



ELEVATING INVESTMENTS, DELIVERING RESULTS

Annual Report
2023

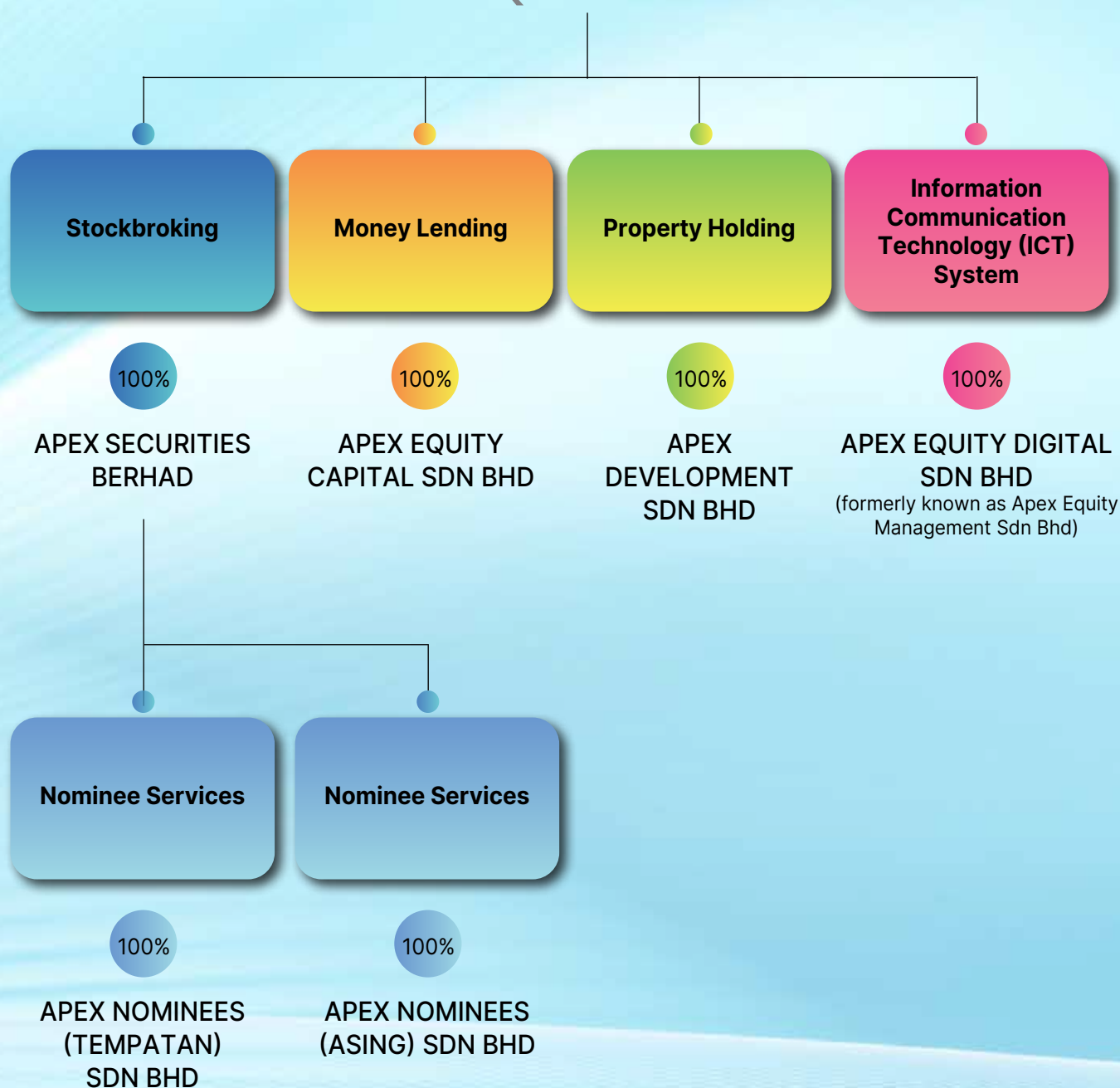
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The softcopy of the Annual Report 2023 is available on the company's website at <https://apxequity.com.my/investor-relations/>



Board of Directors

YBhg. Datuk Wira Farhash Wafa Salvador J.P.
Group Executive Chairman

Dato' Zakaria Bin Arshad
Group Executive Director
(appointed on 20 October 2023)

Norzilah Binti Mohammed
Executive Director
(appointed on 3 July 2023)

Woon Wai En
Independent Non-Executive Director

Lee Siow Hong
Independent Non-Executive Director

Rozana Bt Shamsuddin
Independent Non-Executive Director

Dato' Leong Wai Leng
Group Executive Director
(appointed on 20 June 2022 as Group Deputy Managing Director, subsequently redesignated as Group Executive Director on 27 December 2022 and retired on 5 July 2023)

Lim Kok Eng
Group Executive Director
(appointed on 20 June 2022 and resigned on 20 October 2023)

Audit Committee

Chairman
Woon Wai En

Members
Lee Siow Hong
Rozana Bt Shamsuddin

Nomination and Remuneration Committee

Chairman
Lee Siow Hong

Members
Woon Wai En
Rozana Bt Shamsuddin

Group Board Risk Committee

Chairman
Rozana Bt Shamsuddin

Members
Woon Wai En
Lee Siow Hong

Company Secretaries

Low Kim Heow
(MAICSA 7007682)
SSM PC No. 201908002950

Jeremy Tai Yung Wei
(MAICSA 7065447)
SSM PC No. 202308000580
(Appointed on 22 November 2023)

Thong Pui Yee
(MAICSA 7067416)
SSM PC No. 202008000510
(Appointed on 22 November 2023)

Wong Youn Kim
(MAICSA 7018778)
SSM PC No. 201908000410
(resigned on 22 November 2023)

Registered Office

Level 5, Menara UAC,
12, Jalan PJU 7/5,
Mutiarra Damansara,
47800 Petaling Jaya
Selangor, Malaysia
Tel: 603-7890 8888
Email: info@apexequity.com.my
(new registered office effective from 8 August 2023)

Share Registrar

Shareworks Sdn. Bhd.
[Company No. 199101019611(229948-U)]
No. 2-1, Jalan Sri Hartamas 8,
Sri Hartamas
50480 Kuala Lumpur
Wilayah Persekutuan
Malaysia
Tel: 603-6201 1120
Fax: 603-6201 3121
Email: ir@shareworks.com.my
(new Share Registrar effective from 1 Nov 2023)

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

Principal Bankers

Alliance Bank Malaysia Berhad
CIMB Bank Berhad
Hong Leong Bank Berhad
Malayan Banking Berhad
Standard Chartered Bank
Malaysia Berhad
Ambank (M) Berhad
Al Rajhi Banking & Investment
Corporation (Malaysia) Bhd

Stock Exchange Listing

Main Market of Bursa Malaysia Securities Berhad
Stock Short Name: APEX
Stock Code: 5088

Directors' Profile



YBhg. Datuk Wira Farhash Wafa Salvador J.P. was appointed to the Board on 27 December 2022 as Group Executive Chairman.

YBHG. DATUK WIRA FARHASH WAFA SALVADOR J.P.

Group Executive Chairman

Nationality: **Malaysian** | Age: **42** | Gender: **Male**

YBhg. Datuk Wira 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, YBhg. Datuk Wira 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 YBhg. Datuk Wira 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.

YBhg. Datuk Wira 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).

YBhg. Datuk Wira Farhash 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.

YBhg. Datuk Wira Farhash graduated with an honours Bachelor of Arts degree in Business Administrator 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.

YBhg. Datuk Wira Farhash is currently the Non-Independent Non-Executive Chairman of 7-Eleven Malaysia Holdings Berhad, Executive Chairman of Excel Force MSC Berhad, and a Director of Berjaya Construction Berhad.



DATO' ZAKARIA BIN ARSHAD

Group Executive Director

Nationality: **Malaysian** | Age: **64** | Gender: **Male**

Dato' Zakaria Bin Arshad was appointed to the Board on 20 October 2023 as Group Executive Director.

Dato' Zakaria graduated from University Sains Malaysia, earning an Honours in Bachelor of Social Science – Economics. He completed the Senior Management Development Programme at Harvard Business School, USA, and the Corporate Partnership Programme at Pembroke College, University of Cambridge, UK.

Dato' Zakaria is a former Group President of FGV Berhad. Currently he serves as a board member at Koperasi Permodalan Felda Malaysia Berhad (KPF), Chairman of Investment and Business Development of KPF and Chairman of University Putra Malaysia Holdings Business Management.

He holds a fellowship in the International Society of Nanoscience, Cambridge, UK, and is a member of Vistage Worldwide Inc., USA, an organization for CEOs and business owners of SMEs. He also occupies the position of advisor in the Malaysia Robotic and Automation Society, Mobile Food Trucks and Street Food Association.

Dato' Zakaria also sits in the board of Apex Securities Berhad, a wholly owned subsidiary of the Company, as its Chief Executive Officer.

Dato' Zakaria has extensive experience in the palm oil sector, ranging from upstream to downstream, managing approximately 440,000 hectares of plantation in Malaysia and Indonesia and overseeing the production of 3 million MT of CPO from 68 mills across Malaysia with more than 20,000 workforces worldwide.

He has vast experience in commodity trading such as cocoa, natural rubber, sugar and palm oil. He possesses expertise in shipping, currency hedging, positioning and commodity analysis.

In the past years, Dato' Zakaria also engaged in developing Fast Moving Consumer's Goods Products (FMCG) such as cooking oil, margarine, specialty fats, etc.

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



NORZILAH BINTI MOHAMMED

Executive Director

Nationality: **Malaysian** | Age: **58** | Gender: **Female**

Puan Norzilah Binti Mohammed was appointed to the Board on 03 July 2023 as Executive Director.

Puan Norzilah graduated with a Bachelor of Science in Business Administration, majoring in Accounting from California State University, Sacramento, United States of America. She is also a Qualified Risk Director from the Institute of Enterprise Risk Practitioners.

Puan Norzilah has vast experience in the banking and finance services industry. With more than 30 years in the industry, she had an illustrious career when she helmed the position of the Chief Executive Officer to Export-Import Bank of Malaysia Berhad ("EXIM Bank"). Prior to her last position as the CEO, she had held several key positions as the Chief Operating Officer, Chief Risk Officer, and Chief Credit Officer of EXIM Bank. Under her leadership, as part of the Bank's mandate to provide cross border financing to Malaysian companies, she established the Commercial and SME Banking Division to bridge the gap on access to financing for local small medium enterprises ready to enter the export market.

During her leadership, EXIM Bank has received recognitions and awards such as SME Platinum Business Award, Malaysia's Preferred Bank Award (Export & Import), Malaysia International HR Award and Asset Asian Award for Best Islamic Deal. Complimenting her corporate accomplishments, Puan Norzilah was awarded the Anugerah Tokoh Serikandi for Banking by Gabungan Pelajar Melayu Semenanjung in 2018.

Puan Norzilah continued her contributions to join Destini Berhad ("Destini") in 2019. She expanded her industry exposures into oil and gas, renewable energy, aviation and defence, and marine. At Destini, Puan Norzilah held a pivotal role in steering the Group's Corporate Restructuring, and Process Reengineering, including strengthening Corporate Finance, Strategic Planning, and Governance and Risk Management functions. She completed her terms with Destini as the Group Executive Director in February 2023.

In addition to the above, Puan Norzilah's cumulative exposures in her various roles in Bank Bumiputera Malaysia Berhad, Pengurusan Danaharta Nasional Berhad and Prokhas Sdn Bhd, have equipped her with in depth knowledge and experience in banking, finance, corporate turnaround, debt restructuring and recovery.

Currently, Puan Norzilah sits on the Board of Directors of University Malaysia Sarawak ("UNIMAS") and is the Chairman of UNIMAS Board Audit Committee. She is also a member of Malaysia China Business and Visa Advisory Committee, a sub-Committee of Malaysia China Business Council ("MCBC").

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

LEE SIOW HONG

Independent Non-Executive Director

Nationality: **Malaysian** | Age: **60** | Gender: **Male**

Mr. Lee Siow Hong 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 11 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.



WOON WAI EN

Independent Non Executive Director

Nationality: **Malaysian** | Age: **60** | Gender: **Male**

Mr. Woon Wai En 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 Member of the Malaysian Institute of Accountants ("MIA") and an ex-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.

Mr. Woon is also an Independent Non-Executive Director in LB Aluminum Bhd.

ROZANA BT SHAMSUDDIN

Independent Non-Executive Director

Nationality: **Malaysian** | Age: **59** | Gender: **Female**



Pn. Rozana Bt 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 34 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 Segran & 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. She is also a Qualified Risk Director from the Institute of Enterprise Risk Practitioners.

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 or its subsidiaries.
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 2023.
4. Details of Board meeting attendance of each Director are disclosed in the Corporate Governance Overview Statement in this Annual Report.

Senior Management Profile

WONG ZHEN FAI

Executive Director of Apex Development Sdn. Bhd.
Executive Director of Apex Equity Digital Sdn. Bhd.
Executive Director of Apex Equity Capital Sdn. Bhd.

Nationality: **Malaysian** | Age: **36** | Gender: **Male**

Mr. Wong Zhen Fai ("Zhen Fai") was appointed as the Executive Director of Apex Development Sdn. Bhd., a wholly-owned subsidiary of Apex Equity Holdings Berhad on 20 June 2022. He was subsequently appointed as Executive Director of Apex Equity Digital Sdn. Bhd., on 19 August 2022 and as Executive Director of Apex Equity Capital Sdn. Bhd., on 1 September 2022, both are wholly-owned subsidiaries of Apex Equity Holdings Berhad.

Zhen Fai commenced his career as a regulator in Securities Commission Malaysia (SC). Over the years at the SC, he 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.

Zhen Fai 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.

Zhen Fai 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.

Zhen Fai 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.

Zhen Fai 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.

Senior Management Profile (Cont'd)

CHANG MIN DE

Executive Director of Apex Equity Capital Sdn. Bhd.
Executive Director of Apex Equity Digital Sdn. Bhd.

Nationality: **Malaysian** | Age: **33** | Gender: **Male**

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. He was subsequently appointed as Executive Director of Apex Equity Digital Sdn. Bhd., on 20 October 2023, also a wholly-owned subsidiary of Apex Equity Holdings Berhad.

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).

KONG MING MING

Executive Director Dealing of Apex Securities Berhad

Nationality: **Malaysian** | Age: **54** | Gender: **Female**

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.

TAN CHENG HAN

Group Financial Controller

Nationality: **Malaysian** | Age: **55** | Gender: **Male**

Mr. Tan Cheng Han has more than 31 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 the Malaysian Institute of Accountants (MIA).

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.

Notes

1. None of the Senior Management have any family relationship with any Director and/or major shareholder of the Company.
2. None of the Senior Management have any conflict of interest with the Company.
3. None of the Senior Management 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 2023.



