



# ELEVATING INVESTMENTS, DELIVERING RESULTS

Annual Report  
**2023**

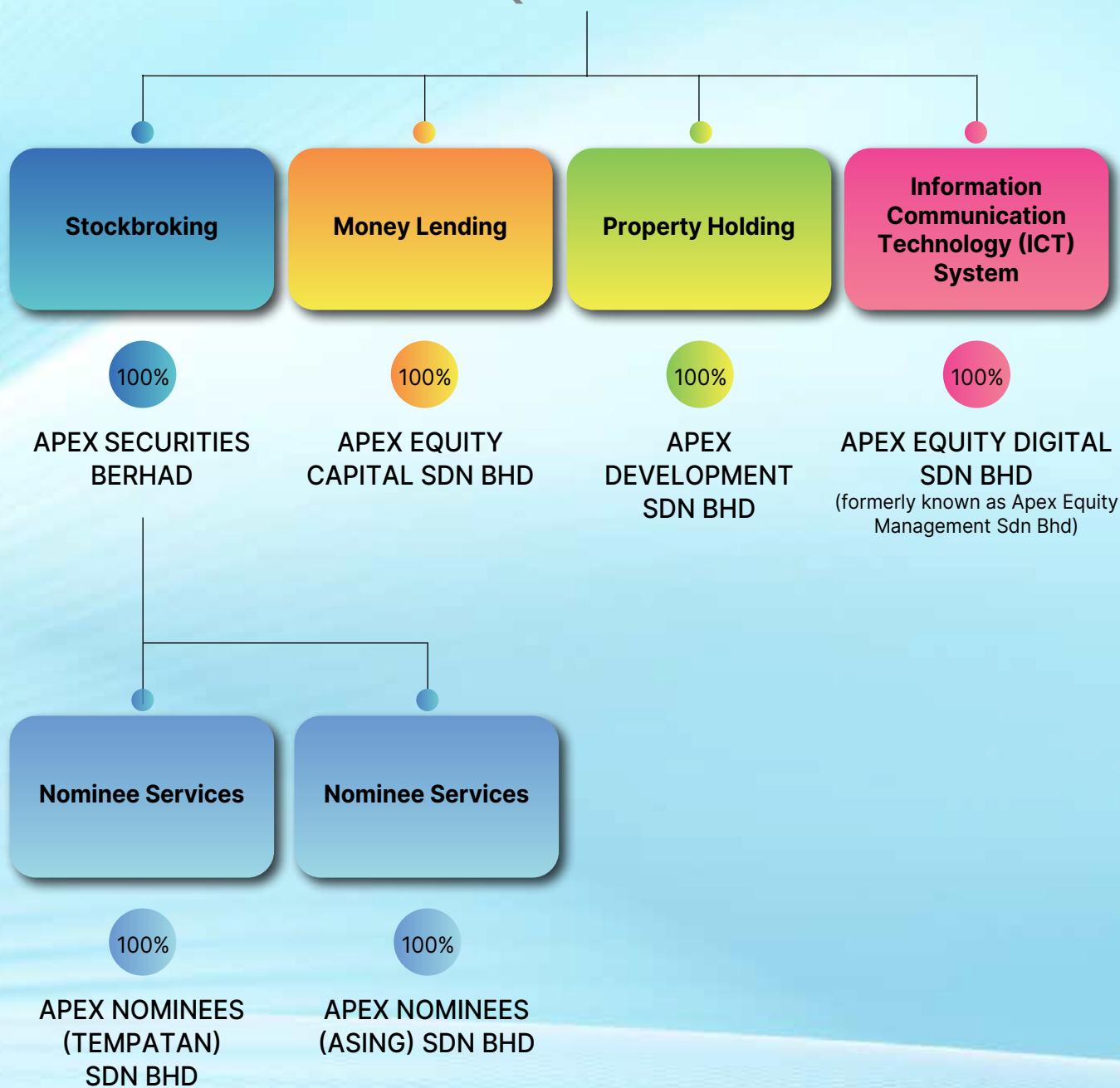
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The softcopy of the Annual Report 2023 is available on the company's website at <https://apxequity.com.my/investor-relations/>



## 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.

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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.

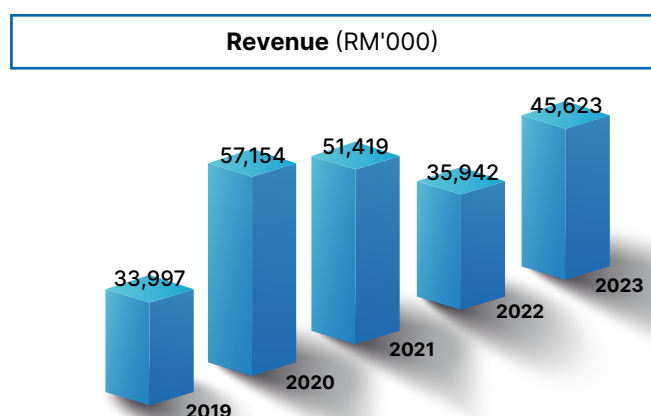
On this note, I, on behalf of my fellow directors have the pleasure of presenting to you the Annual Report together with the Audited Financial Statements for FY 2023.



### Financial Results

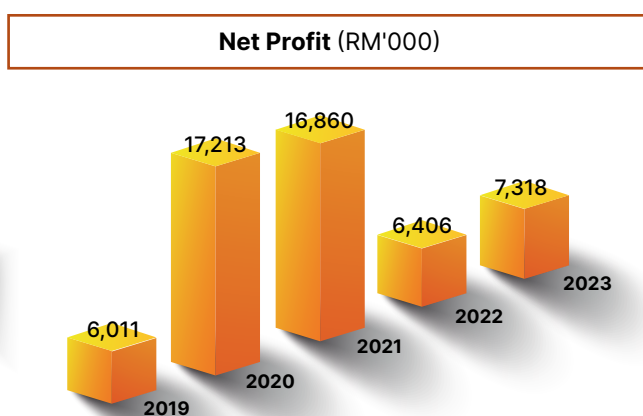
For the FY 2023, the Group registered improved revenue, rising 26.9% year-on-year to RM45.62 million as compared to RM35.94 million in FY 2022. Likewise, the Group's pre-tax profit climbed 58.1% year-on-year to RM10.74 million. Consequently, the Group recorded a higher net profit of RM7.32 million, 14.2% 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.



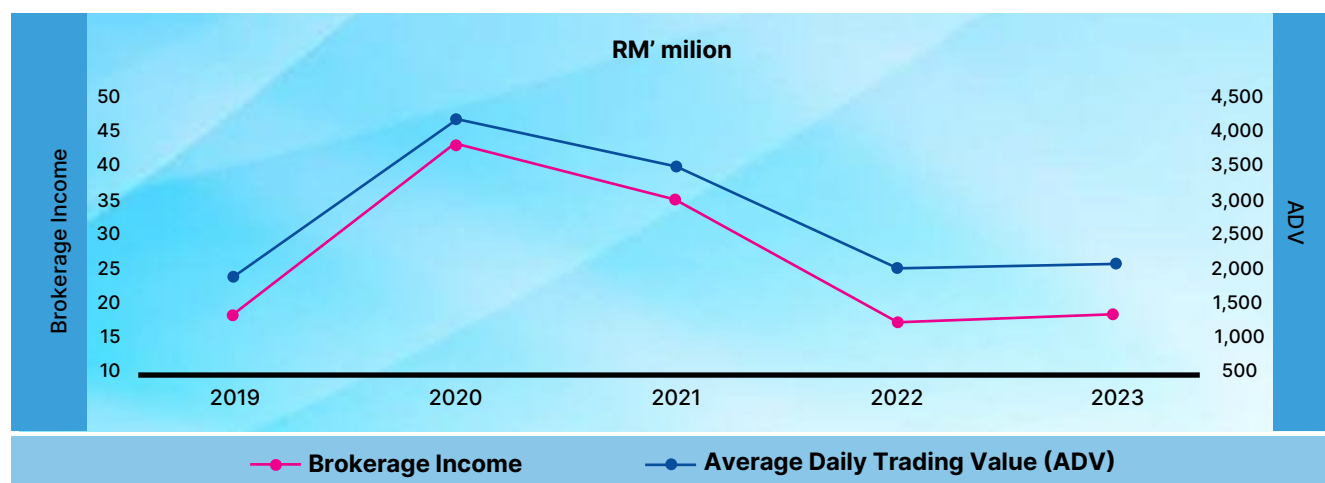
**Remarks:**

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](http://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](http://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](http://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	<b>Lee Siow Hong</b>	retiring pursuant to Article 102
ii	<b>Norzilah Binti Mohammed</b>	retiring pursuant to Article 109
iii	<b>Dato' Zakaria Bin Arshad</b>	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
<b>YBHG. Datuk Wira Farhash Wafa Salvador J.P.</b>	4/4	N/A	N/A	N/A
<b>Norzilah Binti Mohammed</b> (appointed as Executive Director on 3 July 2023)	2/2	N/A	N/A	N/A
<b>Dato' Leong Wai Leng</b> (retired on 5 July 2023)	2/2	N/A	N/A	N/A
<b>Lim Kok Eng</b> (resigned on 20 October 2023)	3/3	N/A	N/A	N/A
<b>Dato' Zakaria Bin Arshad</b> (appointed as Group Executive Director on 20 October 2023)	1/1	N/A	N/A	N/A
<b>Lee Siow Hong</b>	4/4	5/5	4/4	5/5
<b>Woon Wai En</b>	4/4	5/5	4/4	5/5
<b>Rozana Bt Shamsuddin</b>	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
<b>YBHG. Datuk Wira Farhash Wafa Salvador J.P.</b>	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
<b>Dato' Zakaria Bin Arshad</b>	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
<b>Norzilah Binti Mohammed</b>	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
<b>Woon Wai En</b>	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
<b>Lee Siow Hong</b>	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
<b>Rozana Bt Shamsuddin</b>	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](http://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](http://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](http://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
<b>Non-Executive Directors:</b>					
Lee Siow Hong	116	17	-	-	133
Woon Wai En	141	17	-	-	158
Rozana Bt Shamsuddin	141	17	-	-	158
<b>Executive Directors:</b>					
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
	<b>398</b>	<b>1,996</b>	<b>227</b>	<b>26</b>	<b>2,647</b>

### 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](mailto:info@apexequity.com.my)



## OUR APPROACH TO SUSTAINABILITY

### Sustainability Governance

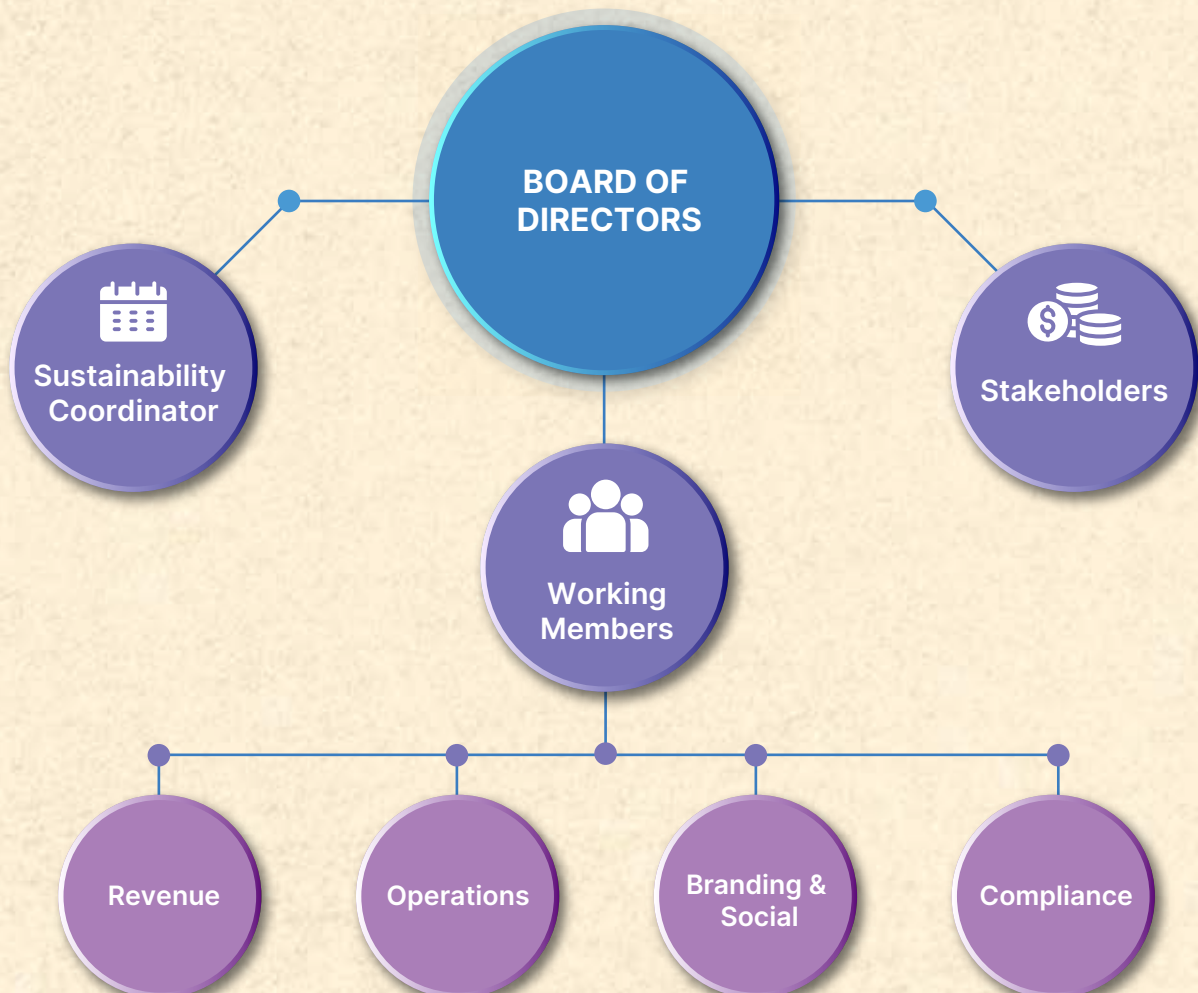
At Apex, our commitment to sustainability is ingrained in our sustainability governance structure, with the Board of Directors assuming ultimate responsibility for steering the Apex Group's sustainability endeavours and performance. Collaborating closely with the key senior management, the Board sets 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"> <li>Customer service and contact centre</li> <li>Online trading platform</li> <li>Market Updates &amp; Strategy campaigns</li> <li>Research coverage and articles online</li> <li>Apex e-game as trading simulation</li> <li>Constant engagement with customers</li> </ul>	<ul style="list-style-type: none"> <li>Customers' feedback improves our delivery</li> <li>Availability of access to various markets and investment products allow diversification</li> <li>Provide investment leads and opportunities</li> <li>Promote e-game with incentives as a training platform for stock trading skill development</li> <li>Customer complaint management</li> </ul>
Employees	<ul style="list-style-type: none"> <li>Employees appraisal</li> <li>Other employee engagement (such as townhall meetings, annual festive celebrations and sports club events)</li> <li>Career progression opportunities</li> <li>Anti-Money Laundering and Anti-Bribery and Corruption training needs</li> <li>Human resources development and Management</li> </ul>	<ul style="list-style-type: none"> <li>Assess employees' ability</li> <li>Provide work life balance</li> <li>Performance evaluation and reward</li> <li>Career progression, employee skill development needs</li> <li>Adherence to code of ethics/conduct besides compliance culture and value building</li> </ul>
Business Partners	<ul style="list-style-type: none"> <li>Remisiers and Futures Broker Representative ("FBR") engagement</li> <li>Supplier evaluations and selection</li> <li>Incorporating clauses on Anti-Bribery and Corruptions into contracts and agreements</li> <li>Procurement evaluation process and procedures for good decision-making</li> </ul>	<ul style="list-style-type: none"> <li>To understand remisier/FBR's needs</li> <li>Continuous education and skill development for our representatives in servicing customers</li> <li>Integrity pledge by representatives and suppliers</li> <li>Supplier assessment and review</li> <li>Procurement to source suitable vendors and alternative products, if any</li> </ul>
Regulators and Government Authorities	<ul style="list-style-type: none"> <li>Participation in events, briefings and consultations initiated by regulators and relevant government authority</li> <li>Liaison with government/ regulatory bodies for application/ document submissions</li> <li>Compliance with rules and regulations of regulators, and other governmental or regulatory bodies</li> <li>Consistent fact finding and fact sharing communication with regulators</li> </ul>	<ul style="list-style-type: none"> <li>Continuous communication to obtain updates on relevant information and issues of concern</li> <li>Obtain and keep abreast of latest regulatory updates, pronouncements or announcements</li> <li>Rules and regulatory compliances and submissions under the oversight of compliance and internal audit departments</li> <li>Monitoring of any non-compliance by customers, agents, representatives or suppliers by consistently engaging with regulators</li> </ul>
Community	<ul style="list-style-type: none"> <li>Corporate Social Responsibility ("CSR") programmes</li> <li>Sponsorship and donation</li> <li>Apex Sport Club events to promote harmonious relationship among employees</li> </ul>	<ul style="list-style-type: none"> <li>Community engagement by supporting financially or otherwise via the Sports Club</li> <li>CSR contribution (e.g., donations to needy organizations/ orphanages) annually</li> </ul>



## Sustainability Statement (Cont'd)

Media	<ul style="list-style-type: none"> <li>• Media interviews or enquiries as part of investor relations</li> <li>• Press conference or release where necessary</li> <li>• Analysts' reports or comments quoted by the media on their stock or market coverage</li> </ul>	<ul style="list-style-type: none"> <li>• Notification of relevant General Meetings or significant events</li> <li>• Media enquiries on our Group's results, activities or industry developments</li> <li>• Research reports and coverage of certain stocks being highlighted by media requiring further elaboration</li> </ul>
Shareholders & Investment Community	<ul style="list-style-type: none"> <li>• Annual General Meetings</li> <li>• Analyst briefings and updates</li> <li>• Financial result announcements</li> </ul>	<ul style="list-style-type: none"> <li>• Bursa announcements on Quarterly Financial Results and Annual Reports</li> <li>• Apex website for posting of information on the Apex Group's Vision, Mission, activities, policies and key personnel</li> <li>• Apex E-Trade website for stock and derivatives market information and trading</li> </ul>

### 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.

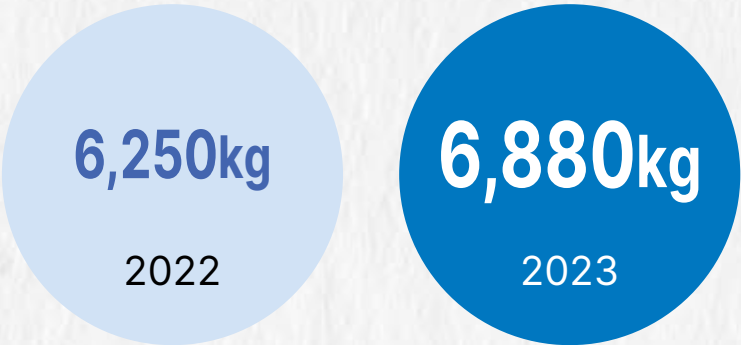
Facilitating paper recycling through designated recycling bins for used and shredded paper materials.

