ACB RESOURCES BERHAD

Registration No. 197401003539 (20667-M)

Laporan Tahunan

2022

Annual Report

CONTENTS

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN THAT the 47th Annual General Meeting of ACB Resources Berhad ("47th AGM") will be held virtually from the Broadcast Venue, Board Room, Level 15, Lion Office Tower, No. 1 Jalan Nagasari, 50200 Kuala Lumpur, Wilayah Persekutuan and via E-Meeting Portal at https://scsb.lion.com.my on Thursday, 22 June 2023 at 11.00 am for the following purposes:

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 December 2022 and the Reports of the Directors and Auditors thereon. **Note 1**

2. To approve the payment of Directors' fees amounting to RM36,800 for the financial year ended 31 December 2022. **Resolution 1**

3. To approve the payment of Directors' benefits of up to RM12,000 for meeting allowances for the period commencing after the 47th AGM until the next annual general meeting of the Company. **Resolution 2**

4. To re-elect the following Directors who retire by rotation in accordance with Clause 108 of the Company's Constitution and who being eligible, have offered themselves for re-election:

   (i) Y. Bhg. Datuk M. Chareon Sae Tang @ Tan Whye Aun **Resolution 3**

   (ii) Mr Tan Siak Tee **Resolution 4**

5. To re-appoint Messrs Ong Boon Bah & Co. as Auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 5**

6. To transact any other business for which due notice shall have been given.

By Order of the Board

WONG PHOOI LIN (MAICSA 7013812)
SSM PC No. 202008002964

LIM KWEE PENG (MAICSA 7015250)
SSM PC No. 202008002981
Secretaries

Kuala Lumpur
31 May 2023

Notes:

- *Proxy*

  (i) In respect of deposited securities, only Members whose names appear in the Record of Depositors on 15 June 2023 shall be eligible to participate at the Meeting.

  (ii) A member entitled to participate and vote at the Meeting is entitled to appoint not more than 2 proxies to participate and vote instead of him. A proxy need not be a member of the Company.

  (iii) If a member appoints 2 proxies, the proportion of his shareholdings represented by each proxy must be specified.

  (iv) The instrument appointing a proxy must be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under seal or the hand of an officer or attorney duly authorised.

  (v) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in 1 securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

  (vi) The instrument appointing a proxy shall be deposited at the Office of the Registrar of the Company at Level 13, Lion Office Tower, No. 1 Jalan Nagasari, 50200 Kuala Lumpur, Wilayah Persekutuan not less than 48 hours before the time for holding the Meeting.

  (vii) Completed Form of Proxy sent through facsimile transmission or any electronic or digital manner shall not be accepted.

- *The 47th AGM will be conducted virtually through live streaming and online remote voting via the Remote Participation and Voting ("RPV") facilities available on E-Meeting Portal at https://scsb.lion.com.my. Please refer to the procedures provided in the Administrative Guide for the 47th AGM for registration, participation and remote voting via the RPV facilities.*

- *At the Broadcast Venue, only the Chairman and other essential individuals are physically present to organise the virtual 47th AGM. Members/Proxies/Corporate Representatives will not be allowed to be physically present at the Broadcast Venue on the day of the 47th AGM.*

1. *Audited Financial Statements for the financial year ended 31 December 2022*

   The Audited Financial Statements are laid in accordance with Section 340(1)(a) of the Companies Act 2016 for discussion only. As such, this Agenda item is not a business which requires a resolution to be put to vote by Members.

CORPORATE INFORMATION

Board of Directors	:	Y. Bhg. Datuk M. Chareon Sae Tang @ Tan Whye Aun *(Chairman)* Y. Bhg. Lt. Jen (B) Datuk Seri Abdul Manap bin Ibrahim Mr Tan Siak Tee Mr Ooi Kim Lai
Secretaries	:	Ms Wong Phooi Lin (MAICSA 7013812) SSM PC No. 202008002964 Ms Lim Kwee Peng (MAICSA 7015250) SSM PC No. 202008002981
Registration No	:	197401003539 (20667-M)
Registered Office	:	Level 14, Lion Office Tower No. 1 Jalan Nagasari 50200 Kuala Lumpur Wilayah Persekutuan Tel No : 03-21420155 Fax No : 03-21413448 Website : www.lion.com.my/acb
Share Registrar	:	Secretarial Communications Sdn Bhd Level 13, Lion Office Tower No. 1 Jalan Nagasari 50200 Kuala Lumpur Wilayah Persekutuan Tel Nos : 03-21420155, 03-21418411 Fax No : 03-21428409
Auditors	:	Ong Boon Bah & Co. B-10-1 Megan Avenue 1 189 Jalan Tun Razak 50400 Kuala Lumpur Wilayah Persekutuan
Principal Bankers	:	Bank of China (Malaysia) Berhad Malayan Banking Berhad RHB Bank Berhad

DIRECTORS' PROFILE

Datuk M. Chareon Sae Tang @ Tan Whye Aun
Chairman

Y. Bhg. Datuk M. Chareon Sae Tang @ Tan Whye Aun, a Malaysian, male, aged 84, was appointed to the Board on 25 March 1998 and was elected the Chairman of the Company on 22 March 2022.

Datuk Tang obtained his Bachelor of Law from King's College, the University of London and is a Barrister-at-Law of the Inner Temple London. He has been in legal practice since 1968; first as a legal assistant in Messrs Shearn & Delamore, and later as a Partner at Messrs Chye, Chow, Chung & Tang until 1976. Presently, he manages his own legal practice, Messrs C.S. Tang & Co.

Datuk Tang is also the Chairman of Lion Corporation Berhad, a public company, and a Director of Tomei Consolidated Berhad, a public listed company.

Lt. Jen (B) Datuk Seri Abdul Manap bin Ibrahim
Director

Y. Bhg. Datuk Seri Abdul Manap bin Ibrahim, a Malaysian, male, aged 84, was appointed to the Board on 30 March 1994.

Datuk Seri Abdul Manap joined the Malaysian Army as an Officer Cadet in 1959. He was a graduate of the Royal Military College at Sungei Besi, the British Army School of Infantry in Netheravon, England, the US Army Command and General Staff College in Fort Leavenworth (Kansas), the US Naval Post Graduate School in Monterey (California) and the fellowship at US Army War College in Carlyle Barracks (Pennsylvania). He held many important staff and command appointments at the Ministry of Defence, in the field and abroad. He retired in 1994 as Deputy Chief of the Army from the Malaysian Armed Forces after having served 34 years in the military.

Datuk Seri Abdul Manap had also served as Chief Operating Officer with SUKOM Ninety Eight Berhad, the Organizing Committee of the highly successful Kuala Lumpur 98, XVI Commonwealth Games. He was an independent non-executive Director of WTK Holdings Berhad, a public listed company, from 1996 to 2019. At present, he is a Director with a local company in the Information Communications Technology (ICT) sector.

Tan Siak Tee
Director

Mr Tan Siak Tee, a Malaysian, male, aged 82, was appointed to the Board on 14 August 1998.

Mr Tan obtained his Bachelor of Commerce from the University of New South Wales, Australia. He was an Associate of the Institute of Chartered Accountants of Australia and the Institute of Chartered Secretaries and Administrators, and was also a member of the Malaysian Institute of Certified Public Accountants.

In 1965, Mr Tan started his career as an Auditor in Coopers & Lybrand, Sydney and was later seconded to Coopers & Lybrand, Kuala Lumpur. He has extensive experience in the banking industry. He was the Chief Internal Auditor for Malaysian operations in Overseas Chinese Banking Corporation and Chung Khiaw Bank for the period from 1969 to 1971 and 1971 to 1973 respectively. He joined Lee Wah Bank Limited in 1973 as Manager of Malaysia Central Office and was promoted to Director and Chief Executive Officer for Malaysian operation in 1975. He was a Director and Chief Executive Officer of United Overseas Bank (M) Berhad for the period from 1994 to 1997 after Lee Wah Bank Malaysian operation was incorporated in Malaysia in 1994.

He had held directorship in the following companies:

- Director and Adviser of Asia Commercial Finance Berhad from 1997 to 1999
- Independent non-executive Director of Bank of China (Malaysia) Berhad from 2000 to 2013
- Independent non-executive Director of Sunway City Berhad from 2001 to 2011
- Independent non-executive Director of SunREIT Capital Berhad from 2011 to 2014

Ooi Kim Lai
Director

Mr Ooi Kim Lai, a Malaysian, male, aged 55, was appointed to the Board on 3 May 2021.

Mr Ooi graduated with a Diploma in Accountancy from Tunku Abdul Rahman College, and is a Fellow Member of the Association of Chartered Certified Accountants and a member of the Malaysian Institute of Accountants.

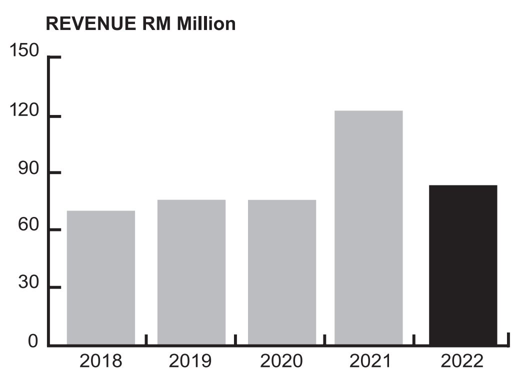
Mr Ooi started his career in 1991 as an auditor in a public accounting firm and joined the Lion Group in 1993 as a Group Accountant. Mr Ooi was the Group Chief Accountant before his appointment as Group Director of the Lion Group in January 2016 and is responsible for the accounting and financial management of certain listed companies in Malaysia and overseas within the Lion Group. He is also actively involved in corporate exercises of the Lion Group including initial public offerings (IPOs), corporate restructuring, mergers and acquisitions, and undertakes investor relations by engaging with fund managers and analysts on various industries covering retail, credit financing, steel, mining, property and services.

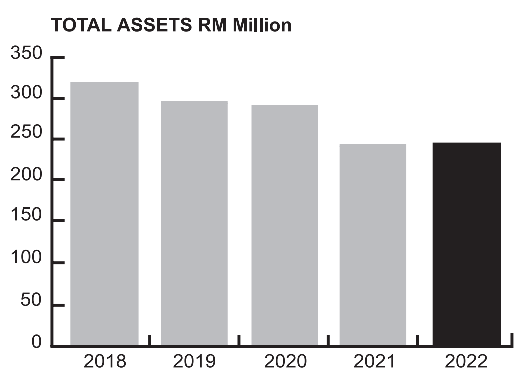
He is also a Director of Parkson Holdings Berhad, a public listed company, and Lion Corporation Berhad and Lion Diversified Holdings Berhad (In Liquidation), both public companies.

Mr Ooi has a direct shareholding of 4 ordinary shares in the Company.

5 YEARS GROUP FINANCIAL HIGHLIGHTS

		12 months ended 30 June			18 months ended 31 December	12 months ended 31 December
Financial years/period		**2018**	**2019**	**2020**	**2021**	**2022**
Revenue	**(RM'000)**	70,228	75,820	74,319	121,569	**83,572**
Profit/(Loss) before tax	**(RM'000)**	43,532	(86,658)	(123,365)	(28,591)	**(141,796)**
Profit/(Loss) after tax	**(RM'000)**	40,697	(90,833)	(126,346)	(35,464)	**(144,548)**
Net profit/(loss) attributable to owners of the Company	**(RM'000)**	37,853	(94,770)	(130,544)	(41,188)	**(150,322)**
Total assets	**(RM'000)**	317,658	299,565	292,570	245,382	**246,386**
Net liabilities	**(RM'000)**	(1,505,368)	(1,602,315)	(1,718,774)	(1,763,948)	**(1,885,452)**
Total borrowings	**(RM'000)**	1,701,622	1,802,915	1,910,826	1,922,554	**2,057,487**





REVIEW OF OPERATIONS

31 DECEMBER 2022

GROUP FINANCIAL PERFORMANCE

The Company changed its financial year end from 30 June to 31 December in the last financial period which comprised an 18-month period. As a result, the comparative figures for the two financial periods were not comparable.

For the financial year ended 31 December 2022, the Group posted a revenue of RM83.6 million, mainly contributed by the Security Division. The Group recorded an unrealised foreign exchange loss of RM89.5 million and finance costs of RM68.0 million, both mainly arising from the ACB Bonds and USD Debts.

Overall, the Group posted a loss before tax of RM141.8 million for the financial year under review.

REVIEW OF OPERATIONS

Security services

Secom (Malaysia) Sdn Bhd ("Secom"), a joint-venture with Secom Co., Ltd, Japan and Koperasi Polis Diraja Malaysia Berhad, provides total integrated 24-hour security services under the SECOM brand. Secom has a broad range of products and services covering central monitoring services with emergency response, supply and installation of closed circuit televisions ("CCTV"), access control, CCTV remote monitoring, security audit, and the supply of security guards for industrial and commercial premises. Secom provides total security solutions to enhance customers' security needs.

For the financial year, Secom achieved a revenue of RM74.1 million, mainly attributed to central monitoring services of RM26.8 million, static guards services of RM29.5 million and one-off sales with installation worth RM17.6 million, while operating profit was recorded at RM14.1 million.

Following the easing of the Movement Control Order from May 2022 onwards, sales and installation activities have picked up as businesses resumed full operations after about two years of lockdown restrictions.

During the year under review, upon completion of the renovation works of the 3-storey semi-detached office building, Secom's office administration, technical, sales and operations guarding division were relocated to the new office on 18 February 2022, followed by the relocation of the new Control Centre in two phases on 29 March 2022 and 6 April 2022.

Going forward, the market outlook is expected to remain challenging post-pandemic with business closures, cost pressures, price competitiveness and technological changes. We will continue to leverage on the newly set-up Control Centre to build our customer base and provide improved 24/7 monitoring services to the existing and new customers.

Secom will continue to strengthen its response team to increase response coverage in major towns, widen its product range to cater to the expanding market needs, reduce cost and increase productivity to remain competitive, and to provide quality and innovative services to meet customers' requirements.

Investment holding and others

This Division is primarily involved in manufacturing and sale of tools and dies, and investment holding. For the year under review, these activities collectively recorded a revenue of RM9.5 million and a profit of RM1.1 million which were mainly due to interest income.

FINANCIAL STATEMENTS
2022
For The Financial Year Ended 31 December 2022

DIRECTORS' REPORT

The Directors hereby present their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2022.

PRINCIPAL ACTIVITIES

The Company is principally involved in investment holding.

The subsidiary companies are principally involved in the provision of electronic surveillance of premises and other security related services and sale of security equipment, manufacturing and sale of tools and dies, landscaping business, treasury business and investment holding.

The information on the name, place of incorporation, principal activities, and percentage of issued share capital held by the holding company in each subsidiary company are disclosed in Note 16 to the financial statements.