Market Overview

The Malaysian equity market remained vibrant in 2023 despite a net foreign fund outflow of RM2.29 billion, reversing part of the net inflow of RM4.44 billion recorded in the prior year. Foreign fund movement is expected to see recuperation on the back of the expectation of stronger emerging market currencies including the Malaysia Ringgit against the US Dollar in view of the prospects of interest rate cut from the US Federal Reserve.

The Malaysian equity market remained vibrant in 2023 despite a net foreign fund outflow of RM2.29 billion, reversing part of the net inflow of RM4.44 billion recorded in the prior year. Foreign fund movement is expected to see recuperation on the back of the expectation of stronger emerging market currencies including the Malaysia Ringgit against the US Dollar in view of the prospects of interest rate cut from the US Federal Reserve.

In terms of capital market vibrancy, there were 32 new listings in 2023, which was a slight downtick from 35 recorded in 2022. Nevertheless, funds raised from new listings rose to RM3.6 billion in 2023 against RM3.5 billion in 2022. Meanwhile, total market capitalization of initial public offerings (IPO) rose to RM13.6 billion against RM11.2 billion recorded in 2022, driven by electronic manufacturing services-related players such as Cape EMS Berhad and CPE Technology Berhad. The solid IPO momentum is likely to extend moving into 2024 with Bursa Malaysia aiming for 42 new listings with total market capitalization of RM13.0 billion.

Back in 2023, the FBM KLCI recorded lacklustre performance as the key index registered its third straight year of decline by falling 2.7% to close at 1,454.66 points. The weakness was mainly dragged down by resumption of foreign fund outflow, uncertainties surrounding the six states election in Malaysia, higher-for-longer interest rate environment across the globe, as well as rising geopolitical tensions.

Over at securities market overview, the local bourse recorded a slightly weaker average daily value traded of RM2.06 billion compared to RM2.07 billion in 2022. However, total volume traded rose 15.4% to 3.26 billion shares from 2.82 billion shares traded in 2022. The improvement in trading activity was mainly anchored by higher participation in both retail and foreign institutions.

The International Monetary Fund's World Economic Outlook Report projected global GDP to grow by 3.1% in 2024, which is at the same quantum for 2023. The Malaysian Government has projected the domestic GDP to grow 4%-5%, which is slightly higher than 2023's 3.7%. The main drivers for this year's economic growth will be supported by strong domestic demand that is supported by solid labour market, public investment from on-going implementation of key mega infrastructure projects, further recovery of tourism activities, tail-end of semiconductor chips cycle and stable commodity prices.

While uncertainties such as on-going geopolitical tensions, slowdown in China economic activities, and higher-for-longer borrowing costs is expected to persist, we expect local capital markets particularly the stockbroking industry to remain vibrant.

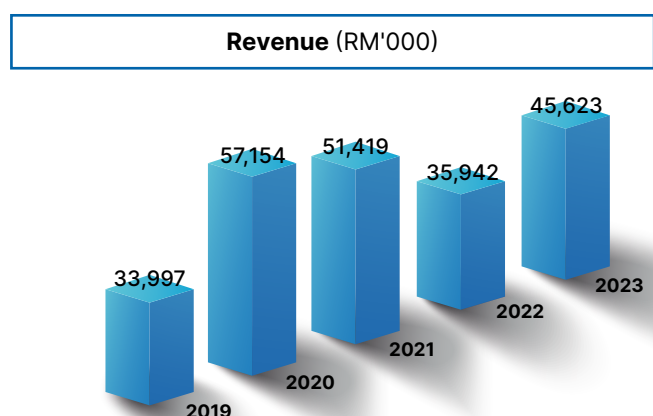
On this note, I, on behalf of my fellow directors have the pleasure of presenting to you the Annual Report together with the Audited Financial Statements for FY 2023.



Financial Results

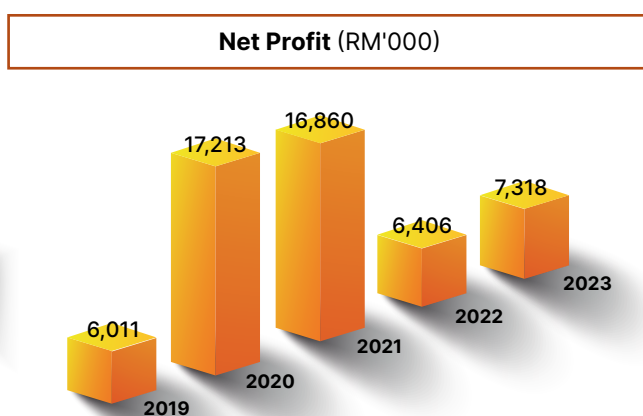
For the FY 2023, the Group registered improved revenue, rising 26.9% year-on-year to RM45.62 million as compared to RM35.94 million in FY 2022. Likewise, the Group's pre-tax profit climbed 58.1% year-on-year to RM10.74 million. Consequently, the Group recorded a higher net profit of RM7.32 million, 14.2% improvement from RM6.41 million in FY 2022. The Group's earnings per share for the FY 2023 rose to 3.61 sen, from 3.16 sen in FY 2022.

The improved result in FY 2023 was mainly lifted by higher margin and other interest income, higher brokerage income, and full year recognition of revenue from moneylending business segment.



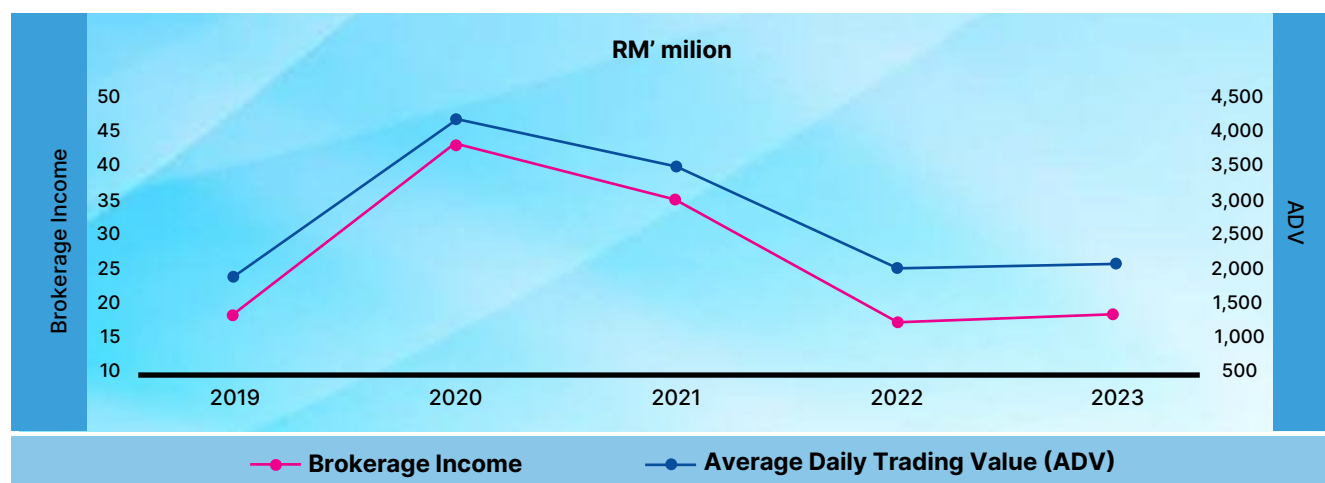
Remarks:

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



Remarks:

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



In addition, the improvement in revenue and net profit was mainly supported by the stability of market performance. Brokerage income climbed to RM19.13 million (FY 2022: RM17.72 million) outpaced with the slight downtick in average daily trading value (ADV) which reflects the effort of Apex Group business expansion efforts. Total ADV in Bursa Malaysia decreased marginally by 0.6% yearly to RM2.06 billion in FY 2023.

Elsewhere, contributions from the Group's lending business under Apex Equity Capital Sdn Bhd expanded to RM6.88 million as compared to RM2.87 million revenue in the previous financial year. The revival of money lending business has contributed positively to the Group's improvement.



Prospects

Despite lingering uncertainties and challenges on the horizon, Apex Group remains committed and strives for greater heights. Apex Group stands unwavering in its commitment and endeavours to reach new heights. The prospect of business expansions is actively explored through the introduction of new product offerings and the pursuit of geographical expansions, taking advantage of upcoming opportunities. The ongoing business transformation, utilizing digitalization and automation processes, is in progress to enhance both productivity and operational efficiency. Simultaneously, a new trading platform with enhanced capabilities tailored to market demand is in development process. We remain committed to align our strategic business direction together with Securities Commission Malaysia's Capital Market Masterplan 3 (2021-2025) across digital acceleration and offers wider range of diversified product to market participants.

In bid to improve operational efficiency and promote effective communication, Apex Group in the midst of centralizing business operations to Menara UAC, Mutiara Damansara (which is our current headquarter) which brings us a step closer to the city centre within Greater Klang Valley. Concurrently, we are making strides to deepen our market penetration through branch expansions in strategic locations within Malaysia in bid to improve geographical reach and to provide a better as well as more efficient service across the nation. Elsewhere, we are also actively on the lookout for regional expansion to diversify our geographical business exposure and tap on rising business opportunities in regional markets.

After delivering stronger performance in the money lending business that was re-activated in 3Q 2022, Apex remains committed to expand the money lending business through existing product offerings to existing and potential new customers acquisition. We expect the money lending business to contribute positively to the Group's income in 2024.

The Group constantly revolves around fostering an inclusive and supportive environment. This approach entails recognizing and harnessing the unique strengths and talents of individuals, ensuring that each team member feels valued and heard. Leadership actively encourages open communication, collaboration, and knowledge-sharing, acknowledging that diverse perspectives contribute to innovation and success. Employee development programs are designed to enhance individual skills as well as cultivate a sense of ownership and pride in their work. We strive to create a culture where employees flourish, realizing their full potential while making meaningful contributions to the broader community.

Chairman's Statement (Cont'd)



ESG

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

In 2023, we conducted our Corporate Social Responsibility (CSR) through various activities such as Zoo Negara CSR Groom Project and various Charity Donation Drive initiatives (more details in Sustainability Statement).



Board Movement

Year 2023 saw fresh members being appointed to the Board of Directors. Apex believes with decades of experience in the corporate scene, the newly elected and appointed directors will be able to lead the Group to chart 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. Their unwavering commitment, expertise, loyalty, and persistent dedication have significantly contributed to the group's growth. I also wish to express appreciation to our shareholders, customers, business associates, and bankers for their ongoing cooperation, support, and confidence in the group. Finally, I would like to acknowledge and thank the relevant regulatory authorities for their continuous support and assistance throughout the financial year.

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 2023 ("FY 2023").

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 2023 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 2023, 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 MCGG.

● Group Board Risk Committee

The Group Board Risk Committee ("GBRC") is 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 Group Executive Director

The roles and responsibilities of the Chairman and the Group Executive Director ("GED") 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 GED 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 GED 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.

The Board has appointed Pn. Norzilah Binti Mohammed as the Executive Director of the Company on 3 July 2023.

On 5 July 2023, Dato' Leong Wai Leng has retired as the Group Executive Director of the Company.

On 20 October 2023, Mr. Lim Kok Eng has resigned as the Group Executive Director of the Company.

Following the retirement of Dato' Leong Wai Leng, the Board has appointed Dato' Zakaria Bin Arshad as the Group Executive Director of the Company on 20 October 2023.

Corporate Governance Overview Statement (Cont'd)

● 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.

The Board also peruses 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 are 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.

● 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.

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 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.

● 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 34th AGM:

i	Lee Siow Hong	retiring pursuant to Article 102
ii	Norzilah Binti Mohammed	retiring pursuant to Article 109
iii	Dato' Zakaria Bin Arshad	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.

Corporate Governance Overview Statement (Cont'd)

● 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 effectively 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.

● Meetings and Time Commitment

The Board meets at least 4 times a year at quarterly intervals with additional meetings convened when necessary. During FY 2023, four (4) 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"), 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 2023, 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 2023 is disclosed in the table below:-

Directors	Board	AC	GBRC	NRC
YBHG. Datuk Wira Farhash Wafa Salvador J.P.	4/4	N/A	N/A	N/A
Norzilah Binti Mohammed (appointed as Executive Director on 3 July 2023)	2/2	N/A	N/A	N/A
Dato' Leong Wai Leng (retired on 5 July 2023)	2/2	N/A	N/A	N/A
Lim Kok Eng (resigned on 20 October 2023)	3/3	N/A	N/A	N/A
Dato' Zakaria Bin Arshad (appointed as Group Executive Director on 20 October 2023)	1/1	N/A	N/A	N/A
Lee Siow Hong	4/4	5/5	4/4	5/5
Woon Wai En	4/4	5/5	4/4	5/5
Rozana Bt Shamsuddin	4/4	5/5	4/4	5/5

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

In FY 2023, 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.

● 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 2023 are as follows:

Name	Date	Programme
YBHG. Datuk Wira Farhash Wafa Salvador J.P.	16 Jan 2023	Transformational Leadership for Corporate Directors
	4-6 April 2023	MAP (Bursa Malaysia Mandatory Accreditation Programme)
	28 Aug 2023	Corporate Governance – The Demands Of Ethics & Law
	31 Oct 2023	Cyber Security Awareness Training 2023
Dato' Zakaria Bin Arshad	3 Mar 2023	Mergers and Acquisition
	5 May 2023	Cyber Security – Effectively Manage Cyber Threats
	4 Aug 2023	Transformational Strategy: From Product-based to Service-based as Differentiator
Norzilah Binti Mohammed	8 Feb 2023	Malaysia FATCA Reporting Seminar by S&P Global supported by the ASCM
	29 July 2023	Corporate Liabilities Refresher - Importance of Corporate Culture and Control Procedure by Symphony Digest Sdn Bhd
	15-16 Aug 2023	GreenTechCon23: An ESG & Sustainability International Conference by Mindzallera
	13-14 Dec 2023	Mandatory Accreditation Programme Part II: Leading For Impact (LIP) by ICDM
Woon Wai En	9 Mar 2023	Budget Webinar by Tricor
	10 Mar 2023	Fraud Risk Management by MIA
	22 Mar 2023	60 minute Crisis Management A Guide for Board Members by ICDM
	27 May 2023	Anti Bribery and Corruption Training for Directors and Management by AITLAU Management Services
	24 June 2023	Integration of ESG Strategies and Risk by Symphony Digest
	26 Sept 2023	Bursa Market Surveillance Industry Dialogue
	6-7 Mar 2024	Mandatory Accreditation Programme Part II: Leading For Impact (LIP) by ICDM
Lee Siow Hong	22 Mar 2023	60 minute Crisis Management A Guide for Board Members by ICDM
	19 May 2023	Talent Uprising – How Board should rethink their talent strategy in this Era of Opportunity by ICDM
	27 Nov 2023	SC's Audit Oversight Board Conversation with Audit Committee
Rozana Bt Shamsuddin	18 July 2023	Risk Appetite, Risk Tolerance And Risk Maturity Frameworks by IERP
	18 July 2023	Directors' Guide To Strategic ERM by IERP
	16 Aug 2023	Directors' Guide To Emerging Risk & Black Swans by IERP
	16 Aug 2023	Directors' Guide To The Role Of Boards In Fraud Risk Management by IERP
	14 Sept 2023	Directors' Guide To ISO 31000 & Empowered Risk Committees by IERP
	14 Sept 2023	Directors' Guide To Dealing With Opportunity In Risk by IERP
	23 Oct 2023	Directors' Guide To Machine Learning & Ai by IERP
	23 Oct 2023	Directors' Guide To Cybersecurity Oversight by IERP
	27 Nov 2023	Directors' Guide To GRC & CCPT by IERP
	7 Dec 2023	Directors' Guide To ESG & ESG Risk Management by IERP

PRINCIPLE B

EFFECTIVENESS OF 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 34th 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 the Group's 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 2023 are set out in the AC report in this Annual Report.