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?**

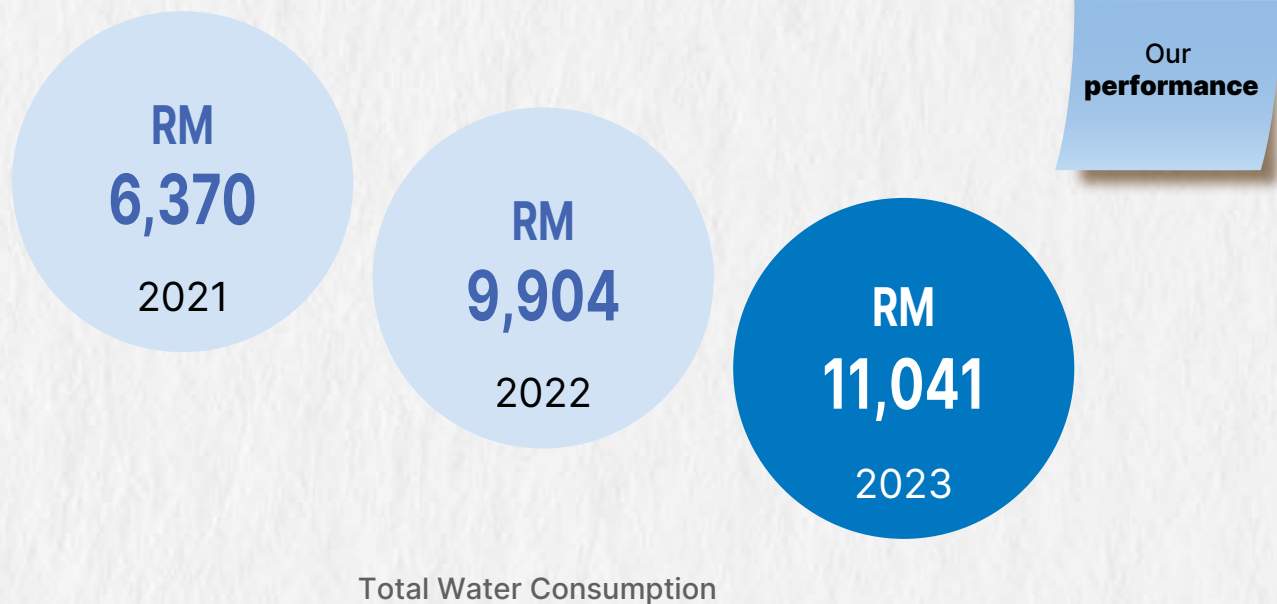
Water management contributes to corporate sustainability goals and environmental stewardship. While implementing water conservation measures and responsible water usage practices helps reduce environmental impacts, it also enhances the Apex's reputation as a socially responsible organization.

**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:

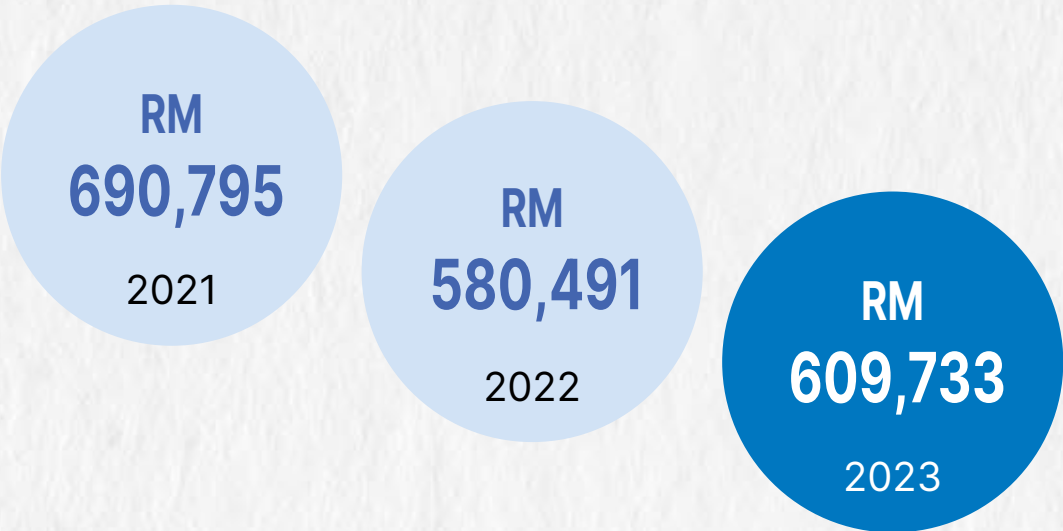
- Implementing a lighting schedule for key areas in our office to ensure lights are turned off during periods of minimal usage.
- Conducting regular maintenance and replacing electrical equipment and light fixtures to optimize energy efficiency.
- Educating employees on the importance of turning off 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

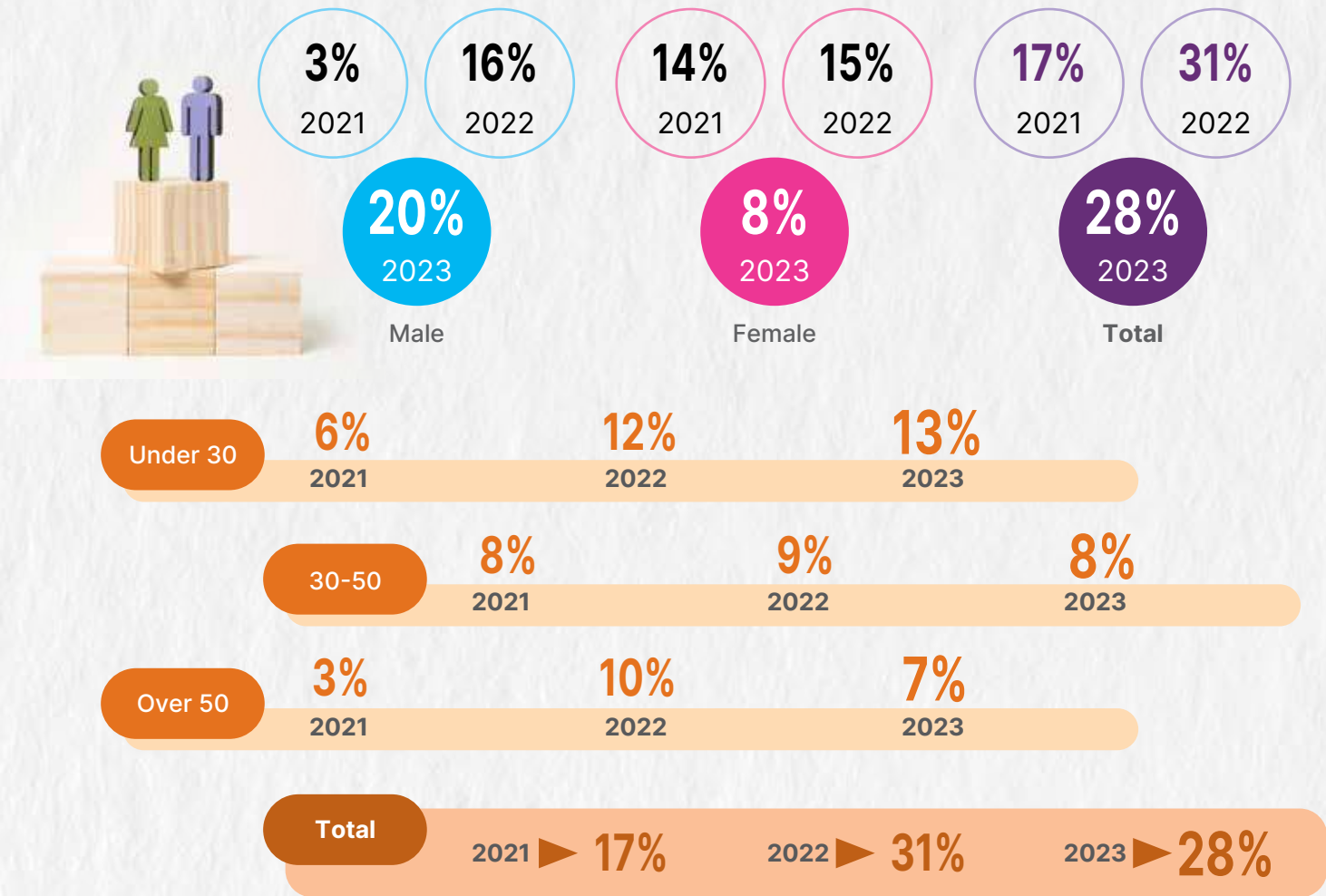


Sustainability Statement (Cont'd)

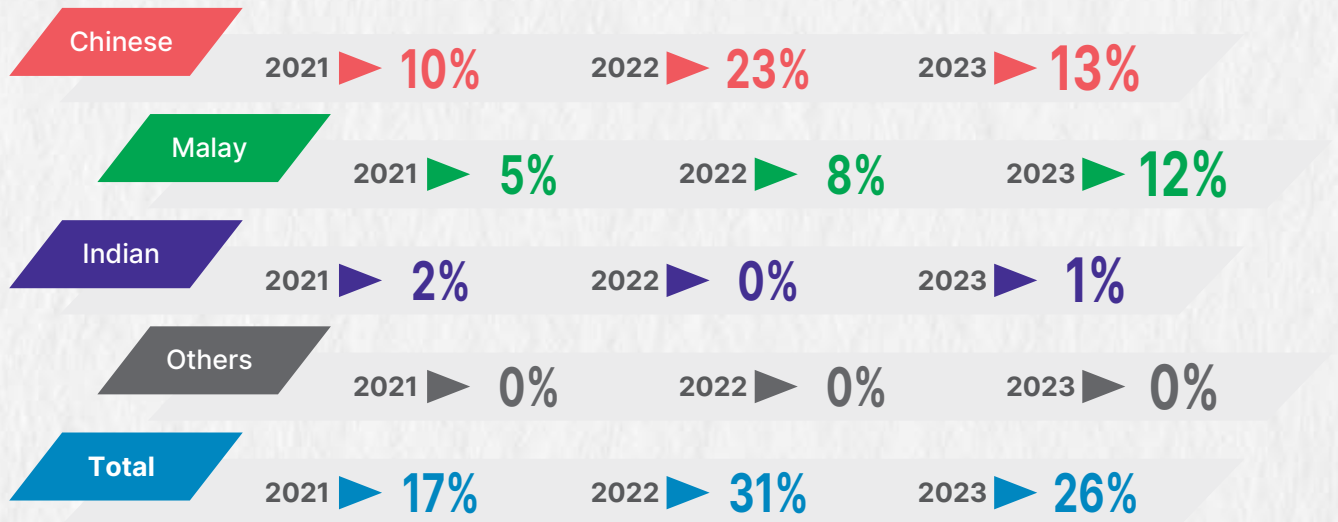
Employee training hours by employee category:



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

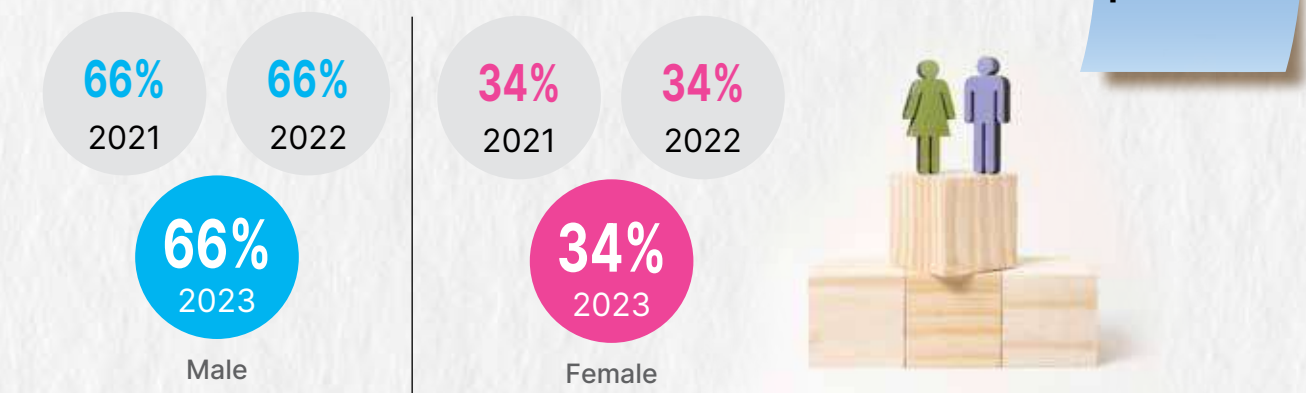
Apex recognizes and appreciates the advantages brought forth by diversity across people, ideas, and cultures. Upholding diversity within our workplace ensures the absence of bias and fosters an environment of comfort and inclusivity. We adamantly oppose all forms of unlawful discrimination, including 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.

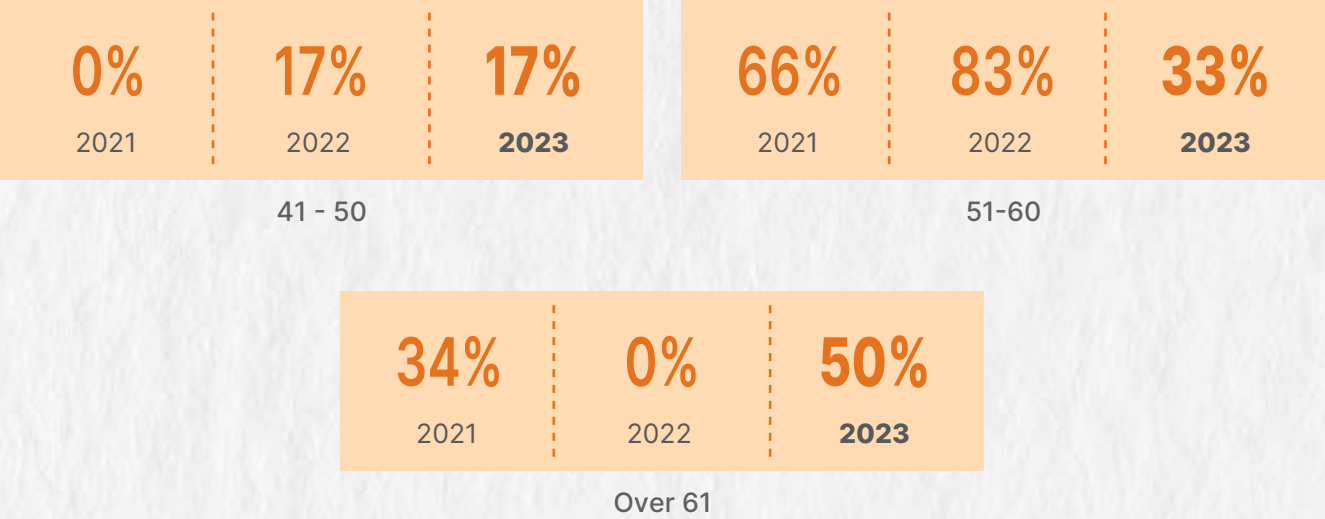


Board Diversity

By Gender

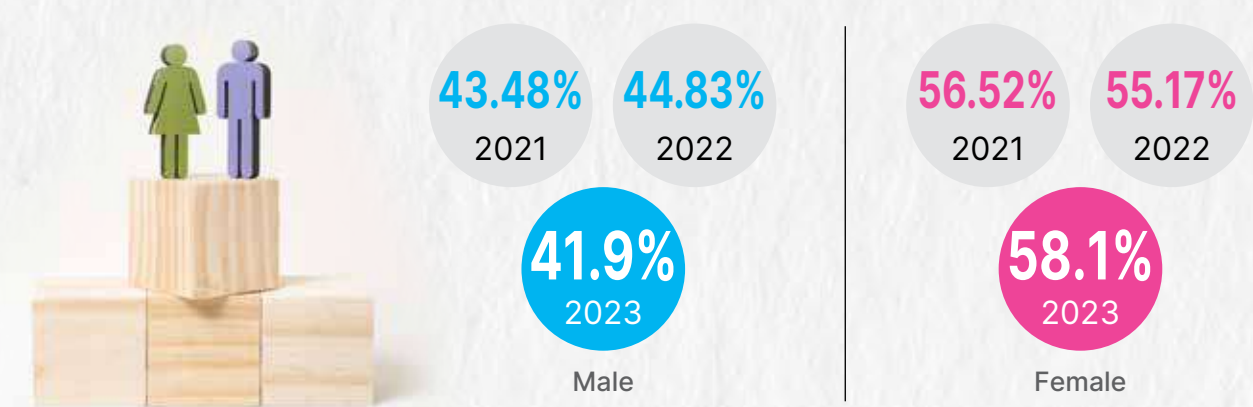


By Age Group

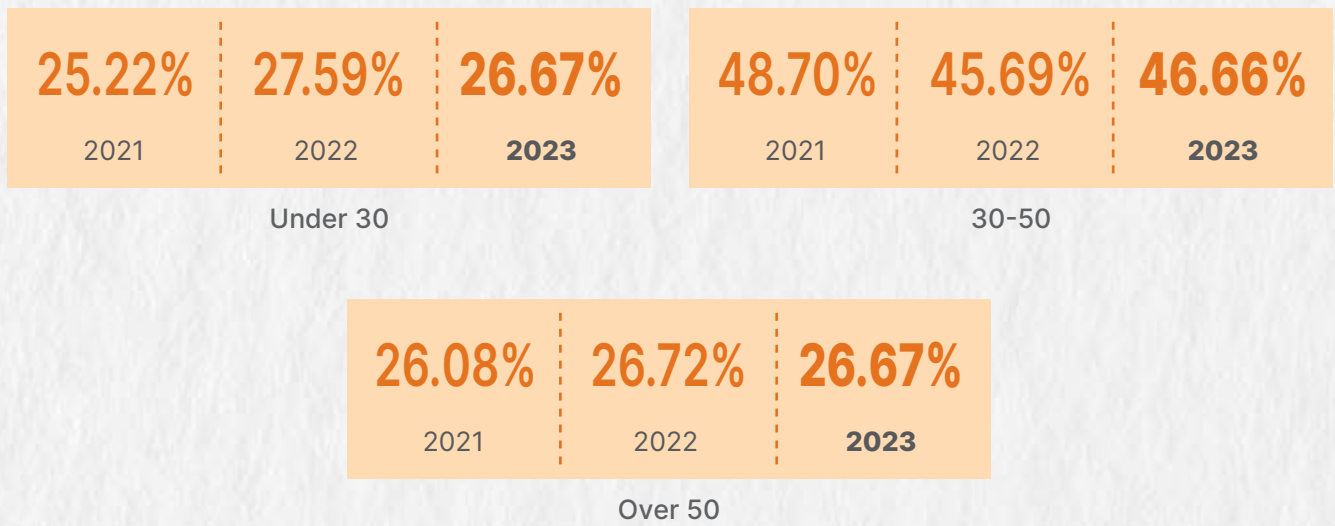


Workforce Profile

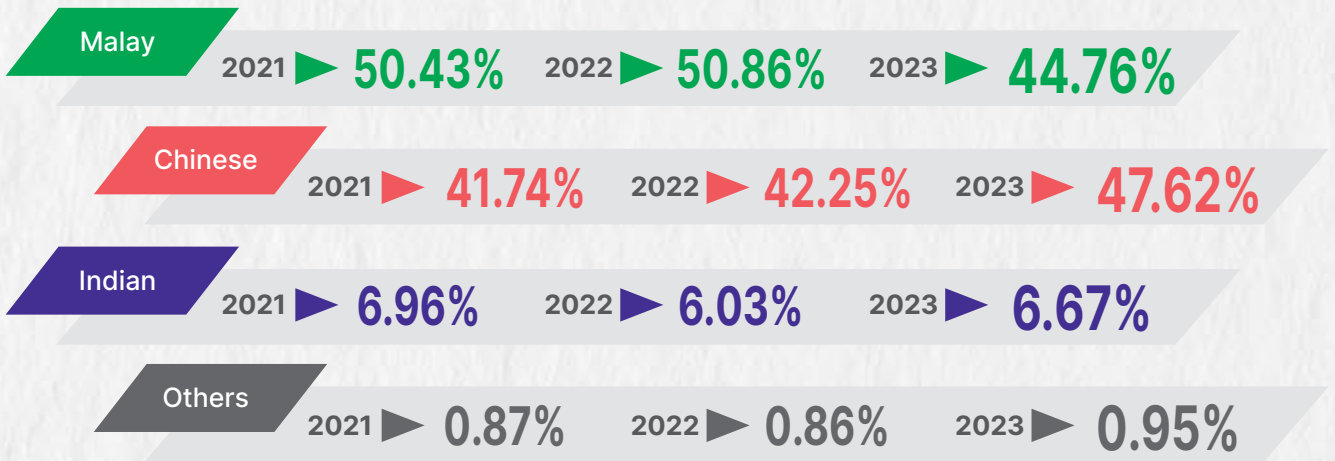
Workforce by Gender



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:



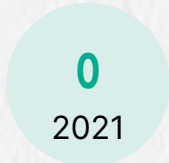
Our performance

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:

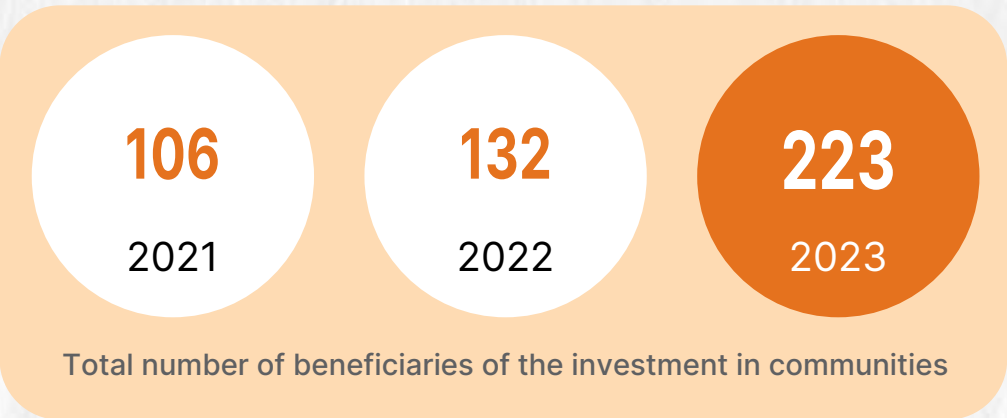
- (a) Responsibility, Transparency and Accountability;
- (b) Care and Unity; and
- (c) Value Creation and Enhancement for All

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.