RESULTS

	GROUP RM'000	COMPANY RM'000
Net loss for the financial year	(144,548)	(152,391)
(Loss)/Profit attributable to:		
Owners of the Company	(150,322)	(152,391)
Non-controlling interests	5,774	-
	(144,548)	(152,391)

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

ISSUE OF SHARES AND DEBENTURES

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

DIRECTORS OF THE COMPANY

The Directors of the Company in office during the financial year and up to the date of this report are:

Datuk M. Chareon Sae Tang @ Tan Whye Aun
Lt. Jen (B) Datuk Seri Abdul Manap bin Ibrahim
Tan Siak Tee
Ooi Kim Lai

DIRECTORS OF SUBSIDIARIES

The Directors who held office in the subsidiaries of the Company during the financial year and up to the date of this report are:

Chai Kian Chong
Cheng Hui Ya, Serena
Chuah Say Chin
Derek K.F Liew
Eduardo Delos Angeles
Haji Mohamad Khalid bin Abdullah
Jose Ivan T. Justiniano
Jose MA. J. Fernandez
Jose N. Rodulfa
Juliana Cheng San San
Koh Yong Heng
Lee Whay Keong
MA. Liza Joson
Oscar Immanuel Hitarihun
Ooi Kim Lai
Nazarhanim binti Mohamad Razak
Stephen Delos Reyes
Susumu Kiryu
Tan Kim Kee
Tan Sri Cheng Heng Jem
Tan Sri Cheng Yong Kim
Teodoro R. Villanueva
Wang Wing Ying
Choong Boon Pin (Deceased)

DIRECTORS' BENEFITS

Since the end of the previous financial period, no Director of the Company has received or become entitled to receive any benefit (other than those shown below) 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.

Details of the remuneration paid to or receivable by the Directors of the Company during the financial year are as follows:

	GROUP RM'000	COMPANY RM'000
Directors' fee	40	37
Other emoluments	5	4
	45	41

Neither during nor at the end of the financial year, was the Company a party to any arrangement 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.

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings, the interests of the Directors in office at the end of the financial year in shares in the Company during and at the end of the financial year are as follows:

	Number of Ordinary Shares			
	As at 1.1.2022	Addition	Disposal	As at 31.12.2022
Direct Interest				
Ooi Kim Lai	4	-	-	4

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

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

The Directors and Officers of the Group and of the Company are covered under a Directors' and Officers' Liability Insurance up to an aggregate limit of RM5 million against any legal liability, if incurred by the Directors and Officers of the Group and of the Company in the discharge of their duties while holding office for the Company and its subsidiary companies.

OTHER STATUTORY INFORMATION

Before the statements of profit or loss, the statements of other comprehensive income and the statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps:

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

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

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

(a) which would render the amounts written off for bad receivables or the amount of allowance for doubtful receivables in the financial statements of the Group and of the Company inadequate to any substantial extent; or

(b) which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading; or

(c) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or

(d) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

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

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

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

In the opinion of the Directors, except as disclosed in the financial statements:

(a) the results of the Group's and of the Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature;

(b) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made; and

(c) no contingent or other liability has become enforceable or is likely to become enforceable within the period of 12 months after the end of the financial year which will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

AUDITORS' REMUNERATION

The remuneration of the auditors of the Group and of the Company for the financial year ended 31 December 2022 amounted to RM271,000 and RM50,000 respectively.

AUDITORS

The Auditors, Ong Boon Bah & Co, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 2 May 2023.

DATUK M. CHAREON SAE TANG @ TAN WHYE AUN
Chairman

OOI KIM LAI
Director

Kuala Lumpur

STATEMENTS OF PROFIT OR LOSS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	GROUP 1.1.2022 to 31.12.2022 RM'000	GROUP 1.7.2020 to 31.12.2021 RM'000	COMPANY 1.1.2022 to 31.12.2022 RM'000	COMPANY 1.7.2020 to 31.12.2021 RM'000
Revenue	6	**83,572**	121,569	**1,332**	12,878
Other operating income		**8,264**	5,501	**11,952**	5,723
Changes in inventories		**(60)**	(142)	**-**	-
Raw materials and consumables used		**(2,714)**	(2,209)	**-**	-
Employee benefits expenses	7	**(42,294)**	(59,352)	**-**	-
Depreciation and amortisation expenses		**(4,855)**	(6,934)	**-**	-
Other operating expenses		**(26,727)**	(28,833)	**(955)**	(1,076)
Profit from operations	8	**15,186**	29,600	**12,329**	17,525
(Loss)/Gain on foreign exchange					
- unrealised		**(89,480)**	39,988	**(92,601)**	49,252
Finance costs	9	**(67,990)**	(99,776)	**(71,821)**	(106,607)
Share in results of associated companies		**488**	1,597	**-**	-
Loss before tax		**(141,796)**	(28,591)	**(152,093)**	(39,830)
Tax expenses	10	**(2,752)**	(6,873)	**(298)**	(2,931)
Net loss for the financial year/period		**(144,548)**	(35,464)	**(152,391)**	(42,761)
(Loss)/Profit attributable to:					
Owners of the Company		**(150,322)**	(41,188)	**(152,391)**	(42,761)
Non-controlling interests		**5,774**	5,724	**-**	-
		(144,548)	(35,464)	**(152,391)**	(42,761)
Loss per share:					
Basic (sen)	11	**(11.3)**	(3.1)		

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

STATEMENTS OF OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	GROUP		COMPANY	
	1.1.2022 to 31.12.2022 RM'000	1.7.2020 to 31.12.2021 RM'000	1.1.2022 to 31.12.2022 RM'000	1.7.2020 to 31.12.2021 RM'000
Net loss for the financial year/period	**(144,548)**	(35,464)	**(152,391)**	(42,761)
Other comprehensive income/(expense)				
Items that may be reclassified subsequently to profit/(loss)				
Change in translation reserve	**28,818**	(3,986)	**-**	-
Total comprehensive expense for the financial year/period	**(115,730)**	(39,450)	**(152,391)**	(42,761)
Total comprehensive (expense)/income for the financial year/period attributable to:				
Owners of the Company	**(121,504)**	(45,174)	**(152,391)**	(42,761)
Non-controlling interests	**5,774**	5,724	**-**	-
	(115,730)	(39,450)	**(152,391)**	(42,761)

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

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Note	GROUP 2022 RM'000	GROUP 2021 RM'000	COMPANY 2022 RM'000	COMPANY 2021 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	12	**32,327**	31,849	**-**	-
Investment properties	13	**253**	259	**-**	-
Right-of-use assets	14	**806**	1,069	**-**	-
Associated companies	15	**27,347**	26,859	**4,000**	4,000
Subsidiary companies	16	**-**	-	**-**	-
Investments	17	**237**	237	**128**	128
Deferred tax assets	27	**-**	734	**-**	-
		60,970	61,007	**4,128**	4,128
Current assets					
Contract costs	18(a)	**1,089**	777	**-**	-
Inventories	19	**6,164**	4,051	**-**	-
Receivables	20	**80,667**	87,101	**49,264**	51,681
Tax recoverable		**6,646**	3,069	**5,633**	3,038
Investment in cash funds	21(a)	**70,043**	66,792	**1,706**	1,665
Deposits, cash and bank balances	21(b)	**20,807**	22,585	**14,234**	13,115
		185,416	184,375	**70,837**	69,499
TOTAL ASSETS		**246,386**	245,382	**74,965**	73,627
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	22	**1,561,363**	1,561,363	**1,561,363**	1,561,363
Reserves	23	**374,390**	345,572	**-**	-
Accumulated losses		**(3,821,205)**	(3,670,883)	**(4,706,362)**	(4,553,971)
		(1,885,452)	(1,763,948)	**(3,144,999)**	(2,992,608)
Non-controlling interests		**49,606**	46,282	**-**	-
Total equity		**(1,835,846)**	(1,717,666)	**(3,144,999)**	(2,992,608)

STATEMENTS OF FINANCIAL POSITION (continued)

AS AT 31 DECEMBER 2022

	Note	GROUP 2022 RM'000	GROUP 2021 RM'000	COMPANY 2022 RM'000	COMPANY 2021 RM'000
Non-current liabilities					
Term loan	25	**-**	1,637	**-**	-
Lease liabilities	26	**223**	272	**-**	-
Deferred liabilities		**2,188**	2,045	**-**	-
Deferred tax liabilities	27	**172**	79	**-**	-
		2,583	4,033	**-**	-
Current liabilities					
Payables	28	**20,207**	36,395	**1,113,667**	1,104,339
Contract liabilities	18(b)	**1,253**	708	**-**	-
ACB Bonds and USD Debts	24	**2,057,487**	1,919,479	**2,106,297**	1,961,896
Term loan	25	**-**	1,438	**-**	-
Lease liabilities	26	**628**	839	**-**	-
Tax liabilities		**74**	156	**-**	-
		2,079,649	1,959,015	**3,219,964**	3,066,235
Total liabilities		**2,082,232**	1,963,048	**3,219,964**	3,066,235
Net current liabilities		**(1,894,233)**	(1,774,640)	**(3,149,127)**	(2,996,736)
TOTAL EQUITY AND LIABILITIES		**246,386**	245,382	**74,965**	73,627

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	GROUP 1.1.2022 to 31.12.2022 RM'000	GROUP 1.7.2020 to 31.12.2021 RM'000	COMPANY 1.1.2022 to 31.12.2022 RM'000	COMPANY 1.7.2020 to 31.12.2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Loss before tax		**(141,796)**	(28,591)	**(152,093)**	(39,830)
Adjustments for non-cash items, interests and dividends	31(a)	**154,037**	51,549	**153,092**	38,790
Operating profit/(loss) before working capital changes		**12,241**	22,958	**999**	(1,040)
Changes in working capital:					
Inventories		**(4,479)**	(3,577)	**-**	-
Trade and other receivables		**6,906**	30,647	**2,415**	30,043
Contract costs		**(312)**	(250)	**-**	-
Trade and other payables		**(6,830)**	(13,518)	**(1,980)**	(15,656)
Contract liabilities		**543**	28	**-**	-
Cash generated from operations		**8,069**	36,288	**1,434**	13,347
Tax paid		**(5,583)**	(4,404)	**(2,893)**	(184)
Net cash inflow/(outflow) from operating activities		**2,486**	31,884	**(1,459)**	13,163
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment		**(3,917)**	(4,390)	**-**	-
Proceeds from disposal of property, plant and equipment		**6,628**	55	**-**	-
Changes in investment in cash funds		**(3,251)**	(3,157)	**(41)**	(4)
Dividends received		**131**	15,287	**42**	254
Interest received		**2,502**	14,377	**1,290**	12,624
Net cash inflow from investing activities		**2,093**	22,172	**1,291**	12,874

STATEMENTS OF CASH FLOWS (continued)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

		GROUP		COMPANY	
	Note	1.1.2022 to 31.12.2022 RM'000	1.7.2020 to 31.12.2021 RM'000	1.1.2022 to 31.12.2022 RM'000	1.7.2020 to 31.12.2021 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividend paid to non-controlling interests		**(2,450)**	(4,410)	**-**	-
Redemption/Repayment of ACB Bonds and USD Debts	24	**(1,483)**	(53,807)	**(1,343)**	(52,662)
Payment of lease liabilities	26	**(974)**	(1,451)	**-**	-
Changes in fixed deposits earmarked for ACB Bonds and USD Debts redemption		**(2,407)**	6,183	**(2,450)**	7,550
Net repayment of term loan	25	**(3,075)**	(2,077)	**-**	-
Finance cost paid		**(113)**	(283)	**-**	-
Advance from subsidiary companies		**-**	-	**2,630**	20,424
Net cash outflow from financing activities		**(10,502)**	(55,845)	**(1,163)**	(24,688)
Effect of exchange rate changes on cash and cash equivalents		**1,738**	1,207	**-**	-
Net (decrease)/increase in cash and cash equivalents		**(4,185)**	(582)	**(1,331)**	1,349
Cash and cash equivalents at beginning of the financial year/period		**9,552**	10,134	**1,899**	550
Cash and cash equivalents at end of the financial year/period	31(b)	**5,367**	9,552	**568**	1,899

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

GROUP	<-------- Attributable to owners of the Company -------- >					
		Non-distributable				
	Share capital RM'000 (Note 22)	Reserves RM'000 (Note 23)	Accumulated losses RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 July 2020	1,561,363	349,558	(3,629,695)	(1,718,774)	44,968	(1,673,806)
Total comprehensive (expense)/income for the financial period	-	(3,986)	(41,188)	(45,174)	5,724	(39,450)
Dividend paid by subsidiary	-	-	-	-	(4,410)	(4,410)
At 31 December 2021	1,561,363	345,572	(3,670,883)	(1,763,948)	46,282	(1,717,666)
At 1 January 2022	**1,561,363**	**345,572**	**(3,670,883)**	**(1,763,948)**	**46,282**	**(1,717,666)**
Total comprehensive income/(expense) for the financial year	**-**	**28,818**	**(150,322)**	**(121,504)**	**5,774**	**(115,730)**
Dividend paid by subsidiary	**-**	**-**	**-**	**-**	**(2,450)**	**(2,450)**
At 31 December 2022	**1,561,363**	**374,390**	**(3,821,205)**	**(1,885,452)**	**49,606**	**(1,835,846)**

STATEMENTS OF CHANGES IN EQUITY (continued)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

COMPANY

	Share capital RM'000 (Note 22)	Accumulated losses RM'000	Total equity RM'000
At 1 July 2020	1,561,363	(4,511,210)	(2,949,847)
Total comprehensive expense for the financial period	-	(42,761)	(42,761)
At 31 December 2021	1,561,363	(4,553,971)	(2,992,608)
At 1 January 2022	**1,561,363**	**(4,553,971)**	**(2,992,608)**
Total comprehensive expense for the financial year	**-**	**(152,391)**	**(152,391)**
At 31 December 2022	**1,561,363**	**(4,706,362)**	**(3,144,999)**

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The registered office and the principal place of business of the Company are both located at Level 14, Lion Office Tower, No. 1 Jalan Nagasari, 50200 Kuala Lumpur, Wilayah Persekutuan.

The principal activity of the Company is investment holding. The principal activities of its subsidiary companies are shown in Note 16. There have been no significant changes in the nature of the principal activities of the Company and of its subsidiary companies during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 2 May 2023.

2. GOING CONCERN

The Group and the Company incurred net loss attributable to the owners of the Company of RM150 million and RM152 million respectively during the financial year ended 31 December 2022 and, as of that date, the Group and the Company have deficit in their net equity attributable to the owners of the Company of RM1,885 million and RM3,145 million respectively and their current liabilities exceeded their current assets by RM1,894 million and RM3,149 million respectively. In addition, as disclosed in Note 24, the ACB Bonds and USD Debts of the Group and of the Company which are repayable within 12 months amounting to RM2,057 million and RM2,106 million respectively. The cash flows for the redemption/repayment will be sourced from the proceeds of the disposal of assets/companies and cash flows from the operations.

The Directors are of the opinion that the financial statements be prepared on a going concern basis and accordingly do not include any adjustments that may be necessary if the Group and the Company are unable to continue as a going concern.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements of the Group and of the Company have been prepared under the historical cost convention unless otherwise indicated in the significant accounting policies and are in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial statements of the Group and of the Company are presented in Ringgit Malaysia ("RM"). All values are rounded to the nearest thousand (RM'000 or '000) except when otherwise indicated.

(b) Subsidiary companies

(i) Basis of consolidation and subsidiary companies

The consolidated financial statements incorporate the financial statements of the Company and entities (including special purpose entities) controlled by the Company (its subsidiary companies). Control is achieved where the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(b) Subsidiary companies (cont'd)

(i) Basis of consolidation and subsidiary companies (cont'd)

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Subsidiary companies are those entities controlled by the Company. Subsidiary companies are consolidated using the purchase method of accounting. Under the purchase method of accounting, the results of subsidiary companies acquired during the financial year are included in the consolidated financial statements from the effective date of acquisition. The purchase method of accounting involves allocating the cost of the acquisition to the fair value of the assets acquired and liabilities and contingent liabilities assumed at the date of acquisition. At the Group's level, provisions are made for the acquiree's contingent liabilities existing at the date of acquisition as the Group deems that it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations. The cost of an acquisition is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the acquisition.