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 interaction with the shareholders. At every AGM, the Chairman of the AGM sets out the performance of the Group for the financial year then ended. A questions and answers 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 30 April 2024.

Audit Committee Report

MEMBERSHIP AND MEETINGS

Members

1	Woon Wai En, Chairman	Independent Non-Executive Director
2	Lee Siow Hong	Independent Non-Executive Director
3	Rozana Bt Shamsuddin	Independent Non-Executive Director

The Audit Committee ("AC") at present comprises 3 members namely, Mr Woon Wai En as Chairman of the AC, Mr. Lee Siow Hong and Pn. Rozana Bt 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 current composition complies with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("MMLR").

The 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 5 meetings were held during the financial year ended 31 December 2023 ("FY2023"). Details of attendance of each member of the AC who held office during FY 2023 are as follows:-

Members	Attendance
1 Woon Wai En, Chairman	5/5
2 Lee Siow Hong	5/5
3 Rozana Bt Shamsuddin	5/5

SUMMARY OF ACTIVITIES DURING FY 2023

During FY 2023, the activities carried out by the AC are as follows:

Financial

1. Reviewed the unaudited quarterly results for the financial quarters ended 31 March 2023, 30 June 2023 and 30 September 2023 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 2022 ("FY 2022") 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 2022 Annual Report to the Board for approval.
4. Reviewed and took note of all related party transactions reported for FY 2023.

Matters relating to External Auditors

1. Reviewed and approved the audit review memorandum (final audit findings for FY 2023 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 2023.

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 2024.
2. Reviewed and deliberated the internal audit reports that highlighted audit issues, root causes, recommendations as well as management's responses.
3. Reviewed the adequacy of the Management's responses to audit findings and unresolved outstanding issues.
4. Assessed and evaluated the performance and effectiveness of the internal audit during FY 2023, 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 as a permanent invitee, External Auditors and certain members of the senior management team attended the AC meeting by invitation. The AC chairman reported the proceedings of the AC meeting to the Board, after every AC meeting. Minutes of the AC meeting are circulated to all members of the Board and significant issues were brought up and discussed at Board meetings.



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 reports directly to AC.

In furtherance thereof, the internal audit activities in FY 2023 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 function is guided by its Internal Audit Charter which is approved by the Audit Committee. The Charter delineates various aspects, including the objectives, mission, scope, responsibilities, accountability, independence and objectivity of the internal audit department, along setting standards and ethics.

SUMMARY OF ACTIVITIES OF THE INTERNAL AUDIT FUNCTION

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”).

An annual internal audit operational plan was developed using a risk-based approach, in which taking into consideration Group's risk profile, regulatory requirements as well as input from AC and senior management.

To ensure independence and objectivity, GIA which is headed by the Head of GIA, reports independently to the AC and has no responsibilities or authority over any of the activities reviewed by the department.

On a quarterly basis, internal audit reports and status of internal audit activities including the follow up on unresolved outstanding issues are presented to the AC for review. The Head of Group Internal Audit attended all meetings of the AC as a permanent invitee to present the respective internal audit reports.

The total cost incurred for the internal audit function for FY 2023 amounted to RM314,495.

Audit Committee Report (Cont'd)

The following activities were carried out by GIA during FY 2023:

- 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.
- Conducted ad-hoc reviews, including the readiness audit for the new branches and relocation, as requested.
- 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 activities 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. The Board is satisfied that the AC and each of its members have discharged their functions, duties and responsibilities in accordance with the TOR and supported the Board in ensuring the Group upholds appropriate Corporate Governance standards.

This report was approved by the Board.

Nomination And Remuneration Committee Report

MEMBERSHIP AND MEETINGS

The NRC comprises entirely of Independent Non-Executive Director (“INED”)s, as described in the table below.

The NRC is responsible for the review of all proposed candidates for directorships and senior management positions in the Company and its subsidiary companies based on selection criteria discussed with the Board and if suitable, recommends to the Board for its final decision. The NRC is guided by its Terms of Reference (“TOR”), 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	Independent Non-Executive Director
3	Rozana Bt Shamsuddin	Independent Non-Executive Director

Meetings and Attendance

A total of 5 meetings were held during the financial year ended 31 December 2023 (“FY 2023”). Details of attendance of each member of the NRC who held office during FY 2023 are as follows:-

Members	Attendance
1 Lee Siow Hong, Chairman	5/5
2 Woon Wai En	5/5
3 Rozana Bt Shamsuddin	5/5

SUMMARY OF ACTIVITIES DURING FY 2023

The NRC performed the following activities in discharging its duties for FY 2023:

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 33rd 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.

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.

Based on the annual assessment carried out by the Board in FY 2023, 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.

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 2023, and salary increments for year 2023 and recommended to the Board for approval.

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 2023 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	116	17	-	-	133
Woon Wai En	141	17	-	-	158
Rozana Bt Shamsuddin	141	17	-	-	158
Executive Directors:					
YBhg. Datuk Wira Farhash Wafa Salvador J.P.	-	370	44	-	414
Norzilah Binti Mohammed (appointed as Executive Director on 3 July 2023)	-	150	18	9	177
Dato' Zakaria Bin Arshad (appointed as Group Executive Director on 20 October 2023)	-	48	6	1	55
Dato' Leong Wai Leng (retired on 5 July 2023)	-	451	46	11	508
Lim Kok Eng (resigned on 20 October 2023)	-	926	113	5	1,044
	398	1,996	227	26	2,647

REMUNERATION OF SENIOR MANAGEMENT PERSONNEL

The Board is of the view that the nature of our industry, i.e : service-oriented industry is exceptionally competitive, particularly concerning the retention and recruitment of top talent. The Board believes that the detailed disclosure of individual remuneration components on a named basis could potentially compromise the Group's competitive positioning and talent retention strategy. The Board's decision is rooted in the need to maintain a strategic advantage in a highly competitive market and therefore as an alternative, the Board has opted to present the aggregate remuneration of the top five senior management members as to not compromise the company's competitive edge. The Board believes that the existing remuneration related policies, practices and processes are sufficient and produced the desired result.

The remuneration of the senior management (including salary, bonus, defined contribution benefit, benefit-in kind and other remuneration) during FY 2023 are as follows:-

	Salaries and Bonuses RM'000	Others Emoluments RM'000	Benefit In Kind RM'000	Total RM'000
Total Top Five (5) Senior Management	2,517	340	32	2,889

Sustainability Statement

We are honoured to present Apex Equity Holdings Bhd.'s ("Apex") Sustainability Report.

As a leading Malaysian independent niche broker group committed to excellence in financial services industry, we recognize the imperative to integrate sustainability into our core operations. Sustainability lies at the heart of our business philosophy, driving us to balance economic prosperity with environmental stewardship and social responsibility. This report serves as a reflection of our efforts to embed sustainable practices across our operations and uphold our commitment to creating long-term value for our stakeholders.

In an era defined by rapid environmental degradation, social inequality, and economic volatility, businesses play a pivotal role in shaping a more sustainable future. At Apex, we embrace this responsibility wholeheartedly. We understand that sustainable business practices not only mitigate risks but also unlock opportunities for innovation, growth, and resilience. By aligning our business strategies with environmental, social, and governance ("ESG") principles, we strive to foster sustainable development while delivering superior financial performance.

Throughout this report, we will delve into our sustainability journey, highlighting our achievements, challenges, and aspirations. From reducing our carbon footprint and promoting diversity and inclusion to enhancing governance frameworks and fostering community engagement, we remain steadfast in our commitment to driving positive change. Moreover, we recognize the importance of stakeholders' collaboration in achieving our sustainability goals and remain dedicated to open dialogue and partnership with our investors, customers, employees, regulators, and communities.

As we navigate the complexities of the modern business landscape, we remain guided by our vision of becoming a catalyst for sustainable growth and a beacon of ethical leadership in the financial sector.

Scope and Basis of Scope

The scope of the statement covers all of Apex's business divisions and all reporting boundaries in Malaysia, covering all pillars of the company's businesses and operations.

This Sustainability Report covers a 12-month reporting period from 1st January 2023 to 31st December 2023, unless stated otherwise.

Reporting Frameworks and Standards

We have prepared our report in accordance with Bursa Malaysia Securities Berhad's ("Bursa Malaysia") Main Market Listing Requirements and with guidance from its Sustainability Reporting Guidelines (3rd edition). We are constantly enhancing our sustainability strategy which will contribute to the continuous enhancement of the company's framework over the years.

Feedback

We welcome and encourage our stakeholders to provide feedback pertaining to this Sustainability Report and the issues covered to info@apexequity.com.my

OUR APPROACH TO SUSTAINABILITY

Sustainability Governance

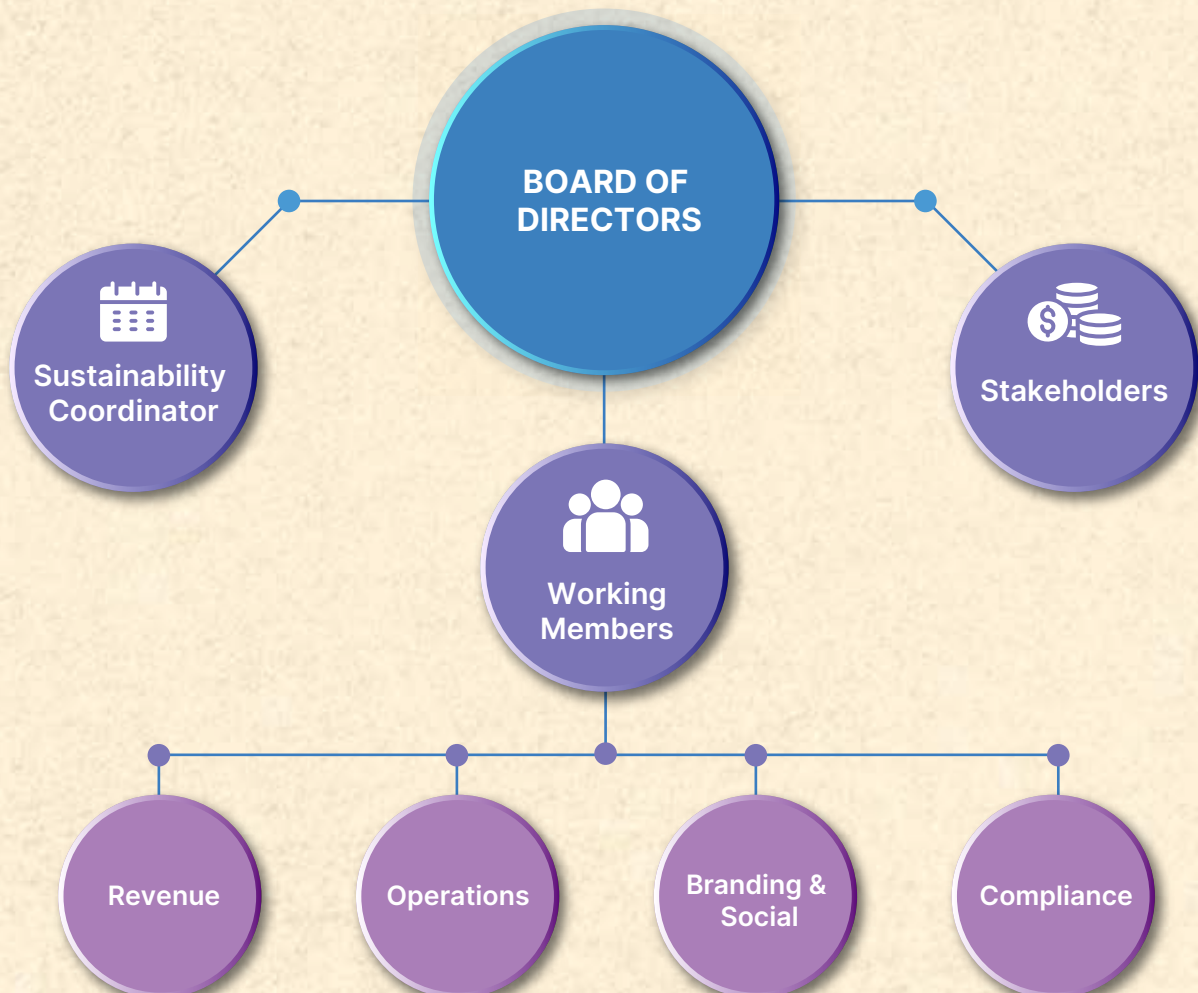
At Apex, our commitment to sustainability is ingrained in our sustainability governance structure, with the Board of Directors assuming ultimate responsibility for steering the Apex Group's sustainability endeavours and performance. Collaborating closely with the key senior management, the Board sets the strategic direction for our sustainability initiatives, ensuring they are integrated into the fabric of our business operations.

In line with our dedication to sustainability, we adopt a participatory approach, engaging all relevant stakeholders in the decision-making process. This inclusive approach ensures that our sustainability efforts are aligned with our overarching strategic goals. As part of this approach, the Corporate Sustainability Committee ("CSC") plays a pivotal role in overseeing sustainability initiatives and driving performance improvements.

Our Group Executive Director helms the leadership role of the CSC, providing strategic guidance and oversight to drive our sustainability agenda. The CSC comprises representatives from all departments and operational units within the organization, ensuring cross-functional collaboration and accountability for the implementation of sustainability initiatives.

By fostering a culture of collaboration, transparency, and accountability, we aim to embed sustainability principles into every facet of our business, driving long-term value creation for our stakeholders and ultimately contributing to a more sustainable future.

The CSC of Apex is set out as follows:



Roles & Responsibilities of CSC

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

To assist in the enhancement of sustainability reporting 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 benchmarking 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 & Responsibilities of the Working Members

To plan, coordinate and implement sustainability initiatives.

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

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

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

To be involved in the identification of material matters and material assessment process.