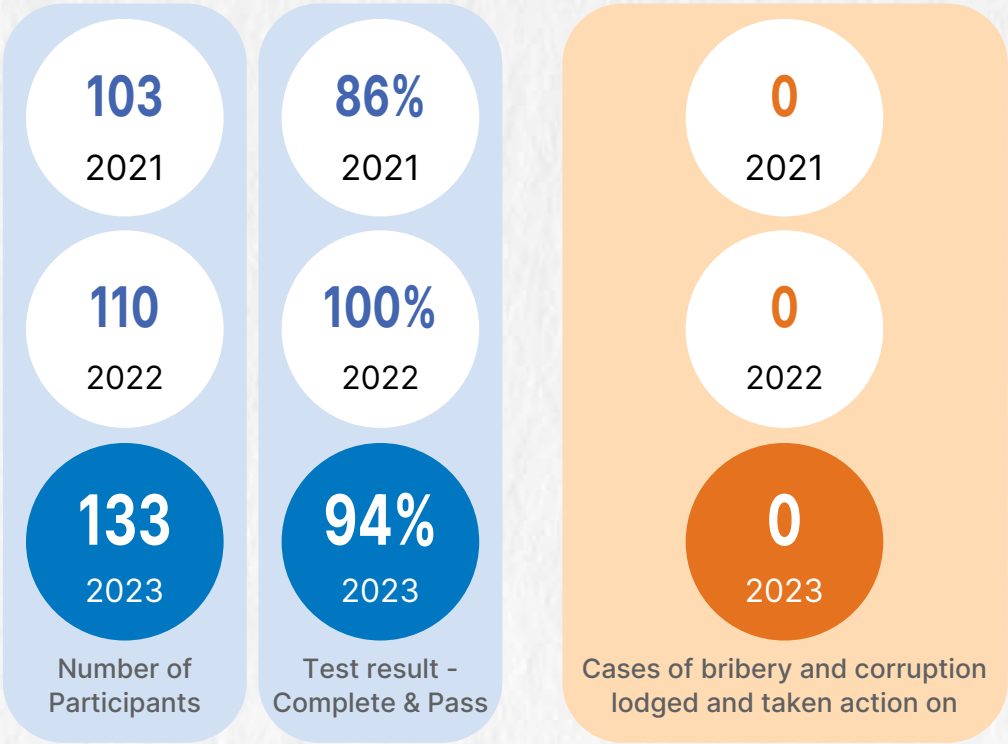
Compliance with these policies and our ethical standards, outlined in our employee handbook, is mandatory for all employees as they contribute to the Company's pursuit of excellence. Encouraging adherence to high standards of honesty and integrity in decision-making and behavior, we prompt employees 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

Percentage of employees who have received training on anti-bribery and corruption:

Percentage of operations assessed for bribery and corruption-related risks:  
Confirmed incidents of bribery and corruption and action taken:

Our performance



## 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.

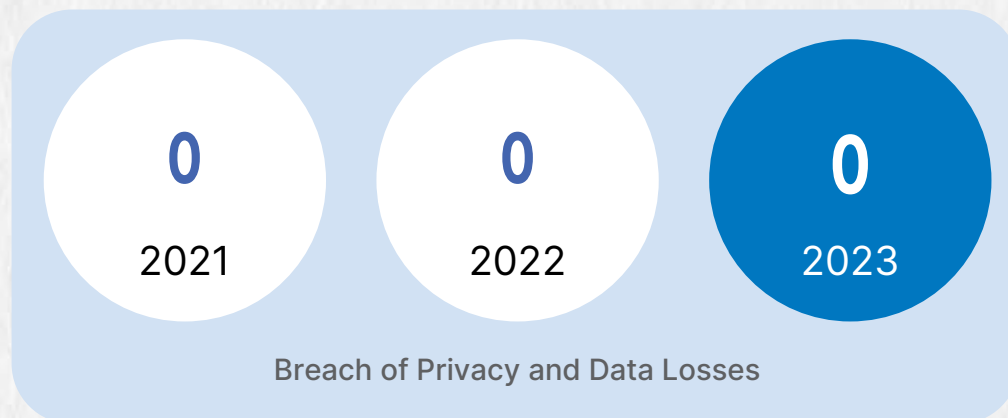
As a Group, we uphold individuals' rights to privacy, fostering trust and confidence not only among customers, employees, and other stakeholders. Safeguarding personal data is crucial for maintaining compliance with regulatory requirements, which are increasingly stringent and globally enforced.

**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?**

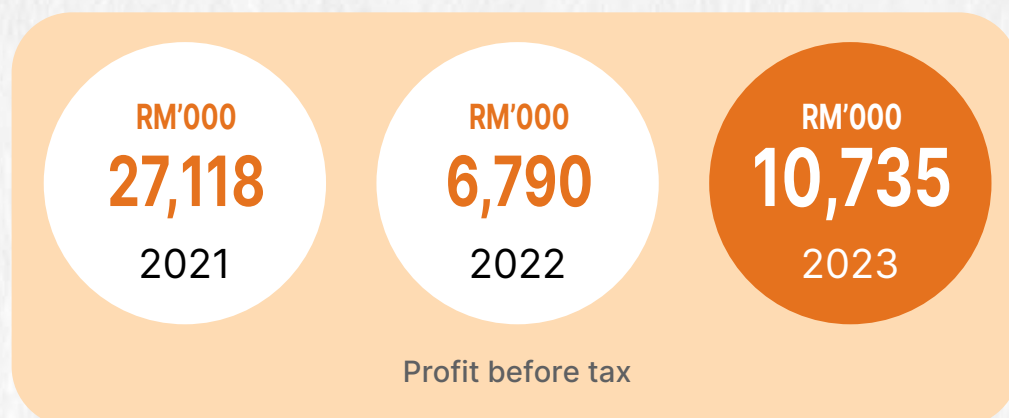
#### **Our approach**

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
<b>Bursa (Water)</b>		
Bursa C9(a) Total volume of water used	Megalitres	3.530000
<b>Bursa (Energy management)</b>		
Bursa C4(a) Total energy consumption	Megawatt	197.60
<b>Bursa (Labour practices and standards)</b>		
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
<b>Bursa (Diversity)</b>		
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
<b>Bursa (Health and safety)</b>		
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
<b>Bursa (Supply chain management)</b>		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	93.01
<b>Bursa (Community/Society)</b>		
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
<b>Bursa (Anti-corruption)</b>		
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:

<b>a</b>	<b>Extreme risk</b>	Immediate action required and must be dealt with straight away;
<b>b</b>	<b>High risk</b>	Senior management attention needed;
<b>c</b>	<b>Moderate risk</b>	Management responsibility must be specified;
<b>d</b>	<b>Low risk</b>	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

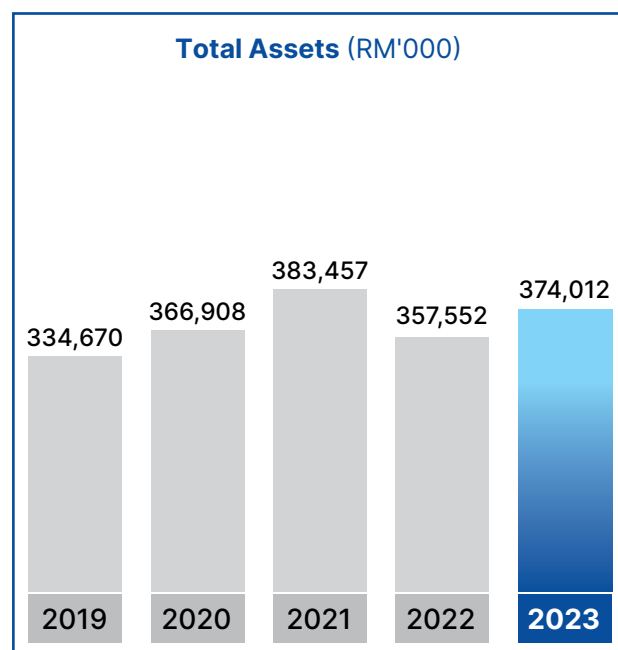
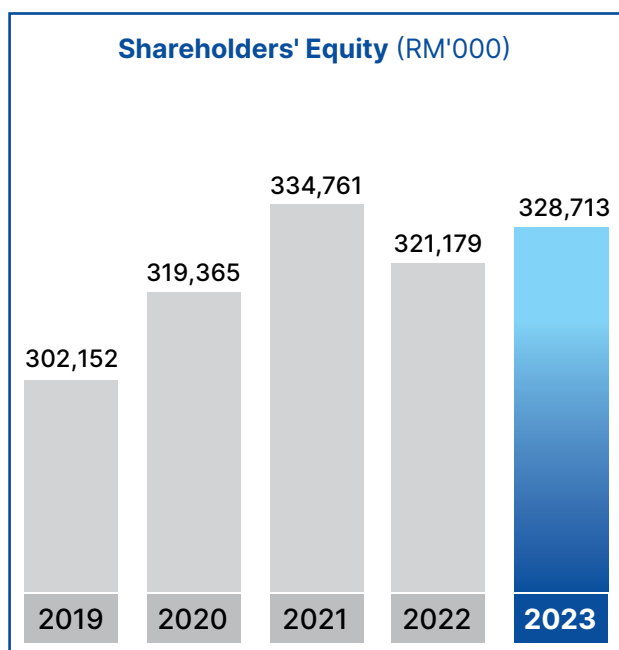
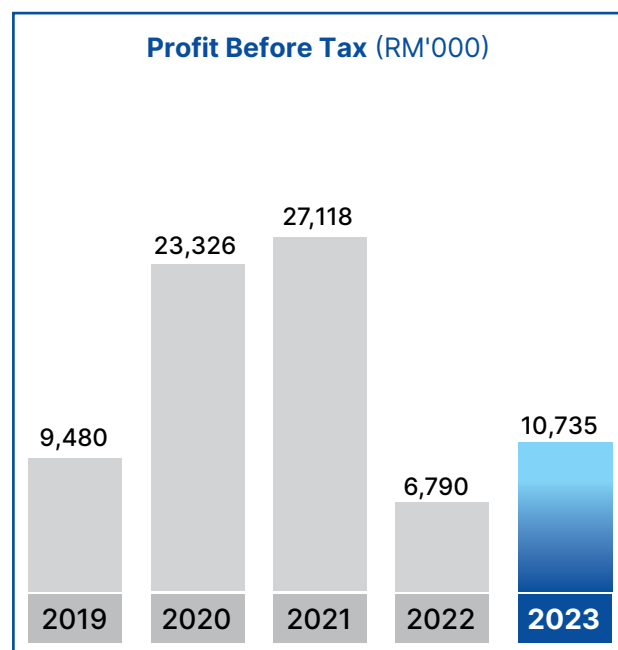
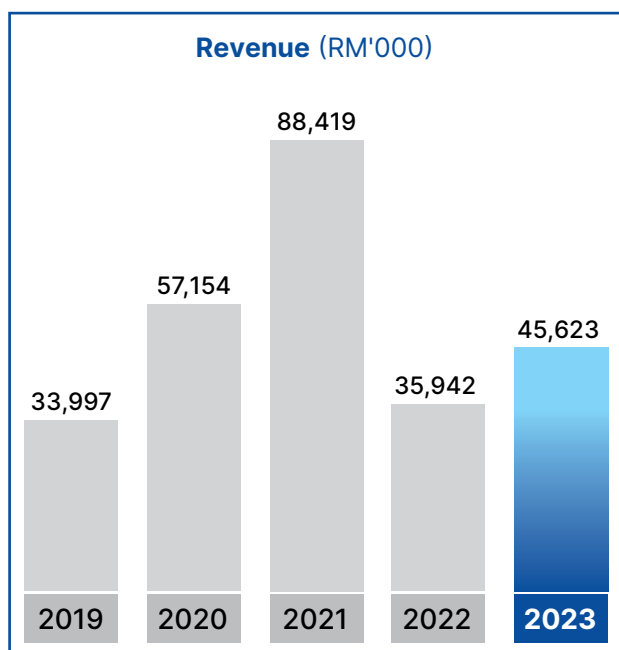
	2019	2020	2021	2022	2023
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>RESULTS - PROFIT AND LOSS</b>					
Revenue	33,997	57,154	88,419	35,942	45,623
Profit/(loss) before tax	9,480	23,326	27,118	6,790	10,735
Profit/(loss) attributable to shareholders of the company	6,011	17,213	21,475	6,406	7,318
<b>BALANCE SHEET</b>					
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
<b>PER SHARE</b>					
	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
<b>FINANCIAL RATIOS</b>					
<b>Return on investment</b>					
<b>Return on shareholders' capital</b>					
Profit/(loss) before tax	4.27%	10.51%	12.22%	3.06%	<b>4.84%</b>
Profit/(loss) attributable to shareholders of the company	2.71%	7.76%	9.68%	2.89%	<b>3.30%</b>
<b>Return on shareholders' equity</b>					
Profit/(loss) before tax	3.14%	7.30%	8.10%	2.11%	<b>3.27%</b>
Profit/(loss) attributable to shareholders of the company	1.99%	5.39%	6.42%	1.99%	<b>2.23%</b>
<b>Return on shareholders' equity and total borrowings</b>					
Profit/(loss) before tax	3.09%	7.19%	7.98%	2.08%	<b>3.23%</b>
Profit/(loss) attributable to shareholders of the company	1.96%	5.31%	6.32%	1.96%	<b>2.20%</b>
<b>Margins</b>					
Profit before tax/Revenue	27.88%	40.81%	30.67%	18.89%	<b>23.53%</b>
Profit attributable to shareholders of the company/Revenue	17.68%	30.12%	24.29%	17.82%	<b>16.04%</b>
<b>Current ratio (times)</b>	7.98	6.75	7.00	7.00	<b>7.29</b>
<b>Gearing</b>					
Total borrowings/shareholders' equity	1.65%	1.57%	1.50%	1.56%	<b>1.22%</b>
<b>STOCK MARKET INFORMATION</b>					
Share price - High (RM)	1.08	1.25	1.15	1.29	<b>1.51</b>
- Low (RM)	0.78	0.62	0.81	0.80	<b>1.04</b>
Last transacted price as at 31 December (RM)	0.80	0.96	1.10	1.19	<b>1.08</b>
Market capitalisation as at 31 December (RM'000)	170,850	205,020	234,919	254,140	<b>230,648</b>
Net price earnings ratio (times)	26.97	11.30	10.38	37.64	<b>29.92</b>

## 5 Years Financial Performance



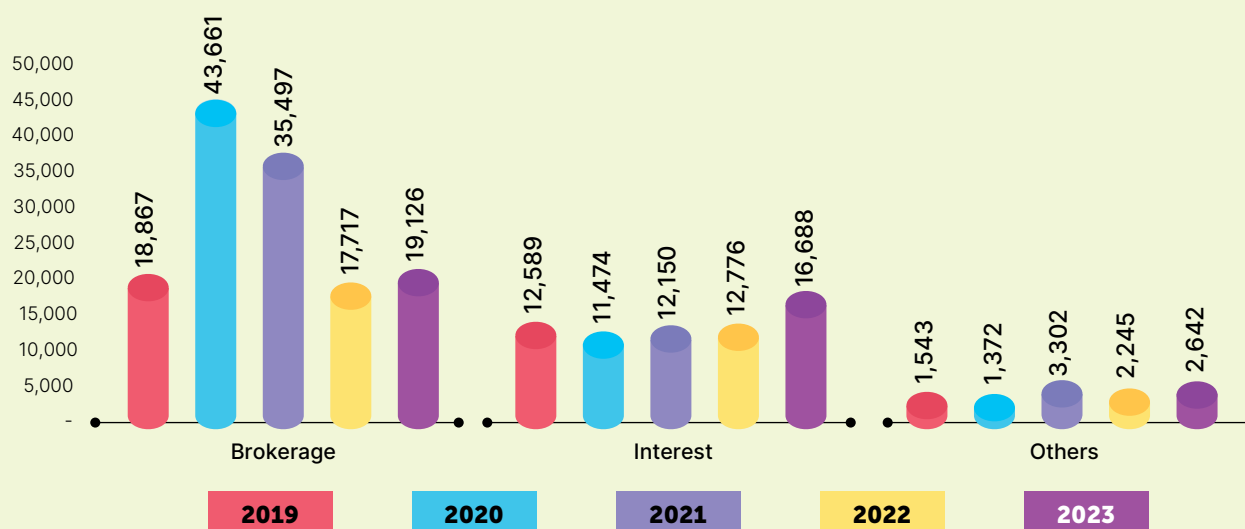
### Apex Securities Berhad (“ASB”, formerly known as JF Apex Securities Berhad)

#### 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
<b>Total</b>	<b>57,000</b>	<b>210,000</b>

## 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.



# Financial Report

For The Financial Year Ended 31 December 2023

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# DIRECTORS' REPORT

The directors have pleasure to submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2023.

## PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding and the provision of management services.

The information on the name, place of incorporation, principal activities and percentage of issued share capital held by the Company in each subsidiary company are set out in the "Subsidiaries" of this report.

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

## RESULTS

	The Group	The Company
	RM'000	RM'000
Profit/(Loss) after taxation attributable to owners of the Company	7,318	(751)

## DIVIDENDS

No dividend was recommended by the directors for the financial year.

## RESERVES AND PROVISIONS

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

## ISSUES OF SHARES AND DEBENTURES

During the financial year:-

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

## TREASURY SHARES

As at 31 December 2023, the total issued and fully paid-up shares of the Company stood at 213,563,324 ordinary shares, of which 10,923,118 ordinary shares are being held as treasury shares, as disclosed in Note 18 to the financial statements.