Any excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill.

Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in profit or loss.

Uniform accounting policies are adopted in the consolidated financial statements for similar transactions and other events in similar circumstances. In the preparation of the consolidated financial statements, the financial statements of all subsidiary companies are adjusted for the material effects of dissimilar accounting policies. Intragroup transactions, balances and unrealised gains and losses are eliminated in full on consolidation and the consolidated financial statements reflect external transactions only.

Non-controlling interests in the consolidated statements of financial position consist of the non-controlling interests' share of fair values of the identifiable assets and liabilities of the acquiree as at acquisition date and the non-controlling interests' share of movements in the acquiree's equity since then.

In the Company's separate financial statements, investments in subsidiary companies are measured at cost less impairment losses. On disposal of such investment, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(b) Subsidiary companies (cont'd)

(ii) Transactions with non-controlling interests

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in profit or loss of the Group and within equity in the consolidated statements of financial position, separately from parent shareholders' equity. Transactions with non-controlling interests are accounted for using the entity concept method, whereby, transactions with non-controlling interests are accounted for as transactions with owners. On acquisition of non-controlling interests, the difference between the consideration and book value of the share of the net assets acquired is recognised directly in equity. Gain or loss on disposal to non-controlling interests is recognised directly in equity.

(c) Associated companies

Associated companies are entities in which the Group has significant influence and where the Group participates in its financial and operating policies through Board representation. Investments in associated companies are accounted for in the consolidated financial statements by the equity method of accounting based on the latest audited or management financial statements of the companies concerned made up to the Group's financial period end. Uniform accounting policies are adopted for like transactions and events in similar circumstances.

Under the equity method of accounting, the Group's share of results of associated companies during the financial year is included in the consolidated financial statements. The Group's share of results of associated companies acquired or disposed of during the year, is included in the Group's profit or loss from the date that significant influence effectively commences or until the date that significant influence effectively ceases, as appropriate.

Unrealised gains and losses on transactions between the Group and the associated companies are eliminated to the extent of the Group's interest in the associated companies.

The Group's interest in associated companies is carried in the consolidated statements of financial position at cost plus the Group's share of post-acquisition changes in the share of the net assets of the associated companies, less impairment losses.

Goodwill relating to an associated company is included in the carrying amount of the investment and is not amortised. Any excess of the Group's share of net fair value of the associated company's identifiable assets, liabilities and contingent liabilities over the cost of investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of associated company's results in the period in which the investment is acquired.

When the Group's share of losses equals or exceeds its interest in an equity accounted associated company, including any long term interest that, in substance, form part of the Group's net investment in the associated company, the carrying amount of that interest is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payment on behalf of the associated company.

In the Company's separate financial statements, investments in associated companies are measured at cost less impairment losses.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(d) Property, plant and equipment

All items of property, plant and equipment are initially measured at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Subsequent to recognition, property, plant and equipment except for freehold land and capital work-in-progress are measured at cost less accumulated depreciation and accumulated impairment losses.

Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

Leasehold land is depreciated over the lease term and reviewed at each reporting date to determine whether there is an indication of impairment. The residual values, lease term and depreciation method are reviewed at each financial period end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

Freehold land has an unlimited useful life and therefore is not depreciated but reviewed at each reporting date to determine whether there is an indication of impairment. Capital work-in-progress is not depreciated as this asset is also not available for use. Depreciation of other property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

Buildings	2% - 10%
Plant and machinery	2% - 33%
Tools and equipment	10% - 20%
Furniture and office equipment	5% - 25%
Motor vehicles	13% - 20%

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

(e) Biological assets

Bearer plants mainly include mature and immature oil palm plantations. Immature plantations are measured at acquisition cost which includes costs incurred for field preparation, planting, fertilising and maintenance, capitalisation of borrowing costs incurred on loans used to finance the developments of immature plantations and an allocation of other indirect costs based on planted hectares. Mature plantations are measured at acquisition cost less accumulated depreciation and impairment. Oil palm is considered mature in the fifth year after planting.

The residual values, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits.

A bearer plant is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the bearer plant is included in the statement of profit and loss in the year the bearer plant is derecognised.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(f) Investment property

Investment property is property which is held either to earn rental income or for capital appreciation or for both. Such property is initially measured at cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. Fair value is arrived at by reference to market evidence of transaction prices for similar property and the valuation is performed by independent professional valuers.

Gains or losses arising from changes in the fair values of investment property are recognised in profit or loss in the year in which they arise.

A property interest under an operating lease is classified and accounted for as an investment property on a property-by-property basis when the Group holds it to earn rentals or for capital appreciation or both. Any such property interest under an operating lease classified as an investment property is carried at fair value.

Investment property is derecognised when either they have been disposed off or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year in which they arise.

When an item of investment property carried at fair value is transferred to property, plant and equipment following a change in its use, the property’s deemed cost for subsequent accounting in accordance with MFRS 116 *Property, Plant and Equipment* shall be its fair value at the date of change in use.

(g) Contract costs (costs to fulfil a contract) and contract liabilities

The Group recognises a contract cost that relate directly to a contract or to an anticipated contract as an asset when the cost generates or enhances resources of the Group, will be used in satisfying performance obligations in the future and it is expected to be recovered.

These contract costs are initially measured at cost and amortised on a systematic basis that is consistent with the pattern of revenue recognition to which the asset relates. An impairment loss is recognised in profit or loss when the carrying amount of the contract cost exceeds the expected revenue less expected cost that will be incurred. Where the impairment condition no longer exists or has improved, the impairment loss is reversed to the extent that the carrying amount of the contract cost does not exceed the amount that have been recognised had there been no impairment loss recognised previously.

A contract liability is measured at cost and represents the obligation of the Group to transfer goods or services to a customer for which consideration has been received (or the amount is due) from the customers. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

(h) Inventories

(i) Properties

Inventories comprise land held for development, properties under construction and completed properties held for sales.

Inventories are measured at the lower of cost and net realisable value.

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

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(h) Inventories (cont'd)

(i) Properties (cont'd)

Land held for property development is defined as land on which development is not expected to be completed within the normal operating cycle. Usually, no significant development work would have been undertaken on these land. Accordingly, land held for property development are classified as non-current assets in the statement of financial position and are measured at cost plus incidental expenditure incurred to put the land in a condition ready for development.

Land on which development has commenced and is expected to be completed within the normal operating cycle is included in property development costs. Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

(ii) Raw material, finished goods, work-in-progress and others

Raw material, finished goods, work-in-progress and others are measured at lower of cost and net realisable value.

The cost of raw materials comprises the original purchase price plus cost incurred in bringing the inventories to their present locations and conditions. The cost of finished goods and work-in-progress consists of direct materials, direct labour, other direct costs and appropriate production overheads where applicable and is determined on a weighted average basis.

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

(i) Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following the initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(j) Impairment of non-financial assets

The carrying amounts of non-financial assets, other than biological assets, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset’s recoverable amount is estimated to determine the amount of impairment loss.

For goodwill, assets that have an indefinite useful life, the recoverable amount is estimated at each reporting date or more frequently when there are indications of impairment.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belongs to. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's CGUs, or groups of CGUs, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(j) Impairment of non-financial assets (cont'd)

An asset's recoverable amount is the higher of an asset's or CGU's fair value less cost to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

An impairment loss is recognised in profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for as a revaluation decrease to the extent that the impairment loss does not exceed the amount held in the fair value reserve for the same asset.

Impairment loss on goodwill is not reversed in a subsequent period. An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase.

(k) Financial instruments

(i) Initial recognition and measurement

A financial asset or a financial liability is recognised in the financial statements when, and only when, the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a receivable without a significant financing component) or a financial liability is initially measured at fair value plus or minus, in the case of a financial instrument not at fair value through profit or loss, any directly attributable transaction cost incurred at the acquisition or issuance of the financial instrument. A trade receivable that does not contain a significant financing component, is initially measured at the transaction price.

There is no change to the accounting policy in relation to regular way purchases or sales (purchases or sales under a contract whose terms require delivery of financial assets within a time frame established by regulation or convention in the marketplace concerned).

(ii) Financial instrument categories and subsequent measurement

Financial assets

The Group categorises financial instruments as follows:

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(k) Financial instruments (cont'd)

(ii) Financial instrument categories and subsequent measurement (cont'd)

Financial assets (cont'd)

(a) Amortised cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

(b) Fair value through other comprehensive income

(i) Debt investments

Fair value through other comprehensive income category comprises debt investment where it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets, and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The debt investment is not designated as at fair value through profit or loss. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

(ii) Equity investments

This category comprises investment in equity that is not held for trading, and the Group irrevocably elects to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of investment. Other net gains and losses accumulated in other comprehensive income are not reclassified to profit or loss.

(c) Fair value through profit or loss

All financial asset not measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss. This includes derivative financial assets (except for a derivative that is a designated and effective hedging instrument). On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(k) Financial instruments (cont'd)

(ii) Financial instrument categories and subsequent measurement (cont'd)

Financial assets (cont'd)

(c) Fair value through profit or loss (cont'd)

Financial assets categorised as fair value through profit or loss are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income, are recognised in profit or loss.

All financial assets, except for those measured at fair value through profit or loss and equity investments measured at fair value through comprehensive income, are subject to impairment assessment (see Note 3(l)).

Financial liabilities

At initial recognition, all financial liabilities are subsequently measured at fair value through profit or loss or at amortised cost.

(a) Fair value through profit or loss

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument), contingent consideration in a business combination and financial liabilities that are specifically designated into this category upon initial recognition.

Financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair value with gains or losses, including any interest expense are recognised in profit or loss.

For financial liabilities where it is designated as fair value through profit or loss upon initial recognition, the Group recognised that amount of change in fair value of the financial liability that is attributable to change in credit risk in the other comprehensive income, unless the treatment of the effects of changes in the liability's credit risk would create or enlarge an accounting mismatch, and remaining amount of the change in fair value in profit or loss.

(b) Amortised cost

Other financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gains or losses are also recognised in profit or loss.

(iii) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(k) Financial instruments (cont'd)

(iii) Derecognition (cont'd)

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expired. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(l) Impairment of assets

(i) Financial assets

The Group recognises loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised cost.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is past due.

The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full, without resource by the Group to actions such as realising security.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument, while 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. The Group estimates the ECLs on trade receivables using a provision matrix with reference to historical credit loss experience.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account. When a receivable is considered uncollectible, it is written off against the allowance account.

An impairment loss in respect of debt investments measured at fair value through other comprehensive income is recognised in profit or loss and the allowance account is recognised in other comprehensive income.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(l) Impairment of assets (cont'd)

(ii) Other assets

The carrying amounts of other assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment.

If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or the CGU to which it belongs exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

A CGU is the smallest identifiable asset group that generates cash flows from continuing use that are largely independent from other assets and groups. An impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

The recoverable amount is the greater of the asset's fair value less cost to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs.

Impairment losses are reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised, unless it reverses an impairment loss on a revalued asset, in which case it is credited directly to revaluation surplus. Where an impairment loss on the same revalued asset was previously recognised in profit or loss, a reversal of that impairment loss is also recognised in profit or loss.

(m) Cash and cash equivalents

For the purposes of statements of cash flows, cash and cash equivalents include cash in hand and at bank, deposits at call and short term highly liquid investments which have insignificant risk of changes in value, net of outstanding bank overdrafts and pledged deposits.

(n) Provisions

Provisions for liabilities are recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation. Liquidated ascertained damages which have been accrued based on estimates of settlement sums to be agreed, are charged to profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(o) Leases and right-of-use assets

The Group, as lessee, assesses at inception of the contract whether a contract is or contains a lease.

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

(i) Lease liabilities

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

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

(ii) Short term leases and leases of low-value assets

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

(iii) Right-of-use assets

The Group recognises the right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses. The cost of right-of-use assets includes the amount of lease liabilities recognised and lease payments made. Right-of-use assets are depreciated on a straight-line basis over the shorter of lease term or useful lives. The estimated useful lives of the asset based on the lease term is as follows:

Buildings (premises and depots)	1 to 5 years

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(p) Equity instruments

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are approved for payment.

The transaction costs of an equity transaction are accounted for as a deduction from equity. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

(q) Foreign currencies

(i) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company’s functional currency.

(ii) Foreign currency transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded in the functional currencies using the exchange rates prevailing at the date of the transactions. At each statement of financial position date, monetary items denominated in foreign currencies are translated at the rates prevailing on the statements of financial position date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the period except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. Exchange differences arising on monetary items that form part of the Group's net investment in foreign operation, where that monetary item is denominated in either the functional currency of the reporting entity or the foreign operation, are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in the comprehensive income. Exchange differences arising on monetary items that form part of the Group's net investment in foreign operation, where that monetary item is denominated in a currency other than the functional currency of either the reporting entity or the foreign operation, are recognised in the other comprehensive income for the period.

Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation, regardless of the currency of the monetary item, are recognised in profit or loss in the Company's financial statements or the individual financial statements of the foreign operation, as appropriate.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in the comprehensive income for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(q) Foreign currencies (cont'd)

(iii) Foreign operations

The results and financial position of foreign operations that have a functional currency different from the presentation currency ("RM") of the consolidated financial statements are translated into RM as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate prevailing at the statement of financial position date;

- Income and expenses for each statement of comprehensive income are translated at average exchange rates for the year, which approximates the exchange rates at the dates of the transactions; and

- All resulting exchange differences are taken to the foreign currency translation reserve within equity.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the reporting date.

The principal closing rates used in translation of foreign currency amounts are as follows:

	2022	**2021**
	RM	**RM**
Foreign currencies		
1 United States Dollar	4.396	4.169
1 Singapore Dollar	3.280	3.084
1 Hong Kong Dollar	0.566	0.535
100 Philippine Peso	7.865	8.125
100 Indonesian Rupiah	0.027	0.028
1 Chinese Renminbi	0.632	0.655

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(r) Revenue recognition

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer. Revenue from contracts with customers is measured at its transaction price, being the amount of consideration which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of goods and service tax, returns, rebates and discounts. Transaction price is allocated to each performance obligation on the basis of the relative standalone selling prices of each distinct good or services promised in the contract. Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

(i) Sale of goods and services

Revenue is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties. The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of the asset.

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

(a) the customer simultaneously receives and consumes the benefits provided as the Group performs; or

(b) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

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

(ii) Dividend income

Dividend income is recognised when the Group's or the Company's right to receive payment is established.

(iii) Interest income

Interest income is recognised using the effective interest method in profit or loss.

(iv) Rental income

Rental income is recognised on a straight-line basis over the term of the lease.

(s) Borrowing costs

Borrowing costs incurred to finance the construction of property, plant and equipment are capitalised as part of the cost of the asset until the asset is ready for its intended use. Capitalisation of finance cost is suspended during extended periods in which active development is interrupted.

All other borrowing costs are recognised as an expense in profit or loss in which they are incurred.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(t) Employee benefits

(i) Short term benefits

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

(ii) Defined contribution plans

The Group's contributions to defined contribution plans are charged to profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further payment obligations.

(u) Income tax

Income tax on profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the reporting date.

Deferred tax is provided for, using the liability method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences or unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date. Deferred tax is recognised in profit or loss, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity, or when it arises from business combination that is an acquisition, in which case deferred tax is included in the resulting goodwill or negative goodwill on acquisition.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority.

(v) Segment reporting

Segment reporting is presented for enhanced assessment of the Group's risks and returns. A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those components.

