FINANCIAL STATEMENTS 2023

For The Financial Year Ended 31 December 2023

DIRECTORS' REPORT

The Directors of **LION INDUSTRIES CORPORATION BERHAD** hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2023.

PRINCIPAL ACTIVITIES

The Company is principally involved in investment holding and property development.

The principal activities of the subsidiary companies are manufacture and marketing of steel bars, wire rods, and steel related products; trading and distribution of building materials and other steel products; manufacture and trading of lubricants, automotive products and petroleum products; property development and investment holding.

The information on the name, principal place of business and place of incorporation, principal activities, and percentage of ownership of the holding company in each subsidiary company is disclosed in Note 43 to the financial statements.

RESULTS

The results of the Group and of the Company for the financial year are as follows:

	The Group RM'000	The Company RM'000
Loss for the year	(402,414)	(82,528)
Loss attributable to:		
Owners of the Company	(401,296)	(82,528)
Non-controlling interests	(1,118)	-
	(402,414)	(82,528)

In the opinion of the Directors, the results of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature other than, in respect of the Group, the impairment loss on goodwill of RM130,443,000.

DIVIDEND

No dividend has been paid or declared by the Company since the end of the previous financial year. The Directors also do not recommend any payment of dividend in respect of the current financial year.

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

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

TREASURY SHARES

The Company did not repurchase its ordinary shares during the financial year. As of 31 December 2023, the Company held 37,105,300 treasury shares at a carrying amount of RM13,192,722.

WARRANTS

The Company had on 14 December 2022 issued 340,400,686 warrants by way of bonus issue on the basis of 1 warrant for every 2 existing ordinary shares held in the Company.

Salient features of the warrants are as follows:

(a) Each warrant entitles the registered holder to subscribe for 1 new ordinary share in the Company at any time on or before the maturity date, 12 December 2025, falling 3 years from the date of issuance of the warrants. Unexercised warrants after the exercise period will thereafter lapse and cease to be valid;

(b) The exercise price of the warrants is fixed at RM0.43 per warrant;

(c) The new ordinary shares to be issued upon the exercise of the warrants shall rank *pari passu* in all respects with the existing ordinary shares of the Company; and

(d) The warrants were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad on 21 December 2022.

As at 31 December 2023, 340,400,686 warrants remained unexercised.

OTHER STATUTORY INFORMATION

Before the financial statements 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 debts and the making of allowance for doubtful debts, and had satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; 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 debts or the amount of allowance for doubtful debts 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 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 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.

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

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

DIRECTORS

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

Datuk Seri Utama Raja Nong Chik bin Dato' Raja Zainal Abidin
Tan Sri Cheng Heng Jem
Dato' Nik Rahmat bin Nik Taib
Yap Soo Har
Cheng Hui Ya, Serena

LIST OF DIRECTORS OF SUBSIDIARY COMPANIES

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

Chai Voon Choy
Chen Xian Ping
Cheng Hui Ya, Serena
Cheng Hui Yen, Natalie
Cheng Theng How
Cheng Yong Liang
Chuah Say Chin
Dato' Eow Kwan Hoong
Dato' Teoh Teik Jin
Dr Folk Jee Yoong
Goh Kok Beng
Hu Li Ke
Hu Qing Guo
Jiang Hong Xin
Juliana Cheng San San
Koh Yong Heng
Koo Chuan Hong
Lee Boon Liang
Lee Khian Lai
Lee Whay Keong
Liu Cheng Ku
Ong Kek Seng
Ooi Kim Lai
Poon Sow Har
Sun Li Zhong
Tan Sri Cheng Heng Jem
Tan Sri Cheng Yong Kim
Tan Sri Abd Karim bin Shaikh Munisar
Teoh Lean Keat
Wong Pak Yii
Yeo Keng Leong
Lee Wee Leng (Appointed on 20 November 2023 and resigned with effect from 25 March 2024)
Wang Wing Ying (Resigned with effect from 18 March 2024)

