity interest in the associate. The equity accounting of equity-accounted associate ceases once classified as held for sale.

Accordingly, the carrying amount of the investment in the associate has been reclassified to non-current asset held for sale as disclosed in Note 17 to the financial statements. The disposal was completed on 10 March 2022.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

7 PROPERTY AND EQUIPMENT

The Group	Freehold Land	Buildings	Computer and Office Equipment	Motor Vehicles	Plant and Machinery	Furniture, Fixtures and Fittings	Renovation	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2022								
At Cost								
At 1 January	1,318	17,076	9,858	354	1,209	5,776	5,439	41,030
Additions	-	-	562	473	-	28	110	1,173
Disposal	-	-	-	(342)	-	-	-	(342)
At 31 December	1,318	17,076	10,420	485	1,209	5,804	5,549	41,861
Accumulated Depreciation								
At 1 January	-	6,781	9,546	353	1,209	5,750	5,422	29,061
Charge for the financial year	-	336	219	44	-	14	42	655
Disposal	-	-	-	(342)	-	-	-	(342)
At 31 December	-	7,117	9,765	55	1,209	5,764	5,464	29,374
Carrying amount at 31 December	1,318	9,959	655	430	-	40	85	12,487

2021

At Cost								
At 1 January	1,318	17,076	9,576	354	1,209	5,776	5,439	40,748
Additions	-	-	282	-	-	-	-	282
At 31 December	1,318	17,076	9,858	354	1,209	5,776	5,439	41,030
Accumulated depreciation								
At 1 January	-	6,445	9,460	352	1,209	5,712	5,420	28,598
Charge for the financial year	-	336	86	1	-	38	2	463
At 31 December	-	6,781	9,546	353	1,209	5,750	5,422	29,061
Carrying amount at 31 December	1,318	10,295	312	1	-	26	17	11,969

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

7 PROPERTY AND EQUIPMENT (CONT'D)

The Company	Computer and Office Equipment RM'000	Furniture, Fixtures and Fittings RM'000	Total RM'000
2022			
At Cost			
At 1 January	-	-	-
Additions	93	28	121
At 31 December	93	28	121
Accumulated Depreciation			
At 1 January	-	-	-
Charge for the financial year	10	3	13
At 31 December	10	3	13
Net carrying amount at 31 December	83	25	108

Included in the cost of property and equipment are fully depreciated assets which are still in use as follows:-

	The Group	
	2022 RM'000	2021 RM'000
Computer and office equipment	9,517	9,317
Furniture, fixtures and fittings	5,572	5,555
Renovation	5,507	5,420
Plant and machinery	1,209	1,209
Buildings	258	258
Motor vehicles	11	353
	22,074	22,112

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

8 INVESTMENT PROPERTIES

The Group	Freehold Land RM'000	Leasehold Land RM'000	Apartment Unit RM'000	Total RM'000
2022				
At Cost				
At 1 January	22,696	4,332	156	27,184
Written off	-	-	(156)	(156)
At 31 December	22,696	4,332	-	27,028
Accumulated Depreciation				
At 1 January	-	19	72	91
Charge for the financial year	-	5	2	7
Written off	-	-	(74)	(74)
At 31 December	-	24	-	24
Net carrying amount at 31 December	22,696	4,308	-	27,004
Fair value at 31 December	80,096	4,950	-	85,046
2021				
At Cost				
At 1 January/31 December	22,696	4,332	156	27,184
Accumulated depreciation				
At 1 January	-	14	69	83
Charge for the financial year	-	5	3	8
At 31 December	-	19	72	91
Net carrying amount at 31 December	22,696	4,313	84	27,093
Fair value at 31 December	80,096	4,620	97	84,813

The directors have maintained the existing cost model in determining the carrying amount of the investment properties.

Freehold land with a carrying value of RM22,695,670 (2021 - RM22,695,670) and the leasehold land are held for currently undetermined future use. Both the freehold and leasehold land are held vacant.

The Group acquired the leasehold land in 2015 when it had a remaining leasehold period of 890 years.

The fair value of these properties at the end of the reporting period was determined by reference to valuations carried out by certain registered independent professional valuers in 2021 and 2022.

The professional valuers have determined the valuation of the properties using comparison method. Under this method, the sales prices of comparable properties in close proximity are adjusted for differences in key attributes such as property size, layout, location and condition and in respect of building their fixtures and fittings. The most significant unobservable input in this valuation approach is the price per square foot of comparable properties.

The direct operating expenses and rental income of the Group arising from the investment properties are disclosed in Notes 25 and 27 to the financial statements respectively.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

9 RIGHT-OF-USE ASSETS

The Group	Office Premises RM'000	Motor Vehicles RM'000	Others RM'000	Total RM'000
2022				
At Cost				
At 1 January	220	1,092	143	1,455
Written off	-	-	(143)	(143)
At 31 December	220	1,092	-	1,312
Accumulated Depreciation				
At 1 January	66	737	34	837
Charge for the financial year	90	246	1	337
Written off	-	-	(35)	(35)
At 31 December	156	983	-	1,139
Net carrying amount at 31 December	64	109	-	173
2021				
At Cost				
At 1 January	-	1,092	143	1,235
Addition	220	-	-	220
At 31 December	220	1,092	143	1,455
Accumulated depreciation				
At 1 January	-	492	32	524
Charge for the financial year	66	245	2	313
At 31 December	66	737	34	837
Net carrying amount at 31 December	154	355	109	618

The Group's leasing activities are summarised below:-

- (i) Motor vehicles The Group has leased motor vehicles under lease arrangements over a tenure of 5 (2021 - 5) years. The Group has no option to purchase the motor vehicles at the expiry of the lease period.
- (ii) Office premises The Group has leased some office premises for 2 - 3 (2021: 2 - 3) years with renewal option included in the agreements. The Group is not allowed to sublease the office.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

10 OTHER ASSETS

		The Group	
		2022	2021
		RM'000	RM'000
Unquoted shares in Malaysia, at fair value	10.1	3,069	2,793
Contribution to clearing fund	10.2	1,343	1,252
		4,412	4,045

10.1 Unquoted shares

Investment in unquoted shares represents investment in Malaysian Rating Corporation Berhad held by a subsidiary. Upon adoption of MFRS 9, the Group considered this investment as equity instruments and designated it at FVOCI. During the financial year, the Group recognised a fair value gain of RM275,967 for its investment in unquoted shares.

10.2 Contribution to clearing fund

The contribution to the clearing fund which was made in accordance with the Business Rules of the Bursa Malaysia Derivatives Berhad, is placed with Bursa Malaysia Derivatives Clearing Berhad. The clearing fund earns an effective interest rate of 1.72% (2021 - 1.17%) per annum.

11 RECEIVABLES

		The Group		The Company	
		2022	2021	2022	2021
		RM'000	RM'000	RM'000	RM'000
Note					
Non-current portion					
Trade balances:-					
Amount owing by loan receivables	(a)	56,883	-	-	-
Current portion					
Trade balances:-					
Amount owing by brokers	(b)	9,201	4,167	-	-
Gross amount owing by clients	(b)	134,235	129,708	-	-
Less: Allowance for impairment losses	(c)	(2,312)	(2,801)	-	-
		131,923	126,907	-	-
		141,124	131,074	-	-
Non-trade balances:-					
Deposits	(d)	4,148	4,402	8	5
Other receivables		236	313	-	-
Prepayments		406	278	136	61
		145,914	136,067	144	66

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

11 RECEIVABLES (CONT'D)

(a) Amount Owing by Loan Receivables

The amount owing by loan receivables of the Group bear an effective interest rate ranging between 8% to 12% (2021: Nil) at the end of the reporting period and are secured by properties units and securities agreement. As at the reporting date, the principal amount outstanding is only due after 12 months but less than 24 months.

The amount owing by loan receivables can be analysed as follows:-

	The Group	
	2022	2021
	RM'000	RM'000
Total gross loan receivables	62,540	-
Less: Unamortised interest (Note (i))	(5,657)	-
Total net loan receivables	56,883	-

(i) The movement in unamortised interest is as follows:-

	The Group	
	2022	2021
	RM'000	RM'000
At 1 January	-	-
Additions	(14,074)	-
Recognised to profit or loss	2,873	-
Transfer to deferred income (Note 22(a))	3,064	-
Early settlement	2,480	-
At 31 December	(5,657)	-

(b) Gross Amount Owing by Brokers and Clients

The amount owing by brokers are unsecured, interest-free and are from the normal business transactions of a subsidiary.

The amount owing by clients comprises outstanding balances owing by clients for overdue or outstanding purchase contracts, margin trading accounts and contra losses incurred.