Segment revenue, expense, assets and liabilities are those amounts resulting from the operating activities of a segment that are directly attributable to the segment and the relevant portion that can be allocated on a reasonable basis to the segment. Segment revenue, expenses, assets and segment liabilities are determined before intra-group balances and transactions are between group enterprises within a single segment. Inter-segment pricing is based on similar terms as those available to other external parties.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(w) Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group and the Company.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group and the Company.

4. STANDARDS AND INTERPRETATIONS

As at 1 January 2022, the Group and the Company adopted the following amended MFRSs issued by the Malaysian Accounting Standards Board ("MASB"):

Amendments to MFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021
Amendments to MFRS 4	Extension of the Temporary Exemption from Applying MFRS 9
Amendments to MFRS 3	Business Combinations: Reference to the Conceptual Framework
Amendments to MFRS 4, MFRS 7, MFRS 9, MFRS 16 and MFRS 139	Interest Rate Benchmark Reform-Phase 2
Amendments to MFRS 116	Property, Plant and Equipment: Proceeds before Intended Use
Amendments to MFRS 137	Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts-Cost of Fulfilling a Contract
Annual Improvements to MFRSs 2018 - 2020 Cycle	

The adoption of the above amended MRFSs did not result in significant changes on the accounting policies of the Group and of the Company and has no material effect on the financial position and financial performance of the Group and of the Company.

Standards and Amendments to Standards issued but not yet effective

At the date of authorisation for issue of these financial statements, the following new MFRSs and Amendments to MFRSs have been issued by the MASB but not yet effective and have not been applied by the Group and the Company:

Effective for financial periods beginning on or after 1 January 2023:

MFRS 17	Insurance Contracts
Amendments to MFRS 17	Insurance Contracts: Initial Application of MFRS 17 and MFRS 9 - Comparative Information
Amendments to MFRS 101	Presentation of Financial Statements: Classification of Liabilities as Current or Non-current
Amendments to MFRS 101	Presentation of Financial Statements: Disclosure of Accounting Policies
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates
Amendments to MFRS 112	Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

4. STANDARDS AND INTERPRETATIONS (cont'd)

Effective for financial periods beginning on or after 1 January 2024:

Amendments to MFRS 16	Leases: Lease Liability in a Sale and Leaseback
Amendments to MFRS 101	Presentation of Financial Statements: Non-current Liabilities with Covenants

Deferred to a date to be determined by the MASB:

Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Group and the Company will adopt the above new MFRSs and Amendments to MFRSs when they become effective. The adoption of the above new MFRSs and Amendments to MFRSs is not expected to have a material impact on the financial performance or position of the Company in the period of initial application.

5. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

(a) Critical judgement made in applying accounting policies

Management is of the opinion that the instances of the application of judgement are not expected to have a significant effect on the amounts recognised in the financial statements, apart from those involving estimation.

(b) Key sources of estimation uncertainty

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

(i) Impairment of tangible assets

When there is an indication that the carrying amount of an asset may be impaired, the asset's recoverable amount, being the higher of its fair value less costs to sell and its value in use, will be assessed. The assessment of recoverable amounts involves various methodologies.

Fair value of an asset is estimated by reference to net assets of the investee or based on prevailing market value determined by professional valuers.

In determining the value in use of an asset, being the future economic benefits to be expected from its continued use and ultimate disposal, the Group makes estimates and assumptions that required significant judgements and estimates. While the Group believes these estimates and assumptions to be reasonable and appropriate, changes in these estimates and assumptions of value in use could impact on the Group’s financial position and results.

5. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (cont'd)

(b) Key sources of estimation uncertainty (cont'd)

(ii) Depreciation of property, plant and equipment

The cost of property, plant and equipment except for freehold land and capital work-in-progress, is depreciated on a straight-line basis over the assets' useful lives. Management reviews the remaining useful lives of these property, plant and equipment at the end of each financial period and ensures consistency with previous estimates and patterns of consumptions of the economic benefits that embodies the items in these assets. Changes in useful lives of property, plant and equipment may result in revision of future depreciation charges.

(iii) Impairment of receivables

The Group makes impairment losses based on assessment of the recoverability of receivables. Allowances are applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be collectible. The identification of doubtful receivables requires the use of judgement and estimates. Where the expectation is different from the original estimate, such differences will impact carrying value of receivables.

(iv) Income taxes

Significant estimation is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group and the Company recognise liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final outcome of these matters is different from the amounts initially recognised, such differences will impact the income tax provisions in the period in which such determination is made. Details of income tax expense are disclosed in Note 10.

(v) Deferred tax

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

For the purposes of measuring deferred tax liabilities or deferred tax assets arising from investment properties, the Directors have concluded that investment properties are not being held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Accordingly, the presumption that the carrying amounts of the investment properties measured using the fair value model are recovered entirely through sale is not rebutted. As a result, deferred taxes have not been recognised on changes in fair value of investment properties as no tax consequences would arise on disposal of the investment properties.

6. REVENUE

Revenue of the Group and of the Company consists of the following:

	GROUP		COMPANY	
	1.1.2022 to 31.12.2022 RM'000	1.7.2020 to 31.12.2021 RM'000	1.1.2022 to 31.12.2022 RM'000	1.7.2020 to 31.12.2021 RM'000
Sales of goods	**24,883**	25,606	**-**	-
Rendering of service	**57,268**	83,251	**-**	-
Dividend income	**131**	87	**42**	254
Interest income	**1,290**	12,625	**1,290**	12,624
	83,572	121,569	**1,332**	12,878

Timing of revenue recognition:

	GROUP		COMPANY	
	1.1.2022 to 31.12.2022 RM'000	1.7.2020 to 31.12.2021 RM'000	1.1.2022 to 31.12.2022 RM'000	1.7.2020 to 31.12.2021 RM'000
At a point in time	**27,134**	39,359	**1,332**	12,878
Over time	**56,438**	82,210	**-**	-
	83,572	121,569	**1,332**	12,878

7. EMPLOYEE BENEFITS EXPENSES

	GROUP	
	1.1.2022 to 31.12.2022 RM'000	1.7.2020 to 31.12.2021 RM'000
Salaries, wages and bonuses	**25,553**	38,019
Defined contribution plans	**2,903**	4,091
Other staff related expenses	**13,838**	17,242
	42,294	59,352

8. PROFIT FROM OPERATIONS

(a) Profit from operations is arrived at:

	GROUP		COMPANY	
	1.1.2022 to 31.12.2022 RM'000	1.7.2020 to 31.12.2021 RM'000	1.1.2022 to 31.12.2022 RM'000	1.7.2020 to 31.12.2021 RM'000
After charging:				
Depreciation of:				
- property, plant and equipment	**3,899**	5,452	**-**	-
- right-of-use assets	**950**	1,473	**-**	-
Directors' remuneration (Note 8(b))	**45**	79	**41**	75
Auditors' remuneration:				
- current year/period	**271**	284	**50**	50
- prior year	**(11)**	(20)	**-**	(11)
Amortisation of investment properties	**6**	9	**-**	-
Impairment losses on investment in subsidiary companies	**-**	-	**232,684**	-
Impairment losses on receivables:				
- subsidiary companies	**-**	-	**-**	20
- others	**324**	1,150	**-**	-
Loss/(Gain) on remeasurement of leases	**27**	(2)	**-**	-
Property, plant and equipment written off	**162**	395	**-**	-
And crediting:				
Bad receivables recovered	**98**	243	**-**	15
Interest income	**1,212**	1,752	**-**	-
Reversal of impairment losses on receivables:				
- subsidiary companies	**-**	-	**242,681**	5,588
- others	**796**	615	**1**	119
Rental income	**76**	53	**-**	-
Gain on deconsolidation of subsidiary	**-**	719	**-**	-
Gain on disposal of property, plant and equipment	**4,884**	40	**-**	-
Gain on foreign exchange				
- realised	**15**	36	**-**	-

8. PROFIT FROM OPERATIONS (cont'd)

(b) Directors' remuneration

	GROUP		COMPANY	
	1.1.2022 to 31.12.2022 RM'000	**1.7.2020 to 31.12.2021 RM'000**	**1.1.2022 to 31.12.2022 RM'000**	**1.7.2020 to 31.12.2021 RM'000**
Fees	**40**	71	**37**	68
Other emoluments	**5**	8	**4**	7
Total	**45**	79	**41**	75

The number of Directors and their range of remuneration are as follows:

	GROUP AND COMPANY Number of Directors	
Range of remuneration	**1.1.2022 to 31.12.2022**	**1.7.2020 to 31.12.2021**
RM20,000 and below	**4**	5 *

* Including a Director who had resigned with effect from 3 May 2021.

9. FINANCE COSTS

Finance costs are as follows:

	GROUP		COMPANY	
	1.1.2022 to 31.12.2022 RM'000	**1.7.2020 to 31.12.2021 RM'000**	**1.1.2022 to 31.12.2022 RM'000**	**1.7.2020 to 31.12.2021 RM'000**
Interest expenses on:				
- ACB Bonds and USD Debts	**67,877**	99,493	**21,729**	33,616
- ACB Debts	**-**	-	**50,092**	72,991
- Term loan	**67**	188	**-**	-
- Lease liabilities (Note 26)	**46**	95	**-**	-
Total	**67,990**	99,776	**71,821**	106,607

10. TAX EXPENSES

	GROUP		COMPANY	
	1.1.2022 to 31.12.2022 RM'000	**1.7.2020 to 31.12.2021 RM'000**	**1.1.2022 to 31.12.2022 RM'000**	**1.7.2020 to 31.12.2021 RM'000**
Income tax:				
- current year/period	**2,087**	7,109	**298**	3,022
- prior years	**(162)**	(61)	**-**	(91)
Deferred tax (Note 27):				
- current year/period	**613**	(175)	**-**	-
- prior years	**214**	-	**-**	-
Total tax expenses	**2,752**	6,873	**298**	2,931

A reconciliation of income tax expense applicable to loss before tax at the statutory income tax rate to income tax expense at effective income tax rate of the Group and of the Company are as follows:

	GROUP		COMPANY	
	1.1.2022 to 31.12.2022 RM'000	**1.7.2020 to 31.12.2021 RM'000**	**1.1.2022 to 31.12.2022 RM'000**	**1.7.2020 to 31.12.2021 RM'000**
Loss before tax	**(141,796)**	(28,591)	**(152,093)**	(39,830)
Tax calculated at Malaysian statutory tax rate of 24% (2021: 24%)	**(34,031)**	(6,862)	**(36,502)**	(9,559)
Income not subject to tax	**(1,842)**	(4,798)	**(2,868)**	(1,374)
Expenses not deductible for tax purposes	**38,573**	18,594	**39,668**	13,955
(Over)/Under provision in prior years:				
- income tax	**(162)**	(61)	**-**	(91)
- deferred tax	**214**	-	**-**	-
Total	**2,752**	6,873	**298**	2,931

11. LOSS PER SHARE

Basic

Basic loss per share is calculated by dividing the loss for the financial year/period attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year/period as follows:

	GROUP	
	1.1.2022 to 31.12.2022	**1.7.2020 to 31.12.2021**
Loss for the financial year/period attributable to owners of the Company (RM'000)	**(150,322)**	(41,188)
Weighted average number of ordinary shares in issue ('000)	**1,331,175**	1,331,175
Basic loss per share (sen)	**(11.3)**	(3.1)

12. PROPERTY, PLANT AND EQUIPMENT

	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Plant, machinery, tools and equipment RM'000	Furniture and office equipment RM'000	Motor vehicles RM'000	Capital work-in-progress RM'000	Total RM'000
GROUP								
2022								
COST								
At 1 January 2022	14,022	785	6,578	74,227	9,688	4,450	3,500	113,250
Additions	-	-	-	821	182	887	2,027	3,917
Disposals	(422)	-	(1,978)	(15)	(2,056)	(646)	-	(5,117)
Transfer from inventories	-	-	-	2,366	-	-	-	2,366
Reclassification	-	-	-	563	4,964	-	(5,527)	-
Written off	-	-	-	(2,207)	(2,775)	(8)	-	(4,990)
At 31 December 2022	13,600	785	4,600	75,755	10,003	4,683	-	109,426
LESS: ACCUMULATED DEPRECIATION								
At 1 January 2022	-	11	1,081	67,359	9,393	3,557	-	81,401
Charge for the financial year	-	1	115	2,740	592	451	-	3,899
Disposals	-	-	(844)	(15)	(1,893)	(621)	-	(3,373)
Written off	-	-	-	(2,176)	(2,644)	(8)	-	(4,828)
At 31 December 2022	-	12	352	67,908	5,448	3,379	-	77,099
CARRYING AMOUNTS								
At 31 December 2022	13,600	773	4,248	7,847	4,555	1,304	-	32,327

12. PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Plant, machinery, tools and equipment RM'000	Furniture and office equipment RM'000	Motor vehicles RM'000	Capital work-in-progress RM'000	Total RM'000
GROUP								
2021								
COST								
At 1 July 2020	14,022	2,519	6,660	72,944	9,588	4,239	-	109,972
Additions	-	-	-	214	264	412	3,500	4,390
Disposals	-	-	-	(8)	(85)	(201)	-	(294)
Transfer from inventories	-	-	-	3,629	-	-	-	3,629
Exchange difference	-	(48)	(2)	(4)	(1)	-	-	(55)
Written off	-	-	(8)	(2,395)	(55)	-	-	(2,458)
Deconsolidation of subsidiary	-	(1,686)	(72)	(153)	(23)	-	-	(1,934)
At 31 December 2021	14,022	785	6,578	74,227	9,688	4,450	3,500	113,250
LESS: ACCUMULATED DEPRECIATION								
At 1 July 2020	-	10	964	65,419	9,082	3,072	-	78,547
Charge for the financial period	-	1	198	4,109	473	671	-	5,452
Disposals	-	-	-	(8)	(85)	(186)	-	(279)
Exchange difference	-	-	(2)	(4)	(2)	-	-	(8)
Written off	-	-	(7)	(2,004)	(52)	-	-	(2,063)
Deconsolidation of subsidiary	-	-	(72)	(153)	(23)	-	-	(248)
At 31 December 2021	-	11	1,081	67,359	9,393	3,557	-	81,401
LESS: ACCUMULATED IMPAIRMENT LOSS								
At 1 July 2020	-	1,734	-	-	-	-	-	1,734
Deconsolidation of subsidiary	-	(1,734)	-	-	-	-	-	(1,734)
At 31 December 2021	-	-	-	-	-	-	-	-
CARRYING AMOUNTS								
At 31 December 2021	14,022	774	5,497	6,868	295	893	3,500	31,849

At 31 December 2021, certain freehold land and buildings with an aggregate carrying amount of RM13 million were subject to a registered charge to secure term loan facilities granted to a subsidiary company as disclosed in Note 25. During the financial year, the said subsidiary company had fully settled its term loan and discharged its pledged with the financial institution.

13. INVESTMENT PROPERTIES

	GROUP	
	2022	2021
	RM'000	RM'000
At beginning of financial year/period	**259**	268
Amortisation for the financial year/period	**(6)**	(9)
At end of financial year/period	**253**	259
Analysed as:		
Leasehold land and building	**253**	259
Fair value	**380**	380

No rental income earned by the Group for the financial year ended 31 December 2022 and financial period ended 31 December 2021 from its investment properties. Direct operating expenses incurred by the Group during the financial year amounted to RM1,958 (2021: RM1,585).

Investment properties represent investment properties held under lease terms.