DIRECTORS' INTERESTS

The shareholdings in the Company of those who were Directors at the end of the financial year are as follows:

	Number of Ordinary Shares			
	As at 1.1.2023	**Additions**	**Disposals**	**As at 31.12.2023**
Datuk Seri Utama Raja Nong Chik bin Dato' Raja Zainal Abidin				
Direct interest	100,000	-	-	100,000
Deemed interest	100,000	-	-	100,000
Tan Sri Cheng Heng Jem				
Direct interest	222,785,449	-	-	222,785,449
Deemed interest	12,752,369	-	-	12,752,369

In addition to the above, the following Directors are also deemed to have an interest in shares in the Company by virtue of the warrants issued by the Company with a right to subscribe for ordinary shares in the Company on the basis of 1 new ordinary share for every 1 warrant held:

	Number of Warrants			
	As at 1.1.2023	**Additions**	**Disposals**	**As at 31.12.2023**
Direct Interest				
Datuk Seri Utama Raja Nong Chik bin Dato' Raja Zainal Abidin	50,000	-	-	50,000
Tan Sri Cheng Heng Jem	111,392,723	-	-	111,392,723
Deemed Interest				
Datuk Seri Utama Raja Nong Chik bin Dato' Raja Zainal Abidin	50,000	-	-	50,000
Tan Sri Cheng Heng Jem	6,376,184	-	-	6,376,184

DIRECTORS' INTERESTS (continued)

The shareholdings in the related corporations during and at the end of the financial year of those who were Directors in office at the end of the financial year are as follows:

	Number of Ordinary Shares			
	As at 1.1.2023	**Additions**	**Disposals**	**As at 31.12.2023**
Tan Sri Cheng Heng Jem				
Direct interest				
Lion Posim Berhad	400	-	-	400
Deemed interest				
Holdsworth Investment Pte Ltd	4,500,000	-	-	4,500,000
Inspirasi Elit Sdn Bhd	212,500	-	-	212,500
Lion Group Management Services Sdn Bhd	5,000,000	-	-	5,000,000
Lion Posim Berhad	170,186,190	-	-	170,186,190
LLB Enterprise Sdn Bhd	940,000	-	-	940,000
Soga Sdn Bhd	4,525,322	17,200	-	4,542,522
Steelcorp Sdn Bhd	99,750	-	-	99,750
Zhongsin Biotech Pte Ltd	1,000,000	-	-	1,000,000

Investments in the People's Republic of China	**Currency**	**As at 1.1.2023**	**Additions**	**Disposals**	**As at 31.12.2023**
Deemed interest					
Tianjin Baden Real Estate Development Co Ltd (In voluntary liquidation)	USD	5,000,000	-	-	5,000,000
Tianjin Hua Shi Auto Meter Co Ltd (In voluntary liquidation)	USD	10,878,944	-	-	10,878,944

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.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors of the Company has received or become entitled to receive any benefit (other than the benefit included in the aggregate amount of remunerations received or due and receivable by the Directors 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 save and except for the benefit which deemed to have arisen by virtue of the balances and transactions between the Company and its related companies and certain companies in which a Director of the Company has a substantial interest, in the ordinary course of business of the Group and of the Company.

Details of the remuneration paid to or receivable by the Directors of the Company classified into executive and non-executive Directors during the financial year are as follows:

	The Group RM'000	The Company RM'000
Executive Director:		
Fee	60	35
Salary and other emoluments	2,560	965
	2,620	1,000
Non-executive Directors:		
Fees	255	235
Salary and other emoluments	167	35
Defined contribution plans	12	-
	434	270
Total	3,054	1,270

Included in other emoluments is estimated monetary value of benefits-in-kind received and receivable by the Directors otherwise than in cash from the Group and the Company amounted to RM182,000 and RM Nil respectively.

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

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 RM50,000,000 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.

AUDITORS

The total amount of fees paid to or receivable by the Auditors as remuneration for their services as auditors of the Group and of the Company for the current financial year are RM956,000 and RM127,000 respectively.