Material Matters & Assessment Process

Throughout the years, Apex has continuously practiced prudence and focused on fostering and delivering quality growth, while at the same time, being watchful of emerging risks. The process of identifying our materiality matters is as below:



The CSC aims to establish a robust yet enduring business model that prioritizes sustainability across all facets of our operations. Our goal is to cultivate a corporate culture deeply rooted in sustainability principles, ensuring the longevity and prosperity of our business for future generations. Apex is committed to conduct ongoing materiality assessments in collaboration with both senior and middle management. These assessments will then provide the required information for the development of comprehensive sustainability reporting frameworks, encompassing all subsidiaries, and ensuring alignment with our current sustainability scope and objectives.

Identification & Categorisation of Sustainability Issues

The process endeavors to proactively tackle sustainability concerns pertinent to Apex and its stakeholders by meticulously identifying and managing key material factors and associated risks. This involves a comprehensive analysis of the operational landscape and emerging industry trends impacting our sector. Through collaborative engagement with internal stakeholders and specialized working groups, we extract crucial sustainability insights. Our approach is based on reputable frameworks such as Bursa Malaysia's Sustainability Reporting Guide and Toolkits, alongside internationally recognized standards such as the Global Reporting Initiative Standards ("GRI").

Regular reviews of material factors and sustainability issues are conducted to ensure a thorough understanding of both present and future risks and opportunities within our markets. We prioritize in gathering stakeholder perspectives to tailor our strategies and actions to their evolving needs. As we refine our material factors, our commitment remains steadfast in addressing them through a holistic and integrated approach. This may entail the development of new policies and procedures, the implementation of targeted initiatives and action plans, and the establishment of robust mechanisms for capturing, analyzing, and reporting sustainability data and information.

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. Effective inventory management of aspects and topics most important to external stakeholders, customers and their supply chain vendors, would be based upon requests, surveys and ongoing engagement during the reporting period.

Apex's Material Matters	Description
Waste Management	Efforts to reduce, reuse, recycle and be responsible for disposal of waste
Water Management	Efficient use of water and conservation of water resources
Energy Management	Reduction of environmental footprints through more efficient use of energy
Employee Management	Efforts in recruiting and retaining talent as well as enhancing overall productivity of our entire workforce
Diversity, Equity & Inclusive	Ensuring fair treatment is accorded to all employees, with dignity and without any form of discrimination based on gender, race, religion, age, nationality, disability, etc.
Health and Safety	Creating a healthy, safe and conducive working environment for employees and contractors particularly by minimising any health and safety related risks that may arise
Supply Chain Management	Promoting responsible and sustainable procurement practices including assessing suppliers and their environmental and social impacts in accordance with the established criterias
Community Investment	Supporting communities that are economically disadvantaged through engagement programmes that create positive social impact
Anti-Bribery and Corruption	Promoting ethical and business transparency by avoiding all forms of bribery and corruption
Data Protection & Cybersecurity	Protecting customers' data and sensitive information and preventing data breaches
Economic Performance	Promoting effective governance practices and ensuring transparency in financial reporting, which is critical for investors and stakeholders to assess the economic performance of a company accurately. Transparent financial reporting reduces information asymmetry and builds trust among investors.

Stakeholder Engagement

We define stakeholders as parties who are impacted by our business decisions and activities, and as a group whose actions and decisions will undoubtedly influence our business growth. Stakeholders are also defined as those with a vested interest in our corporation. We maintain regular engagement with our stakeholders, enabling us to identify and align their key priorities and concerns with our organisational business practices and strategies.

Our stakeholder engagements are carried out through various platforms and organisational touchpoints to gather feedback for analysis and strategy formulation. Maintaining strong stakeholder relationships improves our ESG impact and strengthens our business growth. In 2023, we have continued in our effort to leverage on digital tools in engagement with our stakeholders. 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:

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 customers 	<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 Anti-Money Laundering and Anti-Bribery and 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 Incorporating clauses on Anti-Bribery and Corruptions into contracts and agreements Procurement evaluation process and procedures for good decision-making 	<ul style="list-style-type: none"> To understand remisier/FBR's needs Continuous education and skill development for our representatives in servicing customers Integrity pledge by representatives and suppliers Supplier assessment and review Procurement to source suitable vendors and alternative products, if any
Regulators and Government Authorities	<ul style="list-style-type: none"> Participation in events, briefings and consultations initiated by regulators and relevant government authority Liaison with government/ regulatory bodies for application/ document submissions Compliance with rules and regulations of regulators, 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 by supporting financially or otherwise via the Sports Club CSR contribution (e.g., donations to needy organizations/ orphanages) annually

Sustainability Statement (Cont'd)

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
Shareholders & Investment Community	<ul style="list-style-type: none"> • Annual General Meetings • Analyst briefings and updates • Financial result announcements 	<ul style="list-style-type: none"> • Bursa announcements on Quarterly Financial Results and Annual Reports • Apex website for posting of information on the Apex Group's Vision, Mission, activities, policies and key personnel • Apex E-Trade website for stock and derivatives market information and trading

Assessment & Prioritization of Material Sustainability Matters

Apex has proactively undertaken a stakeholder prioritization and engagement initiative aimed at fostering meaningful connections with our diverse stakeholder groups. This encompasses ongoing efforts integrated into our day-to-day operations, as well as targeted engagements designed to solicit valuable feedback from stakeholders. The insights gathered from these engagements have been carefully considered within the framework of the Group's materiality assessment process.

The CSC, in collaboration with senior management, meticulously evaluates the applicability and significance of identified sustainability matters. This evaluation has been derived from thorough research, benchmarking against peer companies, and comprehensive management assessments. As part of our materiality assessment process, specific engagement processes have been conducted, including:

- Identification of key stakeholders based on their influence and dependence on the Group, followed by detailed assessments to prioritize engagement efforts.
- Facilitated discussions aimed at capturing stakeholders' concerns and perspectives, thereby informing the selection of sustainability matters.
- Incorporation of feedback obtained from customers and dealer representatives across various communication channels utilized in the normal course of business operations.

By systematically engaging with stakeholders and incorporating their insights into our materiality assessment processes, we ensure that our sustainability strategy remains aligned with stakeholder expectations and industry best practices.

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.

MATERIALITY MATRIX

Environment



- 1 Waste management
- 2 Water management
- 3 Energy management

Social



- 4 Employee management
- 5 Diversity, equity & inclusive
- 6 Health & safety
- 7 Supply chain management
- 8 Community investment

Governance



- 9 Business integrity & anti-corruption
- 10 Data protection & cyber security
- 11 Economic performance



Management Approach For Material Matters

Waste Management

Why is this important?

Effective waste management practices contribute to cost reduction and operational efficiency by minimizing waste generation and implementing recycling programs. As such, companies can reduce disposal costs and optimize resource utilization.

Implementing responsible waste management practices helps companies fulfil their sustainability obligations, enhance their reputation, and attract socially conscious investors and customers. Moreover, waste management contributes to regulatory compliance.

The Group's operational endeavors do not yield hazardous waste. However, we recognize the considerable environmental impact associated with paper consumption. To mitigate waste generation, the Group's waste management strategy prioritizes minimizing the use of plastics and paper wherever feasible and suitable. Apex has continuously engaged with customers to adopt e-contract notes and e-statements. Aside from this, Apex consistently explores methods to manage paper usage effectively, including:

Promoting paperless practices through electronic modes, thereby reducing the reliance on printing and photocopying.

Encouraging double-sided printing and optimizing paper size to maximize resource efficiency.

Implementing paper reuse initiatives, such as utilizing the reverse side of printed sheets.

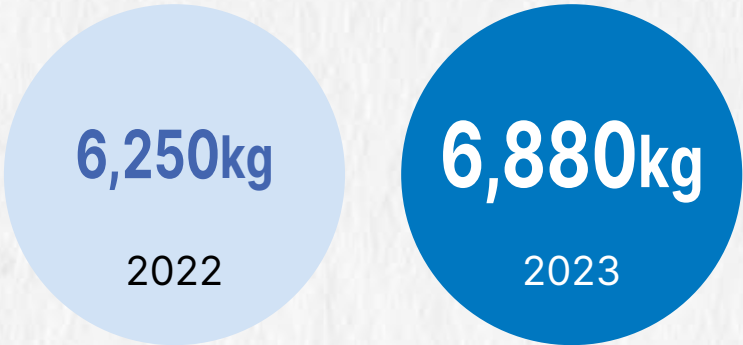
Facilitating paper recycling through designated recycling bins for used and shredded paper materials.

Our approach

We advocate for the principles of reduce, reuse, and recycle to prolong product lifespan whenever feasible, fostering a culture of environmental responsibility within the organization and cultivating environmentally conscious employees in the workplace. All employees are urged to embrace paperless practices in their daily tasks, printing physical documents only when essential and utilizing double-sided and black-and-white printing whenever possible. Furthermore, we have implemented the practice of distributing meeting materials electronically, transmitting documents and files in soft copy format.

Our performance

Total waste generated, and a breakdown of the following:
(i) total waste diverted from disposal:
(ii) total waste directed to disposal:



Estimated Total Paper Disposal

Water Management

Water is a vital resource essential for various business operations, including facility maintenance, cooling systems, sanitation, and employee amenities. Effective water management helps ensure the availability of this resource for current and future needs, reducing the risk of disruptions to business operations due to water scarcity or contamination.

Why is this important?

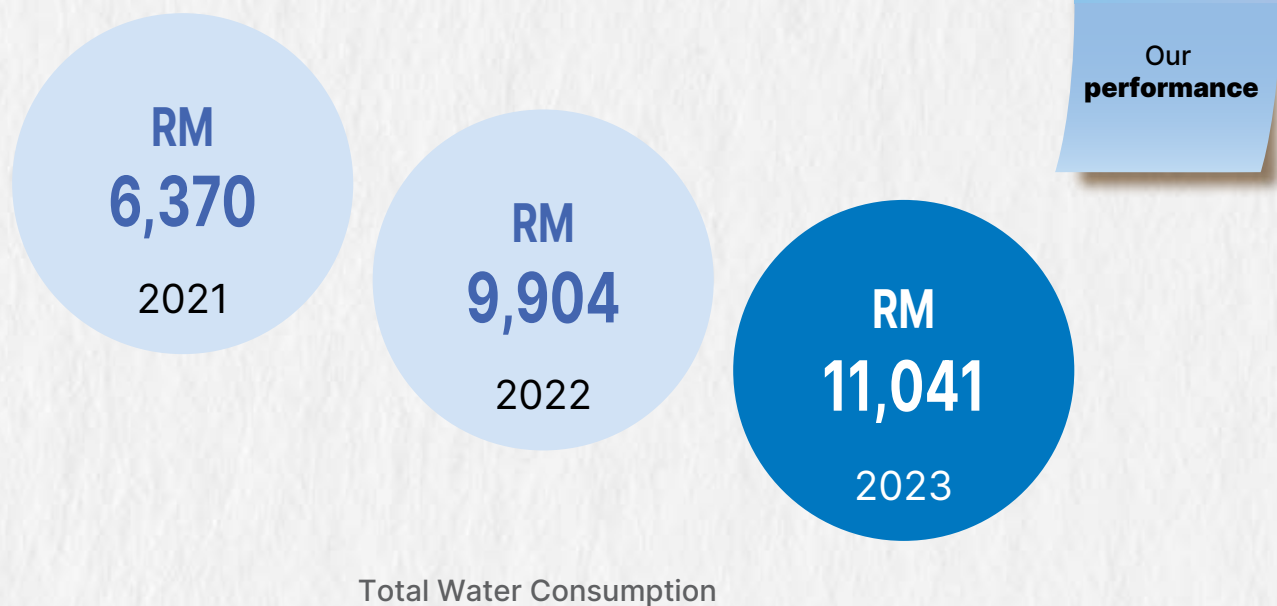
Water management contributes to corporate sustainability goals and environmental stewardship. While implementing water conservation measures and responsible water usage practices helps reduce environmental impacts, it also enhances the Apex's reputation as a socially responsible organization.

Our approach

At Apex, we recognize the importance of responsible water management even within the confines of commercial buildings. Our approach focuses on promoting water efficiency and conservation through practical measures such as installing water-saving fixtures, and raising awareness among employees about the importance of water conservation.

Additionally, we work closely with building management to advocate for sustainable water practices and explore opportunities for collective action. Through these efforts, we aim to minimize our water usage footprint, mitigate environmental impact, and contribute to a more sustainable future.

Total water consumption of water used:



Energy Management

Why is this important?

Energy consumption constitutes a substantial portion of operating expenses for all businesses. By implementing effective energy management practices, we can reduce energy costs, thus enhancing operational efficiency and profitability.

Adopting energy-efficient measures aligns with corporate sustainability goals and environmental responsibilities. Public listed companies such as ourselves are increasingly under pressure from investors, regulators, and customers to reduce carbon footprint and mitigate climate change risks. Implementing energy management strategies not only helps reduce greenhouse gas emissions but also enhances our reputation as a socially responsible organization.

Although Apex’s nature of operations does not have significant impact on the environment, 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 across our business operations, including adhering to all applicable laws, regulations and standards related to environmental protection.

We procure our electricity locally and are committed to reducing energy consumption in our offices through the implementation of the following measures:

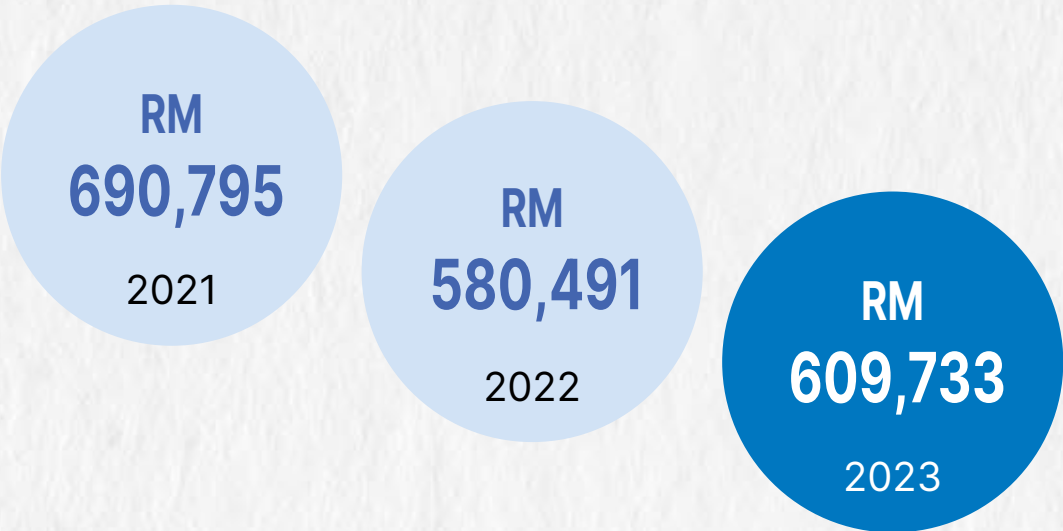
- Implementing a lighting schedule for key areas in our office to ensure lights are turned off during periods of minimal usage.
- Conducting regular maintenance and replacing electrical equipment and light fixtures to optimize energy efficiency.
- Educating employees on the importance of turning off lights, water dispensers, air conditioning, and other electrical appliances in the office and pantry when not in use.
- Installing energy-saving LED light bulbs throughout our office space.