The fair value of the investment properties of RM380,000 (2021: RM380,000) was determined by the Directors based on valuations by independent valuers, who hold recognised qualifications and have relevant experience, by reference to market evidence of transaction prices of similar properties or comparable available market data.

14. RIGHT-OF-USE ASSETS

	GROUP	
	Buildings	
	2022	2021
	RM'000	RM'000
At beginning of financial year/period	**1,069**	934
Additions	**128**	407
Depreciation for the financial year/period	**(950)**	(1,473)
Remeasurement of lease liabilities	**559**	1,201
At end of financial year/period	**806**	1,069

The Group leases a number of buildings (premises and depots) that run for a period between one to five years, with an option to renew the lease after that date. The lease payments are fixed as stipulated in the lease agreement during its lease period.

15. ASSOCIATED COMPANIES

	GROUP		COMPANY	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Unquoted shares - at cost	**9,381**	9,381	**4,000**	4,000
Share in post acquisition reserves	**17,966**	17,478	**-**	-
Total	**27,347**	26,859	**4,000**	4,000

The Group's unrecognised share of loss of associated companies for the financial year/period are as follows:

	GROUP	
	2022	2021
	RM'000	RM'000
At beginning and end of financial year/period	**(41,038)**	(41,038)

Certain unquoted shares of the Group and of the Company amounting to RM9.4 million (2021: RM9.4 million) and RM4.0 million (2021: RM4.0 million) at cost respectively were pledged as securities for the bonds issued by the Company pursuant to the Group Wide Restructuring Scheme ("GWRS").

The associated companies are:

Name of Company	Country of Incorporation	Holding in Equity 2022 %	2021 %	Accounting Year End	Principal Activities
Steel Industries (Sabah) Sdn Bhd	Malaysia	**20**	20	31 December	Manufacturing and trading of steel bars
Bonuskad Loyalty Sdn Bhd * ("Bonuskad")	Malaysia	**33.33**	33.33	31 December	Providing marketing services by means of "BonusLink Loyalty Programme"
Renor Pte Ltd (In liquidation) *	Singapore	**42.50**	42.50	30 June	Investment holding
Lion Jianmin Pte Ltd *	Singapore	**30**	30	30 June	Investment holding

* Holding in equity by subsidiary companies.

Financial statements of all the associated companies were not audited by Ong Boon Bah & Co.

15. ASSOCIATED COMPANIES (cont'd)

Summarised financial information in respect of the Group's material associated company - Bonuskad is set out below:

	2022 RM'000	2021 RM'000
Assets and liabilities		
Current assets	**183,856**	149,826
Non-current assets	**5,850**	7,835
Current liabilities	**(128,645)**	(100,668)
Net assets	**61,061**	56,993
Results		
Revenue	**96,167**	90,301
Net profit/(loss) for the financial year/period	**4,068**	(3,677)
Group's share of net profit/(loss) for the financial year/period	**1,356**	(1,225)
Dividend received	**-**	15,000

Reconciliation for the summarised financial information to the carrying amount of the equity interest in Bonuskad recognised in the financial statements:

	2022 %	2021 %
Group's equity interest in Bonuskad	**33.33**	33.33

	2022 RM'000	2021 RM'000
Net assets of Bonuskad	**61,061**	56,993
Group's share of net assets	**20,352**	18,996
Other adjustment to equity	**(4,803)**	(4,803)
Carrying amount of the Group's equity interest in Bonuskad	**15,549**	14,193

16. SUBSIDIARY COMPANIES

	COMPANY 2022 RM'000	COMPANY 2021 RM'000
Unquoted shares in Malaysia - at cost	**710,061**	477,377
Accumulated impairment losses	**(710,061)**	(477,377)
	-	-
Unquoted shares outside Malaysia - at cost	**2,236**	2,236
Accumulated impairment losses	**(2,236)**	(2,236)
	-	-
Total	**-**	-

16. SUBSIDIARY COMPANIES (cont'd)

The subsidiary companies are:

Name of Company	Country of Incorporation	Holding in Equity 2022 %	2021 %	Principal Activities
Amalgamated Rolling Mill Sdn Bhd	Malaysia	**100**	100	Trading in steel products and other related services
ACB Harta Holdings Sdn Bhd	Malaysia	**100**	100	Investment holding and property development
Ambang Jaya Sdn Bhd	Malaysia	**100**	100	Investment holding
Amsteel Capital Holdings Sdn Bhd	Malaysia	**100**	100	Investment holding and provision of management services to its related companies
Amsteel Harta (L) Limited *	Malaysia	**100**	100	Investment holding
Amsteel Harta (M) Sdn Bhd	Malaysia	**100**	100	Managing of debts novated from the Company and certain of its subsidiary companies pursuant to the GWRS
Angkasa Marketing (Singapore) Pte Ltd *	Singapore	**100**	100	Investment holding
Lion Plantations Sdn Bhd	Malaysia	**70**	70	Investment holding
Lion Tooling Sdn Bhd	Malaysia	**100**	100	Manufacturing and sale of tools and dies
Mastrama Sdn Bhd	Malaysia	**100**	100	Investment holding
Timuriang Sdn Bhd	Malaysia	**100**	100	Investment holding
Subsidiary companies of ACB Harta Holdings Sdn Bhd				
Chembong Malay Rubber Company (1920) Limited *	United Kingdom	**100**	100	Ceased operation
Henrietta Rubber Estate Limited *	United Kingdom	**100**	100	Ceased operation
Lion Commodities And Futures Trading Sdn Bhd	Malaysia	**100**	100	Ceased operation
Segamat Land Sdn Bhd	Malaysia	**100**	100	Ceased operation
P T Kebunaria (In liquidation) * β	Indonesia	**85**	85	Ceased operation
Anika Developments Sdn Bhd	Malaysia	**100**	100	Dormant

16. SUBSIDIARY COMPANIES (cont'd)

Name of Company	Country of Incorporation	Holding in Equity 2022 %	2021 %	Principal Activities
Subsidiary companies of ACB Harta Holdings Sdn Bhd (continued)				
Westlake Landscape Sdn Bhd	Malaysia	**100**	100	Landscaping business
Secom (Malaysia) Sdn Bhd * ("Secom")	Malaysia	**51**	51	Provision of electronic surveillance of premises and other security related services and sale of security equipment
Subsidiary company of Secom				
Secom-KOP Security Systems Sdn Bhd *	Malaysia	**60**	60	Provision of electronic surveillance of premises and other security related services and sale of security equipment
Subsidiary companies of Ambang Jaya Sdn Bhd				
Cibber Limited *	Hong Kong	**100**	100	Ceased operation
Romiti Limited *	Hong Kong	**100**	100	Ceased operation
Subsidiary companies of Amsteel Capital Holdings Sdn Bhd				
Amcap Consultants Limited *	Hong Kong	**100**	100	Ceased operation
Amsteel Holdings (H.K.) Limited *	Hong Kong	**100**	100	Investment holding
Amsteel Holdings Philippines, Inc. *	Philippines	**100**	100	Investment holding
Datavest Sdn Bhd	Malaysia	**100**	100	Investment holding
P T Amsteel Securities Indonesia * ^	Indonesia	**85**	85	Ceased operation
Subsidiary company of Amsteel Holdings (H.K.) Limited				
Amsteel Finance (H.K.) Limited *	Hong Kong	**100**	100	Ceased operation

16. SUBSIDIARY COMPANIES (cont'd)

Name of Company	Country of Incorporation	Holding in Equity 2022 %	2021 %	Principal Activities
Subsidiary company of Amsteel Holdings Philippines, Inc.				
Amsteel Securities Philippines, Inc. *	Philippines	**100**	100	Ceased operation
Subsidiary company of Datavest Sdn Bhd				
Amsteel Equity Capital Sdn Bhd *	Malaysia	**100**	100	Ceased operation
Subsidiary company of Amsteel Securities Philippines, Inc.				
Amsteel Strategic Investors Alliance, Inc. *	Philippines	**100**	100	Ceased operation
Subsidiary companies of Amsteel Equity Capital Sdn Bhd				
Amsteel Equity Realty (M) Sdn Bhd *	Malaysia	**100**	100	Property investment and management
Subsidiary company of Mastrama Sdn Bhd				
Salient Care Sdn Bhd	Malaysia	**70**	70	Dormant
Subsidiary companies of Timuriang Sdn Bhd				
Kobayashi Optical Sdn Bhd	Malaysia	**70**	70	Ceased operation
Parkson Retail Consulting And Management Sdn Bhd	Malaysia	**100**	100	Investment holding
Sukhothai Food Sdn Bhd	Malaysia	**100**	100	Investment holding
Natvest Parkson Sdn Bhd	Malaysia	**100**	100	Investment holding
Umatrac Enterprises Sdn Bhd	Malaysia	**100**	100	Investment holding
Subsidiary company of Sukhothai Food Sdn Bhd				
Masoni Investment Pte Ltd *	Singapore	**52.6** **47.4** [a]	52.6 47.4 [a]	Investment holding

16. SUBSIDIARY COMPANIES (cont'd)

Name of Company	Country of Incorporation	Holding in Equity 2022 %	2021 %	Principal Activities
Subsidiary company of Umatrac Enterprises Sdn Bhd				
Hiap Joo Chong Realty Sdn Bhd	Malaysia	**100**	100	Investment holding

* Financial statements of subsidiary companies as at 31 December 2022 not audited by Ong Boon Bah & Co.

^ Consolidated based on management accounts.

[a] Held by Parkson Retail Consulting And Management Sdn Bhd.

[β] The deconsolidation of the subsidiary company did not have material effect on the financial results and financial position of the Group.

Movement in the accumulated impairment losses of investment in subsidiary companies (in Malaysia):

	COMPANY 2022 RM'000	2021 RM'000
At beginning of financial year/period	**477,377**	477,377
Addition	**232,684**	-
At end of financial year/period	**710,061**	477,377

During the financial year, the Company capitalised inter-company balances of RM232,684,000 due from its subsidiary companies by way of subscriptions of ordinary shares in its subsidiary companies.

Non-controlling interests in subsidiary companies

Secom, the subsidiary company with non-controlling interests which the Group regards as material to the Group is set out below. The non-controlling interests of the other companies are not material to the Group.

The equity interest held by non-controlling interests is as follows:

Name of Company	2022 %	2021 %
Secom	**49**	49

The Group's subsidiary companies that have non-controlling interests are as follows:

	2022 RM'000	2021 RM'000
Accumulated non-controlling interests:		
Secom	**48,962**	45,641
Other individually immaterial subsidiary companies	**644**	641
	49,606	46,282
Profit/(Loss) allocated to non-controlling interests:		
Secom	**5,771**	5,727
Other individually immaterial subsidiary companies	**3**	(3)
	5,774	5,724

16. SUBSIDIARY COMPANIES (cont'd)

Non-controlling interests in subsidiary companies (cont'd)

Summarised financial information in respect of each of the Group's subsidiary companies that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

	Secom	
	1.1.2022 to 31.12.2022	1.7.2020 to 31.12.2021
	RM'000	RM'000
Summarised Statement of Profit or Loss		
Revenue	**74,063**	101,839
Profit for the financial year/period	**11,779**	11,687
Dividends paid to non-controlling interests	**2,450**	4,410
Summarised Statement of Financial Position		
Non-current assets	**26,817**	27,615
Current assets	**86,178**	79,996
Non-current liabilities	**(2,443)**	(3,954)
Current liabilities	**(10,440)**	(10,324)
Non-controlling interests	**(189)**	(189)
Net assets	**99,923**	93,144
Summarised Statement of Cash Flows		
Operating activities	**7,439**	17,834
Investing activities	**376**	(6,725)
Financing activities	**(9,049)**	(12,528)
Net decrease in cash and cash equivalents	**(1,234)**	(1,419)

17. INVESTMENTS

	GROUP		COMPANY	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Non-current				
Fair value through other comprehensive income				
Unquoted shares and investments	**237**	237	**128**	128

18. CONTRACT COSTS/LIABILITIES

	GROUP 2022 RM'000	GROUP 2021 RM'000
(a) Contract costs		
Costs to fulfil a contract	**1,089**	777
(b) Contract liabilities		
Contract liabilities	**1,253**	708

The contract liabilities of a subsidiary company, primarily relate to the central management services fee income receivable from customers who are billed in advance either on a monthly or quarterly basis for service contract, which revenue is recognised over time during the contract period.

19. INVENTORIES

	GROUP 2022 RM'000	GROUP 2021 RM'000
Current		
Property development at costs	**132**	132
Less: Accumulated impairment losses	**(132)**	(132)
	-	-
Other inventories		
At cost:		
Raw materials	**28**	46
Finished goods	**4,289**	3,187
General and consumable	**476**	75
Work-in-progress	**2,820**	2,072
	7,613	5,380
Less: Allowance for slow-moving and obsolete inventories	**(1,449)**	(1,329)
	6,164	4,051
Total	**6,164**	4,051

20. RECEIVABLES

	GROUP		COMPANY	
	2022	**2021**	**2022**	**2021**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Trade receivables	**28,135**	26,008	**-**	-
Accumulated impairment losses	**(17,504)**	(17,344)	**-**	-
	10,631	8,664	**-**	-
Other receivables, deposits and prepayments	**379,927**	388,960	**188,874**	191,292
Accumulated impairment losses	**(309,891)**	(310,523)	**(139,610)**	(139,611)
	70,036	78,437	**49,264**	51,681
Amounts due from subsidiary companies	**-**	-	**1,761,311**	2,003,992
Accumulated impairment losses	**-**	-	**(1,761,311)**	(2,003,992)
	-	-	**-**	-
Amounts due from associated companies	**65,650**	65,650	**65,650**	65,650
Accumulated impairment losses	**(65,650)**	(65,650)	**(65,650)**	(65,650)
	-	-	**-**	-
Total	**80,667**	87,101	**49,264**	51,681

The Group's normal trade credit term ranges from 21 days to 90 days (2021: 21 days to 90 days). Other credit terms are assessed and approved on a case-to-case basis.

The Group has no significant concentration of credit risk that may arise from exposures to a single customer or to groups of customers.

Included in other receivables of the Group and of the Company is an amount of RM49 million (2021: RM51 million) which represents deferred cash payments from disposal and redemption of LCB Bonds and LCB redeemable convertible secured loan stocks ("RCSLS"). Included in the Group's other receivables is an amount of RM32 million (2021: RM32 million) which represents consideration for the disposal of a subsidiary company.

The amounts due from subsidiary companies which arose mainly from inter-company advances are unsecured, interest free (2021: interest free) and repayable on demand.

The amounts due from associated companies which arose mainly from inter-company advances are unsecured, interest free (2021: interest free) and repayable on demand.

Included in the Group's trade receivables balance are receivables which are past due at the end of the reporting period for which the Group has not impaired as there has not been a significant change in credit quality and the Group believes that the amounts are still considered fully recoverable. The Group does not hold any collateral over these balances.