The Auditors, Mazars PLT, Chartered Accountants, have expressed their willingness to accept re-appointment.

To the extent permitted by laws, the Company has agreed to indemnify its Auditors, Mazars PLT, as part of the terms of its audit engagement, against claims by third party arising from the audit. No payment has been made to indemnify Mazars PLT for the current financial year.

Signed on behalf of the Board
in accordance with a resolution of the Directors,

TAN SRI CHENG HENG JEM

CHENG HUI YA, SERENA

Kuala Lumpur
8 April 2024

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LION INDUSTRIES CORPORATION BERHAD (Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Lion Industries Corporation Berhad, which comprise the statements of financial position as at 31 December 2023 of the Group and of the Company, and the statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 82 to 210.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

(a) Recoverable amount of property, plant and equipment at Banting and Klang

The Group's accounting policies, significant judgement and estimates made by the management and disclosure notes on property, plant and equipment are disclosed in Note 3, Note 4(ii)(e) and Note 12 to the financial statements.

The risk:

As at 31 December 2023, the carrying amount of the property, plant and equipment of the Group amounted to RM851 million, representing 57% and 33% of the Group's total non-current assets and total assets respectively. Included in the property, plant and equipment of the Group are property, plant and equipment related to steel making plants of subsidiaries located at Banting ("Banting Plants") and Klang ("Klang Plants") amounting to RM678 million and RM96 million respectively.

The Banting Plants have temporarily stopped its production activities and the Klang Plants incurred loss during the year. The Directors of the Company deem this as an indicator for impairment and accordingly carried out impairment assessment in accordance with MFRS 136 Impairment of Assets, on the Banting Plants and Klang Plants.

The recoverable amount of the Banting Plants and Klang Plants was determined by management based on fair value less cost to sell, by references to the latest valuations carried out by independent valuers.

The valuation process involves significant judgement in determining the appropriate valuation methodologies and the underlying assumptions. The valuations are highly sensitive to key assumptions applied and any change in the assumptions can have a significant impact to the valuations.

In view of the significant judgement and estimates required by management in determining the recoverable amount of the Banting Plants and Klang Plants for impairment assessment, we identified the recoverable amount of Banting Plants and Klang Plants as a key audit matter.

How the matter was addressed in our audit:

Our audit procedures to address this area included, among others:

- Obtained an understanding of the Group's policies and procedures to identify indications of impairment of assets;
- Performed physical inspection of Banting Plants and Klang Plants to ensure the physical existence and their conditions;
- Obtained independent valuation reports for the land, buildings, plant and machinery;
- Assessed the competency, capabilities and objectivity of the independent valuers engaged by the Group to determine the market value of Banting Plants and Klang Plants on the determination of the recoverable amounts of these plants;
- Discussed with the valuers to understand the methodologies adopted in determining the market value of Banting Plants and Klang Plants;
- Assessed the reasonableness of the key assumptions and inputs used in the valuation;
- Assessed the appropriateness of the adjustments made to the observable prices in the active market or recent market transactions in determining the market value of Banting Plants and Klang Plants; and
- Tested the mathematical accuracy of recoverable amount calculation.

(b) Recoverable amount of investment properties in Cambodia

The Group's accounting policies, significant judgement and estimates made by the management and disclosure notes on investment properties are disclosed in Note 3, Note 4(i)(b) and Note 13 to the financial statements.

The risk:

As at 31 December 2023, the carrying amount of the investment properties of the Group amounted to RM119 million, representing 8% and 5% of the Group's total non-current assets and total assets respectively. Included in the investment properties of the Group are freehold land, leasehold land and economic land concessions in Cambodia ("Cambodia Land") amounting to USD26 million, equivalent to RM118 million.

The recoverable amount of the Cambodia Land was determined by management based on fair value less cost to sell, by references to the latest valuations carried out by independent valuers.

The valuation process involves significant judgement in determining the appropriate valuation methodologies and the underlying assumptions. The valuations are highly sensitive to key assumptions applied and any change in the assumptions can have a significant impact to the valuations.