The normal credit term for the amounts owing by brokers and non-margin clients is transaction day plus 2 trading days ("T+2") (2021 - T+2) in accordance with the Fixed Delivery and Settlement System trading rules of Bursa Malaysia Securities Berhad ("BMSB"). A contra interest at a flat rate of 10.5% (2021 - 10.5%) per annum is charged on outstanding amounts owing by non-margin clients after T+2 (2021 - T+2). However, clients may opt for discretionary financing which is permitted by BMSB for an extended settlement period of T+7 (2021 - T+7) at an interest rate of 8% (2021 - 8%) per annum. Gross amount owing by clients under this extended settlement period at the end of the reporting period amounted to RM532,680 (2021 - RM448,971).

In the previous financial year, included in the amount owing by clients of the Group at the end of the reporting period was an amount of RM1,119,953 owing by a company in which a director of the Company has a substantial indirect equity interest and is also a common director of the said company. The amount owing was subject to the normal credit term of T+2.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

11 RECEIVABLES (CONT'D)

(c) Movement of Impairment Losses on Amount Owing by Clients

	The Group	
	2022 RM'000	2021 RM'000
At 1 January	2,801	4,160
Additions during the financial year (Note 26)	514	968
Reversal during the financial year (Note 26)	(1,003)	(2,327)
At 31 December	2,312	2,801

(d) Deposits

Included in deposits of the Group at the end of the reporting period are the following deposits placed with Bursa Malaysia Securities Clearing Sdn. Bhd.:-

- (i) A clearing guarantee fund deposit of RM305,235 (2021 - RM300,558) which earns effective interest rates ranging from 1.27% to 2.02% (2021 - 1.20% to 1.29%) per annum, and has a maturity period of less than three (2021 - three) months at the end of the reporting period.
- (ii) An equity margin deposit of RM2,555,827 (2021 - RM2,517,987) which earns an average effective interest rate of 1.54% (2021 - 1.22%) per annum.

12 DEFERRED TAX ASSETS

	The Group	
	2022 RM'000	2021 RM'000
At 1 January	-	-
Recognised in Profit or Loss (Note 28)	2,000	-
At 31 December	2,000	-

The deferred tax assets on unused tax losses have been recognised by a subsidiary to the extent that it is probable that future profits will be available against which the temporary differences can be utilised.

13 MARKETABLE SECURITIES HELD FOR TRADING

The marketable securities, which are stated at fair value, represent investments in listed equity securities in Malaysia that offer the Group the opportunity for return through dividend income and fair value gains. They have no fixed maturity or coupon rate. The fair value of these securities is based on quoted market prices.

14 AMOUNTS OWING BY/(TO) SUBSIDIARIES

The amounts owing by/(to) subsidiaries represent unsecured advances, which earn/bear an effective interest rate of 7.18% per annum, predetermined in accordance with existing transfer pricing policies (2021 - 2.66% per annum being interest at the bankers' acceptances rate of a reference bank). The amounts owing are receivable/repayable on demand and are to be settled in cash.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

15 FIXED DEPOSITS WITH A LICENSED BANK

In the previous financial year, the fixed deposits with a licensed bank of the Group at the end of the reporting period bore a weighted average effective interest rate of 1.75% per annum and had a maturity period of 12 months.

16 CASH AND SHORT-TERM FUNDS

16.1 ACCOUNTS OF THE GROUP AND OF THE COMPANY

	The Group		The Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances	41,917	97,772	5,406	109
Money at call and deposit placements maturing within one month	62,103	98,533	3,513	-
	104,020	196,305	8,919	109

The money at call and deposits placement of the Group earn effective interest rates ranging from 1.70% to 2.70% (2021 - 1.25% and 1.73%) per annum, and have maturity periods ranging from 4 to 35 days (2021 - 3 to 33 days).

The money at call and deposits placement of the Company earn an effective interest rate of 1.70% (2021 - Nil) per annum, and have maturity period of 7 days (2021 - Nil).

Included in the cash and short-term funds of the Group are accounts held in trust for remisiers amounting to RM7,296,509 (2021 - RM7,679,913). The amounts held in trust are withheld to enable the Group to grant and monitor the trading limit to the remisiers' customers, refer to Note 11(b) to the financial statements.

16.2 ACCOUNTS HELD IN TRUST

The following are money held in trust for clients which are not recognised in the financial statements as the Group held them in a fiduciary capacity:-

	The Group	
	2022	2021
	RM'000	RM'000
Money at call and deposit placements maturing within one month	90,869	90,741
Cash and bank balances	55,102	31,458
Clearing house and brokers	2,078	2,925
	148,049	125,124

The money held in trust for clients are maintained by certain subsidiaries pursuant to Section 111 of the Capital Market and Services Act 2007 and accounted for in accordance with Financial Reporting Standards Implementation Committee Consensus 18 'Money Held in Trust by Participating Organisations of BMSB' ('FRSIC 18').

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

17 NON-CURRENT ASSET HELD FOR SALE

On 23 March 2021, ASB, a subsidiary of the Company entered into a Share Sale Agreement with certain third parties (who are acting together as purchasers) for the proposed disposal of its entire 43% equity interest representing 10,105,000 issued and fully paid-up ordinary shares in its associate, Astute Fund Management Berhad (formerly known as Apex Investment Services Berhad) for a cash consideration of RM5,183,864.

The disposal was completed on 10 March 2022 and hence the carrying amount derecognised accordingly.

18 SHARE CAPITAL

	The Group/The Company			
	2022 Number of Shares('000)	2021	2022 RM'000	2021
Issued and Fully Paid-Up				
Ordinary Shares	213,563	213,563	221,940	221,940

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.

19 TREASURY SHARES

	The Group/The Company			
	Number of Shares ('000)		RM'000	
	2022	2021	2022	2021
At 1 January/31 December	10,923	10,923	7,459	7,459

The shares purchased are held as treasury shares in accordance with Section 127(6) of the Companies Act 2016.

The treasury shares have no rights to vote, dividends or participation in other distributions.

20 RESERVES

	The Group		The Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Retained profits	104,291	118,149	241	19,804
Fair value reserve	2,407	2,131	-	-
	106,698	120,280	241	19,804

The fair value reserve of the Group represents the fair value changes (net of tax, where applicable) of equity instruments elected irrevocably to be designated at FVOCI. Upon disposal of these equity instruments, the related fair value changes are not subsequently reclassified to income statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

21 LEASE LIABILITIES

	The Group	
	2022 RM'000	2021 RM'000
At 1 January	559	651
Additions during the financial year (Note 31(a))	-	220
Interest expense recognised in profit or loss (Note 27)	32	56
Repayment of principal	(362)	(312)
Repayment of interest expenses	(32)	(56)
At 31 December	197	559
Analysed by:-		
Current liabilities	189	362
Non-current liability	8	197
	197	559

22 PAYABLES

	Note	The Group		The Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Trade balances:-					
Deferred income	(a)	3,064	-	-	-
Amount owing to clients	(b)	9,994	3,239	-	-
Amount owing to brokers	(b)	6,012	26,257	-	-
		19,070	29,496	-	-
Non-trade balances:-					
Deposits	(c)	7,109	7,618	-	-
Other payables		2,445	2,792	53	-
Accruals		2,545	2,610	793	40
		12,099	13,020	846	40
		31,169	42,516	846	40

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

22 PAYABLES (CONT'D)

- (a) This represents the interest income received in advance from loan receivables of the Group, refer to Note 11(a)(i) to the financial statements.
- (b) The amounts owing to clients and brokers are non-interest bearing and are from the normal business transactions of a subsidiary.

The normal credit terms granted are within T+2 (2021 - T+2).

- (c) Included in deposits of the Group are remisiers' security deposits amounting to RM7,030,080 (2021 - RM7,514,172). These deposits are withheld to enable the Group to monitor the trading limit granted to the remisiers' customers. Interest on the security deposits are payable at floating rates at 2.25% - 2.35% (2021 - 1.25%) per annum earned from placements made by the Group with licensed financial institutions. Repayment of the security deposits and the floating rate interest payable on these deposits are subject to the terms in the remisiers' agreements.

23 BANK OVERDRAFT

The bank overdraft facility granted to a subsidiary is a floating rate financial instrument which is unsecured but guaranteed by the Company and bears an effective interest rate of 8.14% (2021 - 7.14%) per annum at the end of the reporting period.