20. RECEIVABLES (cont'd)

Aging of trade receivables is as follows:

	GROUP 2022 RM'000	GROUP 2021 RM'000
Neither past due nor impaired	**5,082**	4,846
1 - 30 days past due but not impaired	**1,644**	1,841
31 - 90 days past due but not impaired	**2,676**	1,505
More than 90 days past due but not impaired	**1,229**	472
	10,631	8,664
Past due and impaired	**17,504**	17,344
Total trade receivables	**28,135**	26,008

Movement in the accumulated impairment losses of trade receivables:

	GROUP 2022 RM'000	GROUP 2021 RM'000
At beginning of financial year/period	**17,344**	17,900
Addition	**324**	-
Written off	**-**	(107)
Reversal	**(164)**	(449)
At end of financial year/period	**17,504**	17,344

Movement in the accumulated impairment losses of other receivables, deposits and prepayments:

	GROUP 2022 RM'000	GROUP 2021 RM'000	COMPANY 2022 RM'000	COMPANY 2021 RM'000
At beginning of financial year/period	**310,523**	309,539	**139,611**	139,730
Addition	**-**	1,150	**-**	-
Reversal	**(632)**	(166)	**(1)**	(119)
At end of financial year/period	**309,891**	310,523	**139,610**	139,611

Movement in the accumulated impairment losses of amounts due from subsidiary companies:

	COMPANY 2022 RM'000	COMPANY 2021 RM'000
At beginning of financial year/period	**2,003,992**	2,009,560
Addition	**-**	20
Reversal	**(242,681)**	(5,588)
At end of financial year/period	**1,761,311**	2,003,992

In determining the recoverability of a trade receivable, the Group and the Company consider any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period.

20. RECEIVABLES (cont'd)

The currency exposure profile of receivables is as follows:

	GROUP 2022 RM'000	GROUP 2021 RM'000	COMPANY 2022 RM'000	COMPANY 2021 RM'000
Ringgit Malaysia	**50,243**	55,573	**49,264**	51,681
Chinese Renminbi	**27,506**	25,450	**-**	-
Hong Kong Dollar	**2,652**	5,797	**-**	-
Philippine Peso	**264**	273	**-**	-
United States Dollar	**2**	8	**-**	-
	80,667	87,101	**49,264**	51,681

21. INVESTMENT IN CASH FUNDS, DEPOSITS, CASH AND BANK BALANCES

(a) Investment in cash funds

	GROUP 2022 RM'000	GROUP 2021 RM'000	COMPANY 2022 RM'000	COMPANY 2021 RM'000
Fair value through profit or loss				
Money market funds in Malaysia	**18,877**	21,167	**-**	-
Amortised cost				
Cash management funds and fixed deposits with licensed banks and financial institutions	**51,166**	45,625	**1,706**	1,665
	70,043	66,792	**1,706**	1,665

(b) Deposits, cash and bank balances

	GROUP 2022 RM'000	GROUP 2021 RM'000	COMPANY 2022 RM'000	COMPANY 2021 RM'000
Deposits with licensed financial institutions	**15,226**	14,710	**13,666**	11,216
Cash and bank balances	**5,581**	7,875	**568**	1,899
	20,807	22,585	**14,234**	13,115

Certain deposits, cash and bank balances are:

	GROUP 2022 RM'000	GROUP 2021 RM'000	COMPANY 2022 RM'000	COMPANY 2021 RM'000
Earmarked for bond redemption under the GWRS	**15,440**	13,033	**13,666**	11,216

21. INVESTMENT IN CASH FUNDS, DEPOSITS, CASH AND BANK BALANCES (cont'd)

The currency exposure profile of deposits, cash and bank balances is as follows:

	GROUP		COMPANY	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Ringgit Malaysia	**18,418**	20,075	**14,234**	13,115
Others	**2,389**	2,510	**-**	-
	20,807	22,585	**14,234**	13,115

The average interest rates of deposits of the Group and of the Company at the end of the financial year/period are 2.20% (2021: 2.16%) per annum and 1.75% (2021: 1.40%) per annum respectively.

The average maturity of deposits of the Group and of the Company at the end of the financial year/period are 170 days (2021: 170 days) and 7 days (2021: 7 days) respectively.

22. SHARE CAPITAL

	GROUP AND COMPANY			
	2022		2021	
	Number of shares '000	RM'000	Number of shares '000	RM'000
Issued share capital:				
Ordinary shares				
At beginning and end of financial year/period	**1,331,175**	**1,561,363**	1,331,175	1,561,363

23. RESERVES

	<------------Non-distributable------------>		
	Translation reserve RM'000	Capital reserve RM'000	Total RM'000
GROUP			
At 1 July 2020	(119,883)	469,441	349,558
Total comprehensive expense for the financial period	(3,986)	-	(3,986)
At 31 December 2021/1 January 2022	**(123,869)**	**469,441**	**345,572**
Total comprehensive income for the financial year	**28,818**	**-**	**28,818**
At 31 December 2022	**(95,051)**	**469,441**	**374,390**

Included in capital reserve was profits recognised by a subsidiary company set up to manage the Ringgit Malaysia debts novated from the Company and certain of its subsidiary companies pursuant to the GWRS amounting to RM437.9 million.

24. ACB BONDS AND USD DEBTS - SECURED

	GROUP		COMPANY	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Current				
- ACB Bonds	**624,791**	604,404	**624,791**	604,404
- ACB Debts	**-**	-	**1,481,506**	1,357,492
- ACB Consolidated and Rescheduled Debts	**1,432,696**	1,315,075	**-**	-
	2,057,487	1,919,479	**2,106,297**	1,961,896

The currency exposure profile of ACB Bonds and USD Debts is as follows:

	GROUP		COMPANY	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Ringgit Malaysia	**624,791**	604,404	**624,791**	604,404
United States Dollar	**1,432,696**	1,315,075	**1,481,506**	1,357,492
	2,057,487	1,919,479	**2,106,297**	1,961,896

The Company had on 27 February 2009, implemented the corporate and debt restructuring scheme ("ACB Scheme") which is to address its debts obligations to repay the ACB Bonds and USD Debts issued by the Company and its subsidiary company pursuant to the GWRS.

The implementation of the ACB Scheme led to consequential changes to the principal terms and conditions of the ACB Bonds and USD Debts.

The principal terms and conditions of the ACB Bonds and USD Debts are as follows:

(i) The tranches of RM denominated bonds ("ACB Bonds") issued by the Company are as follows:

ACB Bonds	Nominal Value RM'000	Net Present Value RM'000	Maturity Date	Cash Yield to Maturity (per annum)
Class A(1)	40,058	34,740	31 December 2011	7.00%
Class A(2)	32,907	29,133	31 December 2011	6.00%
Class B(a)	265,537	232,460	31 December 2014	4.00%
Class B(b)	*	*	31 December 2014	7.00%
Class C #	340,049	303,475	31 December 2011	4.75%

24. ACB BONDS AND USD DEBTS - SECURED (cont'd)

(ii) The tranches of USD Debts ("ACB Debts") issued by the Company to a subsidiary company are as follows:

ACB Debts	Nominal Value USD'000	Net Present Value USD'000	Maturity Date	Cash Yield to Maturity (per annum)
Class A(1)	142,059	123,186	31 December 2011	6.75%
Class A(2)	1,620	1,443	31 December 2011	5.50%
Class B	134,253	118,949	31 December 2014	3.50%
Class C #	198,849	179,761	31 December 2011	4.25%

(iii) The tranches of USD Debts ("ACB Consolidated and Rescheduled Debts") issued by a subsidiary company are as follows:

USD Debts	Nominal Value USD'000	Net Present Value USD'000	Maturity Date	Cash Yield to Maturity (per annum)
Class A(1)	125,285	109,778	31 December 2011	6.50%
Class A(2)	1,441	1,313	31 December 2011	5.25%
Class B	126,016	113,065	31 December 2014	3.25%
Class C #	194,328	176,698	31 December 2011	4.00%

* *Less than RM1,000.*

\# *There is no change to the yield to maturity and maturity date of the Class C ACB Bonds and USD Debts in view that Class C ACB Bonds and USD Debts are not restructured.*

<u>Securities and covenants for the ACB Bonds and USD Debts</u>

The Security Trustee holds the following securities for the benefit of the holders of ACB Bonds and USD Debts ("Securities"):

(a) Class B LCB Bonds received by the Company pursuant to the GWRS; and

(b) The Redemption Account held by the Company where it will capture the "Dedicated Cash Flows" pursuant to the GWRS and the ACB Scheme. Dedicated Cash Flows mean cash flows from the following sources:

- net surplus proceeds from the disposal of any assets in the Divestment Programme of the Group over which there is existing security, if applicable and assets under the Agreement;

- net proceeds from the disposal of any assets in the Divestment Programme of the Group over which there is no existing security;

- any Back-End Amount and Loyalty Payment received by the Company as a holder of LCB Bonds;

- net proceeds of the redemption of LCB Bonds and LCB RCSLS (not fully tendered and/or exchanged for) received by the Company;

24. ACB BONDS AND USD DEBTS - SECURED (cont'd)

- net proceeds from the disposal of LCB RCSLS received by the Company pursuant to the put and call option agreement with Tan Sri Cheng Heng Jem;

- net proceeds from the disposal of any residual assets (other than the assets in the Divestment Programme) of the Group;

- net proceeds from the adjusted assets and liabilities pursuant to ACB internal reorganisation under the ACB Scheme; and

- net proceeds from such other securities as may be provided by the Group.

Classes A(1) and A(2) ACB Bonds and USD Debts and Class B ACB Bonds and USD Debts rank *pari passu* among each other over the Securities under items (a) and (b) above held by the Security Trustee.

Class C ACB Bonds and USD Debts rank *pari passu* amongst each other over the Securities under items (a) and (b) above held by the Security Trustee.

The Classes A(1), A(2) and B ACB Bonds and USD Debts will rank in priority over Class C ACB Bonds and USD Debts over the Securities under items (a) and (b) above held by the Security Trustee.

In addition, the following are the securities provided in respect of the USD Debts ("SPV Securities"):

(a) assignment of all the rights attaching to the ACB Debts including the rights to receive payments from the Company and rights to other entitlements;

(b) a debenture over the assets (namely ACB Debts) of a subsidiary company;

(c) a charge over a subsidiary company's Redemption Account which will capture the proceeds from the repayment of the ACB Debts by the Company; and

(d) corporate guarantee by the Company to the Facility Agent for the benefit of the holders of the USD Debts.

Monies captured in the Redemption Account can only be utilised towards the repayment of USD Debts and cannot be utilised by the subsidiary company for any other purposes.

The Classes A(1), A(2) and B USD Debts will rank *pari passu* among each other in respect of the SPV Securities listed under items (a) to (d) and rank ahead of the Class C USD Debts in respect of the SPV Securities. Meanwhile, the Class C USD Debts will rank *pari passu* among each other in respect of the SPV Securities.

Classes A(1), A(2), B and C ACB Bonds and USD Debts shall rank *pari passu* with all other unsecured and unsubordinated creditors of the Group in respect of the Group's assets which are not part of the Securities.

24. ACB BONDS AND USD DEBTS - SECURED (cont'd)

The main covenants of the ACB Bonds and USD Debts are as follows:

(a) Permitted indebtedness

At any time, any indebtedness for borrowed money incurred or assumed by the Group and any scheme companies in respect of which the aggregate principal amount committed or provided by the lenders together with the aggregate amount of all indebtedness of the Group and any scheme companies at the time of incurrence does not exceed the following limits:

(i) where the total redemption amounts of the ACB Bonds redeemed, or cancelled pursuant to an early redemption or purchase, and the total repayment amounts of the USD Debts repaid and in the case of an early repayment or purchased, the total repayment amounts in respect of the USD Debts repaid or purchased, up to the relevant time when the indebtedness is incurred or proposed to be incurred (which amount shall exclude amounts paid in respect of the Class B(b) Bonds) and the up-front cash payment made on 31 January 2003 (collectively, the "Repaid Amount") is less than 50% of the aggregate outstanding nominal value of all ACB Bonds and the outstanding repayment amounts of all the USD Debts (other than the Class B(b) Bonds) as at the issue date of the ACB Bonds, the limit shall be 20% of that Repaid Amount;

(ii) where the total Repaid Amount is equal to or exceeding 50% but less than 75% of the aggregate outstanding for nominal values of all ACB Bonds and the outstanding repayment amounts of all the USD Debts (other than the Class B(b) Bonds) as at the issue date of the ACB Bonds, the limit shall be 35% of that Repaid Amount; and

(iii) where the total Repaid Amount is equal to or more than 75% of the aggregate outstanding nominal values of all ACB Bonds and the outstanding repayment amounts of all the USD Debts (other than the Class B(b) Bonds) as at the issue date of the ACB Bonds, the limit shall be 50% of that Repaid Amount.

(b) Disposal of Divestment Assets

The disposal of Divestment Assets shall require prior consent from the Security Trustee where:

(i) the disposal price of such Divestment Assets is at a discount rate of 20% or more of the market value of the said Divestment Assets; and/or

(ii) the disposal price of such Divestment Assets is equal to or more than RM5.0 million; and/or

(iii) the sale of such Divestment Assets is to a related party.

(c) Disposal of assets/shares (other than Divestment Assets and those assets acquired by the Group after 14 March 2003 which are funded from monies other than the Dedicated Cash Flows)

The disposal of assets/shares shall require prior consent from the Security Trustee where:

(i) the disposal price is more than RM25.0 million or 20% or more than the audited consolidated net tangible assets of the Company, whichever is lower; and

(ii) the disposal price is at a discount rate of 20% or more of the market value of the said assets/shares.

24. ACB BONDS AND USD DEBTS - SECURED (cont'd)

(d) Capital expenditure

Prior written consent from the Security Trustee/Facility Agent before the Group (other than the excluded companies) incurs any capital expenditure:

(i) for any new investment which is not within the core business(es) of the Group as set out in the Trust Deed; and

(ii) exceeding 25% of the consolidated net tangible assets of the Company.

As reported in the previous financial statements:

(a) in consideration of the holders of ACB Bonds and USD Debts granting the indulgence and approval to vary the redemption date and the repayment date of ACB Bonds and USD Debts, additional securities were charged in favour of the Security Trustee on shares in certain subsidiary companies of the Company with an adjusted net tangible assets of RM5 million or more, provided such shares are not encumbered; and

(b) commencing 1 January 2005, interest payable as penalty for late redemption/repayment of any redemption amount/repayment amount shall be calculated on a simple interest basis instead of on a compound basis.

During the previous financial years, the deferment of the Class B ACB Bonds and USD Debts, Class C ACB Bonds and USD Debts were not passed.

The Class A ACB Bonds and USD Debts were fully redeemed by the Company and its subsidiary company.

<u>Reconciliation of liabilities arising from financing activities</u>

The table below details changes in the Group's and the Company's liabilities arising from financing activities. Liabilities arising from financing activities are those for which cash flows have been, or future cash flows will be, classified in the Group's and the Company's statements of cash flows as cash flow used in financing activities.

	1.1.2022 RM'000	Financing cash flows RM'000	Interest RM'000	Translation adjustment RM'000	31.12.2022 RM'000
GROUP					
ACB Bonds and USD Debts	**1,919,479**	**(1,483)**	**67,877**	**71,614**	**2,057,487**
COMPANY					
ACB Bonds and USD Debts	**1,961,896**	**(1,343)**	**71,821**	**73,923**	**2,106,297**

	1.7.2020 RM'000	Financing cash flows RM'000	Interest RM'000	Translation adjustment RM'000	31.12.2021 RM'000
GROUP					
ACB Bonds and USD Debts	1,905,674	(53,807)	99,493	(31,881)	1,919,479
COMPANY					
ACB Bonds and USD Debts	1,947,938	(52,662)	106,607	(39,987)	1,961,896

25. TERM LOAN

	GROUP 2022 RM'000	GROUP 2021 RM'000
Secured		
Non-current	-	1,637
Current	-	1,438
	-	3,075

The term loan of a subsidiary company was secured by a registered charged over its certain freehold land and buildings in 2021 as disclosed in Note 12. The facility bore interest at 3.04% per annum for the financial period ended 31 December 2021.