In view of the significant judgement and estimates required by management in determining the recoverable amount of the Cambodia Land, which also includes the Economic Land Concessions ("ELC") totaling RM42 million for which formal lease agreements are pending, as disclosed in Note 13 to the financial statements, and management's plans on its realisation, we identified the recoverable amount of the Cambodia Land as a key audit matter.

How the matter was addressed in our audit:

Our audit procedures to address this area included, among others:

- Obtained an understanding of impairment assessment process and evaluated the design and implementation of the relevant controls surrounding impairment assessment on the Cambodia Land;

- Obtained and evaluated the management assessment in determining the recoverable amount of the Cambodia Land;

- Obtained the independent valuation reports for the Cambodia Land and compared to management's assessment;

- Assessed the competency, capabilities and objectivity of the valuers' and challenged the assumptions and methodology used in the valuations;

- Obtained and understood the agreements or other relevant documents relating to the conversion of leasehold land and granting of ELC;

- Performed retrospective review of management's plans to convert the economic land concessions to leasehold land;

- Held discussion with independent valuers on the valuation and challenged the basis of determining the fair value of the Cambodia Land; and

- Assessed the adequacy and appropriateness of the disclosures in the financial statements.

(c) Recoverable amount of investment in an associated company, Parkson Holdings Berhad

The Group's accounting policies, significant judgement and estimates made by the management and disclosure notes on investment in associated companies are disclosed in Note 3, Note 4(ii)(a) and Note 18 to the financial statements.

The risk:

As at 31 December 2023, the carrying amount of the investment in associated companies of the Group amounted to RM398 million, representing 27% and 15% of the Group's total non-current assets and total assets respectively. Included in the investment in associated companies of the Group is investment in Parkson Holdings Berhad amounting to RM360 million.

As at the reporting date, the market value of investment in Parkson Holdings Berhad is below the Group's carrying amount of investment in the associated company. The Directors had performed an impairment assessment based on the value-in-use ("VIU") method to determine its recoverable amount.

The use of VIU involved significant estimates of the future financial results of the business, in particular, the key assumptions on revenue growth rate, gross profit margin, operating expenses and pre-tax discount rate used in the future cash flows forecasts. The valuations are highly sensitive to key assumptions applied and any change in the assumptions can have a significant impact to the valuations.

In view of the significant judgement and estimates required by management in determining the VIU of its investment in Parkson Holdings Berhad, we identified the recoverable amount of investment in Parkson Holdings Berhad as a key audit matter.

How the matter was addressed in our audit:

Our audit procedures to address this area included, among others:

- Obtained an understanding of the relevant processes and internal controls over the impairment assessment process;
- Reviewed the discounted cash flows prepared by management;
- Assessed the reasonableness of key assumptions, including discount rates, forecast growth rates and methodology used in deriving the present value of the cash flows;
- Corroborated the key assumptions with industry analysts' views and available market information and compared to historical results and cash flows of Parkson Holdings Berhad; and
- Tested the mathematical accuracy of recoverable amount calculation.

We have determined that there are no key audit matters in the audit of the financial statements of the Company to communicate in our auditors' report.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, IFRS Accounting 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 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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 43 to the financial statements.

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.

MAZARS PLT
201706000496 (LLP0010622-LCA)
AF 001954
Chartered Accountants

FRANCIS XAVIER JOSEPH
02997/06/2024 J
Chartered Accountant

Kuala Lumpur
8 April 2024

STATEMENTS OF PROFIT OR LOSS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