24 REVENUE

	The Group		The Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Revenue from Contract with Customers				
<u>Recognised at a point in time</u>				
Brokerage income	17,717	35,497	-	-
Fees and commission	2,281	2,388	-	-
Sale of land held for development	-	37,000	-	-
	19,998	74,885	-	-
<u>Recognised over time</u>				
Interest income	15,649	12,150	450	365
Rental income from properties	295	537	-	-
Management fee	-	-	2,686	-
	15,944	12,687	3,136	365
	35,942	87,572	3,136	365
Revenue from Other Sources				
Dividend income	-	-	4,700	-
Others	-	847	-	-
	-	847	4,700	-
	35,942	88,419	7,836	365

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

25 DIRECT OPERATING COSTS

	The Group	
	2022 RM'000	2021 RM'000
Cost of development land sold	-	32,385
Commission of remisiers, dealers and brokers	8,705	15,737
Direct operating expenses of properties	556	490
	9,261	48,612

26 NET IMPAIRMENT GAIN ON FINANCIAL ASSETS

	The Group	
	2022 RM'000	2021 RM'000
Impairment (loss)/gain on trade receivables (Note 11(c)):		
- additions during the financial year	(514)	(968)
- reversal during the financial year	1,003	2,327
Net impairment gain on financial assets	489	1,359

27 PROFIT/(LOSS) BEFORE TAXATION

	The Group		The Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Profit/(Loss) before taxation is arrived at after charging/(crediting):-				
Auditors' remuneration:				
- audit fee:				
- current year	173	153	46	40
- underprovision in the previous financial year	5	-	5	-
- non-audit fee	7	32	7	32
Material Expenses/(Income)				
Depreciation of:				
- property and equipment	655	463	13	-
- investment properties	7	8	-	-
- right-of-use assets	337	313	-	-
Directors' remuneration (Note 32)	2,989	1,391	1,869	348
Interest expenses on financial liabilities measured at amortised cost:				
- amount owing to a subsidiary	-	-	251	76
- bank overdraft	13	14	-	-
- lease liabilities	32	56	-	-
Legal fees	1,406	373	765	182
Loss/(Gain) arising from changes in fair value of marketable securities	11	(37)	-	-
Short-term lease expenses	1,916	1,802	195	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

27 PROFIT/(LOSS) BEFORE TAXATION (CONT'D)

	The Group		The Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) before taxation is arrived at after charging/(crediting)				
(Cont'd):-				
Material Expenses/(Income) (Cont'd)				
Staff costs (including other key management personnel as disclosed in Note 32(b)):				
- short-term employment benefits	7,704	6,245	2,046	-
- defined contribution plans	883	634	220	-
- others	304	192	61	-
Written off of:				
- investment properties	82	-	-	-
- right-of-use assets	108	-	-	-
Gain on disposal of an associate	(280)	-	-	-
Gain on disposal of property and equipment	(53)	-	-	-
Gross dividends from unquoted investments	(108)	(197)	-	-
Interest income on financial assets measured at amortised cost:				
- amount owing by a subsidiary	-	-	(450)	(365)
- deposit placed with a solicitor	-	(326)	-	(326)
- fixed and time deposits	(776)	(933)	(35)	-
Realised gain on foreign exchange	(61)	(23)	-	-
Rental income from operating leases of inventories	-	(84)	-	-

The estimated monetary value of benefits-in-kind provided to the directors of the Group and of the Company were RM40,081 (2021 - RM45,941) and RM22,600 (2021 - RM21,250) respectively.

28 INCOME TAX EXPENSE

	The Group		The Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Current tax:				
- for the financial year	2,378	5,663	-	53
- under/(over)provision in the previous financial year	6	(20)	21	(1)
	2,384	5,643	21	52
Deferred tax (Note 12):				
- recognition of previously unrecognised tax losses	(2,000)	-	-	-
	384	5,643	21	52

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

28 INCOME TAX EXPENSE (CONT'D)

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

	The Group		The Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) before taxation	6,790	27,118	722	(223)
Tax at the statutory tax rate of 24% (2021 - 24%)	1,630	6,508	173	(54)
Tax effects of:-				
Non-deductible expenses	970	3,086	471	107
Non-taxable income	(102)	(47)	(1,128)	-
Utilisation of deferred tax assets previously not recognised	(606)	(3,884)	-	-
Deferred tax assets not recognised during the financial year	486	-	484	-
Deferred tax assets recognised in respect of previously unrecognised tax losses	(2,000)	-	-	-
Under/(Over)provision of current tax in the previous financial year	6	(20)	21	(1)
	384	5,643	21	52

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2021 - 24%) of the estimated assessable profit for the financial year.

At the end of the reporting period, the approximate amounts of deferred tax assets not recognised (stated at gross) due to uncertainty of their realisation are as follows:-

	The Group		The Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Allowance for impairment losses on receivables	2,312	2,801	-	-
Provisional expenses	394	983	-	-
Unabsorbed capital allowances	612	-	59	-
Unused tax losses	57,464	65,497	2,005	-
	60,782	69,281	2,064	-
Excess of depreciation over capital allowances	(418)	(85)	(45)	-
	60,364	69,196	2,019	-

Based on the current legislation, the unused tax losses up to the year of assessment 2018 can be carried forward until the year of assessment 2028 and the unused tax losses for 2019 onwards are allowed to be utilised for 10 consecutive years of assessment immediately following that year of assessment, whereas, the unabsorbed capital allowances are allowed to be carried forward indefinitely.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

29 EARNINGS PER SHARE

The earnings per share has been calculated based on the consolidated profit after taxation of RM6.406 million (2021 - RM21.475 million) attributable to owners of the Company and on 202.640 million (2021 - 202.640 million) ordinary shares in issue during the financial year after deducting treasury shares is calculated as follows:-

	The Group	
	2022 '000	2021 '000
Number of ordinary shares in issue at 31 December	213,563	213,563
Less:-		
Number of treasury shares held at 31 December (Note 19)	(10,923)	(10,923)
	202,640	202,640
Basic earnings per share (sen)	3.16	10.60

Diluted earnings per share:

The Company has not issued any dilutive potential ordinary shares and hence, the diluted earnings per share is equal to the basic earnings per share.

30 DIVIDENDS

	The Company	
	2022 RM'000	2021 RM'000
Recognised as distribution to owners during the financial year:-		
<u>In respect of the financial year ended 31 December 2021</u>		
First interim single tier dividend of 1 sen per share, paid on 30 June 2021	-	2,026
Second interim single tier dividend of 1 sen per share, paid on 30 September 2021	-	2,026
Third interim single tier dividend of 1 sen per share, paid on 28 December 2021	-	2,027
Fourth interim single tier dividend of 1 sen per ordinary share, paid on 6 April 2022	2,026	-
Special single tier dividend of 9 sen per ordinary share, paid on 6 April 2022	18,238	-
	20,264	6,079

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 CASH FLOW INFORMATION

(a) The reconciliations of liabilities arising from financing activities are as follows:-

	The Group	
	2022 RM'000	2021 RM'000
Lease liabilities:-		
At 1 January	559	651
Change in Financing Cash Flows		
Acquisition of new leases	-	220
Repayment made during the financial year	(362)	(312)
Interest paid during the financial year	(32)	(56)
	(394)	(148)
Other Changes		
Interest expense recognised in profit or loss	32	56
At 31 December	197	559

	The Company	
	2022 RM'000	2021 RM'000
Amount owing to a subsidiary:-		
At 1 January	3,342	2,466
Change in Financing Cash Flows		
Advances received during the financial year	100	800
Other Changes		
Interest expense recognised in profit or loss	251	76
Dividend income	(1,200)	-
Management fee	(45)	-
At 31 December	2,448	3,342

(b) The total cash outflows for leases as a lessee are as follows:-

	The Group		The Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Payment of short-term leases	1,916	1,802	195	-
Interest paid on lease liabilities	32	56	-	-
Payment of lease liabilities	362	312	-	-
	2,310	2,170	195	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 CASH FLOW INFORMATION (CONT'D)

(c) The cash and cash equivalents comprise the following:-

	The Group		The Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Fixed deposits with a licensed bank	-	214	-	-
Cash and short-term funds (Note 16)	104,020	196,305	8,919	109
Bank overdraft (Note 23)	(5,007)	(5,008)	-	-
	99,013	191,511	8,919	109
Less:-				
Fixed deposits with tenure of more than 3 months	-	(214)	-	-
	99,013	191,297	8,919	109

32 KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel of the Group and of the Company includes directors of the Company and its subsidiaries as well as certain members of senior management who holds regulatory positions including the officer primarily responsible for the financial management.