Our approach

At Apex, we take a holistic view towards energy reduction. By promoting eco-friendly practices in the workplace, we simultaneously encourage our employees to conserve electricity.

Total energy consumption:

Our performance



Total Energy Consumption

Employee Management

Why is this important?

Our workforce stands as our greatest asset, serving as the cornerstone of our achievements and expansion. We remain steadfast in our dedication to attracting, nurturing, and retaining top-tier talent, fostering an environment that nurtures growth and empowerment. Furthermore, we allocate substantial resources to development initiatives, underscoring our commitment to ensuring our employees remain adept, forward-thinking, and prepared for the future.

At Apex, we aim to become the employer of choice. We recognize that the key to maximizing productivity lies in aligning the right individuals with the appropriate roles. To attain peak productivity levels, the Group:

Offers a clear career trajectory for all employees;

Strives to enrich their skills and expertise through comprehensive training and development initiatives; and

Ensures that every employee is provided with a comfortable and efficient working environment.

We firmly uphold the belief that our employees constitute our most invaluable assets. Establishing an inclusive work environment is instrumental in fostering a sense of belonging among our workforce, thereby aiding us in talent retention efforts. Aligned with our human capital management strategies, we are dedicated to enhancing employee satisfaction by offering opportunities for career advancement, competitive compensation packages, and comprehensive development initiatives encompassing both functional and leadership competencies.

Our approach

In line with our commitment to sustainability, we have implemented succession plans for key positions, ensuring seamless operations and nurturing a robust leadership pipeline within the company. Our employee benefits adhere fully to the stipulations of the Employment Act 1955 and extend beyond, encompassing various allowances, medical coverage, and insurance benefits. We conduct regular reviews of our employee benefits and reward schemes to attract top-tier candidates to the organization and to maintain high levels of motivation among our existing employees.

Employee training hours by type of training:

Our performance

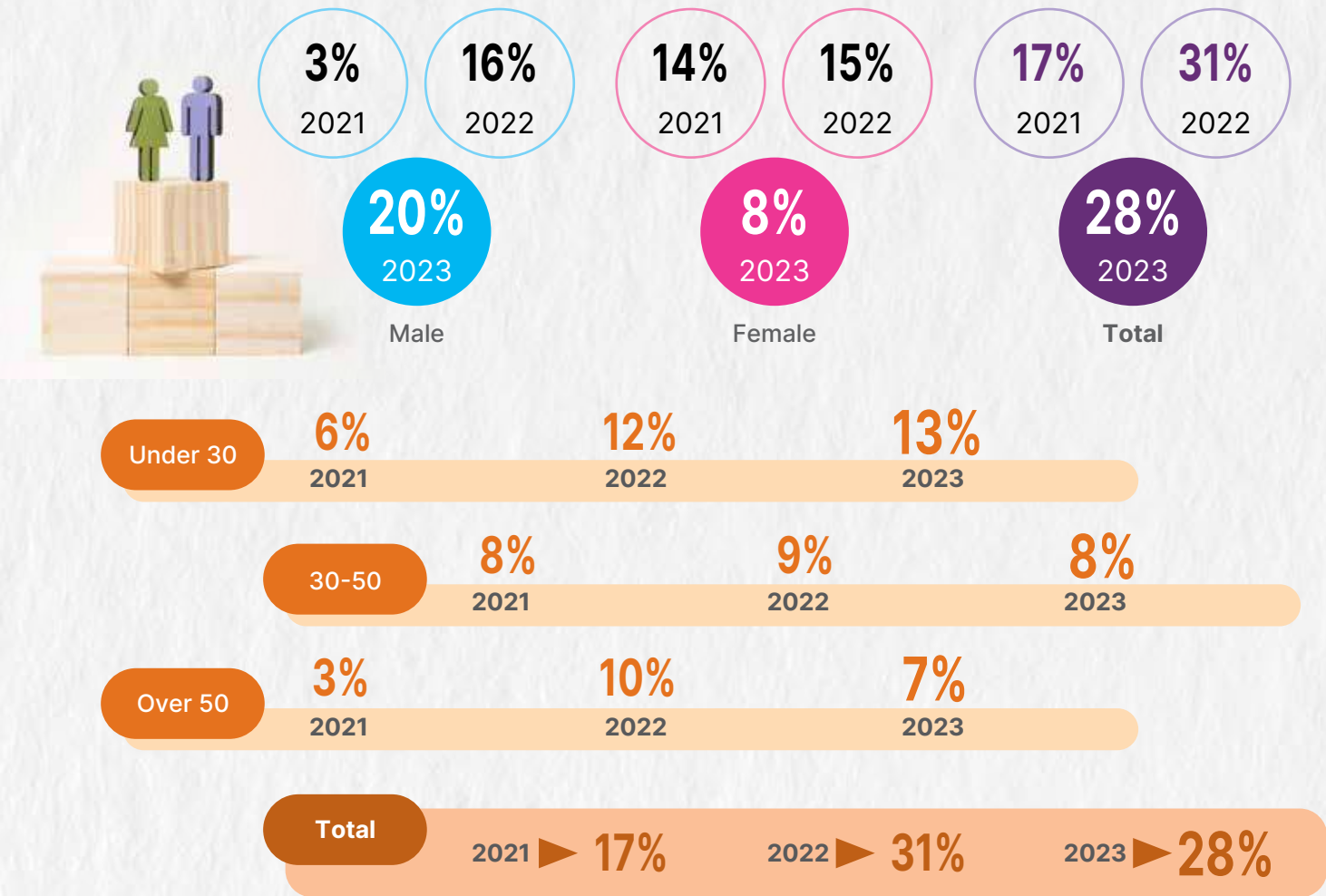


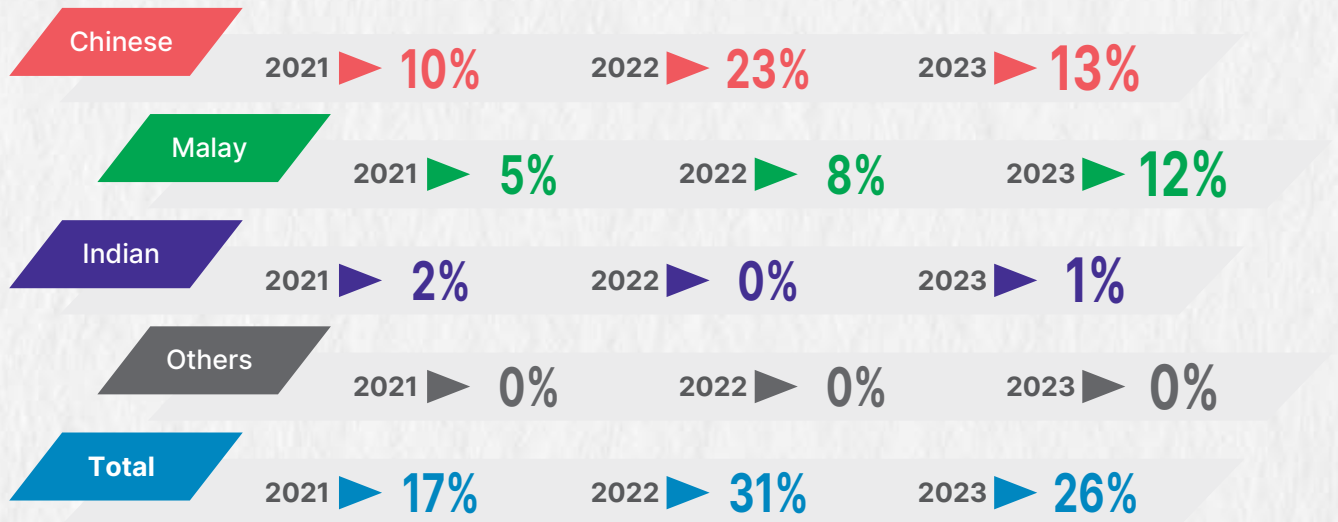
Sustainability Statement (Cont'd)

Employee training hours by employee category:



Employee retention and attrition:
Turnover rate:





Number of substantiated complaints concerning human rights violations:



Diversity, Equity & Inclusivity

Diversity fosters innovation and creativity within the organization. By bringing together individuals from diverse backgrounds, experiences, and perspectives, we can generate a wider range of ideas and solutions to address complex challenges and adapt to changing market dynamics more effectively. Diverse teams are better equipped to consider a broader range of viewpoints and make more well-rounded decisions, leading to improved risk management and strategic planning, especially in the financial services sector, where informed decision-making is paramount.

Why is this important?

Moreover, diversity promotes inclusivity and strengthens corporate culture. By embracing diversity and creating an inclusive work environment where all employees feel valued and respected, companies can attract and retain top talent from different demographic groups, leading to higher employee engagement, morale, and productivity.

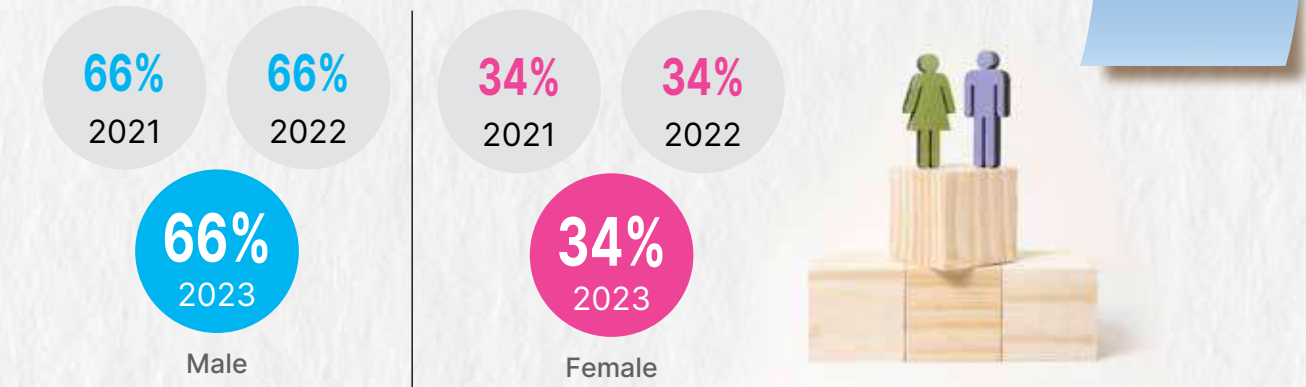
Our approach

Apex recognizes and appreciates the advantages brought forth by diversity across people, ideas, and cultures. Upholding diversity within our workplace ensures the absence of bias and fosters an environment of comfort and inclusivity. We adamantly oppose all forms of unlawful discrimination, including those based on age, gender, race, ethnic background, sexual orientation, gender identity, national origin, or religious beliefs, in our interactions with employees and all stakeholders, including customers and suppliers.

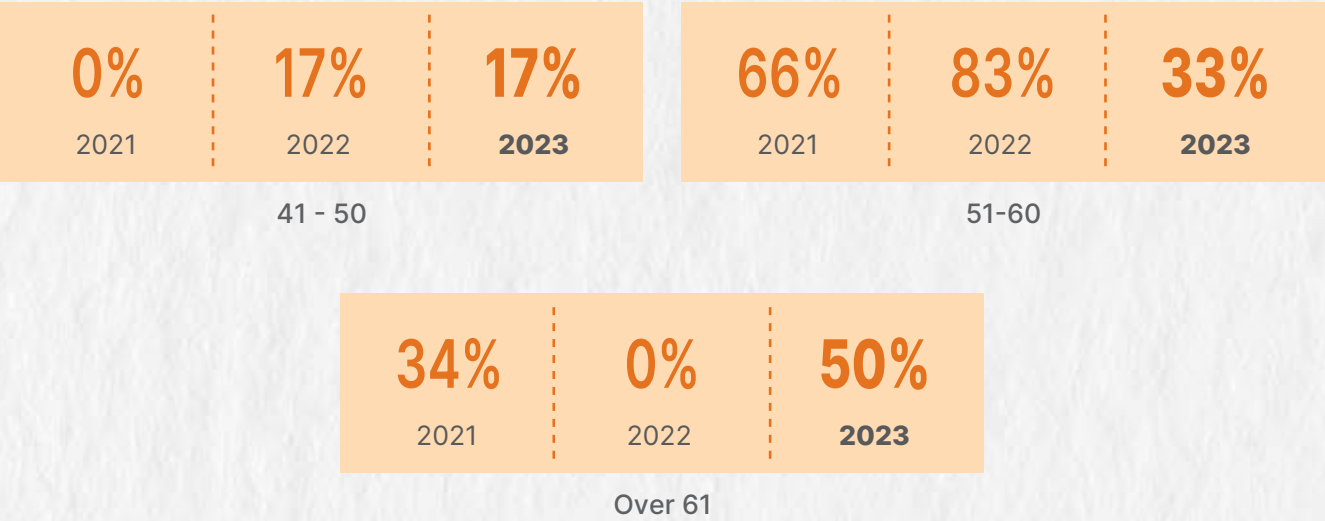
Apex is unwavering in our commitment maintaining harmonious relationships with our employees, guided by our comprehensive policies such as the Code of Conduct and Business Ethics Policy, and Human Resources Policy, all of which reinforce our dedication to workplace diversity. We are steadfast in our efforts to provide equal opportunities for employment, adhering strictly to rigorous guidelines in the recruitment, training, and promotion of employees at all organizational levels, ensuring fairness and impartiality.