## OPTIONS GRANTED OVER UNISSUED SHARES

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

## DIRECTORS

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

**Dato' Zakaria Bin Arshad** (Appointed on 20.10.2023)

**Norzilah Binti Mohammed** (Appointed on 3.7.2023)

**Datuk Wira Farhash Wafa Salvador J.P.**

**Lee Siow Hong**

**Rozana Shamsuddin**

**Woon Wai En**

**Dato' Leong Wai Leng** (Retired on 5.7.2023)

**Lim Kok Eng** (Resigned on 20.10.2023)

In accordance with the Company's Articles of Association, Dato' Zakaria Bin Arshad and Norzilah Binti Mohammed retire pursuant to Article 109 and Lee Siow Hong retires pursuant to Article 102 at the forthcoming Annual General Meeting. The retiring directors being eligible offer themselves for re-election.

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

**Chang Min De**

**Foo Siew Yuen**

**Kong Ming Ming**

**Wong Zhen Fai**

**Mazlan Bin Ahmad** (Appointed on 1.6.2023)

**Prof. Dato' Dr. Mohd Azmi Bin Omar** (Appointed on 14.12.2023)

**Leong Kok Hoong** (Resigned on 30.6.2023)

**Zairul Azman Bin Jemaari** (Resigned on 30.6.2023)



**DIRECTORS' INTERESTS**

None of the directors holding office at the end of the financial year had any interest in shares of the Company or its related corporations during the financial year.

**DIRECTORS' BENEFITS**

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

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

**OTHER STATUTORY INFORMATION**

- (a) Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps:
  - (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables and satisfied themselves that there are no known bad debts and that adequate allowance had been made for impairment losses on receivables; and
  - (ii) to ensure that any current assets, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances:
  - (i) that would require the writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company;
  - (ii) which would render the values attributed to the current assets in the financial statements misleading; or
  - (iii) which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (c) At the date of this report, there does not exist:
  - (i) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or
  - (ii) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.
- (d) No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.
- (e) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (f) In the opinion of the directors:
  - (i) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
  - (ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

## Directors' Report (Cont'd)

### DIRECTORS' REMUNERATION

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

	The Group	The Company
	RM'000	RM'000
Fees	494	435
Salaries, bonuses and other benefits	1,996	1,996
Defined contribution plan	227	227
	2,717	2,658

The estimated monetary value of benefits-in-kind provided by the Group and the Company to the directors of the Company were RM25,939.

### INDEMNITY AND INSURANCE COST

The Company maintains a Directors' and Officers' Liability Insurance Policy on a group basis. During the financial year, the amount of indemnity coverage and insurance premium paid for the directors and certain officers of the Group were RM10 million and RM270,000 respectively.

There was no indemnity given to or professional indemnity insurance effected for the auditors of the Company.

### SUBSIDIARIES

The details of the Company's subsidiaries are as follows:-

Name of Subsidiary	Principal Place of Business/ Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2023	2022	
		%	%	
<b>Subsidiaries of the Company</b>				
Apex Securities Berhad (“ASB”)	Malaysia	100	100	Stock, share and futures broker, investment advisor and dealer in securities
Apex Development Sdn. Bhd.	Malaysia	100	100	Property holding
Apex Equity Capital Sdn. Bhd.	Malaysia	100	100	Money lending
Apex Equity Digital Sdn. Bhd. (formerly known as Apex Equity Management Sdn. Bhd.)	Malaysia	100	100	Dormant
<b>Subsidiaries of ASB</b>				
Apex Nominees (Tempatan) Sdn. Bhd.	Malaysia	100	100	Provision of nominee services
Apex Nominees (Asing) Sdn. Bhd.	Malaysia	100	100	Provision of nominee services

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

## SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

The significant event during the financial year is disclosed in Note 36 to the financial statements.

## SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

The significant events occurring after the reporting period are disclosed in Note 37 to the financial statements.

## AUDITORS

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

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

	<b>The Group</b>	<b>The Company</b>
	RM'000	RM'000
Audit fee	203	50
Non-audit fee	7	7
	210	57

Signed in accordance with a resolution of the directors dated 30 April 2024.

**Dato' Zakaria Bin Arshad**

**Norzilah Binti Mohammed**

## **STATEMENT BY DIRECTORS**

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

We, Dato' Zakaria Bin Arshad and Norzilah Binti Mohammed, being two of the directors of Apex Equity Holdings Berhad, state that, in the opinion of the directors, the financial statements set out on pages 75 to 126 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2023 and of their financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the directors dated 30 April 2024.

**Dato' Zakaria Bin Arshad**

**Norzilah Binti Mohammed**

## **STATUTORY DECLARATION**

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

I, Tan Cheng Han, MIA Membership Number: 11280, being the officer primarily responsible for the financial management of Apex Equity Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 75 to 126 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned  
Tan Cheng Han, NRIC Number: 680702-10-5897  
at Petaling Jaya  
in the State of Selangor  
on this 30 April 2024

**Tan Cheng Han**

Before me



# **INDEPENDENT AUDITORS' REPORT**

## **TO THE MEMBERS OF APEX EQUITY HOLDINGS BERHAD**

(Incorporated in Malaysia)  
Registration No: 199001016563 (208232-A)

### **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

#### **Qualified Opinion**

We have audited the financial statements of Apex Equity Holdings Berhad, which comprise the statements of financial position as at 31 December 2023 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 75 to 126.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

#### **Basis for Qualified Opinion**

Included in Note 10 Receivables to the financial statements is an amount owing by a loan receivable amounting to RM23,800,000. Based on the directors' assessment of the recoverability of this loan receivable, the directors are of the opinion that the loan receivable is recoverable and accordingly no impairment loss has been made in the financial statements. However, there are changes in circumstances subsequent to the reporting period that caused a significant deterioration in the credit quality of this loan receivable. We are unable to obtain sufficient appropriate audit evidence to support the recoverability of this loan receivable. Had an adjustment for impairment of this loan receivable been made, the carrying amount of Receivables would have been decreased by the same amount for the Group. Similarly, profit after taxation for the financial year and retained profits of the Group would have decreased by the same amount.

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

#### *Independence and Other Ethical Responsibilities*

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

#### **Key Audit Matters**

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

In addition to the matter described in the *Basis for Qualified Opinion* section, we have determined that matters described below to be the key audit matters to be communicated in our report.

## Independent Auditors' Report (Cont'd)

### Key Audit Matters (Cont'd)

#### Impairment of Receivables

Refer to Note 4.1(e) and Note 10 to the financial statements

##### Key Audit Matter

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

##### How our audit addressed the key audit matter

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

##### Trade receivables (excluding loan receivables)

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

##### Loan receivables

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

#### Revenue Recognition

Refer to Note 23 to the financial statements

##### Key Audit Matter

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

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

- Brokerage income; and
- Interest income.

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

##### How our audit addressed the key audit matter

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

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

### Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. Other than the matter described in the *Basis for Qualified Opinion* section, we have nothing to report in this regard.

### Responsibilities of the Directors for the Financial Statements

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

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

### Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

## Independent Auditors' Report (Cont'd)

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

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

### OTHER MATTER

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

**Crowe Malaysia PLT**  
201906000005 (LLP0018817-LCA) & AF 1018  
Chartered Accountants

Kuala Lumpur

30 April 2024

**Choong Kok Keong**  
03461/11/2025 J  
Chartered Accountant



# STATEMENTS OF FINANCIAL POSITION

## AS AT 31 DECEMBER 2023

		The Group		The Company	
		2023	2022	2023	2022
	Note	RM'000	RM'000	RM'000	RM'000
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
Investments in subsidiaries	5	-	-	203,001	205,991
Property, plant and equipment	6	3,359	12,487	465	108
Investment properties	7	26,984	27,004	-	-
Right-of-use assets	8	2,290	173	1,000	-
Other assets	9	4,794	4,412	-	-
Receivables	10	15,000	56,883	-	-
Net investment in a lease	11	-	-	619	-
Deferred tax assets	12	1,508	2,000	-	-
		<b>53,935</b>	<b>102,959</b>	<b>205,085</b>	<b>206,099</b>
<b>CURRENT ASSETS</b>					
Marketable securities held for trading	13	4,817	4,315	-	-
Receivables	10	257,174	145,914	514	144
Net investment in a lease	11	-	-	400	-
Amount owing by subsidiaries	14	-	-	10,543	2,775
Current tax assets		238	344	65	79
Cash and short-term funds	15	47,023	104,020	107	8,919
		309,252	254,593	11,629	11,917
Non-current assets held for sale	16	10,825	-	-	-
		<b>320,077</b>	<b>254,593</b>	<b>11,629</b>	<b>11,917</b>
<b>TOTAL ASSETS</b>		<b>374,012</b>	<b>357,552</b>	<b>216,714</b>	<b>218,016</b>
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
Share capital	17	221,940	221,940	221,940	221,940
Treasury shares	18	(7,459)	(7,459)	(7,459)	(7,459)
Reserves	19	114,232	106,698	(510)	241
<b>TOTAL EQUITY</b>		<b>328,713</b>	<b>321,179</b>	<b>213,971</b>	<b>214,722</b>
<b>NON-CURRENT LIABILITY</b>					
Lease liabilities	20	1,398	8	1,303	-
<b>CURRENT LIABILITIES</b>					
Payables	21	38,530	31,169	709	846
Amount owing to a subsidiary	14	-	-	-	2,448
Lease liabilities	20	934	189	731	-
Bank overdraft	22	4,005	5,007	-	-
Current tax liabilities		432	-	-	-
		<b>43,901</b>	<b>36,365</b>	<b>1,440</b>	<b>3,294</b>
<b>TOTAL LIABILITIES</b>		<b>45,299</b>	<b>36,373</b>	<b>2,743</b>	<b>3,294</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>374,012</b>	<b>357,552</b>	<b>216,714</b>	<b>218,016</b>

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

# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	The Group		The Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
REVENUE	23	45,623	35,942	8,242	7,836
DIRECT OPERATING COSTS	24	(10,010)	(9,261)	-	-
GROSS PROFIT		35,613	26,681	8,242	7,836
OTHER INCOME		2,058	1,858	20	35
NET (IMPAIRMENT LOSS)/ REVERSAL OF IMPAIRMENT LOSS ON FINANCIAL ASSETS	25	(3)	489	-	-
ADMINISTRATIVE AND OTHER EXPENSES		(26,810)	(22,193)	(8,869)	(6,898)
PROFIT/(LOSS) FROM OPERATIONS		10,858	6,835	(607)	973
FINANCE COSTS		(123)	(45)	(176)	(251)
PROFIT/(LOSS) BEFORE TAXATION	26	10,735	6,790	(783)	722
INCOME TAX EXPENSE	27	(3,417)	(384)	32	(21)
PROFIT/(LOSS) AFTER TAXATION		7,318	6,406	(751)	701
OTHER COMPREHENSIVE INCOME <u>Item that Will Not be Reclassified</u> <u>Subsequently to Profit or Loss</u> Fair value changes of equity investments	9	216	276	-	-
TOTAL COMPREHENSIVE INCOME/ (EXPENSES) FOR THE FINANCIAL YEAR		7,534	6,682	(751)	701
<b>PROFIT/(LOSS) AFTER TAXATION</b> <b>ATTRIBUTABLE TO:-</b> Owners of the Company		7,318	6,406	(751)	701
<b>TOTAL COMPREHENSIVE INCOME/ (EXPENSES) ATTRIBUTABLE TO:-</b> Owners of the Company		7,534	6,682	(751)	701
EARNINGS PER SHARE (SEN):	28				
- basic		3.61	3.16		
- diluted		3.61	3.16		

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

## STATEMENTS OF CHANGES IN EQUITY

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

The Group	Note	Non-Distributable		Distributable		Total Equity
		Share Capital	Fair Value Reserve	Treasury Shares	Retained Profits	
		RM'000	RM'000	RM'000	RM'000	RM'000
<b>Balance at 1.1.2022</b>		<b>221,940</b>	<b>2,131</b>	<b>(7,459)</b>	<b>118,149</b>	<b>334,761</b>
Profit after taxation for the financial year		-	-	-	6,406	6,406
Other comprehensive income for the financial year:						
- Fair value changes of equity investments	9	-	276	-	-	276
Total comprehensive income for the financial year		-	276	-	6,406	6,682
Distribution to owners of the Company:						
- Dividends	29	-	-	-	(20,264)	(20,264)
<b>Balance at 31.12.2022/1.1.2023</b>		<b>221,940</b>	<b>2,407</b>	<b>(7,459)</b>	<b>104,291</b>	<b>321,179</b>
Profit after taxation for the financial year		-	-	-	7,318	7,318
Other comprehensive income for the financial year:						
- Fair value changes of equity investments	9	-	216	-	-	216
Total comprehensive income for the financial year		-	216	-	7,318	7,534
<b>Balance at 31.12.2023</b>		<b>221,940</b>	<b>2,623</b>	<b>(7,459)</b>	<b>111,609</b>	<b>328,713</b>

The Company	Note	Distributable			Total Equity
		Share Capital	Treasury Shares	Retained Profits/ (Accumulated Loss)	
		RM'000	RM'000	RM'000	RM'000
<b>Balance at 1.1.2022</b>		<b>221,940</b>	<b>(7,459)</b>	<b>19,804</b>	<b>234,285</b>
Profit after taxation/Total comprehensive income for the financial year		-	-	701	701
Distribution to owners of the Company:					
- Dividends	29	-	-	(20,264)	(20,264)
<b>Balance at 31.12.2022/1.1.2023</b>		<b>221,940</b>	<b>(7,459)</b>	<b>241</b>	<b>214,722</b>
Loss after taxation/Total comprehensive expenses for the financial year		-	-	(751)	(751)
<b>Balance at 31.12.2023</b>		<b>221,940</b>	<b>(7,459)</b>	<b>(510)</b>	<b>213,971</b>

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

# STATEMENTS OF CASH FLOWS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	The Group		The Company	
		2023	2022	2023	2022
		RM'000	RM'000	RM'000	RM'000
<b>CASH FLOWS FOR OPERATING ACTIVITIES</b>					
Profit/(Loss) before taxation		10,735	6,790	(783)	722
<b>Adjustments for:-</b>					
Depreciation of:					
- property, plant and equipment		932	655	101	13
- investment properties		20	7	-	-
- right-of-use assets		723	337	209	-
Interest expense		123	45	176	251
Net impairment loss/(reversal of impairment loss) on financial assets		3	(489)	-	-
Written off of:					
- property, plant and equipment		268	-	268	-
- investment properties		-	82	-	-
- right-of-use assets		-	108	-	-
Dividend income		(107)	(108)	(5,000)	(4,700)
Fair value (gain)/loss on marketable securities		(10)	11	-	-
Gain on disposal of an associate		-	(280)	-	-
Gain on disposal of property, plant and equipment		(2)	(53)	-	-
Interest income		(2,507)	(3,587)	(602)	(485)
Operating profit/(loss) before working capital changes		10,178	3,518	(5,631)	(4,199)
Changes in clearing fund		(166)	(91)	-	-
Changes in marketable securities held for trading		(492)	(2,084)	-	-
Changes in receivables		(69,380)	(66,241)	(370)	(78)
Changes in payables		7,361	(11,347)	(137)	806
<b>CASH FOR OPERATIONS</b>		<b>(52,499)</b>	<b>(76,245)</b>	<b>(6,138)</b>	<b>(3,471)</b>
Dividend received		107	108	3,000	3,500
Interest received		2,507	3,587	18	35
Interest paid		(19)	(13)	-	-
Income tax paid		(2,433)	(3,341)	-	(70)
Income tax refunded		46	-	46	-
<b>NET CASH FOR OPERATING ACTIVITIES</b>		<b>(52,291)</b>	<b>(75,904)</b>	<b>(3,074)</b>	<b>(6)</b>

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



## Statements Of Cash Flows (Cont'd)

	Note	The Group		The Company	
		2023	2022	2023	2022
		RM'000	RM'000	RM'000	RM'000
<b>CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES</b>					
Additional investment in an existing subsidiary	5(i)	-	-	(10)	-
Interest received from a subsidiary		-	-	-	450
Net (advances to)/repayment from subsidiaries		-	-	(5,432)	8,651
Purchase of property, plant and equipment		(2,897)	(1,173)	(726)	(121)
Proceeds from redeemable non-cumulative convertible preference shares	5(ii)	-	-	-	20,000
Proceeds from disposal of an associate	16(ii)	-	5,184	-	-
Proceeds from disposal of property, plant and equipment		2	53	-	-
Receipts from net investment in a lease		-	-	221	-
Withdrawal of fixed deposits with tenure more than 3 months		-	214	-	-
<b>NET CASH (FOR)/FROM INVESTING ACTIVITIES</b>		<b>(2,895)</b>	<b>4,278</b>	<b>(5,947)</b>	<b>28,980</b>
<b>CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES</b>					
Dividends paid		-	(20,264)	-	(20,264)
Interest paid on:					
- advances from a subsidiary	30(b)	-	-	(139)	-
- lease liabilities	30(b)	(104)	(32)	(37)	-
Net advances from a subsidiary	30(b)	-	-	800	100
Repayment of lease liabilities	30(b)	(705)	(362)	(415)	-
<b>NET CASH (FOR)/FROM FINANCING ACTIVITIES</b>		<b>(809)</b>	<b>(20,658)</b>	<b>209</b>	<b>(20,164)</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(55,995)</b>	<b>(92,284)</b>	<b>(8,812)</b>	<b>8,810</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>		<b>99,013</b>	<b>191,297</b>	<b>8,919</b>	<b>109</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR</b>	30(d)	<b>43,018</b>	<b>99,013</b>	<b>107</b>	<b>8,919</b>

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

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 1 GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The registered office, which is also the principal place of business, is located at Level 5, Menara UAC, 12, Jalan PJU 7/5, Mutiara Damansara, 47800 Petaling Jaya, Selangor Darul Ehsan.

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

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 30 April 2024.

### 2 PRINCIPAL ACTIVITIES

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

### 3 BASIS OF PREPARATION

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

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

MFRSs and/or IC Interpretations (Including The Consequential Amendments)
MFRS 17 Insurance Contracts
Amendments to MFRS 17 Insurance Contracts
Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information
Amendments to MFRS 101: Disclosure of Accounting Policies
Amendments to MFRS 108: Definition of Accounting Estimates
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to MFRS 112: International Tax Reform – Pillar Two Model Rules

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the financial statements of the Group and of the Company except as follows:-

The Amendments to MFRS 101 'Disclosure of Accounting Policies' did not result in any changes to the existing accounting policies of the Group and of the Company. However, the amendments require the disclosure of 'material' rather than 'significant' accounting policies and provide guidance on how entities apply the concept of materiality in making decisions about the material accounting policy disclosures. The Group and the Company have made updates to the accounting policies presented in Note 4 to the financial statements in line with the amendments.

### 3 BASIS OF PREPARATION (CONT'D)

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

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025

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

### 4 MATERIAL ACCOUNTING POLICY INFORMATION

#### 4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

##### **Key Sources of Estimation Uncertainty**

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below:-

##### **(a) Depreciation of Property, Plant and Equipment**

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group and the Company anticipate that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of property, plant and equipment as at the reporting date is disclosed in Note 6 to the financial statements.

##### **(b) Impairment of Investments in Subsidiaries**

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

### 4 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

##### *Key Sources of Estimation Uncertainty (Cont'd)*

##### (c) Impairment of Property, Plant and Equipment and Investment Properties

The Group and the Company determine whether an item of its property, plant and equipment and investment properties is impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. The carrying amounts of property, plant and equipment and investment properties as at the reporting date are disclosed in Notes 6 and 7 to the financial statements.

##### (d) Fair Value Estimates for Unquoted Financial Assets

The Group carries certain financial assets that are not traded in an active market at fair value. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. The amount of fair value changes would differ if the Group uses different valuation methodologies and assumptions, and eventually affect profit and/or other comprehensive income. The carrying amount of this financial asset as at the reporting date is disclosed in Note 9 to the financial statements.

##### (e) Impairment of Trade Receivables

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

For loan receivables, the Group uses the three-stage general approach which reflects the change in credit quality of the financial instruments since initial recognition.