		The Group		The Company	
	Note	2023 RM'000	2022 RM'000 (Restated)	2023 RM'000	2022 RM'000
Revenue	5	**1,914,817**	2,579,174	**-**	-
Other income		**60,858**	36,989	**190**	313
Net changes in inventories		**(76,624)**	(2,186)	**-**	-
Raw materials and consumables used		**(1,358,465)**	(2,201,699)	**-**	-
Purchase of trading merchandise		**(380,947)**	(312,597)	**-**	-
Staff costs	6	**(141,220)**	(158,708)	**(1,242)**	(991)
Directors' remuneration	7	**(3,054)**	(2,833)	**(1,270)**	(1,694)
Investment income	8	**3,863**	6,242	**234**	381
Finance costs	9	**(15,402)**	(12,367)	**(640)**	(664)
Depreciation and amortisation:					
- Property, plant and equipment	12	**(44,690)**	(45,404)	**(97)**	(125)
- Investment properties	13	**(473)**	(475)	**-**	-
- Prepaid land lease payment	14	**(1,564)**	(3,433)	**-**	-
- Right-of-use assets	15	**(16,014)**	(6,231)	**(42)**	(51)
Net fair value loss on financial assets/liabilities measured at amortised cost		**-**	-	**(78,261)**	-
Impairment losses net of reversals on:					
- Property, plant and equipment	12	**(7,224)**	-	**-**	-
- Trade and other receivables	24	**(4,795)**	(19,038)	**6**	-
- Amount owing by subsidiary companies	25	**-**	-	**(162)**	166
- Investment in associated companies	18	**-**	-	**-**	116
- Long-term investments	20	**130**	-	**-**	-
Other operating expenses		**(137,341)**	(201,177)	**(1,343)**	(1,344)
Loss from operations	6	**(208,145)**	(343,743)	**(82,627)**	(3,893)

(Forward)

	Note	The Group 2023 RM'000	The Group 2022 RM'000 (Restated)	The Company 2023 RM'000	The Company 2022 RM'000
Share of results of:					
- Associated companies	18	**(4,396)**	(38,737)	**-**	-
- Joint venture	19	**27**	19	**-**	-
Gain on disposal of investment in a subsidiary company	17	**-**	63,192	**-**	-
Realisation of translation adjustment reserve upon dissolution of a subsidiary company	17	**8,586**	-	**-**	-
Impairment loss on goodwill	22	**(130,443)**	-	**-**	-
Loss before tax		**(334,371)**	(319,269)	**(82,627)**	(3,893)
Tax (expense)/credit	10	**(68,043)**	9,428	**99**	(250)
Loss for the year		**(402,414)**	(309,841)	**(82,528)**	(4,143)
Loss attributable to:					
Owners of the Company		**(401,296)**	(309,024)	**(82,528)**	(4,143)
Non-controlling interests		**(1,118)**	(817)	**-**	-
		(402,414)	(309,841)	**(82,528)**	(4,143)
Loss per share (sen):					
Basic and diluted	11	**(58.94)**	(45.39)		

The accompanying Notes form an integral part of the Financial Statements.

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	The Group		The Company	
	2023 RM'000	2022 RM'000 (Restated)	2023 RM'000	2022 RM'000
Loss for the year	**(402,414)**	(309,841)	**(82,528)**	(4,143)
Other comprehensive income/(loss)				
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign operations	**9,798**	34,744	**-**	-
Share of other comprehensive income/(loss) of associated companies	**3,510**	(26,871)	**-**	-
Reclassification to profit or loss upon dissolution of a subsidiary company	**(8,586)**	-	**-**	-
Other comprehensive income for the year, net of tax	**4,722**	7,873	**-**	-
Total comprehensive loss for the year	**(397,692)**	(301,968)	**(82,528)**	(4,143)
Total comprehensive (loss)/ income attributable to:				
Owners of the Company	**(396,552)**	(302,185)	**(82,528)**	(4,143)
Non-controlling interests	**(1,140)**	217	**-**	-
	(397,692)	(301,968)	**(82,528)**	(4,143)

The accompanying Notes form an integral part of the Financial Statements.