Board Diversity

By Gender

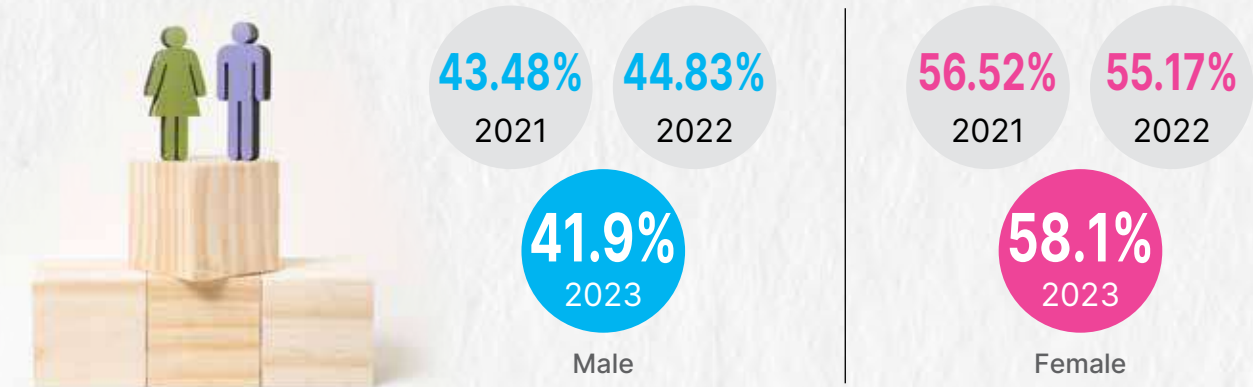


By Age Group

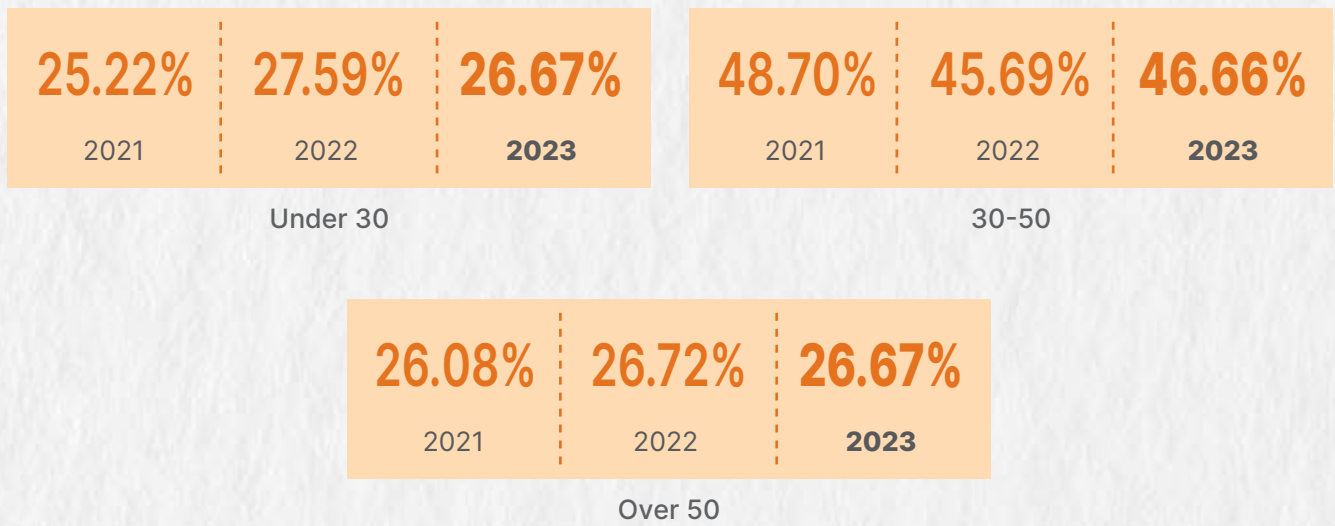


Workforce Profile

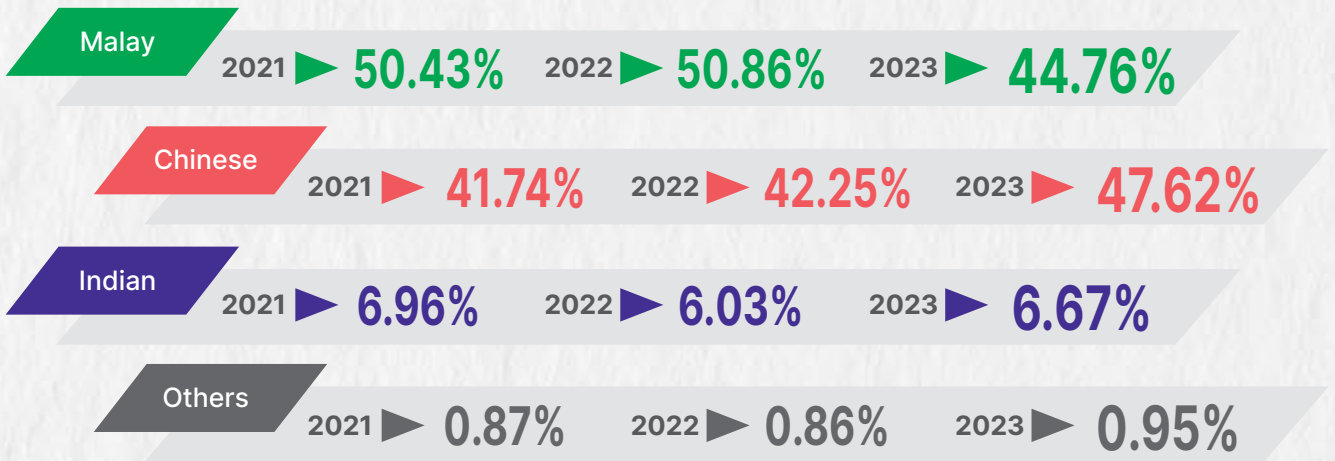
Workforce by Gender



Workforce by Age Group



Workforce by Race



Number of discrimination incidents reported and recorded:



Incident(s) of Discrimination

Health & Safety

We prioritise the health and safety of our employees in our business operations and workplaces. By ensuring a healthy, safe and conducive workplace, we aim to prevent illness among those working within our premises, which ultimately leads to increased efficiency and output.

Why is this important?

Our approach

Apex 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.

Recognising the importance of a healthy and positive lifestyle, Apex promotes sports and our CSR principles. We cultivate teamwork as well as a sense of belonging amongst employees through recreational events and sports activities.

Number of employees trained on health and safety standards:



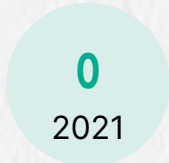
Our performance

Employees Trained in H&S

Number of work-related injuries:

- a) First-aid:
- b) Major:
- c) Fatalities:

Lost time incident rate:



First Aid

Major Incidents

Fatality

LTI Rate

Supply Chain Management

Why is this important?

Local sourcing fosters stronger relationships with suppliers, facilitating better communication, collaboration, and responsiveness to our needs. The proximity enables more frequent interactions, site visits, and face-to-face meetings, which can enhance understanding, trust, and alignment.

Aside from this, local sourcing reduces supply chain risks and vulnerabilities. By sourcing locally, we can mitigate risks associated with geopolitical instability, trade disruptions, transportation delays, and currency fluctuations, ensuring continuity of supply and minimizing potential disruptions to business operations.

Moreover, local sourcing supports the local economy and community development. By patronizing local suppliers, Apex contributes to job creation, economic growth, and sustainability in the regions where we operate. Supporting local businesses also strengthens our social license to operate and fosters goodwill among stakeholders, including customers, employees, and regulators.

At Apex we prioritize strong relationships with suppliers, ensuring alignment of our needs with their capabilities through regular communication and mutually beneficial agreements. We actively mitigate risks by diversifying our supplier base and maintaining buffer stocks.

Our commitment to sustainability and ethical practices extends throughout our supply chain, promoting environmental responsibility. We foster a culture of continuous improvement and innovation, to achieve fair and effective vendor management. Through these efforts, we optimize our supply chain, mitigate risks, and deliver value to stakeholders, embodying our dedication to long-term success and responsible business practices.

Our approach

In 2023, out of RM9.08 million spent on our vendors, 93.01% was spent on local suppliers.

Our performance

93.52%

2021

92.85%

2022

93.01%

2023

Percentage Spent on Local Suppliers

Community Investment

CSR holds paramount importance at Apex as it serves as a moral compass guiding our operations towards sustainable and ethical practices. Embracing CSR not only fosters positive relationships with stakeholders but also enhances our brand reputation and trust among consumers and investors. By engaging in initiatives that address environmental concerns, social inequality, and community development, we hope to demonstrate our commitment long-term value creation beyond profit maximization. Ultimately, integrating CSR into our business strategies not only contributes to societal well-being but also ensures Apex’s resilience and competitiveness in an ever-evolving global market.

Why is this important?

Our approach

At Apex, we constantly and consciously organise our CSR programmes based on three principles:

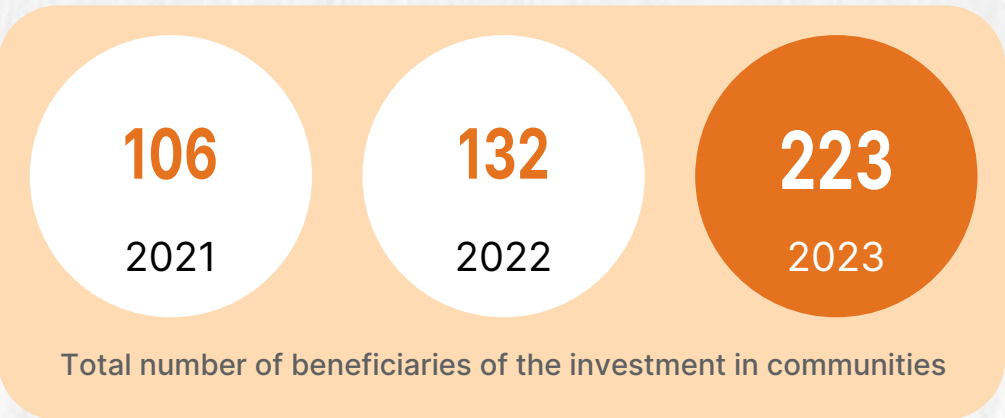
- (a) Responsibility, Transparency and Accountability;
- (b) Care and Unity; and
- (c) Value Creation and Enhancement for All

Our sustainability commitment extends to the local communities. We are 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.

It has been a tradition of the Apex Sports Club to organise CSR programmes annually. We continuously encourage our people, who may not have the resources to make monetary contributions, to get involved in our voluntary programmes, to make an impact to the communities around us.



Our performance





Lotus Charity Care Centre



National Cancer Society Malaysia



Pertubuhan Warisan Suci



Yayasan Latihan Insan Istimewa Ipoh



Zoo Negara



Open Hands Fellowship

Anti-Bribery and Corruption

Why is this important?

Apex upholds high standards of business ethics and compliance across the Group.

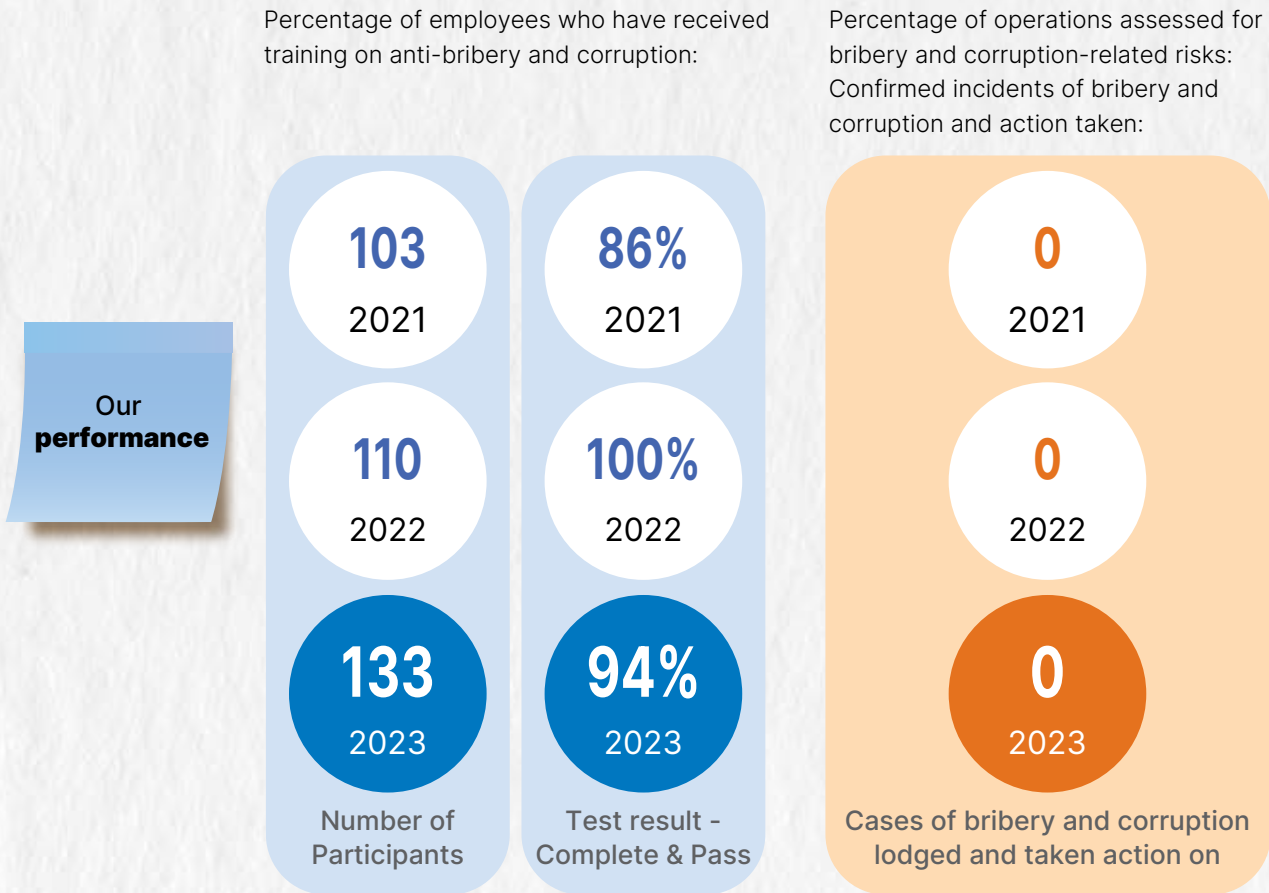
The following policies adopted by Apex Group serve to embed our commitment towards responsible corporate governance across our operations:

- i. Sustainability Policy
- ii. Human Resources & Administration Policy on Code of Conduct/Ethics
- iii. Remuneration Policy & Procedures
- iv. Related Party Transaction Policy
- v. Anti-Bribery and Corruption Policy ("ABC") & Procedures

To raise awareness, the aforementioned policies are disseminated to our employees via the Group's intranet and notice board, and to broader stakeholders including suppliers, contractors, business partners, and associates through our corporate website.

Compliance with these policies and our ethical standards, outlined in our employee handbook, is mandatory for all employees as they contribute to the Company's pursuit of excellence. Encouraging adherence to high standards of honesty and integrity in decision-making and behavior, we prompt employees to carefully consider the ethical implications and all facets of our ethics program before giving or receiving any gifts in interactions with third parties such as stakeholders, partners, vendors, and the public.

Our approach



Data Protection & Cybersecurity

The nature of financial services involves handling sensitive personal and financial information. Ensuring the confidentiality, integrity, and security of this data is essential for maintaining customer trust and confidence in the Group's services.