The carrying amounts of trade receivables as at the reporting date are disclosed in Note 10 to the financial statements.

##### (f) Impairment of Non-Trade Receivables

The loss allowances for non-trade financial assets are based on assumptions about risk of default (probability of default) and expected loss if a default happens (loss given default). It also requires the Group to assess whether there is a significant increase in credit risk of the non-trade financial asset at the reporting date. The Group uses judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions and forward-looking information. The carrying amounts of other receivables and amount owing by subsidiaries as at the reporting date are disclosed in Note 10 and 14 to the financial statements.

##### (g) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group and the Company recognise tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the period in which such determination is made. The carrying amounts of current tax assets and liabilities of the Group as at the reporting date are RM238,085 (2022 - RM344,003) and RM432,142 (2022 - Nil) respectively. The carrying amount of current tax assets of the Company as at the reporting date is RM64,820 (2022 - RM78,710).



## 4 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

#### *Key Sources of Estimation Uncertainty (Cont'd)*

##### (h) Deferred Tax Assets

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

##### (i) Discount Rates used in Leases

Where the interest rate implicit in the lease cannot be readily determined, the Group and the Company use the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Group and the Company would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group and the Company estimate the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

#### *Critical Judgements Made in Applying Accounting Policies*

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

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

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

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

##### (b) Lease Terms

Some leases contain extension options exercisable by the Group and the Company before the end of the non-cancellable contract period. In determining the lease term, management considers all facts and circumstances including the past practice and any cost that will be incurred to change the asset if an option to extend is not taken. An extension option is only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

##### (c) Contingent Liabilities

The recognition and measurement for contingent liabilities are based on management's view of the expected outcome on contingencies after consulting legal counsel for litigation cases and experts, for matters in the ordinary course of business. Furthermore, management is of the view that the chances of the financial institutions to call upon the corporate guarantees issued by the Company are remote.

### 4 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 4.2 FINANCIAL INSTRUMENTS

##### (a) Financial Assets

###### Financial Assets Through Profit or Loss ("FVPL")

The financial assets are initially measured at fair value. Subsequent to the initial recognition, the financial assets are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss. The fair value changes do not include interest and dividend income.

###### Financial Assets at Amortised Cost

The financial assets are initially measured at fair value plus transaction costs except for trade receivables without significant financing component which are measured at transaction price only. Subsequent to the initial recognition, all financial assets are measured at amortised cost less any impairment losses.

###### Financial Assets Through Other Comprehensive Income ("FVOCI")

The Group has elected to designate the equity instruments as financial assets through other comprehensive income at initial recognition.

The financial assets are initially measured at fair value plus transaction costs. Subsequent to the initial recognition, the financial assets are remeasured to their fair values at the reporting date with fair value changes taken up in other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference of a debt instrument which are recognised directly in profit or loss. The fair value changes do not include interest and dividend income.

##### (b) Financial Liabilities

###### Financial Liabilities at Amortised Cost

The financial liabilities are initially measured at fair value less transaction costs. Subsequent to the initial recognition, the financial liabilities are measured at amortised cost.

##### (c) Equity

###### Ordinary Shares

Ordinary shares are recorded on initial recognition at the proceeds received less directly attributable transaction costs incurred. The ordinary shares are not remeasured subsequently.

###### Treasury Shares

Treasury shares are recorded on initial recognition at the consideration paid less directly attributable transaction costs incurred. The treasury shares are not remeasured subsequently.

No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the treasury shares. If such shares are issued by resale, any difference between the sales consideration received and the carrying amount of the treasury shares is recognised in equity. Where treasury shares are cancelled, their carrying amounts are shown as a movement in retained profits.

##### (d) Financial Guarantee Contracts

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

## 4 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 4.3 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are stated in the separate financial statements of the Company at cost less impairment losses, if any.

### 4.4 PROPERTY, PLANT AND EQUIPMENT

All items of property, plant and equipment are initially measured at cost.

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

Freehold land is not depreciated. Depreciation on other property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over the estimated useful lives. The principal annual depreciation rates are:-

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

### 4.5 INVESTMENT PROPERTIES

Investment properties are initially measured at cost. Subsequent to the initial recognition, the investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land is not depreciated. Depreciation on other investment properties is calculated using the straight-line method to allocate the depreciable amounts over the estimated useful lives. The principal annual depreciation periods and rates are:-

Leasehold land	Over the remaining lease period
Apartment unit	2%

### 4.6 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

#### (a) Short-term Leases and Leases of Low-value Assets

The Group and the Company apply the "short-term lease" and "lease of low-value assets" recognition exemption. For these leases, the Group and the Company recognise the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more appropriate.

#### (b) Right-of-use Assets

Right-of-use assets are initially measured at cost. Subsequent to the initial recognition, the right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities.

The right-of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the estimated useful lives of the right-of-use assets or the end of the lease term.

## Notes To The Financial Statements (Cont'd)

### 4 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 4.6 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

##### (c) Lease Liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the entities' incremental borrowing rate. Subsequent to the initial recognition, the lease liabilities are measured at amortised cost and adjusted for any lease reassessment or modifications.

#### 4.7 TRUST ACTIVITIES

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

### 5 INVESTMENTS IN SUBSIDIARIES

	Note	The Company	
		2023	2022
		RM'000	RM'000
<b>Unquoted shares, at cost:</b>			
- Ordinary Shares	(i)	140,001	139,991*
- Redeemable Non-Cumulative Convertible Preference Shares ("RNCCPS")	(ii)	63,000	66,000
		203,001	205,991

\* In the previous financial year, the addition in cost of investment in Apex Equity Management Sdn. Bhd. ("AEM") was not presented as it was less than RM1,000

The details of the subsidiaries are as follows:-

Name of Subsidiary	Principal Place of Business/ Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2023	2022	
		%	%	
<b>Subsidiaries of the Company</b>				
Apex Securities Berhad (“ASB”)	Malaysia	100	100	Stock, share and futures broker, investment advisor and dealer in securities
Apex Development Sdn. Bhd. (“ADSB”)	Malaysia	100	100	Property holding
Apex Equity Capital Sdn. Bhd. (“AEC”)	Malaysia	100	100	Money lending
Apex Equity Digital Sdn. Bhd. (formerly known as Apex Equity Management Sdn. Bhd.) (“AED”)	Malaysia	100	100	Dormant
<b>Subsidiaries of ASB</b>				
Apex Nominees (Tempatan) Sdn. Bhd.	Malaysia	100	100	Provision of nominee services
Apex Nominees (Asing) Sdn. Bhd.	Malaysia	100	100	Provision of nominee services



## 5 INVESTMENTS IN SUBSIDIARIES (CONT'D)

The salient features of RNCCPS are as follows:-

<b>Tenure</b>	The RNCCPS which has a 15 years tenure, were issued for cash by the following subsidiaries: - AEC issued 58 million RNCCPS in September 2014 and RM20 million RNCCPS was redeemed in April 2022, leaving RM38 million RNCCPS to be redeemed; and - ADSB issued 28 million RNCCPS in March 2017 and RM3 million RNCCPS was redeemed in July 2023, leaving RM25 million RNCCPS to be redeemed.
<b>Redemption</b>	The redemption is at the option of the subsidiary and may at any time apply any distributable profits or monies of the subsidiary and/or any amount standing to the credit of the share premium account which may be lawfully applied for the purpose in the redemption of RNCCPS. Any partial redemption shall be at a minimum of RM1 million.
<b>Dividend</b>	The holder of the RNCCPS shall be entitled to payment of non-cumulative dividend, the rate and date of which shall be determined by the Board of Directors of the subsidiary.
<b>Conversion Rights</b>	The RNCCPS is convertible to ordinary shares upon expiry of the 15 <sup>th</sup> year tenure at a conversion price of RM1.00 per share and at the conversion rate of one unconverted RNCCPS for one new ordinary share.

### (i) Ordinary Shares

During the current financial year, the Company subscribed for an additional 9,998 ordinary shares in AED for a cash consideration of RM9,998, representing additional investment into AED by the Company. The equity interest of AED remains unchanged at 100%.

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

### (ii) RNCCPS

During the financial year, ADSB had redeemed 3 million of the RNCCPS at RM1.00 per RNCCPS via set-off against the amount owing to ADSB amounting to RM3 million. Consequent thereon, the total carrying amount of the RNCCPS decreased from RM66 million to RM63 million at the end of the reporting period.

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

## Notes To The Financial Statements (Cont'd)

### 6 PROPERTY, PLANT AND EQUIPMENT

The Group	Freehold land	Building and apartment units	Computer and office equipment	Furniture, fixtures and fittings	Motor vehicles	Plant and machinery	Renovation	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>2023</b>								
<b>At Cost</b>								
At 1 January	1,318	17,076	10,420	5,804	485	1,209	5,549	41,861
Additions	-	-	436	77	1,255	-	1,129	2,897
Disposal	-	-	-	-	(4)	-	-	(4)
Write off	-	-	(3,947)	(28)	(283)	-	-	(4,258)
Reclassified to non-current assets held for sale (Note 16(i))	(1,318)	(16,449)	(26)	(1,411)	-	(1,209)	(109)	(20,522)
At 31 December	-	627	6,883	4,442	1,453	-	6,569	19,974
<b>Accumulated Depreciation</b>								
At 1 January	-	7,117	9,765	5,764	55	1,209	5,464	29,374
Charge for the financial year (Note 26)	-	295	373	18	154	-	92	932
Disposal	-	-	-	-	(4)	-	-	(4)
Write off	-	-	(3,925)	(8)	(57)	-	-	(3,990)
Reclassified to non-current assets held for sale (Note 16(i))	-	(6,942)	(26)	(1,411)	-	(1,209)	(109)	(9,697)
At 31 December	-	470	6,187	4,363	148	-	5,447	16,615
<b>Net carrying amount at 31 December</b>	<b>-</b>	<b>157</b>	<b>696</b>	<b>79</b>	<b>1,305</b>	<b>-</b>	<b>1,122</b>	<b>3,359</b>
<b>2022</b>								
<b>At Cost</b>								
At 1 January	1,318	17,076	9,858	5,776	354	1,209	5,439	41,030
Additions	-	-	562	28	473	-	110	1,173
Disposal	-	-	-	-	(342)	-	-	(342)
At 31 December	1,318	17,076	10,420	5,804	485	1,209	5,549	41,861
<b>Accumulated Depreciation</b>								
At 1 January	-	6,781	9,546	5,750	353	1,209	5,422	29,061
Charge for the financial year (Note 26)	-	336	219	14	44	-	42	655
Disposal	-	-	-	-	(342)	-	-	(342)
At 31 December	-	7,117	9,765	5,764	55	1,209	5,464	29,374
<b>Net carrying amount at 31 December</b>	<b>1,318</b>	<b>9,959</b>	<b>655</b>	<b>40</b>	<b>430</b>	<b>-</b>	<b>85</b>	<b>12,487</b>

**6 PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

<b>The Company</b>	<b>Computer and office equipment</b>	<b>Furniture, fixtures and fittings</b>	<b>Motor vehicle</b>	<b>Renovation</b>	<b>Total</b>
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>2023</b>					
<b>At Cost</b>					
At 1 January	93	28	-	-	121
Additions	155	10	226	335	726
Write off	(29)	(28)	(226)	-	(283)
At 31 December	219	10	-	335	564
<b>Accumulated Depreciation</b>					
At 1 January	10	3	-	-	13
Charge for the financial year (Note 26)	56	7	-	38	101
Write off	(7)	(8)	-	-	(15)
At 31 December	59	2	-	38	99
<b>Net carrying amount at 31 December</b>	<b>160</b>	<b>8</b>	<b>-</b>	<b>297</b>	<b>465</b>
<b>2022</b>					
<b>At Cost</b>					
At 1 January	-	-	-	-	-
Additions	93	28	-	-	121
At 31 December	93	28	-	-	121
<b>Accumulated Depreciation</b>					
At 1 January	-	-	-	-	-
Charge for the financial year (Note 26)	10	3	-	-	13
At 31 December	10	3	-	-	13
<b>Net carrying amount at 31 December</b>	<b>83</b>	<b>25</b>	<b>-</b>	<b>-</b>	<b>108</b>

## Notes To The Financial Statements (Cont'd)

### 6 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

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

	The Group	
	2023	2022
	RM'000	RM'000
Computer and office equipment	5,515	9,439
Furniture, fixtures and fittings	4,205	5,572
Motor vehicles	7	11
Plant and machinery	-	1,209
Renovation	5,483	5,507
	15,210	21,738

### 7 INVESTMENT PROPERTIES

The Group	Freehold land	Leasehold land	Total
	RM'000	RM'000	RM'000
<b>2023</b>			
<b>At Cost</b>			
At 1 January/31 December	22,696	4,332	27,028
<b>Accumulated Depreciation</b>			
At 1 January	-	24	24
Charge for the financial year (Note 26)	-	20	20
At 31 December	-	44	44
Net carrying amount at 31 December	22,696	4,288	26,984
Fair value at 31 December	80,096	4,950	85,046



**7 INVESTMENT PROPERTIES (CONT'D)**

The Group	Freehold land RM'000	Leasehold land RM'000	Apartment unit RM'000	Total RM'000
<b>2022</b>				
<b>At Cost</b>				
At 1 January	22,696	4,332	156	27,184
Write off	-	-	(156)	(156)
At 31 December	22,696	4,332	-	27,028
<b>Accumulated Depreciation</b>				
At 1 January	-	19	72	91
Charge for the financial year (Note 26)	-	5	2	7
Write off	-	-	(74)	(74)
At 31 December	-	24	-	24
Net carrying amount at 31 December	22,696	4,308	-	27,004
Fair value at 31 December	80,096	4,950	-	85,046

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

Freehold land with a carrying value of RM22,695,670 (2022 - RM22,695,670) and the leasehold land are held for currently undetermined future use. Both the freehold and leasehold land are held vacant.

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

The fair value of these properties at the end of the reporting period was determined by reference to valuations carried out by certain registered independent professional valuers in 2022 and 2023.

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

The rental income and direct operating expenses of the Group during the financial year arising from the investment properties are disclosed in Notes 23 and 24 to the financial statements.

## Notes To The Financial Statements (Cont'd)

### 8 RIGHT-OF-USE ASSETS

The Group	At 1.1.2023 RM'000	Additions (Note 30(a)) RM'000	Depreciation Charges (Note 26) RM'000	At 31.12.2023 RM'000
<b>2023</b>				
<i>Carrying Amount</i>				
Motor vehicles	109	-	(109)	-
Office premises	64	2,840	(614)	2,290
	173	2,840	(723)	2,290

	At 1.1.2022 RM'000	Depreciation Charges (Note 26) RM'000	Write Off (Note 26) RM'000	At 31.12.2022 RM'000
<b>2022</b>				
<i>Carrying Amount</i>				
Motor vehicles	355	(246)	-	109
Office premises	154	(90)	-	64
Others	109	(1)	(108)	-
	618	(337)	(108)	173

The Company	At 1.1.2023 RM'000	Addition (Note 30(a)) RM'000	Depreciation Charge (Note 26) RM'000	At 31.12.2023 RM'000
<b>2023</b>				
<i>Carrying Amount</i>				
Office premise	-	1,209	(209)	1,000

The Group and the Company's leasing activities are summarised below:-

- (i) Motor vehicles      The Group has leased motor vehicles under lease arrangements over a tenure of 5 (2022 - 5) years. The Group has no option to purchase the motor vehicles at the expiry of the lease period.
- (ii) Office premises      The Group and the Company have leased some office premises between 2 to 3 (2022 - 2 to 3) years with renewal option included in the agreements. The Company currently sub-lease one of the office premises to a subsidiary (refer to Note 11).

## 9 OTHER ASSETS

	Note	The Group	
		2023 RM'000	2022 RM'000
Unquoted shares in Malaysia, at fair value	9.1	3,285	3,069
Contribution to clearing fund	9.2	1,509	1,343
		4,794	4,412

## 9.1 Unquoted shares

Investment in unquoted shares represents investment in Malaysian Rating Corporation Berhad held by a subsidiary. Upon adoption of MFRS 9, the Group considered this investment as equity instruments and designated it at FVOCI because the Group intends to hold for long-term strategic purposes. During the financial year, the Group recognised a fair value gain of RM215,890 (2022 - RM275,967) for its investment in unquoted shares.

## 9.2 Contribution to clearing fund

The contribution to clearing fund which was made in accordance with the Business Rules of the Bursa Malaysia Derivatives Berhad is placed with Bursa Malaysia Derivatives Clearing Berhad. The clearing fund earns an average effective interest rate of 2.35% (2022 - 1.72%) per annum.

## 10 RECEIVABLES

		The Group		The Company	
		2023	2022	2023	2022
	Note	RM'000	RM'000	RM'000	RM'000
<b>Non-current portion</b>					
<b>Trade balances:-</b>					
Amount owing by loan receivables	(a)	15,000	56,883	-	-
<b>Current portion</b>					
<b>Trade balances:-</b>					
Amount owing by loan receivables	(a)	53,825	-	-	-
Amount owing by brokers	(b)	5,293	9,201	-	-
Gross amount owing by clients	(b)	193,852	134,235	-	-
Less: Allowance for impairment losses	(c)	(2,286)	(2,312)	-	-
		191,566	131,923	-	-
		250,684	141,124	-	-
<b>Non-trade balances:-</b>					
Deposits	(d)	4,056	4,148	313	8
Other receivables		423	236	-	-
Prepayments	(e)	2,011	406	201	136
		257,174	145,914	514	144

## Notes To The Financial Statements (Cont'd)

### 10 RECEIVABLES (CONT'D)

#### (a) Amount Owing by Loan Receivables

The amount owing by loan receivables of the Group bear an effective interest rate ranging between 8% to 12% (2022 - 8% to 12%) per annum at the end of the reporting period and are secured by properties units and securities agreement.

Arising from the event disclosed in Note 37(ii) on a loan receivable amounting to RM23,800,000, the Group has concluded that the event stated therein, irrespective of its current state, is a non-adjusting event as defined by MFRS 110 Events After the Reporting Period that does not affect the recoverability assessment made for the financial year end. Accordingly, no impairment has been made on this loan receivable.

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

	The Group	
	2023 RM'000	2022 RM'000
Total gross loan receivables	73,189	62,540
Less: Unamortised interest (Note (i))	(4,364)	(5,657)
Total net loan receivables	68,825	56,883

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

	The Group	
	2023 RM'000	2022 RM'000
At 1 January	(5,657)	-
Additions	(2,520)	(14,074)
Early settlement	-	2,480
Recognised to profit or loss	6,877	2,873
Transfer (from)/to deferred income (Note 21(a))	(3,064)	3,064
At 31 December	(4,364)	(5,657)

#### (b) Gross Amount Owing by Brokers and Clients

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

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

The normal credit term for the amount owing by brokers and non-margin clients is transaction day plus 2 trading days ("T+2") (2022 - T+2) in accordance with the Fixed Delivery and Settlement System trading rules of Bursa Malaysia Securities Berhad ("BMSB"). A contra interest at a flat rate of 10.75% (2022 - 10.5%) per annum is charged on outstanding amounts owing by non-margin clients after T+2 (2022 - T+2). However, clients may opt for discretionary financing which is permitted by BMSB for an extended settlement period of T+7 (2022 - T+7) at an interest rate of 8.25% (2022 - 8%) per annum. Gross amount owing by clients under this extended settlement period at the end of the reporting period amounting to RM2,206,433 (2022 - RM532,680).



**10 RECEIVABLES (CONT'D)****(c) Movements of Impairment Losses on Amount Owing by Clients**

	<b>The Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
At 1 January	(2,312)	(2,801)
Addition during the financial year (Note 25)	(11)	(514)
Reversal during the financial year (Note 25)	8	1,003
Written off during the financial year	29	-
At 31 December	(2,286)	(2,312)

**(d) Deposits**

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

- (i) A clearing guarantee fund deposit of RM313,983 (2022 - RM305,235) which earns effective interest rates ranging from 2.63% to 3.06% (2022 - 1.27% to 2.02%) per annum, and has a maturity period of less than three (2022 - three) months.
- (ii) An equity margin deposit of RM2,199,497 (2022 - RM2,555,827) which earns an average effective interest rate of 2.60% (2022 - 1.54% ) per annum.