The term loan was repayable as follows:

	GROUP 2022 RM'000	GROUP 2021 RM'000
Less than one year	-	1,438
Later than one year and not later than five years	-	1,637
	-	3,075

Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities. Liabilities arising from financing activities are those for which cash flows have been, or future cash flows will be, classified in the Group's statements of cash flows as cash flow used in financing activities.

	1.1.2022 RM'000	Financing cash flows RM'000	31.12.2022 RM'000
GROUP			
Term loan	**3,075**	**(3,075)**	**-**

	1.7.2020 RM'000	Financing cash flows RM'000	31.12.2021 RM'000
GROUP			
Term loan	5,152	(2,077)	3,075

26. LEASE LIABILITIES

	GROUP 2022 RM'000	GROUP 2021 RM'000
At beginning of financial year/period	**1,111**	956
Additions	**128**	407
Finance costs (Note 9)	**46**	95
Payment of lease rental	**(1,020)**	(1,546)
Remeasurement of lease	**586**	1,199
At end of financial year/period	**851**	1,111

26. LEASE LIABILITIES (cont'd)

The minimum lease payments for the lease liabilities are payable as follows:

	Future minimum lease payments RM'000	Interest RM'000	Present value of lease payments RM'000
2022			
Less than one year	**648**	**(20)**	**628**
Later than one year and not later than five years	**224**	**(1)**	**223**
	872	**(21)**	**851**
2021			
Less than one year	866	(27)	839
Later than one year and not later than five years	274	(2)	272
	1,140	(29)	1,111

Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities. Liabilities arising from financing activities are those for which cash flows have been, or future cash flows will be, classified in the Group's statements of cash flows as cash flow used in financing activities.

	1.1.2022 RM'000	Financing cash flows RM'000	Acquisition of new lease RM'000	Remeasurement of lease RM'000	31.12.2022 RM'000
GROUP					
Lease liabilities	**1,111**	**(974)**	**128**	**586**	**851**

	1.7.2020 RM'000	Financing cash flows RM'000	Acquisition of new lease RM'000	Remeasurement of lease RM'000	31.12.2021 RM'000
GROUP					
Lease liabilities	956	(1,451)	407	1,199	1,111

27. DEFERRED TAX ASSETS/LIABILITIES

	GROUP 2022 RM'000	2021 RM'000
At beginning of financial year/period	**655**	480
Transfer from profit or loss (Note 10):		
Property, plant and equipment	**(1,006)**	(5)
Right-of-use assets	**64**	(28)
Lease liabilities	**(63)**	33
Provisions	**178**	175
	(827)	175
At end of financial year/period	**(172)**	655

27. DEFERRED TAX ASSETS/LIABILITIES (cont'd)

Certain deferred tax assets and liabilities have been offset in accordance with the Group's accounting policy. The following is the analysis of the deferred tax balances (after offset) for statements of financial position:

	GROUP	
	2022	**2021**
	RM'000	**RM'000**
Deferred tax assets	**-**	734
Deferred tax liabilities	**(172)**	(79)
	(172)	655

Deferred tax assets/liabilities provided in the financial statements are in respect of the tax effects of the following:

	GROUP	
	2022	**2021**
	RM'000	**RM'000**
Deferred tax assets		
Lease liabilities	**204**	267
Provisions	**1,890**	1,712
	2,094	1,979
Offsetting	**(2,094)**	(1,245)
Deferred tax assets (after offsetting)	**-**	734
Deferred tax liabilities		
Property, plant and equipment	**2,064**	1,058
Right-of-use assets	**193**	257
Deductible temporary differences	**9**	9
	2,266	1,324
Offsetting	**(2,094)**	(1,245)
Deferred tax liabilities (after offsetting)	**172**	79

Deferred tax assets have not been recognised in respect of the following items:

	GROUP	
	2022	**2021**
	RM'000	**RM'000**
Unabsorbed capital allowances	**1,292**	1,300
Unutilised tax losses	**127,908**	128,198
	129,200	129,498

As announced in the Annual Budget 2022, effective from year of assessment 2019, the unused tax losses of Malaysian entities as at 31 December 2018 and thereafter will only be available for carry forward for a period of 10 consecutive years. Upon expiry of the 10 years, the unused tax losses will be disregarded. The unabsorbed capital allowances are available indefinitely for offset against future taxable profits of the subsidiary companies in which those items arose. Deferred tax assets have not been recognised in respect of these items as they may not be used to offset taxable profits of other subsidiary companies in the Group and they have arisen in subsidiary companies that have a recent history of losses.

The unutilised tax losses and unabsorbed capital allowances carried forward are subject to agreement by the tax authority.

28. PAYABLES

	GROUP		COMPANY	
	2022	**2021**	**2022**	**2021**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Trade payables	**3,720**	3,302	**-**	-
Other payables	**16,487**	33,093	**1,631**	3,611
Amounts due to subsidiary companies	**-**	-	**1,112,036**	1,100,728
	20,207	36,395	**1,113,667**	1,104,339

The normal trade credit term granted to the Group ranges from 30 days to 120 days (2021: 30 days to 120 days).

The amounts due to subsidiary companies which arose mainly from inter-company advances are unsecured, interest free (2021: interest free) and repayable on demand.

The currency exposure profile of payables is as follows:

	GROUP		COMPANY	
	2022	**2021**	**2022**	**2021**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Ringgit Malaysia	**18,560**	29,605	**752,070**	760,217
United States Dollar	**581**	550	**361,597**	343,065
Others	**1,066**	6,240	**-**	1,057
	20,207	36,395	**1,113,667**	1,104,339

29. SIGNIFICANT RELATED PARTY TRANSACTIONS

Related parties are entities in which a substantial shareholder of the Company or its subsidiary companies and/or persons connected with such substantial shareholder has an interest, excluding those parties disclosed as related companies in the financial statements.

(a) Sales of goods and services

	GROUP	
	1.1.2022 to 31.12.2022	**1.7.2020 to 31.12.2021**
	RM'000	**RM'000**
Sales of goods and services to:		
- Amsteel Mills Sdn Bhd	**4,500**	2,514
- Antara Steel Mills Sdn Bhd	**-**	247
- Cendana Aset Sdn Bhd	**1,495**	75
- Lion Group Management Services Sdn Bhd	**1,235**	1,529
- Lion Steel Sdn Bhd	**1,340**	-
- Parkson Corporation Sdn Bhd	**662**	97

29. SIGNIFICANT RELATED PARTY TRANSACTIONS (cont'd)

(a) Sales of goods and services (cont'd)

Amsteel Mills Sdn Bhd, Cendana Aset Sdn Bhd, Lion Group Management Services Sdn Bhd and Lion Steel Sdn Bhd are subsidiary companies while Antara Steel Mills Sdn Bhd was a subsidiary company of Lion Industries Corporation Berhad, a substantial shareholder of the Company.

Parkson Corporation Sdn Bhd is a wholly-owned subsidiary of Parkson Retail Asia Limited which is in turn a subsidiary of Parkson Holdings Berhad wherein a substantial shareholder of the Company is also a director and a substantial shareholder.

(b) Purchases of goods

	GROUP	
	1.1.2022 to 31.12.2022 RM'000	**1.7.2020 to 31.12.2021 RM'000**
Purchases of goods from:		
- Secom Co., Ltd.	**632**	676
- Shanghai Nohmi Secom Fire Protection Equipment Co., Ltd.	**529**	605

Secom Co., Ltd. is a substantial shareholder of Secom (Malaysia) Sdn Bhd, a subsidiary company of the Company.

Shanghai Nohmi Secom Fire Protection Equipment Co., Ltd. is a subsidiary company of Secom Co., Ltd.

The Directors of the Company are of the opinion that the above transactions have been entered into in the normal course of business and have been established under terms that are no more favourable to the related parties than those arranged with third parties.

30. SEGMENT INFORMATION

(a) Business Segments

The Group is organised into two major business segments as follows:

(i) Security services - provision of security services and sale of security related equipment; and

(ii) Investment holding and others - investment holding, manufacturing and sale of tools and dies, and others.

The Directors are of the opinion that all inter-segment transactions have been entered into in the normal course of business and have been established on terms and conditions that are no more favourable to the related parties than those arranged with third parties.

30. SEGMENT INFORMATION (cont'd)

(a) Business Segments (cont'd)

31 December 2022
(12 months)

	Security services RM'000	Investment holding and others RM'000	Eliminations RM'000	Total RM'000
Revenue				
External sales	74,063	9,509	-	83,572
Results				
Segment results	14,087	1,099	-	15,186
Loss on foreign exchange				(89,480)
Finance costs				(67,990)
Share in results of associated companies	-	488	-	488
Loss before tax				(141,796)
Tax expenses				(2,752)
Net loss for the financial year				(144,548)
Assets				
Segment assets	112,030	100,363	-	212,393
Investment in associated companies	-	27,347	-	27,347
Unallocated assets				6,646
Consolidated total assets				246,386
Liabilities				
Segment liabilities	12,851	2,069,135	-	2,081,986
Unallocated liabilities				246
Consolidated total liabilities				2,082,232
Other information				
Capital expenditure	3,500	417	-	3,917
Depreciation	4,711	138	-	4,849
Amortisation	-	6	-	6
Other non-cash income	-	(310)	-	(310)

30. SEGMENT INFORMATION (cont'd)

(a) Business Segments (cont'd)

31 December 2021
(18 months)

	Security services RM'000	Investment holding and others RM'000	Eliminations RM'000	Total RM'000
Revenue				
External sales	101,839	19,730	-	121,569
Results				
Segment results	15,814	13,786	-	29,600
Gain on foreign exchange				39,988
Finance costs				(99,776)
Share in results of associated companies	-	1,597	-	1,597
Loss before tax				(28,591)
Tax expenses				(6,873)
Net loss for the financial period				(35,464)
Assets				
Segment assets	107,611	107,109	-	214,720
Investment in associated companies	-	26,859	-	26,859
Unallocated assets				3,803
Consolidated total assets				245,382
Liabilities				
Segment liabilities	14,278	1,948,535	-	1,962,813
Unallocated liabilities				235
Consolidated total liabilities				1,963,048
Other information				
Capital expenditure	4,390	-	-	4,390
Depreciation	6,722	203	-	6,925
Amortisation	-	9	-	9
Other non-cash expenses	-	930	-	930

30. SEGMENT INFORMATION (cont'd)

(b) Geographical Segments

The Group operates in the following main geographical areas:

Malaysia	-	mainly in the provision of security services and sale of security related equipment, manufacturing and sale of tools and dies, investment holding and others; and
Other countries	-	investment holding and others.

	Revenue		**Total assets**		**Capital expenditure**	
	1.1.2022 to 31.12.2022 RM'000	**1.7.2020 to 31.12.2021 RM'000**	**2022 RM'000**	**2021 RM'000**	**1.1.2022 to 31.12.2022 RM'000**	**1.7.2020 to 31.12.2021 RM'000**
Malaysia	**83,572**	121,569	**205,531**	203,520	**3,917**	4,390
Other countries	**-**	-	**40,855**	41,862	**-**	-
	83,572	121,569	**246,386**	245,382	**3,917**	4,390

31. STATEMENTS OF CASH FLOWS

(a) Adjustments for non-cash items, interests and dividends:

	GROUP		COMPANY	
	1.1.2022 to 31.12.2022 RM'000	1.7.2020 to 31.12.2021 RM'000	1.1.2022 to 31.12.2022 RM'000	1.7.2020 to 31.12.2021 RM'000
Depreciation of:				
- property, plant and equipment	**3,899**	5,452	**-**	-
- right-of-use assets	**950**	1,473	**-**	-
Amortisation of investment properties	**6**	9	**-**	-
Impairment loss on investment in subsidiary companies	**-**	-	**232,684**	-
Impairment losses on receivables:				
- subsidiary companies	**-**	-	**-**	20
- others	**324**	1,150	**-**	-
Interest expenses	**67,990**	99,776	**71,821**	106,607
Property, plant and equipment written off	**162**	395	**-**	-
Share in results of associated companies	**(488)**	(1,597)	**-**	-
Interest income	**(2,502)**	(14,377)	**(1,290)**	(12,624)
Reversal of impairment losses on receivables:				
- subsidiary companies	**-**	-	**(242,681)**	(5,588)
- others	**(796)**	(615)	**(1)**	(119)
Gain on disposal of property, plant and equipment	**(4,884)**	(40)	**-**	-
Loss/(Gain) on remeasurement of leases	**27**	(2)	**-**	-
Dividend income	**(131)**	(87)	**(42)**	(254)
Loss/(Gain) on foreign exchange - unrealised	**89,480**	(39,988)	**92,601**	(49,252)
	154,037	51,549	**153,092**	38,790

(b) Cash and cash equivalents consist of:

	GROUP		COMPANY	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Cash and bank balances	**5,581**	7,875	**568**	1,899
Deposits with licensed financial institutions	**15,226**	14,710	**13,666**	11,216
	20,807	22,585	**14,234**	13,115
Less: Deposits, cash and bank balances earmarked for bond redemption	**(15,440)**	(13,033)	**(13,666)**	(11,216)
	5,367	9,552	**568**	1,899

32. FINANCIAL RISK, CAPITAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

Financial risk management objectives and policies

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its risks. The Group operates within clearly defined guidelines that are approved by the Board of Directors for observation in the day-to-day operations for the controlling and management of the risks associated with the financing, investing and operating activities of the Group.

The main areas of financial risks faced by the Group and the policy in respect of the major areas of treasury activity are set out as follows:

Capital risk management

The objective of the Group's and of the Company's capital management is to safeguard the Group's and the Company's ability to continue as a going concern while maximising the return to shareholders through the optimisation of debt and equity balance.

The capital structure of the Group and of the Company consists of net debts (borrowings offset by investment in cash funds, deposits, cash and bank balances) and equity of the Group and of the Company (comprising issued capital, reserves and non-controlling interests).

Gearing ratio

The gearing ratio at end of the reporting period is as follows:

	GROUP		COMPANY	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Debt (i)	**2,057,487**	1,922,554	**2,106,297**	1,961,896
Investment in cash funds, deposits, cash and bank balances	**(90,850)**	(89,377)	**(15,940)**	(14,780)
Net debt	**1,966,637**	1,833,177	**2,090,357**	1,947,116
Equity (ii)	**(1,835,846)**	(1,717,666)	**(3,144,999)**	(2,992,608)
Debt to equity ratio	**NM**	NM	**NM**	NM

(i) Debt is defined as long term and short term borrowings as disclosed in Notes 24 and 25 respectively.

(ii) Equity includes issued capital, reserves, accumulated losses and non-controlling interests.

NM = Not meaningful

Significant accounting policies

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the bases of measurement, and the bases for recognition of income and expenses), for each class of financial assets, financial liabilities and equity instruments are disclosed in Note 3.

32. FINANCIAL RISK, CAPITAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (cont'd)

Categories of financial instruments

	GROUP		COMPANY	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Financial assets				
Fair value through other comprehensive income:				
Unquoted shares and other investments	**237**	237	**128**	128
Fair value through profit or loss:				
Investment in cash funds	**18,877**	21,167	**-**	-
Amortised cost:				
Receivables	**80,667**	87,101	**49,264**	51,681
Deposits, cash and bank balances	**20,807**	22,585	**14,234**	13,115
Investment in cash funds	**51,166**	45,625	**1,706**	1,665
Financial liabilities at amortised cost				
Payables	**20,207**	36,395	**1,113,667**	1,104,339
Term loan	**-**	3,075	**-**	-
ACB Bonds and USD Debts	**2,057,487**	1,919,479	**2,106,297**	1,961,896
Deferred liabilities	**2,188**	2,045	**-**	-
Lease liabilities	**851**	1,111	**-**	-

Foreign currency sensitivity analysis

The Group and the Company are mainly exposed to the foreign currency of United States Dollar ("USD").