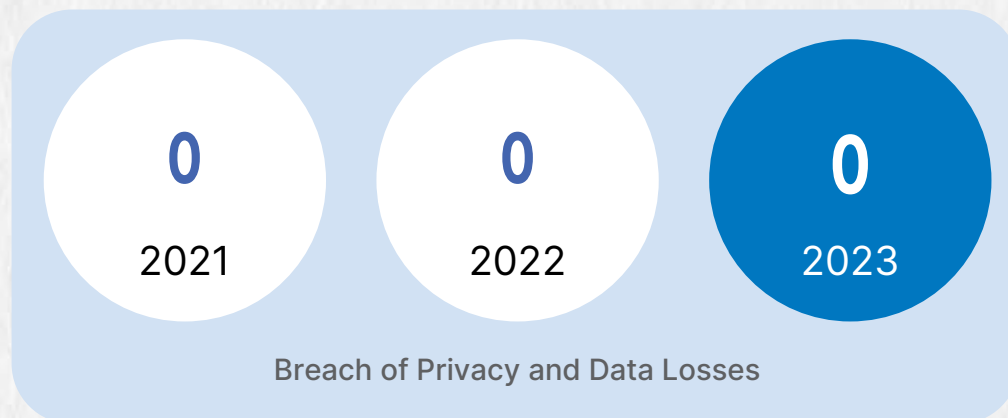
As a Group, we uphold individuals' rights to privacy, fostering trust and confidence not only among customers, employees, and other stakeholders. Safeguarding personal data is crucial for maintaining compliance with regulatory requirements, which are increasingly stringent and globally enforced.

Why is this important?

Our approach

The Group continues to strengthen our security measures through strict adherence with our Personal Data Protection Policy & Procedures. Our policy is developed in accordance with the Malaysian Personal Data Protection Act ("PDPA") 2010 and aligned with the European Union's General Data Protection Regulation ("GDPR").

Number of substantiated complaints concerning breaches of customer privacy and losses of customer data:



Our performance

Economic Performance

Economic performance remains as our core element as it directly influences the wealth and financial standing of clients. A thriving economy generally translates into higher returns on investments, positively influencing the financial well-being of clients served by the Apex Group.

Why is this important?

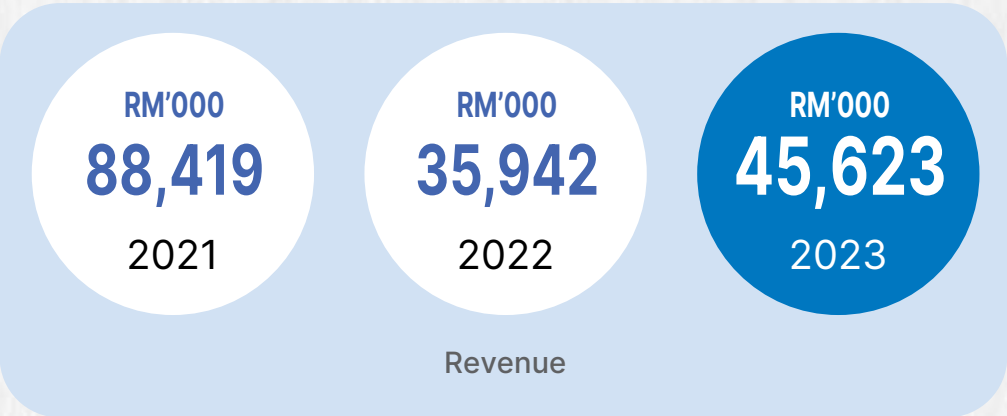
Our approach

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

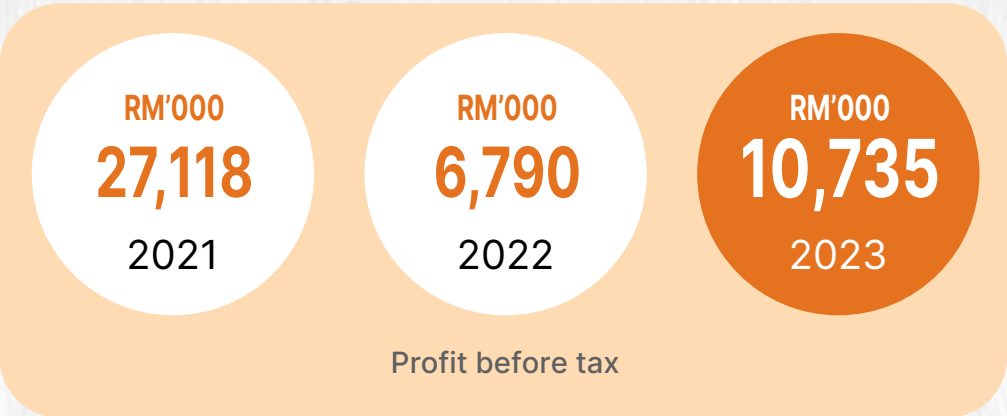
Despite the forthcoming uncertain and demanding circumstances, our commitment remains steadfast in pursuing targeted business growth. We are dedicated to expanding our business offerings, seizing expansion opportunities, and providing diverse products. Exploring digitalization and automation is a strategic move to enhance productivity and operational efficiency while minimizing costs to ensure competitiveness in the industry. Also, the Group will continue to keep abreast with the regulatory reforms and strictly adhering to updated rules, guidelines and corporate governance framework.

Our vigorous pursuit of high quality and comprehensive solutions have led to increasing local recognition, positioning us strongly to capitalise on significant opportunities on the coming years. By closely monitoring economic trends, the Apex Group is better equipped to serve our clients and navigate the dynamic financial landscape effectively.

Results - profit and loss



Our performance



This Sustainability Report is generated using the Bursa Malaysia ESG Reporting Platform, as required by the Main Market Listing Requirements and which adheres to the enhanced sustainability reporting criteria.

Indicator	Measurement Unit	2023
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	3.530000
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	197.60
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	130
Manager	Hours	150
Executive	Hours	70
Non-executive/Technical Staff	Hours	11
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	0.00
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	6
Manager	Number	4
Executive	Number	12
Non-executive/Technical Staff	Number	6
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Management Under 30	Percentage	0.00
Management Between 30-50	Percentage	44.40
Management Above 50	Percentage	55.56
Manager Under 30	Percentage	14.29
Manager Between 30-50	Percentage	61.90
Manager Above 50	Percentage	23.81
Executive Under 30	Percentage	36.96
Executive Between 30-50	Percentage	41.30
Executive Above 50	Percentage	21.74
Non-executive/Technical Staff Under 30	Percentage	33.33
Non-executive/Technical Staff Between 30-50	Percentage	38.89
Non-executive/Technical Staff Above 50	Percentage	27.78
Gender Group by Employee Category		
Management Male	Percentage	77.78
Management Female	Percentage	22.22
Manager Male	Percentage	42.86
Manager Female	Percentage	57.14
Executive Male	Percentage	28.26
Executive Female	Percentage	71.74
Non-executive/Technical Staff Male	Percentage	66.67
Non-executive/Technical Staff Female	Percentage	33.33
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	66.66
Female	Percentage	33.34
Under 30	Percentage	0.00
Between 30-50	Percentage	16.67
Above 50	Percentage	83.33
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	0
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	93.01
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	41,004.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	223
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Management	Percentage	100.00
Manager	Percentage	100.00
Executive	Percentage	100.00
Non-executive/Technical Staff	Percentage	100.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00

Indicator	Measurement Unit	2023
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0

CONCLUSION

We, at Apex remain steadfast in our commitment to sustainability principles as integral pillars of our corporate strategy.

Throughout this reporting period, we have made some significant strides in advancing sustainability initiatives while delivering value to our stakeholders and contributing to the communities in which we operate.

Looking ahead, Apex remains dedicated to advancing our ESG agenda, continuously seeking opportunities to integrate sustainability into our business operations and decision-making processes. We recognize that sustainable business practices are not only essential for long-term value creation but also vital for building resilience in an ever-evolving global landscape.

As we navigate the complexities of the financial services industry, we remain committed to driving positive change and creating shared value for all our stakeholders. Together, we will continue to build a sustainable future, one that balances economic prosperity with social progress and environmental stewardship.

Statement Of Assurance

This Sustainability Statement has been reviewed by our internal auditor.

Statement On Risk Management And Internal Control

Apex Equity Holdings Berhad and its subsidiaries ("the Group") is exposed to diverse range of risks across various aspects of its operations. The Group continues to drive improvements across all risk framework, systems and processes to deliver value-added services to the business in a cost-effective manner and enhance our stakeholder engagements. Our robust risk management continues to play an integral part in driving value creation to support the Group's aspiration.

BOARD'S RESPONSIBILITY AND ACCOUNTABILITY

Our Board of Directors ("Board") is committed to establishing and maintaining a sound, effective and efficient system of risk management and internal control to safeguard shareholders' investment and the Group interest. The risk management and internal control system covers financial, operational, management information systems, organizational and compliance controls.

The Group acknowledges the inherent limitation of internal control system, therefore the purpose of internal control and risk management is to mitigate risk to acceptable levels rather than eliminate the risk of failure entirely to meet the business objectives. The risk management and internal control system is able to provide assurance against the occurrence of any material misstatement of management and financial information, or financial losses or fraud.

RISK GOVERNANCE STRUCTURE

Being ultimately responsible for the management of risk of the Group, the Board of Directors has overall risk oversight responsibility for ensuring effective implementation of risk management policies and determines the risk level, consistent with the Group's risk appetite.

To assist the Board in overseeing and managing risk, dedicated committees have been formed to provide the necessary infrastructure for implementing various risk management policies and procedures.

The risk governance structure and the key committees involved in risk management as described follow:

Group Board of Directors

Group Board Risk Committee ("GBRC")

Responsibilities:

Governing overall risk oversight responsibility including defining the appropriate governance structure and risk appetite.

Process:

Articulate and provide direction on risk appetite, organizational control environment and risk culture.

Group Risk Management Committee ("GRMC")

Responsibilities:

Oversee and assess the operationalization of risk management strategies as well as framework and policies.

Process:

Monitor the consistent enforcement of ERM policy, review and endorse risk parameter, risk appetite, risk profile and treatment options and risk action plans.

Risk Owner & Staff

Responsibilities:

Manage day-to-day risk inherent in business activities as guided by the established framework and policies.

Process:

Identification and assessment of risk, implementation and monitoring of risk action plans.

RISK MANAGEMENT FRAMEWORK & KEY PROCESSES

The Group has put in place Enterprise Risk Management ("ERM") framework, in the Group's core business operations, to ensure that there is an on-going process of identifying, evaluating, and managing risk exposure.

Each risk identified is 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

In carrying 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. During the financial year under review, the ERM processes are undertaken six times a year to assess and evaluate risks that could potentially hinder the Group's progress toward its strategic and operational goals. The result of the risk update was deliberated on causes, existing key controls and action plans to address the key risk of the organization at the GRMC meetings.

The key processes involved in risk management are summarized as described below:

- 1 Risk Identification** (Analyze risks surrounding the activities)
- 2 Risk Assessment & Measurement** (Quantify and assess risk impact)
- 3 Risk Control** (Put system in place and recommend measures to mitigate risk)
- 4 Risk Monitoring** (Monitor the effectiveness of risk management controls)

On a quarterly basis, the GRMC will update and report to the GBRC and the Board of Directors on the status of risk management activities.

PRINCIPAL RISKS

During the financial year under review, the principal risks that are being monitored by the Board are summarized as below:

1. Operational Risk

Risk in relation to the Group's day-to-day operations including inadequate or failed internal processes and systems that could affect our ability to carry out our mandate.

2. Financial Risk

Risk in relation to adverse movements in the value of Group's financial assets and liabilities, both on and off-balance sheet, and in relation to its ability to fulfill its financial obligation.

3. Regulatory Compliance Risk

Risk in relation to when Group fails to comply with the rules and regulations set by the Exchange leading to legal consequences, fines and reputational damage.

4. Cybersecurity Risk

The Group is exposed to various information technology risks. This includes potential risks such as network security risk, data protection and cybersecurity risk. These risks are mitigated through regular information technology risk assessment and relevant action plans.

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

The Group maintains a formal organizational structure with clear lines of reporting to the Board, Committees and Senior Management with defined roles and responsibilities, authority limits, review and approval procedures in which to build a system of checks and balance, supporting the maintenance of a strong control environment.

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 within the Group. The policies and procedures are maintained and subject to review as considered necessary.

Employees' Training

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

Anti-bribery and corruption

In line with the provisions of Section 17A of the Malaysian Anti-Corruption Commission Act 2009, the Anti-Bribery and Corruption Policy has been developed to fulfill the legal and regulatory requirements and sets out the overall position on bribery and corruption in all forms.

The Group has adopted a culture of zero tolerance towards all forms of bribery and corruption. All employees and directors are required to comply with the relevant laws and regulations on anti-bribery and corruption.

Whistle-blowing

The Board has in place a Whistleblowing Policy to provide an avenue for stakeholders of the Company to raise concerns related to possible breach of business conduct, non-compliance with rules and regulations as well as other malpractices. 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 have been implemented for Group's core businesses to ensure the continuity of business operations even in the event of disasters or disruptions. It is the responsibility of the management to ensure that the Group can effectively respond to and recover from significant unexpected events. To achieve this, regular testing or drills are conducted to assess the staff preparedness, evaluate the readiness of disaster recovery site and gauge the effectiveness of communication protocols.

Technology & Cybersecurity

The current business environment is globally interconnected and digitalized. The Group is becoming more vulnerable to cyber threats due to its increasing reliance on computers, programs, networks and social media. To manage this, various security measures have been implemented to reduce exposure to cyber security risk. These include identifying potential vulnerabilities in the operational environment, promptly responding to and recovering from cyber-breaches. Regular intensive system testing, review of network encryption protocols and virus scanning tools are conducted to prevent unauthorized access to computer servers, equipment and networks. Additionally, external IT experts are engaged to assist in reviewing networks, server setup and firewall systems, ensuring that preventive measures taken are adequate to mitigate cyber risks.

INTERNAL AUDIT FUNCTION

The Group maintains an in-house Group Internal Audit ("GIA") team, which conducts independent assessment and provides findings and updates to the Board, through the Audit Committee. The work scope of Group Internal Audit encompasses the examination and evaluation of the adequacy and effectiveness of the system of internal control.

In order to uphold independence and objectivity, the GIA directly reports to the Audit Committee and internal audit plans are presented annually to the Audit Committee for review and approval to ensure comprehensive coverage.

The internal audit reports are presented and tabled at quarterly Audit Committee meetings to preserve its independence and objectivity. Significant internal audit findings and the current status of outstanding management action plans are highlighted for the Audit Committee's attention.

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 30 April 2024.

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 2023 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 30 April 2024.