The key management personnel compensation during the financial year are as follows:-

	The Group		The Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
(a) Directors				
(i) Directors of the Company				
<i>Executive Directors</i>				
Short-term employee benefits:				
- salaries, bonuses and others benefits	1,750	421	1,410	-
- benefits-in-kind	33	20	23	-
Defined contribution benefits	209	50	168	-
	1,992	491	1,601	-
<i>Non-executive Directors</i>				
Short-term employee benefits:				
- fees	230	301	230	301
- other benefits	38	26	38	26
- benefits-in-kind	-	21	-	21
	268	348	268	348
(ii) Directors of Subsidiaries				
<i>Executive Director</i>				
Short-term employee benefits:				
- fees	41	-	-	-
- salaries, bonuses and other benefits	602	484	-	-
- benefits-in-kind	7	5	-	-
Defined contribution benefits	79	63	-	-
	729	552	-	-
Total directors' remuneration (Note 27)	2,989	1,391	1,869	348

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

32 KEY MANAGEMENT PERSONNEL COMPENSATION (CONT'D)

	The Group		The Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
(b) Other Key Management Personnel				
Short-term employee benefits:				
- salaries, bonuses and other benefits	974	1,323	-	-
- benefits-in-kind	18	16	-	-
Defined contribution benefits	124	167	-	-
Total compensation of other key management personnel	1,116	1,506	-	-

33 RELATED PARTY DISCLOSURES

(a) Identities of Related Parties

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

(b) Significant Related Party Transactions and Balances

Other than those disclosed elsewhere in the financial statements, the Company also carried out the following significant transactions with subsidiaries during the financial year:-

	The Company	
	2022	2021
	RM'000	RM'000
Advances:		
- from a subsidiary	100	800
- to a subsidiary	(11,000)	(7,923)
Dividends received from subsidiaries Interest charged:	4,700	-
- to a subsidiary	(450)	365
- by a subsidiary	251	(76)
Management fee charged to subsidiaries	(2,686)	-
Repayment of advances from to subsidiaries	25,920	7,103

The significant outstanding balances with the subsidiaries, as the related parties, together with the terms and conditions are disclosed in Note 14 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

34 OPERATING SEGMENTS

Operating segments are prepared in a manner consistent with the internal reporting provided to the Directors as its chief operating decision maker in order to allocate resources to segments and to assess their performance. For management purposes, the Group is organised into business units based on their products and services provided.

The Group is organised into 4 main business segments as follows:-

- (i) Investment holdings and others
- (ii) Stock and futures broking segment
- (iii) Property holdings and property development
- (iv) Money lending

The Directors assesses the performance of the operating segments based on operating profit or loss which is measured in accordance with operating segment which are disclosed in the consolidated financial statements.

Group financing (including finance costs) is managed and allocated to operating segments while income tax is managed at group level.

Inter-segment income and expenses are eliminated to arrive at the Group's profit before taxation.

BUSINESS SEGMENTS

	Investment Holdings and Others	Stock and Futures Broking	Property Holding and Property Development	Money Lending	The Group
2022	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue					
External revenue	36	32,738	295	2,873	35,942
Inter-segment revenue	7,836	-	1,396	-	9,232
	<u>7,872</u>	<u>32,738</u>	<u>1,691</u>	<u>2,873</u>	<u>45,174</u>
Adjustments and eliminations					(9,232)
Consolidated revenue					<u>35,942</u>
Results					
Segment results	(3,981)	7,891	993	1,666	6,569
Interest income	41	-	1	734	776
Depreciation of:					
- property and equipment	(13)	(273)	(340)	(29)	(655)
- investment properties	-	-	(7)	-	(7)
- right-of-use assets	-	(170)	(167)	-	(337)
Net impairment gain on financial assets	-	489	-	-	489
Interest expense	-	(30)	(15)	-	(45)
(Loss)/Profit before taxation after eliminations	<u>(3,953)</u>	<u>7,907</u>	<u>465</u>	<u>2,371</u>	<u>6,790</u>
Income tax expense					(384)
Consolidated profit after taxation					<u>6,406</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

34 OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS (CONT'D)

	Investment Holdings and Others	Stock and Futures Broking	Property Holding and Property Development	Money Lending	The Group
2022	RM'000	RM'000	RM'000	RM'000	RM'000
Assets					
Segment assets	218,369	244,274	41,723	62,542	566,908
Deferred tax assets	-	-	-	2,000	2,000
Current tax assets	79	171	22	72	344
Elimination/Adjustments	(208,765)	-	(2,935)	-	(211,700)
Consolidated total assets	9,683	244,445	38,810	64,614	357,552
Liabilities					
Segment liabilities	3,307	33,891	178	4,706	42,082
Elimination/Adjustments	(2,448)	(1,632)	-	(1,629)	(5,709)
Consolidated total liabilities	859	32,259	178	3,077	36,373
Other segment items					
Additions to non-current assets other than financial instruments:					
- property and equipment	121	759	-	293	1,173

	Investment Holdings and Others	Stock and Futures Broking	Property Holding and Property Development	The Group
2021	RM'000	RM'000	RM'000	RM'000
Revenue				
External revenue	36	50,846	37,537	88,419
Inter-segment revenue	365	-	1,364	1,729
	401	50,846	38,901	90,148
Adjustments and eliminations				(1,729)
Consolidated revenue				88,419
Results				
Segment results	(194)	19,990	5,884	25,680
Interest income	-	-	933	933
Depreciation of:				
- property and equipment	-	(124)	(339)	(463)
- investment properties	-	-	(8)	(8)
- right-of-use assets	-	(145)	(168)	(313)
Net impairment gain on financial assets	-	1,359	-	1,359
Interest expense	-	(40)	(30)	(70)
(Loss)/Profit before taxation after eliminations	(194)	21,040	6,272	27,118
Income tax expense				(5,643)
Consolidated profit after taxation				21,475

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

34 OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS (CONT'D)

	Investment Holdings and Others	Stock and Futures Broking	Property Holding and Property Development	The Group
2021	RM'000	RM'000	RM'000	RM'000
Assets				
Segment assets	238,041	267,080	119,186	624,307
Current tax assets	30	-	33	63
Elimination/Adjustments	(237,462)	(109)	(3,342)	(240,913)
Consolidated total assets	609	266,971	115,877	383,457
Liabilities				
Segment liabilities	3,386	59,191	367	62,944
Current tax liabilities	-	676	-	676
Elimination/Adjustments	(3,342)	(11,582)	-	(14,924)
Consolidated total liabilities	44	48,285	367	48,696
Other segment items				
Additions to non-current assets other than financial instruments:				
- property and equipment	-	282	-	282
- right-of-use assets	-	220	-	220

GEOGRAPHICAL INFORMATION

An analysis by geographical segment is not presented as the Group operates primarily in Malaysia.

MAJOR CUSTOMERS

There is no single customer contributing revenue equal to or more than 10% of Group's revenue, other than a customer who had contributed RM37 million to the Group's revenue for the financial year ended 31 December 2021 from the property holding and property development segment.

35 FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

35.1 FINANCIAL RISK MANAGEMENT POLICIES

The Group's policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk

(i) Foreign Currency Risk

The Group's exposure to foreign currency risk is limited as its foreign currency balances at the end of the reporting period are not significant.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

35 FINANCIAL INSTRUMENTS (CONT'D)

35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from interest-bearing financial assets and liabilities. The Group's policy is to obtain the most favourable interest rates available. Any surplus funds of the Group will be placed in a fixed rate financial instrument with licensed financial institutions to generate interest income.

The Group's fixed rate receivables, borrowings and fixed deposits with a licensed bank are carried at amortised cost. Therefore, they are not subject to interest rate risk as defined in MFRS 7 since neither carrying amounts nor the future cash flows will fluctuate because of a change in market interest rates.

The Group's exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period is disclosed in Note 35.1(c) to the financial statements.

Interest Rate Risk Sensitivity Analysis

A 100 basis points (2021 - 100 basis points) strengthening or weakening in the interest rates at the end of the reporting period would have immaterial impact on profit after taxation and equity of the Group. This assumes that all other variables remain constant. Hence, no sensitivity analysis is presented.

(iii) Equity Price Risk

The Group's principal exposure to equity price risk arises mainly from changes in quoted investment prices.

The Group's exposure to equity price risk is limited as its investment in quoted instrument is not significant.

(b) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including quoted investments, cash and bank balances and derivatives), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Group has credit policies in place to manage the credit risk exposure. The risk is managed through the application of the Group's credit management procedures which includes the application of credit approvals, ensure clients have deposited sufficient assets as collaterals for trading purposes, adherence to credit limits within the fair values of assets placed as collaterals, daily monitoring and follow up procedures on client account positions.