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	The Group 2023 RM'000	The Group 2022 RM'000 (Restated)	The Company 2023 RM'000	The Company 2022 RM'000
ASSETS					
Non-Current Assets					
Property, plant and equipment	12	**850,746**	902,550	**65**	162
Investment properties	13	**118,564**	113,877	**-**	-
Prepaid land lease payments	14	**36,945**	36,625	**-**	-
Right-of-use assets	15	**29,382**	22,314	**-**	42
Land held for property development	16(a)	**51,626**	51,849	**26**	26
Investment in subsidiary companies	17	**-**	-	**788,304**	743,333
Investment in associated companies	18	**398,320**	395,678	**64,394**	64,394
Investment in joint venture	19	**117**	90	**-**	-
Long term investments	20	**599**	599	**216**	216
Amount owing by subsidiary companies	25	**-**	-	**460,924**	-
Deferred tax assets	21	**9,937**	9,484	**-**	-
Goodwill	22	**-**	130,443	**-**	-
Total Non-Current Assets		**1,496,236**	1,663,509	**1,313,929**	808,173
Current Assets					
Property development costs	16(b)	**4,736**	-	**-**	-
Inventories	23	**308,134**	380,330	**43**	43
Trade receivables	24(a)	**312,003**	301,192	**-**	-
Other receivables, deposits and prepayments	24(b)	**340,635**	509,621	**8,657**	4,005
Amount owing by subsidiary companies	25	**-**	-	**2**	619,054
Current tax assets		**9,738**	14,028	**50**	-
Investment in money market funds	26(a)	**2,362**	2,279	**-**	-
Deposits, cash and bank balances	26(b)	**114,558**	208,253	**5,347**	7,332
		1,092,166	1,415,703	**14,099**	630,434
Non-current assets classified as held for sale	27	**12,725**	6,685	**-**	-
Total Current Assets		**1,104,891**	1,422,388	**14,099**	630,434
Total Assets		**2,601,127**	3,085,897	**1,328,028**	1,438,607

(Forward)

	Note	The Group 2023 RM'000	The Group 2022 RM'000 (Restated)	The Company 2023 RM'000	The Company 2022 RM'000
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital	28	**1,250,536**	1,250,536	**1,250,536**	1,250,536
Reserves	30	**(149,724)**	246,828	**(75,343)**	7,185
Equity attributable to owners of the Company		**1,100,812**	1,497,364	**1,175,193**	1,257,721
Non-controlling interests		**222,657**	224,571	**-**	-
Total Equity		**1,323,469**	1,721,935	**1,175,193**	1,257,721
Non-Current and Deferred Liabilities					
Loan and borrowings	31	**22,200**	833	**-**	-
Lease liabilities	32	**14,618**	16,723	**-**	-
Amount owing to subsidiary companies	25	**-**	-	**143,240**	-
Deferred payables	34	**120,622**	243,725	**-**	-
Deferred tax liabilities	21	**68,535**	4,277	**-**	-
Total Non-Current and Deferred Liabilities		**225,975**	265,558	**143,240**	-
Current Liabilities					
Trade payables	33(a)	**416,080**	470,902	**339**	282
Other payables, deposits and accrued expenses	33(b)	**288,425**	327,430	**881**	1,257
Contract liabilities	33(c)	**76,097**	56,848	**-**	-
Loan and borrowings	31	**138,039**	155,003	**8,375**	8,445
Lease liabilities	32	**9,461**	6,474	**-**	44
Amount owing to subsidiary companies	25	**-**	-	**-**	170,824
Deferred payables	34	**123,103**	80,000	**-**	-
Current tax liabilities		**478**	1,747	**-**	34
Total Current Liabilities		**1,051,683**	1,098,404	**9,595**	180,886
Total Liabilities		**1,277,658**	1,363,962	**152,835**	180,886
Total Equity and Liabilities		**2,601,127**	3,085,897	**1,328,028**	1,438,607

The accompanying Notes form an integral part of the Financial Statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