**(e) Prepayments**

Included in prepayments of the Group at the end of the reporting period is an amount of RM1,650,000 (2022 - Nil) being partial payment for real property gain tax remitted to Inland Revenue Board pursuant to the disposal of properties as disclosed in Note 16(i) to the financial statements.

**11 NET INVESTMENT IN A LEASE**

	<b>The Company</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
At 1 January	-	-
Addition (Note 30(a))	1,240	-
Interest income	48	-
Lease payment	(269)	-
At 31 December	1,019	-

## Notes To The Financial Statements (Cont'd)

### 11 NET INVESTMENT IN A LEASE (CONT'D)

The Company leased an office premise to a subsidiary for a period of 3 years as disclosed in Note 8 to the financial statements. The interest income has been set-off with the interest expense to be presented as net interest expense on lease liabilities as it relates to the same right-of-use asset.

The lease payments to be received are as follows:-

	The Company	
	2023	2022
	RM'000	RM'000
Less than one year	400	-
More than one but less than three years	619	-
	1,019	-
Analysed by:-		
Current assets	400	-
Non-current assets	619	-
	1,019	-

### 12 DEFERRED TAX ASSETS

	The Group	
	2023	2022
	RM'000	RM'000
At 1 January	2,000	-
Recognised in profit or loss (Note 27)	(492)	2,000
At 31 December	1,508	2,000

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

### 13 MARKETABLE SECURITIES HELD FOR TRADING

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

**14 AMOUNT OWING BY/(TO) SUBSIDIARIES**

The amount owing represents unsecured advances, which bore an effective interest rate of 8.18% (2022 - 7.18%) per annum, predetermined in accordance with existing transfer pricing policies with reference to weighted average of Base Lending Rate to selected financial institutions. The amount owing is repayable on demand and is to be settled in cash.

**15 CASH AND SHORT-TERM FUNDS****15.1 ACCOUNTS OF THE GROUP AND OF THE COMPANY**

	<b>The Group</b>		<b>The Company</b>	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances	36,242	41,917	107	5,406
Money at call and deposit placements maturing within one month	10,781	62,103	-	3,513
	47,023	104,020	107	8,919

The money at call and deposit placements of the Group at the end of the reporting period earn effective interest rates ranging from 2.05% to 2.65% (2022 - 1.70% to 2.70%) per annum, and has a maturity period of 30 (2022 - 4 to 35) days.

In the previous financial year, the money at call and deposit placements of the Company earn an effective interest rate of 1.70% per annum, and had a maturity period of 7 days.

Included in the cash and short-term funds of the Group at the end of the reporting period are accounts held in trust for remisiers amounting to RM9,635,966 (2022 - RM7,296,509). The amounts held in trust are withheld to enable the Group to grant and monitor the trading limit to the remisiers' customers, refer to Note 10(b) to the financial statements.

**15.2 ACCOUNTS HELD IN TRUST**

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

	<b>The Group</b>	
	2023	2022
	RM'000	RM'000
Cash and bank balances	110,408	55,102
Money at call and deposit placements maturing within one month	3,694	90,869
Clearing house and brokers	1,877	2,078
	115,979	148,049

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

## Notes To The Financial Statements (Cont'd)

### 16 NON-CURRENT ASSETS HELD FOR SALE

- (i) On 15 November 2023, a wholly-owned subsidiary of the Company, ADSB, entered into a Sale and Purchase Agreement ("SPA") with a third party to dispose a freehold land together with one (1) eleven (11) storey commercial building known as "Menara Apex" for a sale consideration of RM55 million as disclosed in Note 36 to the financial statements.

At the end of the current reporting period, the assets have been presented in the statements of financial position as "Non-current assets held for sale", measured at its carrying value before it was reclassified as held for sale. The disposal is expected to be completed within the next 12 months.

The assets classified as held for sale are as follows:-

The Group	Property, plant and equipment (Note 6) RM'000
<b>2023</b>	
Cost	20,522
Accumulated depreciation	(9,697)
Net carrying amount at 31 December	10,825

- (ii) In the previous financial year, the Group's disposal exercise of a former associate, Astute Fund Management Berhad for a cash consideration of RM5,183,864 was completed and the gain on disposal of RM279,534 was recognised in the statements of profit or loss and other comprehensive income.

### 17 SHARE CAPITAL

	The Group/The Company			
	2023	2022	2023	2022
	Number of Shares ('000)		RM'000	RM'000
<b>Issued and Fully Paid-Up</b>				
Ordinary Shares				
At 1 January/31 December	213,563	213,563	221,940	221,940

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



**18 TREASURY SHARES**

	The Group/The Company			
	2023 Number of Shares ('000)	2022 Number of Shares ('000)	2023 RM'000	2022 RM'000
At 1 January/31 December	10,923	10,923	7,459	7,459

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

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

**19 RESERVES**

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Retained profits/ (Accumulated loss)	111,609	104,291	(510)	241
Fair value reserve	2,623	2,407	-	-
	114,232	106,698	(510)	241

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

**20 LEASE LIABILITIES**

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
At 1 January	197	559	-	-
Additions (Notes 8 and 30(a))	2,840	-	2,449	-
Interest expense recognised in profit or loss (Note 26)	104	32	37	-
Repayment of principal	(705)	(362)	(415)	-
Repayment of interest expense	(104)	(32)	(37)	-
At 31 December	2,332	197	2,034	-
Analysed by:-				
Current liabilities	934	189	731	-
Non-current liability	1,398	8	1,303	-
	2,332	197	2,034	-

## Notes To The Financial Statements (Cont'd)

### 21 PAYABLES

		The Group		The Company	
		2023	2022	2023	2022
	Note	RM'000	RM'000	RM'000	RM'000
<b>Trade balances:-</b>					
Deferred income	(a)	-	3,064	-	-
Amount owing to clients	(b)	4,081	9,994	-	-
Amount owing to brokers	(b)	16,460	6,012	-	-
		20,541	19,070	-	-
<b>Non-trade balances:-</b>					
Deposits	(c)	11,055	7,109	163	-
Other payables		3,422	2,445	21	53
Accruals		3,512	2,545	525	793
		17,989	12,099	709	846
		38,530	31,169	709	846

(a) In the previous financial year, this represents the interest income received in advance from loan receivables of the Group, refer to Note 10(a)(i) to the financial statements.

(b) The amount owing to clients and brokers are non-interest bearing and are from the normal business transactions of a subsidiary.

The normal credit terms granted are within T+2 (2022 - T+2).

(c) Included in deposits of the Group at the end of the reporting period are remisiers' security deposits amounting to RM9,156,515 (2022 - RM7,030,080). These deposits are withheld to enable the Group to monitor the trading limit granted to the remisiers' customers. Interest on the security deposits is payable at floating rates at 2.05% to 2.30% (2022 - 2.25% to 2.35%) per annum earned from placements made by the Group with licensed financial institutions. Repayment of the security deposits and the floating rate interest payable on these deposits are subject to the terms in the remisiers' agreements.

Also included in deposits of the Group at the end of the reporting period is an amount of RM1,650,000 (2022 - Nil) being 3% earnest deposit of the sale consideration received from the purchaser upon signing of the SPA pursuant to the disposal of properties as disclosed in Note 16(i) to the financial statements.

### 22 BANK OVERDRAFT

The bank overdraft facility granted to a subsidiary at the end of the reporting period bore floating interest rate of 8.39% (2022 - 8.14%) per annum and is secured by a corporate guarantee of the Company.

**23 REVENUE**

	<b>The Group</b>		<b>The Company</b>	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
<b>Revenue from Contract with Customers</b>				
<u>Recognised at a point in time</u>				
Brokerage income	19,125	17,717	-	-
Fees and commission	2,677	2,281	-	-
	21,802	19,998	-	-
<u>Recognised over time</u>				
Interest income	23,565	15,649	584	450
Rental income from properties	256	295	-	-
Management fee	-	-	2,658	2,686
	23,821	15,944	3,242	3,136
	45,623	35,942	3,242	3,136
<b>Revenue from Other Sources</b>				
Dividend income	-	-	5,000	4,700
	45,623	35,942	8,242	7,836

The revenue is derived entirely in Malaysia.

**(a) Brokerage Income**

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

**(b) Fees and Commission**

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

**(c) Interest Income**

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

**(d) Rental Income from Properties**

Rental income earned from properties is recognised on a straight-line-basis over the lease term. Lease incentives granted to tenants are recognised as reduction of rental income over the lease term on a straight-line basis.

**(e) Management Fee**

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

**(f) Dividend Income**

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

## Notes To The Financial Statements (Cont'd)

### 24 DIRECT OPERATING COSTS

	The Group	
	2023	2022
	RM'000	RM'000
Commission of remisiers, dealers and brokers	9,436	8,705
Direct operating expenses of properties	574	556
	10,010	9,261

### 25 NET (IMPAIRMENT LOSS)/REVERSAL OF IMPAIRMENT LOSS ON FINANCIAL ASSETS

	The Group	
	2023	2022
	RM'000	RM'000
(Impairment loss)/Reversal of impairment loss on amount owing by clients (Note 10(c)):		
- addition during the financial year	(11)	(514)
- reversal during the financial year	8	1,003
	(3)	489

### 26 PROFIT/(LOSS) BEFORE TAXATION

	The Group		The Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
<b>Profit/(Loss) before taxation is arrived at after charging/(crediting):-</b>				
Auditors' remuneration:				
- audit fee:				
- current year	203	173	50	46
- underprovision in the previous financial year	-	5	-	5
- non-audit fee	7	7	7	7
Directors' remuneration (Note 31(a))	3,486	2,989	2,684	1,869
<b>Material Expenses/(Income)</b>				
Depreciation of:				
- property, plant and equipment	932	655	101	13
- investment properties	20	7	-	-
- right-of-use assets	723	337	209	-
Interest expense on financial liabilities measured at amortised cost:				
- amount owing to a subsidiary	-	-	139	251
- bank overdraft	19	13	-	-
- lease liabilities	104	32	37	-
Legal fees	314	1,406	158	765
Short-term lease expenses	1,699	1,916	7	195

**26 PROFIT/(LOSS) BEFORE TAXATION (CONT'D)**

	The Group		The Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
<b>Profit/(Loss) before taxation is arrived at after charging/(crediting) (Cont'd):-</b>				
<b>Material Expenses/(Income) (Cont'd)</b>				
Staff costs (including other key management personnel as disclosed in Note 31(b)):				
- short-term employee benefits	11,649	7,704	3,505	2,046
- defined contribution plan	1,119	883	429	220
- others	825	304	146	61
Written off of:				
- property, plant and equipment	268	-	268	-
- investment properties	-	82	-	-
- right-of-use assets	-	108	-	-
Dividend income from:				
- subsidiaries (Note 23)	-	-	(5,000)	(4,700)
- unquoted equity investments	(98)	(98)	-	-
- quoted equity investments	(9)	(10)	-	-
Fair value (gain)/loss on marketable securities	(10)	11	-	-
Gain on disposal of an associate	-	(280)	-	-
Interest income on financial assets measured at amortised cost:				
- amount owing by subsidiaries	-	-	(584)	(450)
- fixed and time deposits	(2,507)	(3,587)	(18)	(35)



## Notes To The Financial Statements (Cont'd)

### 27 INCOME TAX EXPENSE

	The Group		The Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Current tax expense:				
- for the financial year	2,908	2,378	-	-
- under/(over)provision in the previous financial year	17	6	(32)	21
	2,925	2,384	(32)	21
Deferred tax (Note 12):				
- recognition of previously unrecognised tax losses	-	(2,000)	-	-
- reversal of temporary differences	492	-	-	-
	3,417	384	(32)	21

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

	The Group		The Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) before taxation	10,735	6,790	(783)	722
Tax at the statutory tax rate of 24% (2022 - 24%)	2,576	1,630	(188)	173
Tax effects of:-				
Non-deductible expenses	692	970	240	471
Non-taxable income	(26)	(102)	(1,200)	(1,128)
Utilisation of deferred tax assets previously not recognised	(1,000)	(606)	-	-
Deferred tax assets not recognised during the financial year	1,158	486	1,148	484
Deferred tax assets recognised in respect of previously unrecognised tax losses	-	(2,000)	-	-
Under/(Over)provision of current tax in the previous financial year	17	6	(32)	21
	3,417	384	(32)	21

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2022 - 24%) of the estimated assessable profit for the financial year.

**27 INCOME TAX EXPENSE (CONT'D)**

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

	<b>The Group</b>		<b>The Company</b>	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Allowance for impairment losses on receivables	2,286	2,312	-	-
Provisional expenses	-	394	-	-
Unabsorbed capital allowances	835	432	113	53
Unused tax losses:				
- Expiring within 5 years	51,331	-	-	-
- Expiring within 6 to 10 years	6,499	57,323	6,482	1,817
Others	-	-	15	-
	60,951	60,461	6,610	1,870
Accelerated capital allowances over depreciation	(324)	(491)	-	(43)
	60,627	59,970	6,610	1,827

Certain comparative figures have been restated to reflect the revised tax losses and capital allowances carry-forward available to the Group and the Company.

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

**28 EARNINGS PER SHARE**

The basic earnings per share has been calculated based on the consolidated profit after taxation of RM7.318 million (2022 - RM6.406 million) attributable to owners of the Company and on 202.640 million (2022 - 202.640 million) ordinary shares in issue during the financial year after deducting treasury shares which is calculated as follows:-

	<b>The Group</b>	
	2023	2022
	'000	'000
Number of ordinary shares in issue at 31 December	213,563	213,563
Less:-		
Number of treasury shares held at 31 December (Note 18)	(10,923)	(10,923)
	202,640	202,640
Basic earnings per share (sen)	3.61	3.16

**Diluted earnings per share**

The diluted earnings per share is equal to the basic earnings per share because there were no potential ordinary shares at end of the reporting period.

## Notes To The Financial Statements (Cont'd)

### 29 DIVIDENDS

	The Company	
	2023	2022
	RM'000	RM'000
Fourth interim dividend of 1 sen per ordinary share in respect of the previous financial year	-	2,026
Special dividend of 9 sen per ordinary share in respect of the previous financial year	-	18,238
	-	20,264

### 30 CASH FLOW INFORMATION

(a) The addition of right-of-use assets is as follows:-

	The Group		The Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Cost of right-of-use assets acquired (Note 8)	2,840	-	1,209	-
Net investment in a lease (Note 11)	-	-	1,240	-
	2,840	-	2,449	-
Less: Additions of new lease liabilities (Note 30(b))	(2,840)	-	(2,449)	-
	-	-	-	-

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

	The Group		The Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
<b>Lease Liabilities</b>				
At 1 January	197	559	-	-
<b>Changes in Financing Cash Flows</b>				
Repayment of principal	(705)	(362)	(415)	-
Repayment of interest	(104)	(32)	(37)	-
	(809)	(394)	(452)	-
<b>Other Changes</b>				
Acquisition of new leases (Notes 20 and 30(a))	2,840	-	2,449	-
Interest expense recognised in profit or loss (Note 26)	104	32	37	-
	2,944	32	2,486	-
At 31 December	2,332	197	2,034	-

**30 CASH FLOW INFORMATION (CONT'D)**

(b) The reconciliations of liabilities arising from financing activities are as follows (Cont'd):-

	<b>The Company</b>	
	2023	2022
	RM'000	RM'000
<b>Amount Owing to A Subsidiary</b>		
At 1 January	2,448	3,342
<b>Changes in Financing Cash Flows</b>		
Advances received	800	100
Repayment of interest	(139)	-
	661	100
<b>Other Changes</b>		
Interest expense recognised in profit or loss (Note 26)	139	251
Dividend income	-	(1,200)
Management fee	(384)	(45)
Redemption of RNCCPS	(3,000)	-
Others (presented as part of investing activities)	136	-
	(3,109)	(994)
At 31 December	-	2,448

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

	<b>The Group</b>		<b>The Company</b>	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Payment of short-term leases	1,699	1,916	7	195
Interest paid on lease liabilities	104	32	37	-
Payment of lease liabilities	705	362	415	-
	2,508	2,310	459	195

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

	<b>The Group</b>		<b>The Company</b>	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Cash and short-term funds	47,023	104,020	107	8,919
Less: Bank overdraft	(4,005)	(5,007)	-	-
	43,018	99,013	107	8,919

## Notes To The Financial Statements (Cont'd)

### 31 KEY MANAGEMENT PERSONNEL COMPENSATION

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

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

	<b>The Group</b>		<b>The Company</b>	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
<b>(a) Directors:-</b>				
<b>(i) Directors of the Company</b>				
<i>Executive Directors</i>				
Short-term employee benefits:				
- salaries, bonuses and others benefits	1,946	1,750	1,946	1,410
- benefits-in-kind	26	33	26	23
Defined contribution plan	227	209	227	168
	2,199	1,992	2,199	1,601
<i>Non-executive Directors</i>				
Short-term employee benefits:				
- fees	494	230	435	230
- other benefits	50	38	50	38
	544	268	485	268
<b>(ii) Directors of the Subsidiaries</b>				
<i>Executive Directors</i>				
Short-term employee benefits:				
- fees	38	41	-	-
- salaries, bonuses and other benefits	613	602	-	-
- benefits-in-kind	9	7	-	-
Defined contribution plan	83	79	-	-
	743	729	-	-
Total directors' remuneration (Note 26)	3,486	2,989	2,684	1,869
<b>(b) Other Key Management Personnel:-</b>				
Short-term employee benefits:				
- salaries, bonuses and others benefits	927	974	-	-
- benefits-in-kind	18	18	-	-
Defined contribution plan	121	124	-	-
	1,066	1,116	-	-



**32 RELATED PARTY DISCLOSURES****(a) Subsidiaries**

The subsidiaries are disclosed in Note 5 to the financial statements.

**(b) Significant Related Party Transactions and Balances**

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

	<b>The Company</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
Advances:		
- from a subsidiary	800	100
- to a subsidiary	(7,300)	(11,000)
Dividend received/receivable from	5,000	4,700
Interest charged:		
- to a subsidiary	(584)	(450)
- by a subsidiary	139	251
Management fee charged to	(2,658)	(2,686)
Repayment of advances:		
- from subsidiaries	3,406	25,920
Transfer of motor vehicle from a subsidiary	226	-

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

**(c) Compensation Paid to Key Management Personnel**

The key management personnel compensation paid during the financial year is as disclosed in Note 31 to the financial statements.

## Notes To The Financial Statements (Cont'd)

### 33 OPERATING SEGMENTS

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

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

- (i) Investment holdings and others
- (ii) Stock and securities broking
- (iii) Property holding
- (iv) Money lending

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

Each reportable segment assets is measured based on all assets of the segment other than tax-related assets.

Each reportable segment liabilities is measured based on all liabilities of the segment other than tax-related liabilities.