A major subsidiary of the Group adheres strictly to the BMSB guidelines on accounting for receivables. This enables the subsidiary to monitor its major client account positions continuously to minimise any potential exposure to credit risk.

The Company's exposure to credit risk arises principally from advances to subsidiaries and corporate guarantee given to financial institutions for credit facilities granted to a subsidiary. The Company monitors the results of these subsidiaries regularly and repayments made by the subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

35 FINANCIAL INSTRUMENTS (CONT'D)

35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(i) Credit Risk Concentration Profile

The Group's major concentration of credit risk relates to the amount owing by 1 (2021 - Nil) customer which constituted approximately 12% (2021 - Nil) of its trade receivables at the end of the reporting period.

(ii) Maximum Exposure to Credit Risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position of the Group and of the Company after deducting any allowance for impairment losses (where applicable).

The maximum exposure to credit risk of the stock and futures broking segment is as follows:-

	The Group	
	2022 RM'000	2021 RM'000
Trade receivables	141,124	131,074
Less: Collateral held	(98,300)	(87,302)
Net exposure to credit risk	42,824	43,772

(iii) Assessment of Impairment Losses

The Group has an informal credit policy in place and the exposure to credit risk is monitored on an on-going basis through periodic review of the ageing of the trade receivables. The Group closely monitors the trade receivables' financial strength to reduce the risk of loss.

At each reporting date, the Group assesses whether any of the financial assets at amortised cost are credit impaired.

The gross carrying amounts of financial assets are written off against the associated impairment, if any, when there is no reasonable expectation of recovery despite the fact that they are still subject to enforcement activities.

A financial asset is credit impaired when any of following events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred:

- Significant financial difficulty of the receivable;
- A breach of contract, such as a default or past due event;
- Restructuring of a debt in relation to the receivable's financial difficulty; and
- It is becoming probable that the receivable will enter bankruptcy or other financial reorganisation.

The Group considers a receivable to be in default when the receivable is unlikely to repay its debt to the Group in full or is more than 30 days past due.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

35 FINANCIAL INSTRUMENTS (CONT'D)

35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables

The Group applies the simplified approach to measure expected credit losses using a lifetime expected loss allowance for all trade receivables, excluding amount owing by loan receivables.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The Group measures the expected credit losses of certain major customers, trade receivables that are credit impaired and trade receivables with a high risk of default on individual basis.

The expected loss rates are based on the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle their debts. The Group has identified the unemployment rate and non-performing loans rate as the key macroeconomic factors of the forward-looking information.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

Allowance for Impairment Losses

The Group	Gross Amount RM'000	Individual Impairment RM'000	Carrying Value RM'000
2022			
Current (not past due)	141,124	-	141,124
Credit impaired	2,312	(2,312)	-
	143,436	(2,312)	141,124
2021			
Current (not past due)	131,074	-	131,074
Credit impaired	2,801	(2,801)	-
	133,875	(2,801)	131,074

The movement in the loss allowances in respect of amount owing by clients is disclosed in Note 11(c) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

35 FINANCIAL INSTRUMENTS (CONT'D)

35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Amount Owing by Loan Receivables and Other Receivables

The Group applies the 3-stage general approach to measure expected credit losses for its amount owing by loan receivables and other receivables.

Under this approach, loss allowance is measured on either 12-month expected credit losses or lifetime expected credit losses, by considering the likelihood that the receivable would not be able to repay during the contractual period (probability of default, PD), the percentage of contractual cash flows that will not be collected if default happens (loss given default, LGD) and the outstanding amount that is exposed to default risk (exposure at default, EAD).

In deriving the PD and LGD, the Group considers the receivable's past payment status and its financial condition as at the reporting date. The PD is adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the receivable to settle its debts.

Allowance for Impairment Losses

No expected credit loss is recognised on amount owing by loan receivables and other receivables as it is negligible.

Fixed Deposits with A Licensed Bank and Cash and Short-term Funds

The Group considers fixed deposits with a licensed bank and cash and short-term funds have low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group is of the view that the loss allowance is immaterial and hence, it is not provided for.

Amount Owing By Subsidiaries

The Company applies the 3-stage general approach to measure expected credit losses for all inter-company balances.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

The Company measures the expected credit losses on individual basis, which is aligned with its credit risk management practices on the inter- company balances.

The Company considers loans and advances to subsidiaries have low credit risks. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly.

For loans and advances that are repayable on demand, impairment loss is assessed based on the assumption that repayment of the outstanding balances is demanded at the reporting date. If the subsidiary does not have sufficient highly liquid resources when the loans and advances are demanded, the Company will consider the expected manner of recovery to measure the impairment loss; the recovery manner could be either through 'repayable over time' or a fire sale of less liquid assets by the subsidiary.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

Allowance for Impairment Losses

At the end of the reporting period, there was no indication that the amount owing is not recoverable.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

35 FINANCIAL INSTRUMENTS (CONT'D)

35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Financial Guarantee Contracts

All of the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to. Accordingly, no loss allowances were identified based on 12-month expected credit losses.

(c) Liquidity Risk

The Group seeks to ensure all its business units manage their liquidity requirements efficiently by maintaining sufficient cash for their investing and operational activities at all time to earn maximum returns for the Group.

The Group's management has to mainly deal with the day to day demands and supplies within the stock market and futures market, thus an effective working capital management is paramount to its operations.

Due to the nature of its operations, the Group maintains large amounts of liquid assets and ensures sufficient credit lines are available at all times to meet its liquidity requirements, while maintaining efficient working capital management within its business units.

Maturity Analysis

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

The Group	Weighted Average Effective Interest Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 - 5 Years RM'000
2022					
<u>Non-derivative Financial Liabilities</u>					
Amount owing to clients	-	9,994	9,994	9,994	-
Amount owing to brokers	-	6,012	6,012	6,012	-
Other payables, deposits and accruals	-	12,099	12,099	12,099	-
Bank overdraft	8.14	5,007	5,007	5,007	-
Lease liabilities	8.08	197	203	195	8
		33,309	33,315	33,307	8
2021					
<u>Non-derivative Financial Liabilities</u>					
Amount owing to clients	-	3,239	3,239	3,239	-
Amount owing to brokers	-	26,257	26,257	26,257	-
Other payables, deposits and accruals	-	13,020	13,020	13,020	-
Bank overdraft	7.14	5,008	5,008	5,008	-
Lease liabilities	8.13	559	596	394	202
		48,083	48,120	47,918	202

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

35 FINANCIAL INSTRUMENTS (CONT'D)

35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period) (Cont'd):-

The Company	Weighted Average Effective Interest Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000
2022				
<u>Non-derivative Financial Liabilities</u>				
Other payables and accruals	-	846	846	846
Amount owing to a subsidiary	7.18	2,448	2,448	2,448
Financial guarantee contracts in relation to corporate guarantee given to a subsidiary	-	-	5,007	5,007
		3,294	8,301	8,301
2021				
<u>Non-derivative Financial Liabilities</u>				
Other payables and accruals	-	40	40	40
Amount owing to a subsidiary	2.66	3,342	3,342	3,342
Financial guarantee contracts in relation to corporate guarantee given to a subsidiary	-	-	5,008	5,008
		3,382	8,390	8,390

35.2 CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholders' value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio that complies with debt covenant and regulatory, if any. The debt-to-equity ratio is calculated as net debt divided by total equity. The Group includes within net debt, loans and borrowings from financial institutions. As the Group has insignificant amount of borrowings, the debt-to-equity ratio is not presented as it may not provide a meaningful indicator of the risk of borrowings.

A major subsidiary, ASB, is required to comply with the BMSB guidelines on capital adequacy, which requires the subsidiary to maintain an adequate level of capital to withstand any losses which may result from credit and other risks associated with financing operations.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

35 FINANCIAL INSTRUMENTS (CONT'D)

35.2 CAPITAL RISK MANAGEMENT (CONT'D)

The subsidiary manages its capital based on the capital adequacy ratio. The subsidiary's strategies were unchanged from the previous financial year. The capital adequacy ratio is calculated as the subsidiary's liquid capital divided by its total risk requirement. Liquid capital represents its financial resources or liquid capital maintained in a readily realisable form to meet its total risk requirement, as calculated in accordance with Chapter 13 Rule 13.02 of BMSB ("Bursa Rules"). Total risk requirement means the sum of operational risk requirement, position risk requirement, counterparty risk requirement, large exposure risk requirement subject always to Bursa Rules.