The following table details the Group's and the Company's sensitivity to a 10% increase and decrease in the Ringgit Malaysia against the USD. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the year for a 10% change in foreign currency rates. A positive number below indicates a gain in profit or loss where the Ringgit Malaysia strengthens 10% against the USD. For a 10% weakening of the Ringgit Malaysia against the USD, there would be a comparable impact on profit or loss, the balances below would be negative.

	GROUP		COMPANY	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
USD	**143,328**	131,563	**184,310**	170,056

The Group's and the Company's sensitivity to foreign currency is mainly attributable to the exposure of outstanding USD payables of the Group and of the Company at the end of the reporting period.

In management's opinion, the sensitivity analysis does not represent the inherent foreign exchange risk because the year end exposure does not reflect the exposure during the financial year/period.

32. FINANCIAL RISK, CAPITAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (cont'd)

Market risk

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

Interest rate risk

The Group's and the Company's exposures to interest rate on borrowings in ACB Bonds and USD Debts, term loan and finance lease liabilities are limited because the interest rate is fixed upon inception. The interest rates for the ACB Bonds and USD Debts, term loan and lease liabilities are disclosed in Notes 24, 25 and 26 respectively.

No sensitivity analysis is prepared as the Group does not expect any material effect on the Group's loss net of tax and equity arising from the effect of reasonably possible changes to interest rates on interest bearing financial instruments at the end of the reporting period.

Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from receivables and the Company's exposure to credit risk arises primarily from advances to subsidiaries. For other financial assets (investments, cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

Receivables

Risk management objectives, policies and processes for managing the risk

The credit risk is controlled by the application of credit approvals, limits and monitoring procedures. Credit risks of the Group are minimised and monitored via strictly limiting association to business partners with high credit worthiness. The Group also has an internal credit review which is conducted if the credit risk is material. Trade receivables are monitored on an ongoing basis via the Group's management reporting procedures.

Concentration of credit risk

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are measured at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the receivables. Any past due receivables having significant balances, which are deemed to have higher credit risk, are monitored individually.

The Group has applied the simplified approach to measure the loss allowance at lifetime expected credit losses ("ECLs"). The Group determines the ECLs on these items by using a provision matrix, where applicable, estimated based on historical credit loss experience based on the past due status of the receivables, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

32. FINANCIAL RISK, CAPITAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (cont'd)

Credit risk (cont'd)

Receivables (cont'd)

Concentration of credit risk (cont'd)

The following ageing of trade receivables provides information about the exposure to credit risk and ECLs for trade receivables:

	Gross-carrying amount RM'000	Individual impairment RM'000	ECLs RM'000	Net balance RM'000
GROUP				
2022				
Not past due	**5,082**	**-**	**-**	**5,082**
1 to 30 days past due	**1,644**	**-**	**(12)**	**1,632**
31 to 90 days past due	**2,676**	**-**	**(139)**	**2,537**
More than 90 days past due	**17,998**	**(16,306)**	**(312)**	**1,380**
Individually impaired	**735**	**(735)**	**-**	**-**
	28,135	**(17,041)**	**(463)**	**10,631**
2021				
Not past due	4,846	-	(46)	4,800
1 to 30 days past due	1,841	-	(70)	1,771
31 to 90 days past due	1,505	-	(329)	1,176
More than 90 days past due	17,217	(16,204)	(96)	917
Individually impaired	599	(599)	-	-
	26,008	(16,803)	(541)	8,664

Liquidity and cash flow risks

The Group actively manages its debt maturity profile, operating cash flows and the availability of the funding so as to ensure that all financing, repayment and funding needs are met. As part of the overall prudent liquidity management, the Group endeavours to maintain sufficient levels of cash or cash convertible investments to meet its working capital requirements.

32. FINANCIAL RISK, CAPITAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (cont'd)

Liquidity and cash flow risks (cont'd)

The table below summarises the maturity profile of the Group's and the Company's financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations:

	Less than 1 year RM'000	1 to 2 years RM'000	2 to 5 years RM'000	Total RM'000	Contractual interest %
GROUP					
2022					
Financial liabilities					
Trade payables	**3,720**	**-**	**-**	**3,720**	**-**
Other payables	**16,487**	**-**	**-**	**16,487**	**-**
ACB Bonds and USD Debts	**2,057,487**	**-**	**-**	**2,057,487**	**-**
Deferred liabilities	**-**	**-**	**2,188**	**2,188**	**-**
Lease liabilities	**648**	**224**	**-**	**872**	**3.50 - 4.50**
	2,078,342	**224**	**2,188**	**2,080,754**	
2021					
Financial liabilities					
Trade payables	3,302	-	-	3,302	-
Other payables	33,093	-	-	33,093	-
ACB Bonds and USD Debts	1,919,479	-	-	1,919,479	-
Deferred liabilities	-	-	2,045	2,045	-
Lease liabilities	866	274	-	1,140	3.50 - 4.50
Term loan	1,512	1,666	-	3,178	3.04
	1,958,252	1,940	2,045	1,962,237	
COMPANY					
2022					
Financial liabilities					
Other payables	**1,631**	**-**	**-**	**1,631**	**-**
Amount due to subsidiary companies	**1,112,036**	**-**	**-**	**1,112,036**	**-**
ACB Bonds and USD Debts	**2,106,297**	**-**	**-**	**2,106,297**	**-**
	3,219,964	**-**	**-**	**3,219,964**	
2021					
Financial liabilities					
Other payables	3,611	-	-	3,611	-
Amount due to subsidiary companies	1,100,728	-	-	1,100,728	-
ACB Bonds and USD Debts	1,961,896	-	-	1,961,896	-
	3,066,235	-	-	3,066,235	

32. FINANCIAL RISK, CAPITAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (cont'd)

Determination of fair values

(a) Financial instrument carried at amortised cost

The following methods and assumptions are used to estimate the fair values of each class of financial instruments:

(i) Cash and cash equivalents, trade and other receivables/payables

The carrying amounts approximate fair values due to the relatively short term maturity of these financial instruments.

(ii) Unquoted shares and investments

It is not practical to estimate the fair value of the Group's unquoted shares and investments due to lack of market information and the inability to estimate fair value without incurring excessive costs. However, the Group does not expect the carrying amounts to be significantly different from recoverable amounts.

(iii) ACB Bonds and USD Debts, term loan and deferred liabilities

The carrying amount of short term borrowings approximates fair value because of the short maturity period. The fair value of long term borrowings is estimated based on the current rates available for borrowings with the same maturity profile.

Fair value of term loan is estimated based on discounted cash flows using a rate based on the current market rate of borrowing, which approximates the original rate of borrowing.

Fair values of deferred liabilities are estimated based on present value using a rate based on overnight policy rate at the end of the reporting period.

(b) Financial instrument carried at fair value

The Group and the Company classify fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

(i) Level 1 - Quoted prices (unadjusted) in active markets for identical assets or;

(ii) Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

(iii) Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

There have been no transfer between Levels 1, 2 and 3 during the financial year.

32. FINANCIAL RISK, CAPITAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (cont'd)

Determination of fair values (cont'd)

(b) Financial instrument carried at fair value (cont'd)

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
GROUP				
2022				
Financial assets				
Unquoted shares and other investments	**-**	**-**	**237**	**237**
Investment in cash funds	**-**	**18,877**	**-**	**18,877**
2021				
Financial assets				
Unquoted shares and other investments	-	-	237	237
Investment in cash funds	-	21,167	-	21,167
COMPANY				
2022				
Financial assets				
Unquoted shares and other investments	**-**	**-**	**128**	**128**
2021				
Financial assets				
Unquoted shares and other investments	-	-	128	128

33. COMPARATIVE FIGURES

The comparative figures of the Group and the Company are for 18-month period from 1 July 2020 to 31 December 2021.

STATEMENT BY DIRECTORS

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

We, DATUK M. CHAREON SAE TANG @ TAN WHYE AUN and OOI KIM LAI, being two of the Directors of ACB RESOURCES BERHAD, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 13 to 79 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 positions of the Group and of the Company as at 31 December 2022 and of their financial performance and cash flows for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 2 May 2023.

DATUK M. CHAREON SAE TANG @ TAN WHYE AUN
Chairman

OOI KIM LAI
Director

Kuala Lumpur

STATUTORY DECLARATION

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

I, OOI KIM LAI, the Director primarily responsible for the financial management of ACB RESOURCES BERHAD, do solemnly and sincerely declare that the accompanying financial statements set out on pages 13 to 79 are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovenamed OOI KIM LAI at Kuala Lumpur in the Federal Territory on 2 May 2023.

OOI KIM LAI
MIA 9454

Before me
W729
MARDHIYYAH ABDUL WAHAB
Commissioner for Oaths

Kuala Lumpur

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ACB RESOURCES BERHAD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of ACB RESOURCES BERHAD which comprise the statements of financial position as at 31 December 2022 of the Group and of the Company, and the statements of profit or loss, statements of other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, as set out on pages 13 to 79.

We do not express our opinion on the accompanying financial statements of the Group and of the Company because of the significance of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements as at 31 December 2022, and of their financial performance and their cash flows for the year then ended.

Basis for Disclaimer of Opinion

We draw attention to Note 2 to the financial statements, which indicates that the Group and the Company incurred net loss attributable to the owners of the Company of RM150 million and RM152 million respectively during the financial year ended 31 December 2022 and, as of that date, the Group and the Company have deficit in their net equity attributable to the owners of the Company of RM1,885 million and RM3,145 million respectively and their current liabilities exceeded their current assets by RM1,894 million and RM3,149 million respectively.

As described in Note 24 to the financial statements, ACB Bonds and USD Debts of the Group and of the Company which are repayable within 12 months amounting to RM2,057 million and RM2,106 million respectively. The cash flows for the redemption/repayment will be sourced from the proceeds of the disposal of assets/companies and cash flows from the operations.

We were unable to obtain sufficient and appropriate audit evidences to satisfy ourselves as to the adequacy of cash flows for the ACB Bonds and USD Debts to be fully redeemed/repaid by the Group and the Company.

All the above events indicate a material uncertainty that may cast significant doubt on the Group's and the Company's ability to continue as a going concern and therefore the Group and the Company may be unable to realise their assets and discharge their liabilities in the normal course of business.

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 responsibility is to conduct an audit of the Group's and of the Company's financial statements in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, and to issue an auditors' report. However, because of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

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' *Code of Ethics for Professional Accountants* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Report on Other Legal and Regulatory Requirements

In accordance with the requirement of the Companies Act 2016 ("Act") in Malaysia, except for those disclosed in the *Basis for Disclaimer of Opinion* section, we also report that the accounting and other records and registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors as disclosed in Note 16 to the financial statements have been properly kept in accordance with the provisions of the Act.

Other Matters

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

ONG BOON BAH & CO
AF: 0320
Chartered Accountants

WONG SOO THIAM
01315/12/2024 J
Chartered Accountant

Kuala Lumpur
2 May 2023

ISSUED SHARES AND SUBSTANTIAL SHAREHOLDERS

Issued Shares as at 31 March 2023

Total Number of Issued Shares	:	1,331,174,812
Class of Shares	:	Ordinary shares
Voting Rights	:	1 vote per ordinary share

Substantial Shareholders as at 31 March 2023

Substantial Shareholders	Direct Interest No. of Shares	Direct Interest % of Shares	Deemed Interest No. of Shares	Deemed Interest % of Shares
1. Tan Sri Cheng Heng Jem	–	–	634,485,255	47.66
2. Lim Fook Kee	265,834,962	19.97	–	–
3. Lion Corporation Berhad	82,900,000	6.23	551,585,255	41.44
4. Lion Rubber Works Sdn Bhd	245,535,746	18.45	–	–
5. Century Container Industries Sdn Bhd	180,822,751	13.58	–	–
6. Bright Steel Sdn Bhd	–	–	180,822,751	13.58
7. Total Triumph Investments Limited	–	–	180,822,751	13.58
8. PMB Jaya Sdn Bhd	100,000,000	7.51	–	–
9. PMB Building System Sdn Bhd	–	–	100,000,000	7.51
10. Lion Construction & Engineering Sdn Bhd	–	–	100,000,000	7.51
11. Lion Industries Corporation Berhad	–	–	634,485,255	47.66
12. LLB Steel Industries Sdn Bhd	–	–	634,485,255	47.66
13. Steelcorp Sdn Bhd	–	–	634,485,255	47.66
14. Amsteel Mills Sdn Bhd	–	–	634,485,255	47.66
15. Lion Diversified Holdings Berhad (In Liquidation)	–	–	634,485,255	47.66

FORM OF PROXY

CDS ACCOUNT NUMBER

			–				–									

I/We ____

NRIC/Passport/Registration No. ______________________________

of ____

being a member of ACB RESOURCES BERHAD, hereby appoint ______________________

____

NRIC/Passport No. ______________________________

of ____

or failing whom, ______________________________

NRIC/Passport No. ______________________________

of ____

as my/our proxy to vote for me/us and on my/our behalf at the 47th Annual General Meeting of the Company ("47th AGM") to be held virtually from the Broadcast Venue, Board Room, Level 15, Lion Office Tower, No. 1 Jalan Nagasari, 50200 Kuala Lumpur, Wilayah Persekutuan and via E-Meeting Portal at https://scsb.lion.com.my on Thursday, 22 June 2023 at 11.00 am and at any adjournment thereof.

RESOLUTIONS	FOR	AGAINST
1. To approve Directors' fees		
2. To approve Directors' benefits		
3. To re-elect Y. Bhg. Datuk M. Chareon Sae Tang @ Tan Whye Aun as Director		
4. To re-elect Mr Tan Siak Tee as Director		
5. To re-appoint Messrs Ong Boon Bah & Co. as Auditors		

Please indicate with an "X" how you wish your vote to be cast. If no specific direction as to voting is given, the proxy will vote or abstain at his discretion.

As witness my/our hand this ________ day of ____________________ 2023

No. of shares: ______________________ Signed: ______________________

Representation at Meeting:

(i) In respect of deposited securities, only Members whose names appear in the Record of Depositors on 15 June 2023 shall be eligible to participate at the Meeting.

(ii) A member entitled to participate and vote at the Meeting is entitled to appoint not more than 2 proxies to participate and vote instead of him. A proxy need not be a member of the Company.

(iii) If a member appoints 2 proxies, the proportion of his shareholdings represented by each proxy must be specified.

(iv) The instrument appointing a proxy must be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under seal or the hand of an officer or attorney duly authorised.

(v) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in 1 securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

(vi) The instrument appointing a proxy shall be deposited at the Office of the Registrar of the Company at Level 13, Lion Office Tower, No. 1 Jalan Nagasari, 50200 Kuala Lumpur, Wilayah Persekutuan not less than 48 hours before the time for holding the Meeting.

(vii) Completed Form of Proxy sent through facsimile transmission or any electronic or digital manner shall not be accepted.

• The 47th AGM will be conducted virtually through live streaming and online remote voting via the Remote Participation and Voting ("RPV") facilities available on E-Meeting Portal at https://scsb.lion.com.my. Please refer to the procedures provided in the Administrative Guide for the 47th AGM for registration, participation and remote voting via the RPV facilities.

ACB RESOURCES BERHAD
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