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

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

#### BUSINESS SEGMENTS

	Investment Holdings and Others	Stock and Securities Broking	Property Holding	Money Lending	The Group
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>2023</b>					
<b>Revenue</b>					
External revenue	35	38,455	256	6,877	45,623
Inter-segment revenue	8,242	-	1,402	-	9,644
Total revenue	8,277	38,455	1,658	6,877	55,267
Adjustments and eliminations					(9,644)
Consolidated revenue					45,623
<b>Results</b>					
Segment results	(6,277)	9,984	682	5,640	10,029
Interest income	25	2,477	5	-	2,507
Depreciation of:					
- property, plant and equipment	(101)	(436)	(305)	(90)	(932)
- investment properties	-	-	(20)	-	(20)
- right-of-use assets	(209)	(445)	(69)	-	(723)
Net impairment loss on financial assets	-	(3)	-	-	(3)
Interest expense	(36)	(85)	(2)	-	(123)
(Loss)/Profit before taxation after eliminations	(6,598)	11,492	291	5,550	10,735
Income tax expense					(3,417)
Consolidated profit after taxation					7,318

**33 OPERATING SEGMENTS (CONT'D)****BUSINESS SEGMENTS (CONT'D)**

	Investment Holdings and Others	Stock and Securities Broking	Property Holding	Money Lending	The Group
2023	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Assets</b>					
Segment assets	216,760	259,503	40,547	70,029	586,839
Deferred tax assets	-	-	-	1,508	1,508
Current tax assets	66	-	32	140	238
Eliminations/Adjustments	(214,562)	(11)	-	-	(214,573)
Consolidated total assets	2,264	259,492	40,579	71,677	374,012
<b>Liabilities</b>					
Segment liabilities	3,249	42,552	1,928	8,711	56,440
Current tax liabilities	-	432	-	-	432
Eliminations/Adjustments	(1,413)	(1,350)	(119)	(8,691)	(11,573)
Consolidated total liabilities	1,836	41,634	1,809	20	45,299
<b>Other segment items</b>					
Additions to non-current assets other than financial instruments:					
- property, plant and equipment	500	1,483	619	295	2,897
- right-of-use assets	1,209	1,631	-	-	2,840
<b>2022</b>					
<b>Revenue</b>					
External revenue	36	32,738	295	2,873	35,942
Inter-segment revenue	7,836	-	1,396	-	9,232
Total revenue	7,872	32,738	1,691	2,873	45,174
Adjustments and eliminations					(9,232)
Consolidated revenue					35,942
<b>Results</b>					
Segment results	(3,981)	5,080	993	1,666	3,758
Interest income	41	2,811	1	734	3,587
Depreciation of:					
- property, plant and equipment	(13)	(273)	(340)	(29)	(655)
- investment properties	-	-	(7)	-	(7)
- right-of-use assets	-	(170)	(167)	-	(337)
Net reversal of impairment loss on financial assets	-	489	-	-	489
Interest expense	-	(30)	(15)	-	(45)
(Loss)/Profit before taxation after eliminations	(3,953)	7,907	465	2,371	6,790
Income tax expense					(384)
Consolidated profit after taxation					6,406

## Notes To The Financial Statements (Cont'd)

### 33 OPERATING SEGMENTS (CONT'D)

#### BUSINESS SEGMENTS (CONT'D)

	Investment Holdings and Others	Stock and Securities Broking	Property Holding	Money Lending	The Group
2022	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Assets</b>					
Segment assets	218,369	244,274	41,723	62,542	566,908
Deferred tax assets	-	-	-	2,000	2,000
Current tax assets	79	171	22	72	344
Eliminations/Adjustments	(208,765)	-	(2,935)	-	(211,700)
Consolidated total assets	9,683	244,445	38,810	64,614	357,552
<b>Liabilities</b>					
Segment liabilities	3,307	33,896	178	4,706	42,087
Eliminations/Adjustments	(2,453)	(1,632)	-	(1,629)	(5,714)
Consolidated total liabilities	854	32,264	178	3,077	36,373
<b>Other segment items</b>					
Additions to non-current assets other than financial instruments:					
- property, plant and equipment	121	759	-	293	1,173

#### GEOGRAPHICAL INFORMATION

The Group operates predominantly in Malaysia. Accordingly, the information by geographical segments is not presented.

#### MAJOR CUSTOMERS

There is no single customer that contributed 10% or more to the Group's revenue.

## 34 FINANCIAL INSTRUMENTS

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

### 34.1 FINANCIAL RISK MANAGEMENT POLICIES

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

#### (a) Market Risk

##### (i) Foreign Currency Risk

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

##### (ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The exposure to interest rate risk arises mainly from investments in fixed rate debt securities and long-term borrowings with variable rates. The Group adopts a policy of obtaining the most favourable interest rates available and by maintaining a balanced portfolio mix of fixed and floating rate borrowings.

The fixed rate debt instruments of the Group and of the Company are not subject to interest rate risk since neither carrying amounts nor the future cash flows will fluctuate because of a change in market interest rates.

The exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period are disclosed in Notes 14 and 22 to the financial statements.

#### *Interest Rate Risk Sensitivity Analysis*

A 100 (2022 - 100) basis points strengthening or weakening in the interest rates of floating rate bank overdraft and amount owing by/to subsidiaries at the end of the reporting period does not have a material impact on profit after taxation and equity of the Group and of the Company. This assumes that all other variables remain constant. Hence, no sensitivity analysis is presented.

The sensitivity analysis for fixed rate instruments at the end of the reporting period is not presented as change in interest rate would not have impact to the profit or loss and equity.

##### (iii) Equity Price Risk

The exposure to equity price risk arises mainly from changes in quoted investment prices of the Group.

Any reasonably possible change in the prices of quoted investments classified as FVPL at the end of the reporting period does not have a material impact on the profit after taxation and equity of the Group and hence, no sensitivity analysis is presented.



### 34 FINANCIAL INSTRUMENTS (CONT'D)

#### 34.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (b) Credit Risk

The exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including quoted investments, cash and short-term funds), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

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

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

Also, the Company's exposure to credit risk includes loans and advances to subsidiaries and corporate guarantee given to financial institutions for credit facilities granted to a subsidiary. The Company monitors the results of the subsidiary regularly and repayment made by the subsidiary.

##### (i) Credit Risk Concentration Profile

The Group and the Company do not have any major concentration of credit risk related to any individual customer or counterparty.

##### (ii) Maximum Exposure to Credit Risk

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

The maximum exposure to credit risk from amount owing by brokers and clients is as follows:-

	<b>The Group</b>	
	2023	2022
	RM'000	RM'000
Trade receivables (Note 10)	196,859	141,124
Less: Collateral held	(134,137)	(98,300)
Net exposure to credit risk	62,722	42,824

The net exposure to credit risk has been substantially collected within T+2.

In addition, the Company's maximum exposure to credit risk also includes corporate guarantee provided to its subsidiary of RM4,004,743 (2022 - RM5,006,624), representing the outstanding banking facilities of the subsidiary at the end of the reporting period. The corporate guarantee has not been recognised in the Company's financial statements since its fair value on initial recognition was not material.

**34 FINANCIAL INSTRUMENTS (CONT'D)****34.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)****(b) Credit Risk (Cont'd)****(iii) Assessment of Impairment Losses**

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

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

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

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

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

The Group considers a receivable to be in default when the receivable is unlikely to repay its debt to the Group in full or is more than 30 days past due unless the Group has reasonable and supportable information to demonstrate that a more a lagging default criterion is more appropriate.

**Trade Receivables**

The Group applies the simplified approach to measure expected credit losses using a lifetime expected loss allowance for all trade receivables, which include amount owing by clients and brokers as disclosed in Note 10 to the financial statements and excluding amount owing by loan receivables.

***Inputs, Assumptions and Techniques used for Estimating Impairment Losses***

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

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

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

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

## Notes To The Financial Statements (Cont'd)

### 34 FINANCIAL INSTRUMENTS (CONT'D)

#### 34.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (b) Credit Risk (Cont'd)

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

##### Trade Receivables (Cont'd)

##### *Allowance for Impairment Losses*

The Group	Gross Amount RM'000	Lifetime Individual Allowance RM'000	Carrying Amount RM'000
<b>2023</b>			
Current (not past due)	196,859	-	196,859
Credit impaired	2,286	(2,286)	-
	199,145	(2,286)	196,859
<b>2022</b>			
Current (not past due)	141,124	-	141,124
Credit impaired	2,312	(2,312)	-
	143,436	(2,312)	141,124

The movements in the loss allowances in respect of amount owing by clients is disclosed in Note 10(c) to the financial statements.

##### Amount Owing by Loan Receivables and Other Receivables

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

##### *Inputs, Assumptions and Techniques used for Estimating Impairment Losses*

Under this approach, the Group assesses whether there is a significant increase in credit risk for receivables by comparing the risk of a default as at the reporting date with the risk of default as at the date of initial recognition. The Group considers there has been a significant increase in credit risk when there are changes in contractual terms or delay in payment. Regardless of the assessment, a significant increase in credit risk is presumed if a receivable is more than 30 days past due in making a contractual payment.

The Group uses 3 categories to reflect their credit risk and how the loss allowance is determined for each category:-

Category	Definition of Category	Loss Allowance
Performing:	Receivables have a low risk of default and a strong capacity to meet contractual cash flows	12-months expected credit losses
Underperforming:	Receivables for which there is a significant increase in credit risk	Lifetime expected credit losses
Not performing:	There is evidence indicating the receivable is credit impaired or more than 90 days past due	Lifetime expected credit losses

**34 FINANCIAL INSTRUMENTS (CONT'D)****34.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)****(b) Credit Risk (Cont'd)****(iii) Assessment of Impairment Losses (Cont'd)**Amount Owing by Loan Receivables and Other Receivables (Cont'd)*Inputs, Assumptions and Techniques used for Estimating Impairment Losses (Cont'd)*

The Group measures the expected credit losses of receivables having significant balances and receivables with a high risk of default on individual basis. Other receivables are grouped based on shared credit risk characteristics and assessed on collective basis.

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

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

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

*Allowance for Impairment Losses*

Based on the assessment performed, the identified impairment loss was immaterial and hence, it is not provided for.

Cash and Short-term Funds

The Group and the Company consider the licensed banks have low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group and the Company are of the view that the loss allowance is immaterial and hence, it is not provided for.

Amount Owing By Subsidiaries

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

*Inputs, Assumptions and Techniques used for Estimating Impairment Losses*

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

The Company considers loans and advances to subsidiaries have low credit risks. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiaries are not able to pay when demanded.

### 34 FINANCIAL INSTRUMENTS (CONT'D)

#### 34.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (b) Credit Risk (Cont'd)

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

###### Amount Owing By Subsidiaries (Cont'd)

###### *Inputs, Assumptions and Techniques used for Estimating Impairment Losses (Cont'd)*

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

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

###### *Allowance for Impairment Losses*

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

###### Financial Guarantee Contracts

Corporate guarantees for borrowing facilities granted to subsidiaries are financial guarantee contract.

###### *Inputs, Assumptions and Techniques used for Estimating Impairment Losses*

The Company closely monitors the subsidiaries' financial strength to reduce the risk of loss.

The Company considers there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. A financial guarantee contract is credit impaired when:

- The subsidiary is unlikely to repay its obligation to the bank in full; or
- The subsidiary is having a deficit in equity and is continuously loss making.

The Company determines the probability of default of the guaranteed amounts individually using internal information available.

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

##### (c) Liquidity Risk

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

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

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



**34 FINANCIAL INSTRUMENTS (CONT'D)****34.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)****(c) Liquidity Risk (Cont'd)***Maturity Analysis*

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

The Group	Weighted Average Effective Interest Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 - 5 Years RM'000
<b>2023</b>					
<u>Non-derivative Financial Liabilities</u>					
Amount owing to clients	-	4,081	4,081	4,081	-
Amount owing to brokers	-	16,460	16,460	16,460	-
Other payables and accruals	-	6,934	6,934	6,934	-
Bank overdraft	8.39	4,005	4,005	4,005	-
Lease liabilities	8.18	2,332	2,640	1,136	1,504
		33,812	34,120	32,616	1,504

<b>2022</b>					
<u>Non-derivative Financial Liabilities</u>					
Amount owing to clients	-	9,994	9,994	9,994	-
Amount owing to brokers	-	6,012	6,012	6,012	-
Other payables and accruals	-	4,990	4,990	4,990	-
Bank overdraft	8.14	5,007	5,007	5,007	-
Lease liabilities	8.08	197	203	195	8
		26,200	26,206	26,198	8

**The Company**

<b>2023</b>					
<u>Non-derivative Financial Liabilities</u>					
Other payables and accruals	-	546	546	546	-
Lease liabilities	8.18	2,034	2,232	857	1,375
Financial guarantee contracts in relation to corporate guarantee given to a subsidiary	-	-	4,005	4,005	-
		2,580	6,783	5,408	1,375

<b>2022</b>					
<u>Non-derivative Financial Liabilities</u>					
Other payables and accruals	-	846	846	846	-
Amount owing to a subsidiary	7.18	2,448	2,448	2,448	-
Financial guarantee contracts in relation to corporate guarantee given to a subsidiary	-	-	5,007	5,007	-
		3,294	8,301	8,301	-

### 34 FINANCIAL INSTRUMENTS (CONT'D)

#### 34.2 CAPITAL RISK MANAGEMENT

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

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

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

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

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

	2023	2022
	RM'000	RM'000
Liquid capital	204,658	200,645
Total risk requirement	6,193	6,148
Capital adequacy ratio	33.05	32.64

**34 FINANCIAL INSTRUMENTS (CONT'D)****34.2 CAPITAL RISK MANAGEMENT (CONT'D)**

The liquid capital of the subsidiary is as follows:-

	2023	2022
	RM'000	RM'000
Total non-current assets *	6,657	4,208
Total current assets #	437,522	425,929
Less:-		
Total current liabilities #	(227,660)	(219,583)
	216,519	210,554
Less:-		
Assets not ranked for liquid capital	(11,861)	(9,909)
Liquid capital	204,658	200,645

\* This represents property, plant and equipment, right-of-use assets and unquoted investment.

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

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

	2023	2022
	RM'000	RM'000
Operational risk requirement	5,000	5,000
Position risk requirement	1,174	1,134
Counterparty risk requirement	19	14
	6,193	6,148

## Notes To The Financial Statements (Cont'd)

### 34 FINANCIAL INSTRUMENTS (CONT'D)

#### 34.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group		The Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
<b>Financial Assets</b>				
<u>Equity Instruments at FVOCI</u>				
Unquoted investment (Note 9.1)	3,285	3,069	-	-
<u>Equity Instruments at FVPL</u>				
Marketable securities held for trading	4,817	4,315	-	-
<u>Amortised Cost</u>				
Net investment in a lease (Note 11)	-	-	1,019	-
Contribution to clearing fund (Note 9.2)	1,509	1,343	-	-
Trade receivables (Note 10)	265,684	198,007	-	-
Other receivables (Note 10)	423	236	-	-
Amount owing by a subsidiary	-	-	10,543	2,775
Cash and short-term funds	47,023	104,020	107	8,919
	314,639	303,606	11,669	11,694
<b>Financial Liabilities</b>				
<u>Amortised Cost</u>				
Amount owing to clients (Note 21)	4,081	9,994	-	-
Amount owing to brokers (Note 21)	16,460	6,012	-	-
Other payables and accruals (Note 21)	6,934	4,990	546	846
Amount owing to a subsidiary	-	-	-	2,448
Bank overdraft	4,005	5,007	-	-
	31,480	26,003	546	3,294

#### 34.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	The Group		The Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
<b>Financial Assets</b>				
<u>Equity Instruments at FVOCI</u>				
Gain recognised in profit or loss	98	98	-	-
<u>Mandatorily at FVPL</u>				
Net gains/(loss) recognised in profit or loss	19	(1)	-	-
<u>Amortised Cost</u>				
Net gains recognised in profit or loss	2,504	4,076	602	485
<b>Financial Liabilities</b>				
<u>Amortised Cost</u>				
Losses recognised in profit or loss	(19)	(13)	(139)	(251)

**34 FINANCIAL INSTRUMENTS (CONT'D)****34.5 FAIR VALUE INFORMATION**

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

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

The Group	Fair Value of Financial Instruments Carried At Fair Value			Fair Value of Financial Instruments Not Carried At Fair Value			Total Fair Value	Carrying Amount
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2023								
Financial Assets								
Marketable securities held for trading	4,817	-	-	-	-	-	4,817	4,817
Other assets:								
- unquoted shares in Malaysia	-	-	3,285	-	-	-	3,285	3,285
2022								
Financial Assets								
Marketable securities held for trading	4,315	-	-	-	-	-	4,315	4,315
Other assets:								
- unquoted shares in Malaysia	-	-	3,069	-	-	-	3,069	3,069

**Fair Value of Financial Instruments Carried at Fair Value**

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

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

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



### 35 MATERIAL LITIGATIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

**35 MATERIAL LITIGATIONS (CONT'D)****35.1 ORIGINATING SUMMONS ("OS56") / COURT OF APPEAL CIVIL APPEAL NO. W-02(IM)(NCC)-1551-08/2019 ("APPEAL 1551") / FEDERAL COURT CIVIL APPLICATION NO. 08(F)-399-09/2021(W) ("APPEAL 80") (CONT'D)**

The Federal Court granted leave to the Company to appeal to the Federal Court and the Federal Court had on 8 May 2023, 1 August 2023 and 2 August 2023 heard the appeal.

On 26 March 2024, the Federal Court has overturned the Court of Appeal's decision issued on 18 August 2021. Therefore, the decision of the High Court is upheld and reinstated. The Federal Court ruled that there was no oppression and ordered the Respondent to pay costs of RM150,000.00 to the Company and ASB respectively. The Federal Court also ruled that the costs that were paid by the Company and ASB in High Court and Court of Appeal be refunded back to the Company and ASB. As such, the above matter has been concluded accordingly.

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

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

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

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

The above-mentioned application for leave has been heard on 22 June 2023. After hearing the submissions and considering all cause papers of parties including the affidavits and written submissions, the Learned High Court Judge allowed the Applicant's Leave Application as the Learned High Court Judge had agreed with the submissions put forth by the Applicant's counsels and further the Court found that the leave application by the Applicant is not frivolous and has merits.

The Applicant had sought for a stay of the additional conditions imposed and, in this respect, the Learned High Court Judge has given directions on the filing of affidavits and written legal submissions by both parties.

Pursuant to the Consent Judgement ("CJ") recorded at the High Court for the Writ of Summons and Statement of Claim on 23 November 2023, the JR Application filed by ASB against SC has been successfully withdrawn on 7 December 2023. SC had, vide a letter issued to ASB dated 7 December 2023, withdrawn all additional conditions and reporting requirements imposed on ASB earlier with immediate effect.

Accordingly, both parties have jointly executed a Notice of Discontinuance which has been filed to the High Court and the matter has been concluded accordingly.

### 35 MATERIAL LITIGATIONS (CONT'D)

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

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

The reliefs sought include a declaration that ASB had contravened securities laws by having the Company's former substantial shareholder, ACE Holdings Bhd through ACE Credit (M) Sdn. Bhd. ("ACE") as the controller of ASB when ACE is not fit and proper, the removal of certain members of the Board of Directors and Senior Management of the Company and injunctive reliefs which include ACE to restrain from causing the appointment of the members of the Board of Directors and any management personnel of the Company.

The Company and ASB have filed its Statements of Defence on 26 January 2023 and have subsequently filed an application to strike out the case.

During the Case Management hearing on 27 June 2023, the legal counsel acting for ACE, now an unrelated party to the Company, informed the High Court that ACE had filed a judicial management application earlier. In that connection, all proceedings in relation to this suit are by law stayed pending an order for leave.

A CJ entered between the SC, the Company and ASB had been recorded at the High Court on 23 November 2023. The litigation against the Company and ASB is hereby concluded. Accordingly, the respective Notices of Discontinuance had been filed in the High Court.

### 36 SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

On 15 November 2023, a wholly-owned subsidiary of the Company, ADSB, entered into a Sale and Purchase Agreement ("SPA") with a third party to dispose a freehold land together with one (1) eleven (11) storey commercial building known as "Menara Apex" bearing postal address of No. 1, Jalan Semenyih, Kajang, 43000 Selangor for a sale consideration of RM55 million.

The above disposal is expected to be completed within 6 months from the Unconditional date, which is the date where all conditions precedent of the SPA are being fulfilled. The disposal exercise is expected to be completed within 12 months.