The capital adequacy ratio of the subsidiary at the end of the reporting period was as follows:-

	2022 RM'000	2021 RM'000
Liquid capital	200,645	192,953
Total risk requirement	6,148	5,949
Capital adequacy ratio	32.64	32.44

The liquid capital of the subsidiary is as follows:-

	2022 RM'000	2021 RM'000
Total non-current assets *	4,208	8,838
Total current assets #	425,929	424,507
Less:-		
Total current liabilities #	(219,583)	(225,813)
	210,554	207,532
Less:-		
Assets not ranking for liquid capital	(9,909)	(14,579)
Liquid capital	200,645	192,953

* This includes equipment, non-current asset held for sale and unquoted investment.

These represent assets and liabilities classified as current for capital adequacy requirement reporting purposes and are presented on a gross basis, and include money held in trust for clients.

The following table presents the components of total risk requirement of the subsidiary:-

	2022 RM'000	2021 RM'000
Operational risk requirement	5,000	5,000
Counterparty risk requirement	14	478
Position risk requirement	1,134	471
	6,148	5,949

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

35 FINANCIAL INSTRUMENTS (CONT'D)

35.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group		The Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Financial Assets				
<u>Equity Instruments at FVOCI</u>				
Unquoted investment (Note 10.1)	3,069	2,793	-	-
<u>Equity Instruments at FVPL</u>				
Marketable securities held for trading	4,315	2,242	-	-
<u>Amortised Cost</u>				
Contribution to clearing fund (Note 10.2)	1,343	1,252	-	-
Trade receivables (Note 11)	198,007	131,074	-	-
Other receivables (Note 11)	236	313	-	-
Amount owing by a subsidiary	-	-	2,775	11,471
Fixed deposits with a licensed bank	-	214	-	-
Cash and short-term funds	104,020	196,305	8,919	109
	303,606	329,158	11,694	11,580
Financial Liabilities				
<u>Amortised Cost</u>				
Amount owing to clients (Note 22)	9,994	3,239	-	-
Amount owing to brokers (Note 22)	6,012	26,257	-	-
Other payables, deposits and accruals (Note 22)	12,099	13,020	846	40
Amount owing to a subsidiary	-	-	2,448	3,342
Bank overdraft	5,007	5,008	-	-
	33,112	47,524	3,294	3,382

35.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	The Group		The Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Financial Assets				
<u>Equity Instruments at FVOCI</u>				
Gains recognised in profit or loss	108	197	-	-
<u>Mandatorily at FVPL</u>				
Gain recognised in profit or loss	(11)	37	-	-
<u>Amortised Cost</u>				
Net gains recognised in profit or loss	1,265	2,618	485	691
Financial Liability				
<u>Amortised Cost</u>				
Losses recognised in profit or loss	(13)	(14)	(251)	(76)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

35 FINANCIAL INSTRUMENTS (CONT'D)

35.5 FAIR VALUE INFORMATION

The fair values of the financial assets and financial liabilities of the Group which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period:-

The Group	Fair Value of Financial Instruments Carried At Fair Value			Fair Value of Financial Instruments Not Carried At Fair Value			Total Fair Value	Carrying Amount
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2022								
Financial Assets								
Marketable securities held for trading	4,315	-	-	-	-	-	4,315	4,315
Other assets:								
- unquoted shares in Malaysia	-	-	3,069	-	-	-	3,069	3,069
2021								
Financial Asset								
Marketable securities held for trading	2,242	-	-	-	-	-	2,242	2,242
Other assets:								
- unquoted shares in Malaysia	-	-	2,793	-	-	-	2,793	2,793

Fair Value of Financial Instruments Carried at Fair Value

The fair values above have been determined using the following basis:-

- The fair value of marketable securities held for trading are determined at their quoted closing bid prices at the end of the reporting period.
- The fair value of the unquoted shares in Malaysia is determined based on input and the information applicable to level 3 fair value measurement, i.e. the net asset value of the investee.
- There were no transfer between level 1 and level 2 during the financial year.

The fair value of loan receivables that carry fixed interest rate approximated its carrying amount as the impact of discounting is not material.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

36 MATERIAL LITIGATIONS

36.1 ORIGINATING SUMMONS ("OS56") / COURT OF APPEAL CIVIL APPEAL NO. W-02(IM)(NCC)-1551-08/2019 ("APPEAL 1551") / FEDERAL COURT CIVIL APPLICATION NO. 08(F)-399-09/2021(W) ("APPEAL 80")

On 21 September 2018, the Company entered into a Heads of Agreement ("HOA") with Mercury Securities Sdn. Bhd. ("Mercury") and subsequently on 18 December 2018 signed a Business Merger Agreement ("BMA") with Mercury for the proposed merger of businesses of Apex Securities Berhad, formerly known as JF Apex Securities Berhad ("ASB"), a wholly-owned subsidiary of the Company and Mercury via the transfer by Mercury to ASB of its stockbroking, corporate advisory and other related businesses together with the requisite business assets and business liabilities for a consideration of RM140 million ("the Proposed Merger").

Subsequently, the Company received the necessary approvals from the relevant authorities and shareholders of the Company.

On 25 February 2019, Concrete Parade Sdn. Bhd. ("Concrete Parade"), a corporate shareholder of the Company filed an oppression suit vide OS56 against amongst others, the Company and ASB to declare that the HOA and the BMA related to the Proposed Merger, as illegal and/or unlawful and/or null and void.

On 7 August 2019, the High Court dismissed OS56. Concrete Parade subsequently appealed to the Court of Appeal against the dismissal of OS56 vide Appeal 1551. The hearing of Appeal 1551 concluded on 18 February 2021 with decision reserved to 18 August 2021.

Meanwhile, Mercury had vide its letter dated 15 April 2021 informed the Company that it was not seeking a further extension of the Conditions Fulfilment Period for the BMA which had been mutually extended for 10 times over a period of more than 2 years. As a result, the BMA had lapsed, and the Proposed Merger has been discontinued.

In light that the BMA had lapsed, the Company had through its solicitors informed the Court of Appeal of this development.

Despite that, on 18 August 2021, the Court of Appeal allowed Appeal 1551 with costs. Effectively, it requires the Company and its directors to sell the Company's treasury shares in the open market within a period of 6 months from the date of Court of Appeal's Order.

On 17 September 2021, the Company filed an application for leave to appeal to the Federal Court ("Leave Application") against the entire decision of the Court of Appeal.

On 7 February 2022, the Company obtained an order from the Court of Appeal to stay part of the Court of Appeal's order issued on pending the disposal of its application for leave to appeal to the Federal Court.

On 10 August 2022, the Federal Court unanimously allowed the Leave Application by the Company with costs in the cause.

On 21 October 2022, the Company filed a Notice of Motion in the Federal Court to remove the 5th, 8th - 14th Respondents as parties in the matter ("the Amendment Application").

During the hearing of the Amendment Application on 2 February 2023, the Federal Court allowed the Company's Notice of Motion. As such, the 5th, 8th - 14th Respondents are no longer parties in Appeal.

The Federal Court has fixed the hearing date of the Notice of Appeal i.e. the overall appeal by the Company and ASB on 8 May 2023.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

36 MATERIAL LITIGATIONS (CONT'D)

36.2 KUALA LUMPUR HIGH COURT APPLICATION FOR JUDICIAL REVIEW NO.: WA-25-540-10/2022

ASB filed an Application to seek Leave for Judicial Review dated 19 October 2022 (the "Application for JR") against the Securities Commission Malaysia ("SC") in respect of the additional conditions imposed by the SC on ASB pursuant to Section 62 Capital Markets and Services Act 2007 (the "Impugned Decision").

The Application for JR seeks a declaration from the High Court that the Impugned Decision be declared null and void, the Impugned Decision and its incidental and related decision be quashed, an order to compel SC to lift and/or remove the Impugned Decision and its incidental and related decision and a prohibition order to restrain and/or prohibit SC from acting on and/or enforce the Impugned Decision.

Pending the disposal of the Application for JR, ASB seeks a stay order from the Court in respect of the Impugned Decision and its incidental and related decision.

The hearing for the above mentioned application for leave is fixed for hearing on 2 May 2023.

36.3 KUALA LUMPUR HIGH COURT CIVIL SUIT NO. WA-22NCC-620-11/2022

The SC had on 30 November 2022 filed a Writ of Summons and Statement of Claim dated 29 November 2022 against, inter alia, the Company to seek declaratory and specific reliefs from the High Court.

The reliefs sought include a declaration that ASB had contravened securities laws by having the Company's former substantial shareholder, ACE Holdings Bhd through ACE Credit (M) Sdn. Bhd. ("ACE") as the controller of ASB when ACE is not fit and proper, the removal of certain members of the Board of Directors and Senior Management of the Company and injunctive reliefs which include ACE to restrain from causing the appointment of the members of the Board of Directors and any management personnel of the Company.