EHB Group Financial Highlights

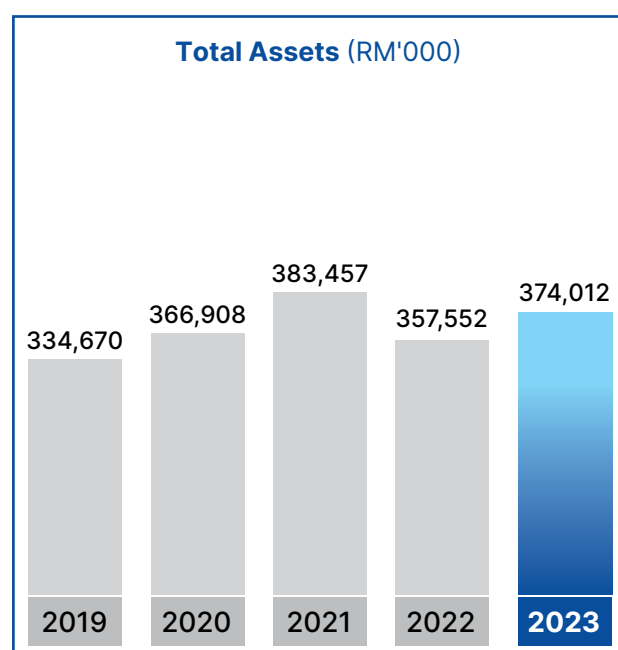
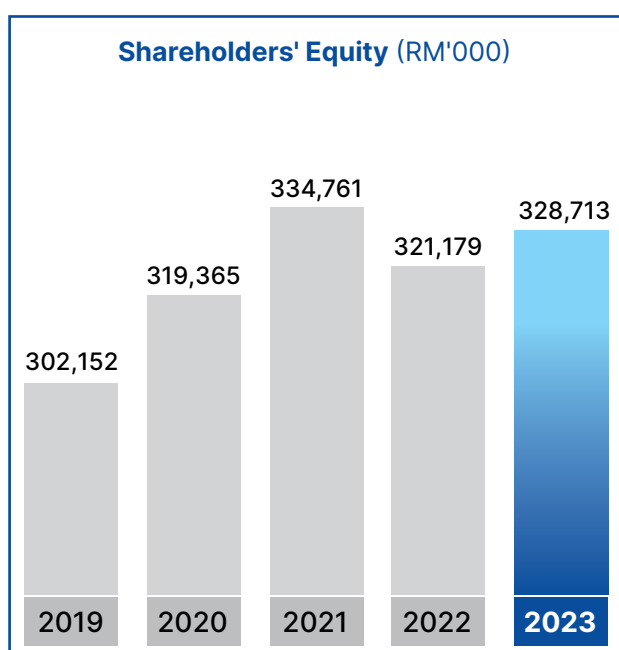
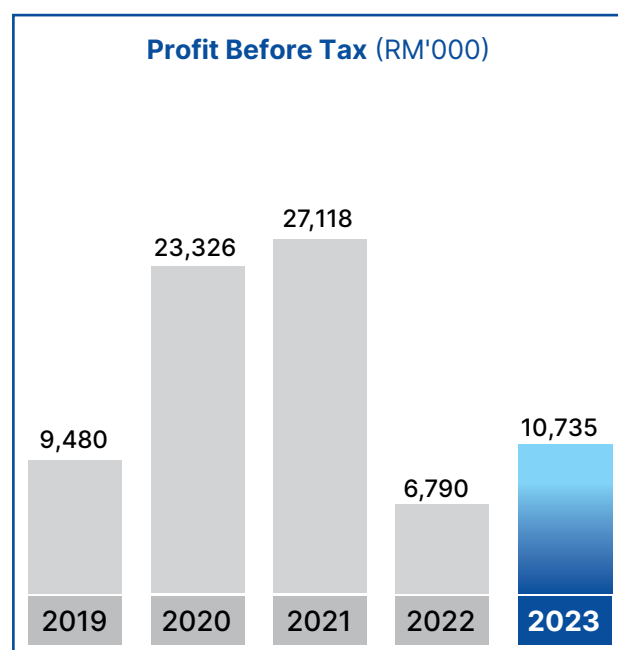
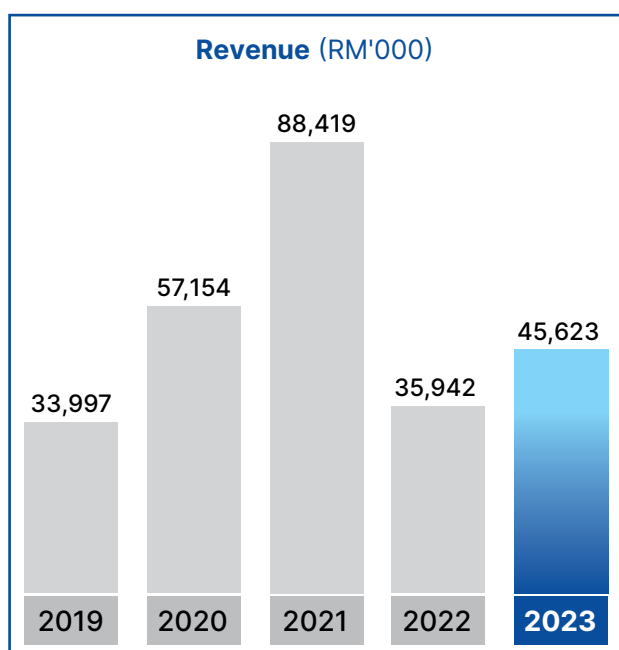
Year Ended 31 December 2023

	2019	2020	2021	2022	2023
	RM'000	RM'000	RM'000	RM'000	RM'000
RESULTS - PROFIT AND LOSS					
Revenue	33,997	57,154	88,419	35,942	45,623
Profit/(loss) before tax	9,480	23,326	27,118	6,790	10,735
Profit/(loss) attributable to shareholders of the company	6,011	17,213	21,475	6,406	7,318
BALANCE SHEET					
Total assets	334,670	366,908	383,457	357,552	374,012
Total liabilities	32,518	47,543	48,696	36,373	45,299
Current assets	254,292	318,013	339,732	254,593	320,077
Due from clients/brokers	111,537	120,146	131,074	141,124	196,859
Current liabilities	31,867	47,142	48,499	36,365	43,901
Due to clients/brokers	16,728	21,420	29,496	16,006	20,541
Total borrowings	4,997	5,003	5,008	5,007	4,005
Net current assets	222,425	270,871	291,233	218,228	276,176
Net tangible assets	302,152	319,365	334,761	321,179	328,713
Shareholders' equity	302,152	319,365	334,761	321,179	328,713
Share capital	221,940	221,940	221,940	221,940	221,940
PER SHARE					
	Sen	Sen	Sen	Sen	Sen
Profit/(loss) before tax	4.68	11.51	13.38	3.35	5.30
Profit/(loss) attributable to shareholders of the company	2.97	8.49	10.60	3.16	3.61
Net tangible assets	149.11	157.60	165.20	158.50	162.22
Net dividend - cash	2.00	0.00	3.00	10.00	0.00
- share dividend	0.00	0.00	0.00	0.00	0.00

AEHB Group Financial Highlights (Cont'd)

	2019	2020	2021	2022	2023
	RM'000	RM'000	RM'000	RM'000	RM'000
FINANCIAL RATIOS					
Return on investment					
Return on shareholders' capital					
Profit/(loss) before tax	4.27%	10.51%	12.22%	3.06%	4.84%
Profit/(loss) attributable to shareholders of the company	2.71%	7.76%	9.68%	2.89%	3.30%
Return on shareholders' equity					
Profit/(loss) before tax	3.14%	7.30%	8.10%	2.11%	3.27%
Profit/(loss) attributable to shareholders of the company	1.99%	5.39%	6.42%	1.99%	2.23%
Return on shareholders' equity and total borrowings					
Profit/(loss) before tax	3.09%	7.19%	7.98%	2.08%	3.23%
Profit/(loss) attributable to shareholders of the company	1.96%	5.31%	6.32%	1.96%	2.20%
Margins					
Profit before tax/Revenue	27.88%	40.81%	30.67%	18.89%	23.53%
Profit attributable to shareholders of the company/Revenue	17.68%	30.12%	24.29%	17.82%	16.04%
Current ratio (times)	7.98	6.75	7.00	7.00	7.29
Gearing					
Total borrowings/shareholders' equity	1.65%	1.57%	1.50%	1.56%	1.22%
STOCK MARKET INFORMATION					
Share price - High (RM)	1.08	1.25	1.15	1.29	1.51
- Low (RM)	0.78	0.62	0.81	0.80	1.04
Last transacted price as at 31 December (RM)	0.80	0.96	1.10	1.19	1.08
Market capitalisation as at 31 December (RM'000)	170,850	205,020	234,919	254,140	230,648
Net price earnings ratio (times)	26.97	11.30	10.38	37.64	29.92

5 Years Financial Performance



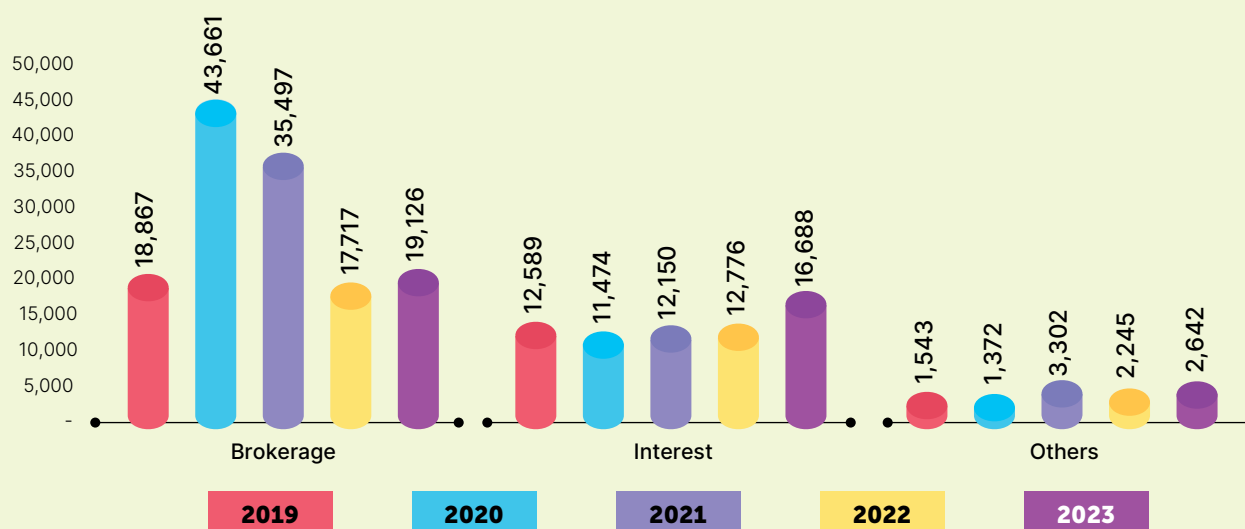
Apex Securities Berhad (“ASB”, formerly known as JF Apex Securities Berhad)

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 Mutiara Damansara and it has five branches across Peninsular Malaysia.

ASB’s revenue rose 17.5% year-on-year to RM38.46 million for the financial year ended 31 December 2023, from RM32.74 million recorded in the previous financial year. The improvement in revenue was mainly driven by higher volume and value of stockbroking activities as well as higher margin and other interest income arising from better margin utilization. Consequently, ASB registered a higher profit before tax of RM11.49 million for the financial year ended 31 December 2023 as compared to RM7.59 million in the previous financial year.

ASB revenue breakdown (RM'000)



Prospect

World Bank projected Malaysia’s GDP growth at +4.3% in 2024 following a subdued performance that slowed to +3.7% last year. Malaysia’s moderated performance in 2023 was mainly due to challenging external environment that was stemmed by various factors such as slower global trade, global tech downcycle, escalating geopolitical tensions and tighter monetary policies. Moving forward, global economic growth is projected at 2.4% for 2024, which is a modest downshift from 2.6% recorded in 2023. Growth will be driven by fading of pandemic-related headwinds and normalising of monetary policy.

Local stock market is expected to remain choppy amid the uncertainties surrounding the pace of interest rate cut, geopolitical tensions and flight of foreign funds. Key focus remains onto the US Federal Reserve’s monetary policy decision as the prospects of rate cut is expected to strengthen the Ringgit currency against the Greenback and consequently attract foreign fund inflows.

While current operating landscape remains challenging, ASB expects stockbroking business for the financial year ending 2024 to remain stable. Utilizing the robust financial standing, ASB plans to enhance market penetration through diverse business initiatives and expansions, positioning itself for future growth opportunities.

Apex Development Sdn Bhd ("ADSB")

Overview

Apex Development Sdn Bhd ("ADSB") is a distinguished subsidiary of Apex Equity Holdings Berhad ("AEHB"), specialising in property holdings since its establishment in 1983. ADSB's prime revenue source was Menara Apex, a 11-storey office building located in Kajang.

For the financial year ended 31 December 2023, ADSB saw a slight decline in revenue to RM1.66 million compared to RM1.69 million in the previous financial year mainly due to a reduction in Menara Apex's occupancy rate during the year. Following the sale of Menara Apex, it is envisaged ADSB revenue to tick lower for the financial year ahead. Still, ADSB remains committed to the management of existing properties.

Prospect

Under the prevailing challenging operating landscape with Menara Kajang deemed underutilised which is only occupied by three tenants and several telco providers at the rooftop, ADSB is disposing of Menara Apex and the 0.4737ha of freehold land situated on in Kajang, Selangor, for RM55.00 million to private higher education provider New Era Edu Sdn Bhd.

The said property has original cost of RM20.52 million and net book value of RM10.83 million. The disposal is expected to generate an estimated net proceed of RM49.86 million and estimated gain on disposal of RM39.03 million. The transaction is expected to be completed within six months from the unconditional date, subject to further extension as mutually agreed.

Going forward, ADSB will be actively evaluate and explore options for its other existing landbanks which has not been developed in the past, 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.

In 2023, AECSB registered a revenue of RM6.88 million which represents 139.4% year-on-year jump from RM2.87 million recorded in 2022. The strong improvement was mainly fueled by full year contribution given that the aforementioned business was revived only in 3Q 2022. Consequently, AECSB registered a profit before tax of RM5.55 million for the financial year ended 31 December 2023 as compared to RM2.37 million in the previous financial year.

Prospect

With the moneylending business delivering satisfactory performance, AECSB expects income for the financial year ending 31 December 2024 to remain stable. Looking ahead, AECSB anticipates growth opportunities remain on the horizon through the expansion of existing lending capacity and higher utilisation rate while leveraging on the Group's financial strength as source of funding. Additionally, the elevated interest rate environment is also expected to further enhance AECSB's profitability.

As AECSB continues to expand its lending capacity, the company is actively exploring innovative avenues for growth by developing new lending products that address the evolving needs of the markets. AECSB is steadfast in its commitment to nurturing robust relationships with both its customers and other stakeholders.

A 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 2023 are as follows:-

	Company	Group
	RM	RM
Audit services rendered	50,000	203,000
Non-audit services rendered	7,000	7,000
Total	57,000	210,000

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 2023.