### 37 SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

- (i) Subsequent to the financial year, the Company subscribed for 15,000,000 units of Redeemable Non-Cumulative Convertible Preference Shares ("RNCCPS") of RM1 each in AEC for a total cash consideration of RM15,000,000 for a period of 15 years. The RNCCPS are convertible to ordinary shares upon expiry of the 15th year tenure at a conversion price of RM1 per share and at a ratio of 1:1.

The RNCCPS are redeemable at any time after allotment at a redemption price of RM1 per RM1 RNCCPS. The redemption is at the option of AEC and partial redemption (minimum of RM1 million) is allowable. The RNCCPS not redeemed will be converted to ordinary shares at the end of the tenure. The preference shareholder is entitled to a discretionary, non-cumulative dividend rate to be determined by AEC.

- (ii) In the second quarter of 2024, the Group has become aware of a potential discontinuance of an on-going project awarded to a loan receivable ("Development") in which the Group had financed an amount of RM23,800,000. The outcome of this Development, which is unascertainable at this juncture, may or may not cause a change in the credit quality of the said loan receivable in the future. The Group, after considering the evidence and inputs presented, has also concluded that this Development, irrespective of its current state, is a non-adjusting event as defined by MFRS 110 Events After the Reporting Period that does not affect the recoverability assessment made for the financial year end. Accordingly, no impairment has been made on this loan receivable.

The Group is actively monitoring the matter and shall continuously assess the Development for any financial impact and reporting which will be reflected in the subsequent relevant financial periods, if any.

# List Of Properties

## As At 31 December 2023

The Group's Properties owned by Apex Development Sdn Bhd , details of which are set out below :-

Location	Description of property held	Title No.	Tenure	Land Area (Sq.Ft.)	Usage	Net Book Value RM	Date of acquisition of property
Mukim of Sepang Kuala Langat	Vacant Land Lot 429	C.T.12098	Freehold	4,361,446	Investment Property	12,709,330	20/7/95
Mukim of Ulu Yam Hulu Selangor	Vacant Land	Geran No. 6636 Lot 1677	Freehold	4,312,441	Investment Property	9,986,340	13/12/96
Mukim of Beaufort	Vacant	PL 176194880	Leasehold Expiry: 2905	14,375,202	Investment Property	4,287,835	9/12/15
Parcel No. D7 Building D Bukit Mewah Kajang	Apartment Unit	Geran No. 54436 M1881	Freehold	1,059	Occupied By Staff	77,332	16/5/94
Parcel No. E7 Building E Bukit Mewah Kajang	Apartment Unit	Geran No. 54436 M1880	Freehold	1,067	Occupied By Staff	77,332	16/5/94
Unit No. E/F1 Strawberry Park Resort Apartment	Apartment Unit	#	Leasehold Expiry: 2067	1,232	For Staff Use	–*	7/6/95

\* Fully depreciated

# Under master title

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## hareholders' Analysis Report

As At 29 March 2024

**No. of Shares Issued** 213,563,324 ordinary shares (including 10,923,118 treasury shares)

**Class of shares** Ordinary shares

**Voting rights** One vote per ordinary share held

### Distribution Shareholders

	No. Of Shareholders	% Of Shareholders	No. Of Shares	% Of Issued Share Capital
Less than 100	764	24.64	27,394	0.01
100-1,000	213	6.87	105,423	0.05
1,001-10,000	1,688	54.43	5,331,707	2.63
10,001-100,000	342	11.03	8,755,314	4.32
100,001-Less than 5% of issued shares	90	2.90	114,741,454	56.62
5% and above of issued shares	4	0.13	73,678,914	36.36
<b>Total</b>	<b>3,101</b>	<b>100</b>	<b>202,640,206</b>	<b>100</b>

### Directors' Shareholdings

NAME	Direct Interest		Indirect Interest	
	No. Of Shares	% Of Shares	No. Of Shares	% Of Shares
Datuk Wira Farhash Wafa Salvador J.P	-	-	-	-
Dato' Zakaria Bin Arshad	-	-	-	-
Norzilah Binti Mohammed	-	-	-	-
Woon Wai En	-	-	-	-
Lee Siow Hong	-	-	-	-
Rozana Shamsuddin	-	-	-	-

### Substantial Shareholders

NAME	Direct Interest		Indirect Interest	
	No. Of Shares	% Of Shares	No. Of Shares	% Of Shares
Fun Sheung Development Limited	31,966,914	15.78	-	-
RHB Nominees (Tempatan) Sdn Bhd OSK Capital Sdn Bhd for Pang Chow Huat	19,636,500	9.69	-	-
Concrete Parade Sdn Bhd	17,579,700	8.68	-	-
Yenson Investments Limited	10,495,800	5.18	-	-



## Top Thirty Largest Securities Account Holders

NAME	NO. OF SHARES	% OF SHARES
Fun Sheung Development Limited	31,966,914	15.78
RHB Nominees (Tempatan) Sdn Bhd OSK Capital Sdn Bhd for Pang Chow Huat	19,636,500	9.69
Concrete Parade Sdn Bhd	11,579,700	5.71
Yenson Investments Limited	10,495,800	5.18
RHB Nominees (Tempatan) Sdn Bhd OSK Capital Sdn Bhd for Ho Jien Shiung	9,148,300	4.51
Pinerains Sdn Bhd	8,898,480	4.39
RHB Nominees (Tempatan) Sdn Bhd OSK Capital Sdn Bhd for Florence Wong Wei Wei	8,604,400	4.25
Cergas Megah (M) Sdn Bhd	7,549,040	3.73
Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Concrete Parade Sdn Bhd (Third Party)	6,000,000	2.96
Lim Siew Kim	5,656,920	2.79
Affin Hwang Nominees (Tempatan) Sdn Bhd Majestic Salute Sdn Bhd for Yong Siew Yee	5,535,000	2.73
Proven Venture Capital PLT	3,960,000	1.95
Amsec Nominees (Tempatan) Sdn Bhd	3,416,600	1.69
Mercsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chew Beow Soon	3,301,500	1.63
CGS International Nominees Malaysia (Tempatan) Sdn Bhd Pledged Securities Account for Charlie Ching Wee Chun (MY3732)	2,997,700	1.48
Mercsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yong Chong Hee	2,832,000	1.40
Cimsec Nominees (Tempatan) Sdn Bhd CIMB for Azizan Bin Abd Rahman (PB)	2,756,974	1.36
RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ong Tzu Chuen	2,675,000	1.32
CGS International Nominees Malaysia (Tempatan) Sdn Bhd Pledged Securities Account for Ong Soon Lim (MY4640)	2,655,000	1.31
Phillip Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Cheong Kong Fitt (Dato' Sri)	2,080,000	1.03
Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Charlie Ching Wee Chun	1,880,000	0.93
Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chia Yoong Yoong	1,645,780	0.81
Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lo Ngen Loi	1,559,000	0.77
CGS International Nominees Malaysia (Tempatan) Sdn Bhd Pledged Securities Account for Tee Tiam Hock (MY4410)	1,500,000	0.74
Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ong Soon Hooi	1,450,000	0.72
CGS International Nominees Malaysia (Tempatan) Sdn Bhd Pledged Securities Account for Chen Sen Loon (MY4603)	1,440,000	0.71
CGS International Nominees Malaysia (Tempatan) Sdn Bhd Pledged Securities Account for Ong Xeng Thou (MY4534)	1,430,000	0.70
RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tee Tiam Hock	1,400,000	0.69
RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ho Jien Shiung	1,230,000	0.61
Lim Kim Chai	1,100,000	0.54
<b>Total</b>	<b>166,380,608</b>	<b>82.11</b>

# N

# otice Of Annual General Meeting

**NOTICE IS HEREBY GIVEN** that the 34th Annual General Meeting of Apex Equity Holdings Berhad (“the Company”) will be held at Conference Room, 10th Floor, Menara Apex, Off Jalan Semenyih, Bukit Mewah, 43000 Kajang, Selangor Darul Ehsan on Tuesday, 25 June 2024 at 10:30 a.m. to transact the following businesses:

## AGENDA

### As Ordinary Business

1. To receive the Audited Financial Statements of the Company and of the Group for the financial year ended 31 December 2023 together with the Reports of the Directors and Auditors thereon. **Please refer to Explanatory Note 1**
2. To approve the payment of Directors’ fees and benefits of up to RM300,000-00 to the Non-Executive Directors of the Company from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company to be held in 2025. **Resolution 1**
3. To re-elect Mr. Lee Siow Hong who retires pursuant to Article 102 of the Company’s Articles of Association and who being eligible, has offered himself for re-election. **Resolution 2**
4. To re-elect the following Directors who retire pursuant to Article 109 of the Company’s Articles of Association, and who being eligible, have offered themselves for re-election:
  - (i) Puan Norzilah Binti Mohammed; and **Resolution 3**
  - (ii) Dato’ Zakaria Bin Arshad. **Resolution 4**
5. To re-appoint Crowe Malaysia PLT as Auditors of the Company to hold office from the conclusion of the 34th Annual General Meeting until the conclusion of the next Annual General Meeting to be held in 2025 and to authorise the Directors to fix their remuneration. **Resolution 5**

### As Special Business

To consider and if thought fit, to pass the following special resolution, with or without modification:

6. **SPECIAL RESOLUTION** **PROPOSED ADOPTION OF NEW CONSTITUTION OF THE COMPANY** **Resolution 6**

THAT approval be and is hereby given to the Company to alter or amend the whole of its existing Memorandum and Articles of Association by the replacement thereof with a new Constitution of the Company as set out in Appendix I with immediate effect AND THAT the Board of Directors of the Company be and is hereby authorized to assent to any conditions, modifications and/or amendments as may be required by any relevant authorities, and to do all acts and things and take all such steps as may be considered necessary to give full effect to the foregoing.
7. To transact any other business that may be transacted at the 34th Annual General Meeting of which due notice shall have been given in accordance with the Companies Act 2016 and the Articles of Association of the Company.

By Order of the Board

**LOW KIM HEOW**

(MAICSA 7007682)

SSM Practicing Certificate No. 201908002950

**JEREMY TAI YUNG WEI**

(MAICSA 7065447)

SSM Practicing Certificate No. 202308000580

**THONG PUI YEE**

(MAICSA 7067416)

SSM Practicing Certificate No. 202008000510

Company Secretaries

30 April 2024

## EXPLANATORY NOTES

### 1. Item 1 of the Agenda – Receipt of Reports and Audited Financial Statements

Item 1 of the Agenda is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 ("the Act") does not require a formal approval from the shareholders for the audited financial statements. Hence, this Agenda item will not be put forward for voting.

### 2. Items 2 of the Agenda – Payment of Directors' fees and benefits to the Non-Executive Directors from 34th Annual General Meeting until the conclusion of the next Annual General Meeting

The Company is seeking shareholders' approval for the payment of Non-Executive Directors' fees and benefits of up to RM300,000-00 with effect from the 34th AGM of the Company until the conclusion of the next Annual General Meeting ("AGM") of the Company in 2025 pursuant to Section 230(1) of the Act. The amount of Directors' fees and benefits were based on 15 months (i.e. a buffer of 3 months) in case an extension of time is needed to convene the next AGM. By way of information, the AGM held in 2023 were held within the period pursuant to Section 340(2) of the Act.

Non-Executive Directors of the Company are entitled to annual Directors' fees based on the following remuneration structure approved by the Board:

No.	Description	Chairman (RM)		Members (RM)	
		Fee (RM per annum)	Meeting allowance (RM per meeting)	Fee (RM per annum)	Meeting allowance (RM per meeting)
1.	Board	–*	–	60,000 <sup>#</sup>	1,000
2.	Audit Committee	–	500	–	500
3.	Nomination and Remuneration Committee	–	500	–	500
4.	Group Board Risk Committee	–	500	–	500

\* In view that the Group Executive Chairman is an Executive Director, he is not entitled to the annual Directors' fees.

# Subject to Revision of Non-Executive Directors fees, Board and Board Committees (collectively and inclusive of any positions held in Audit Committee, Nomination and Remuneration Committee and Group Board Risk Committee) to be structured as RM60,000 per annum with effect from 1 July 2024.

In the event that the proposed Directors' fees and benefits are insufficient, approval will be sought at the next AGM for additional Directors' fees and benefits to meet the shortfall.

### 3. Items 3 and 4 of the Agenda – Re-election of Directors

Mr. Lee Siow Hong who retires pursuant to Article 102 of the Company's Articles of Association and who being eligible, has offered himself for re-election. As the Nominating Committee was not constituted at that time when the Board evaluation was carried out (as its composition fell below the required minimum number of three (3) as stipulated in its terms of reference), the evaluation was carried out directly by the Board of Directors of the Company ("Board") with the affected Director abstaining from all deliberations and recommendations.

The Board had assessed Mr. Lee Siow Hong and considered his performance and the contribution based on the Self and Peer assessment, his contribution to the Board deliberations, time commitment and his ability to act in the best interests of the Company in decision-making. The Board had recommended him for re-election based on the following consideration:-

- (i) satisfactory performance and he has met the Board's expectation in discharging his duties and responsibilities;
- (ii) met the criteria of character, experience, integrity, competence and time commitment in discharging his role as director of the Company;
- (iii) level of independence demonstrated by his as an independent director; and
- (iv) his ability to act in the best interest of the Company in decision-making.

Puan Norzilah Binti Mohammed and Dato' Zakaria Bin Arshad (collectively referred to as "Retiring Directors"), who retire in accordance with Article 109 of the Articles of Association of the Company, and being eligible, have offered themselves for re-election. The Retiring Directors were newly appointed to the Board in July and October 2023 respectively. As such, their assessment and evaluation had been carried out prior to their respective appointments.

The Board, with each affected Director abstaining from deliberations and voting on his/her own re-election, has recommended the re-election of Mr. Lee Siow Hong and the Retiring Directors. Their profiles are disclosed in the Annual Report 2023.

### 4. Item 5 of the Agenda – Re-appointment of Auditors

The Audit Committee and Board had undertaken an annual assessment of the external auditors, Crowe Malaysia PLT including independence, scope of audit, audit fee, expert and experience, performance based on annual audit scope and planning. The Audit Committee and Board were satisfied with the suitability of Crowe Malaysia PLT on the quality of audit, performance, competency, and sufficiency of resources the external audit team provided to the Group.

### 5. Item 6 of the Agenda – Proposed Adoption of New Constitution of the Company

The proposed amendments to the existing Memorandum & Articles of Association of the Company ("M&A") are made mainly to ensure compliance with the amended Bursa Malaysia Securities Berhad Main Market Listing Requirements which were issued on 29 November 2017 and to provide clarity and consistency with the amendments that arise from the Act effective 31 January 2017. In view of the substantial amendments to the existing M&A, the Board of Directors has again proposed that the existing M&A be replaced in its entirety with the proposed new Constitution as set out in Appendix I as the new Constitution of the Company. The proposed new Constitution shall take effect once the Special Resolution has been passed by a majority of not less than 75% of such members who are entitled to attend and vote in person or by proxy at the 34th AGM. Details of the proposed amendments together with the rationale for the same are enclosed for ease of reference. To re-cap, this Special Resolution had been tabled twice at the Company's Extraordinary General Meetings held on 19 June 2019 and 18 November 2019 ("EGMs"), and once at the Adjourned 30th AGM held on 2 September 2020 ("Adjourned AGM") with a new version of the Constitution which is more structured and provides better clarity and eases understanding for the readers. By way of information for the benefit of shareholders, no queries were raised at the EGMs on the proposed amendments and yet the Special Resolution was not carried. At the Adjourned AGM on 2 September 2020, a shareholder raised queries on a few clauses in the proposed new Constitution, which were addressed at the said meeting. All the same, the Special Resolution was not carried. The Special Resolution was again tabled at the Adjourned 31st AGM held on 11 November 2021, at the 32nd AGM held on 20 June 2022 and at an Extraordinary General Meeting held on 29 September 2022, but was voted down on all occasions. The Company had previously made six (6) attempts to seek its shareholders' approval for the Special Resolution but to no avail. This 34th AGM will be the seventh (7th) attempt.

### NOTES:

#### Entitlement to Attend/Participate, Speak and Vote

Only members whose names appear in the Record of Depositors on 13 June 2024 shall be entitled to attend, speak and vote at this 34th AGM.

#### Proxy

1. A member entitled to attend and vote at this Meeting is entitled to appoint one (1) or more proxies to attend and vote in his stead. If a member wishes to personally participate in this Meeting, please do not appoint any proxy(ies).
2. Where a member appoints two (2) or more proxies, the appointments shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.
3. There shall be no restriction as to the qualification of the proxy.
4. The instrument appointing the proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing. If the appointor is a corporation, the instrument appointing a proxy shall be given under the corporation's common seal or under the hand of an officer or attorney of the corporation duly authorised in that behalf.
5. Where a member is an authorized nominee, as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
6. Where a member is an exempt authorised nominee ("EAN"), as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the EAN may appoint in respect of each omnibus account it holds.
7. All Proxy Forms must be deposited at the Company's appointed Share Registrar's Office at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, Wilayah Persekutuan (KL) not less than 48 hours before the time appointed for holding this Meeting or any adjournment thereof.

#### Voting

1. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice of the 34th AGM shall be put to vote by way of poll.



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I/We \_\_\_\_\_ Tel: \_\_\_\_\_  
[Full name in block, NRIC No./Company No. and telephone number]  
of \_\_\_\_\_

[Address]

being a member/members of Apex Equity Holdings Berhad, hereby appoint:

Full Name (in Block)	NRIC / Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and / or (delete as appropriate)

Full Name (in Block)	NRIC / Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him, the Chairman of the Meeting as my/our proxy to attend and to vote for me/us and on my/our behalf at the 34th Annual General Meeting of the Company to be held at Conference Room, 10th Floor, Menara Apex, Off Jalan Semenyih, Bukit Mewah, 43000 Kajang, Selangor Darul Ehsan on Tuesday, 25 June 2024 at 10:30 a.m. or any adjournment thereof, and to vote as indicated below:

Item	Agenda	Resolution	For	Against	Abstain
1.	Approval for payment of Directors' Fees and Benefits to the Non-Executive Directors from 34th Annual General Meeting until the conclusion of the next Annual General Meeting	Resolution 1			
2.	Re-election of Lee Siow Hong	Resolution 2			
3.	Re-election of Norzilah Binti Mohammed	Resolution 3			
4.	Re-election of Dato' Zakaria Bin Arshad	Resolution 4			
5.	Re-appointment of Crowe Malaysia PLT as the Auditors of the Company	Resolution 5			
6.	Adoption of New Constitution of the Company	Resolution 6			

Please indicate with an "X" in the space provided whether you wish your votes to be cast for or against the resolution. In the absence of specific direction, your proxy will vote or abstain as he thinks fit.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2024

Signature of Shareholder/Common Seal

#### NOTES:

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- The instrument appointing the proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing. If the appointor is a corporation, the instrument appointing a proxy shall be given under the corporation's common seal or under the hand of an officer or attorney of the corporation duly authorised in that behalf.
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##### Voting

- Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice of the 34th AGM shall be put to vote by way of poll.

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STAMP

The Share Registrar

**Apex Equity Holdings Berhad**

[Company No.: 199001016563 (208232-A)]

No. 2-1, Jalan Sri Hartamas 8,  
Sri Hartamas, 50480 Kuala Lumpur  
Wilayah Persekutuan, Malaysia

PLEASE FOLD HERE

## **Apex Equity Holdings Berhad**

199001016563 (208232-A)

Bursa Malaysia Main Market (Stock Code 5088)

Parent Company of:

Apex Securities Berhad

Apex Equity Capital Sdn Bhd


Apex Development Sdn Bhd

Apex Equity Digital Sdn Bhd

Level 5, Menara UAC, No 12, Jalan PJU 7/5,  
Mutiar Damansara 47800 Petaling Jaya,  
Selangor Darul Ehsan, Malaysia

 603 7890 8888

 603 8736 2135

 [info@apexequity.com.my](mailto:info@apexequity.com.my)