The Company and ASB have filed its Statements of Defence on 26 January 2023. The Company and ASB, together with the relevant members of the Board of Directors and Senior Management have subsequently filed an application to strike out the case. The High Court has fixed the next Case Management on 27 June 2023, pending the disposal of all interlocutory applications filed by the parties in the suit.

The Company strongly believes that in the event that the reliefs sought by the SC are granted by the High Court, ASB's operations and financial position shall not be materially affected. This is because ASB being a Capital Markets Services License ("CMSL") holder, also has its own Board of Directors and management to independently manage its affairs whilst the removal of the abovementioned board members and Senior Management is limited to the personnel of the Company.

LIST OF PROPERTIES

AS AT 31 DECEMBER 2022

The Group's Properties owned by Apex Development Sdn Bhd, details of which are set out below:-

Location	Description of property held	Title No.	Tenure	Land Area (Sq.Ft.)	Usage	Net Book Value RM	Date of acquisition of property
Mukim of Sepang Kuala Langat	Vacant Land Lot 429	C.T.12098	Freehold	4,361,446	Investment Property	12,709,330	20/7/95
Mukim of Kajang Hulu Langat	Office Building	EMR 8560 Lot 7382	Freehold	51,008	Office Building	11,114,460	1/9/94
Mukim of Ulu Yam Hulu Selangor	Vacant Land	Geran No. 6636 Lot 1677	Freehold	4,312,441	Investment Property	9,986,340	13/12/96
Mukim of Beaufort	Vacant	PL 176194880	Leasehold Expiry: 2905	14,374,949	Investment Property	4,308,245	9/12/15
Parcel No. D7 Building D Bukit Mewah Kajang	Apartment Unit	Geran No. 54436 M1881	Freehold	1,059	Occupied By Staff	81,015	16/5/94
Parcel No. E7 Building E Bukit Mewah Kajang	Apartment Unit	Geran No. 54436 M1880	Freehold	1,067	Occupied By Staff	81,015	16/5/94
Unit No. E/F1 Strawberry Park Resort Apartment	Apartment Unit	#	Leasehold Expiry: 2067	1,232	For Staff Use	-*	7/6/95

* Fully depreciated

Under master title

SHAREHOLDERS' ANALYSIS REPORT

AS AT 31 MARCH 2023

No. of Shares Issued	213,563,324 ordinary shares (including 10,923,118 treasury shares)
Class of shares	Ordinary shares
Voting rights	One vote per ordinary share held

DISTRIBUTION SHAREHOLDERS

	No. Of Shareholders	% Of Shareholders	No. Of Shares	% Of Issued Share Capital
Less than 100	758	24.19	27,810	0.01
100-1,000	225	7.18	108,465	0.05
1,001-10,000	1,695	54.10	5,271,413	2.60
10,001-100,000	334	10.66	9,566,315	4.72
100,001-Less than 5% of issued shares	118	3.77	127,623,789	62.98
5% and above of issued shares	3	0.10	60,042,414	29.63
Total	3,133	100	202,640,206	100

DIRECTORS' SHAREHOLDINGS

NAME	Direct Interest		Indirect Interest	
	No. Of Shares	% Of Shares	No. Of Shares	% Of Shares
Farhash Wafa Salvador	-	-	-	-
Dato' Leong Wai Leng	-	-	-	-
Lim Kok Eng	1,000	_*	5,000	_*
Woon Wai En	-	-	-	-
Lee Siow Hong	-	-	-	-
Rozana Shamsuddin	-	-	-	-

* The percentage is lesser than 0.01.

SUBSTANTIAL SHAREHOLDERS

NAME	Direct Interest		Indirect Interest	
	No. Of Shares	% Of Shares	No. Of Shares	% Of Shares
Fun Sheung Development Limited	31,966,914	15.78	-	-
Concrete Parade Sdn Bhd	17,579,700	8.68	-	-
Yenson Investments Limited	10,495,800	5.18	-	-

SHAREHOLDERS' ANALYSIS REPORT (CONT'D)

TOP THIRTY LARGEST SECURITIES ACCOUNT HOLDERS

NAME	NO. OF SHARES	% OF SHARES
Fun Sheung Development Limited	31,966,914	15.78
Concrete Parade Sdn Bhd	17,579,700	8.68
Yenson Investments Limited	10,495,800	5.18
Pinerains Sdn Bhd	8,898,480	4.39
Cergas Megah (M) Sdn Bhd	7,549,040	3.73
AllianceGroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Dato' Ong Choo Meng (6000478)	6,400,000	3.16
Mercsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ong Chin Kok	5,683,509	2.80
Lim Siew Kim	5,656,920	2.79
Affin Hwang Nominees (Tempatan) Sdn Bhd Majestic Salute Sdn Bhd for Yong Siew Yee	5,535,000	2.73
Ho Jien Shiung	5,000,000	2.47
Proven Venture Capital PLT	4,508,300	2.22
Proven Venture Capital PLT	3,960,000	1.95
Florence Wong Wei Wei	3,604,400	1.78
Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ong Kook Liong	3,476,600	1.72
Mercsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chew Beow Soon	3,241,500	1.60
Mercsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yong Chong Hee	2,832,000	1.40
Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ong Xeng Thou	2,789,500	1.38
Cimsec Nominees (Tempatan) Sdn Bhd CIMB for Azizan bin Abd Rahman (PB)	2,756,974	1.36
RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ong Tzu Chuen	2,695,000	1.33
Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Pei Shiun	2,080,000	1.03
HLB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ong Soon Ho	2,000,000	0.99
HSBC Nominees (Asing) Sdn Bhd Societe Generale Paris	1,738,000	0.86
RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ong Xeng Thou	1,700,000	0.84
Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chia Yoong Yoong	1,645,780	0.81
Pang Chow Huat	1,636,300	0.81
CGS-CIMB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chen Sen Loon (MY4603)	1,500,000	0.74
Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lo Ngen Loi	1,500,000	0.74
CGS-CIMB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ong Xeng Thou (MY4534)	1,430,000	0.71
Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ong Soon Hooi	1,350,000	0.67
CGS-CIMB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Meng Seng (MY1542)	1,240,000	0.61
Total	152,449,717	75.23

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 33rd Annual General Meeting of Apex Equity Holdings Berhad ("the Company") will be held at the Conference Room, 10th Floor, Menara Apex, Off Jalan Semenyih, Bukit Mewah, 43000 Kajang, Selangor Darul Ehsan on Monday, 19 June 2023 at 10:30 a.m. to transact the following businesses:

AGENDA

As Ordinary Business

- | | |
|---|---|
| 1. To receive the Audited Financial Statements of the Company and of the Group for the financial year ended 31 December 2022 together with the Reports of the Directors and Auditors thereon. | Please refer to Explanatory Note 1 |
| 2. To approve the payment of Director's fee and benefits of RM37,400-00 to Dato' Ahmad Redza bin Abdullah as the Independent Non-Executive Chairman of the Company for the period from 20 June 2022 to 22 September 2022 the date of his resignation as a Director of the Company. | Resolution 1 |
| 3. To approve the payment of Directors' fees and benefits of up to RM392,600-00 to the other Non-Executive Directors of the Company for the period from 20 June 2022 until the conclusion of this 33 rd Annual General Meeting of the Company. | Resolution 2 |
| 4. To approve the payment of Directors' fees and benefits of up to RM490,000-00 to the Non-Executive Directors of the Company from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company to be held in 2024. | Resolution 3 |
| 5. To re-elect the following Directors who retire pursuant to Article 109 of the Company's Articles of Association:
(i) Farhash Wafa Salvador
(ii) Dato' Leong Wai Leng
(iii) Lim Kok Eng
(iv) Woon Wai En
(v) Rozana Shamsuddin | Resolution 4
Resolution 5
Resolution 6
Resolution 7
Resolution 8 |
| 6. To re-appoint Crowe Malaysia PLT as Auditors of the Company to hold office from the conclusion of the 33 rd Annual General Meeting until the conclusion of the next Annual General Meeting to be held in 2024 and to authorise the Directors to fix their remuneration. | Resolution 9 |

Any Other Business

7. To transact any other business that may be transacted at the 33rd Annual General Meeting of which due notice shall have been given in accordance with the Companies Act 2016 and the Articles of Association of the Company.

By Order of the Board

LOW KIM HEOW (MAICSA 7007682)
SSM Practicing Certificate No. 201908002950

WONG YOUN KIM (MAICSA 7018778)
SSM Practicing Certificate No. 201908000410

Company Secretaries
Kajang
28 April 2023

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

EXPLANATORY NOTES

1. Item 1 of the Agenda – Receipt of Reports and Audited Financial Statements

Item 1 of the Agenda is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 ("the Act") does not require a formal approval from the shareholders for the audited financial statements. Hence, this Agenda item will not be put forward for voting.

2. Item 2 of the Agenda – Payment of Director's fee and benefits to Dato' Ahmad Redza bin Abdullah

The proposed Resolution 1 is to seek shareholders' approval to pay the outstanding Director's fee amounting to RM37,400-00 due to Dato' Ahmad Redza bin Abdullah as the Independent Non-Executive Chairman of the Company, being the Director's fee accrued for the period from 20 June 2022 until 22 September 2022, the date of his resignation as a Director of the Company.

3. Item 3 of the Agenda – Payment of Directors' fees and benefits to the other Non-Executive Directors from 20 June 2022 until the conclusion of this 33rd Annual General Meeting

The proposed Resolution 2 is to seek shareholders' approval to pay the Directors' fees and benefits up to RM392,600-00 to the other Non-Executive Directors of the Company for the period from 20 June 2022 until the conclusion of this 33rd Annual General Meeting of the Company. The calculation of the Directors' fees and benefits are based on the number of Board/ Board Committees' meetings held from 20 June 2022 until the conclusion of this 33rd Annual General Meeting.

4. Items 4 of the Agenda – Payment of Directors' fees and benefits to the Non-Executive Directors from 33rd Annual General Meeting until the conclusion of the next Annual General Meeting

The Company is seeking shareholders' approval for the payment of Non-Executive Directors' fees and benefits of up to RM490,000-00 with effect from the 33rd AGM of the Company until the conclusion of the next Annual General Meeting ("AGM") of the Company in 2024 pursuant to Section 230(1) of the Act. The amount of Directors' fees and benefits were based on 15 months (i.e. a buffer of 3 months) in case an extension of time is needed to convene the next AGM. By way of information, the AGMs held in 2021 and 2022 were held within the period pursuant to Section 340(2) of the Act.

Non-Executive Directors of the Company are entitled to annual Directors' fees based on the following remuneration structure approved by the Board:

No.	Description	Chairman (RM)		Members (RM)	
		Fee (RM per annum)	Meeting allowance (RM per meeting)	Fee (RM per annum)	Meeting allowance (RM per meeting)
1.	Board	–*	–	78,000	1,000
2.	Audit Committee	11,700	500	9,000	500
3.	Nomination and Remuneration Committee	11,700	500	9,000	500
4.	Group Board Risk Committee	11,700	500	9,000	500

* In view that the Group Executive Chairman is an Executive Director, he is not entitled to the annual Directors' fees.

In the event that the proposed Directors' fees and benefits are insufficient, approval will be sought at the next AGM for additional Directors' fees and benefits to meet the shortfall.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

5. Item 5 of the Agenda – Re-election of Directors

Farhash Wafa Salvador, Dato' Leong Wai Leng, Lim Kok Eng, Woon Wai En and Rozana Shamsuddin (collectively referred to as "Retiring Directors"), who retire in accordance with Article 109 of the Articles of Association of the Company, and being eligible, have offered themselves for re-election. The Retiring Directors were newly appointed to the Board in June and December 2022 respectively. As such, their assessment and evaluation had been carried out prior to their respective appointments.

The Board, with each affected Director abstaining from deliberations and voting on his/her own re-election, has recommended the re-election of the Retiring Directors. Their profiles are disclosed in the Annual Report 2022.

6. Item 6 of the Agenda – Re-appointment of Auditors

The Audit Committee and Board had undertaken an annual assessment of the external auditors, Crowe Malaysia PLT including independence, scope of audit, audit fee, expert and experience, performance based on annual audit scope and planning. The Audit Committee and Board were satisfied with the suitability of Crowe Malaysia PLT on the quality of audit, performance, competency, and sufficiency of resources the external audit team provided to the Group.

NOTES:

Entitlement to Attend/Participate, Speak and Vote

Only members whose names appear in the Record of Depositors on 13 June 2023 shall be entitled to attend, speak and vote at this 33rd AGM.

Proxy

1. A member entitled to attend and vote at this Meeting is entitled to appoint one (1) or more proxies to attend and vote in his stead. If a member wishes to personally participate in this Meeting, please do not appoint any proxy(ies).
2. Where a member appoints two (2) or more proxies, the appointments shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.
3. There shall be no restriction as to the qualification of the proxy.
4. The instrument appointing the proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing. If the appointor is a corporation, the instrument appointing a proxy shall be given under the corporation's common seal or under the hand of an officer or attorney of the corporation duly authorised in that behalf.
5. Where a member is an authorized nominee, as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
6. Where a member is an exempt authorised nominee ("EAN"), as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the EAN may appoint in respect of each omnibus account it holds.
7. All Proxy Forms must be deposited at the Company's Registered Office at 6th Floor, Menara Apex, Off Jalan Semenyih, Bukit Mewah, 43000 Kajang, Selangor Darul Ehsan not less than 48 hours before the time appointed for holding this Meeting or any adjournment thereof.

Voting

1. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice of the 33rd AGM shall be put to vote by way of poll.

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CDS Account No.

No. of Shares held

I/We _____ Tel: _____

[Full name in block, NRIC No./Company No. and telephone number]

of _____

[Address]

being a member/members of Apex Equity Holdings Berhad, hereby appoint:

Full Name (in Block)	NRIC / Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and / or (delete as appropriate)

Full Name (in Block)	NRIC / Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him, the Chairman of the Meeting as my/our proxy to attend and to vote for me/us and on my/our behalf at the 33rd Annual General Meeting of the Company to be held at the Conference Room, 10th Floor, Menara Apex, Off Jalan Semenyih, Bukit Mewah, 43000 Kajang, Selangor Darul Ehsan on Monday, 19 June 2023 at 10:30 a.m. or any adjournment thereof, and to vote as indicated below:

Item	Agenda	Resolution	For	Against	Abstain
1.	Approval for payment of Director's Fee and Benefits to Dato' Ahmad Redza bin Abdullah	Resolution 1			
2.	Approval for payment of Directors' Fees and Benefits to the other Non-Executive Directors from 20 June 2022 until the conclusion of this 33 rd Annual General Meeting	Resolution 2			
3.	Approval for payment of Directors' Fees and Benefits to the Non-Executive Directors from 33 rd Annual General Meeting until the conclusion of the next Annual General Meeting	Resolution 3			
4.	Re-election of Farhash Wafa Salvador	Resolution 4			
5.	Re-election of Dato' Leong Wai Leng	Resolution 5			
6.	Re-election of Lim Kok Eng	Resolution 6			
7.	Re-election of Woon Wai En	Resolution 7			
8.	Re-election of Rozana Shamsuddin	Resolution 8			
9.	Re-appointment of Crowe Malaysia PLT as the Auditors of the Company	Resolution 9			

Please indicate with an "X" in the space provided whether you wish your votes to be cast for or against the resolution. In the absence of specific direction, your proxy will vote or abstain as he thinks fit.

Signed this _____ day of _____, 2023

Signature of Shareholder/Common Seal**NOTES:****Entitlement to Attend/Participate, Speak and Vote**

Only members whose names appear in the Record of Depositors on 13 June 2023 shall be entitled to attend, speak and vote at this 33rd AGM.

Proxy

- A member entitled to attend and vote at this Meeting is entitled to appoint one (1) or more proxies to attend and vote in his stead. If a member wishes to personally participate in this Meeting, please do not appoint any proxy(ies).
- Where a member appoints two (2) or more proxies, the appointments shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.
- There shall be no restriction as to the qualification of the proxy.
- The instrument appointing the proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing. If the appointor is a corporation, the instrument appointing a proxy shall be given under the corporation's common seal or under the hand of an officer or attorney of the corporation duly authorised in that behalf.
- Where a member is an authorized nominee, as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- Where a member is an exempt authorised nominee ("EAN"), as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the EAN may appoint in respect of each omnibus account it holds.
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Voting

- Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice of the 33rd AGM shall be put to vote by way of poll.

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STAMP

The Company Secretary

Apex Equity Holdings Berhad

[Company No.: 199001016563 (208232-A)]

6th Floor, Menara Apex,
Off Jalan Semenyih,
Bukit Mewah, 43000 Kajang
Selangor Darul Ehsan, Malaysia

PLEASE FOLD HERE

Apex Equity Holdings Berhad

[Company No.: 199001016563 (208232-A)]

6th Floor, Menara Apex,
Off Jalan Semenyih,
Bukit Mewah, 43000 Kajang
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