The Group		<-------- Non-distributable reserves -------- >			Distributable	Attributable		
	Share capital RM'000	Treasury shares RM'000	Translation adjustment reserve RM'000	Capital reserve RM'000	reserve - Retained earnings RM'000	to owners of the Company RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 January 2022 as previously reported	1,250,536	(13,193)	38,306	(41,854)	579,763	1,813,558	225,147	2,038,705
Effect of adoption of Amendments to MFRS 112 (Note 2)	-	-	-	-	(14,009)	(14,009)	(793)	(14,802)
At 1 January 2022, restated	1,250,536	(13,193)	38,306	(41,854)	565,754	1,799,549	224,354	2,023,903
Loss for the year	-	-	-	-	(309,024)	(309,024)	(817)	(309,841)
Other comprehensive income/ (loss) for the year	-	-	33,710	(26,871)	-	6,839	1,034	7,873
Total comprehensive income/ (loss) for the year	-	-	33,710	(26,871)	(309,024)	(302,185)	217	(301,968)
At 31 December 2022, restated	1,250,536	(13,193)	72,016	(68,725)	256,730	1,497,364	224,571	1,721,935

(Forward)

The Group	Share capital RM'000	<-------- Non-distributable reserves -------- > Treasury shares RM'000	Translation adjustment reserve RM'000	Capital reserve RM'000	Retained earnings/ (Accumulated losses) RM'000	Attributable to owners of the Company RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 January 2023 as previously reported	**1,250,536**	**(13,193)**	**72,016**	**(68,725)**	**268,164**	**1,508,798**	**225,218**	**1,734,016**
Effect of adoption of Amendments to MFRS 112 (Note 2)	**-**	**-**	**-**	**-**	**(11,434)**	**(11,434)**	**(647)**	**(12,081)**
At 1 January 2023, restated	**1,250,536**	**(13,193)**	**72,016**	**(68,725)**	**256,730**	**1,497,364**	**224,571**	**1,721,935**
Loss for the year	**-**	**-**	**-**	**-**	**(401,296)**	**(401,296)**	**(1,118)**	**(402,414)**
Other comprehensive income/ (loss) for the year	**-**	**-**	**1,234**	**3,510**	**-**	**4,744**	**(22)**	**4,722**
Total comprehensive income/ (loss) for the year	**-**	**-**	**1,234**	**3,510**	**(401,296)**	**(396,552)**	**(1,140)**	**(397,692)**
Acquisition of non-controlling interests	**-**	**-**	**-**	**-**	**-**	**-**	**(24)**	**(24)**
Dividend paid to non-controlling interest of a subsidiary company	**-**	**-**	**-**	**-**	**-**	**-**	**(750)**	**(750)**
At 31 December 2023	**1,250,536**	**(13,193)**	**73,250**	**(65,215)**	**(144,566)**	**1,100,812**	**222,657**	**1,323,469**

(Forward)

The Company

		< Non-distributable reserves >		Retained earnings/	
	Share capital RM'000	**Treasury shares RM'000**	**Capital reserve RM'000**	**(Accumulated losses) RM'000**	**Total equity RM'000**
At 1 January 2022	1,250,536	(13,193)	5,419	19,102	1,261,864
Loss for the year	-	-	-	(4,143)	(4,143)
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(4,143)	(4,143)
At 31 December 2022	1,250,536	(13,193)	5,419	14,959	1,257,721
At 1 January 2023	**1,250,536**	**(13,193)**	**5,419**	**14,959**	**1,257,721**
Loss for the year	**-**	**-**	**-**	**(82,528)**	**(82,528)**
Other comprehensive income for the year	**-**	**-**	**-**	**-**	**-**
Total comprehensive loss for the year	**-**	**-**	**-**	**(82,528)**	**(82,528)**
At 31 December 2023	**1,250,536**	**(13,193)**	**5,419**	**(67,569)**	**1,175,193**

The accompanying Notes form an integral part of the Financial Statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	The Group 2023 RM'000	The Group 2022 RM'000 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		**(334,371)**	(319,269)
Adjustments for:			
Depreciation of property, plant and equipment	12	**44,690**	45,404
Finance costs	9	**15,402**	12,367
Allowance for/(Reversal of) obsolescence of inventories	23	**225**	(241)
Inventories written (back)/down	23	**(1,291)**	97,430
Inventories written off	23	**656**	92
Unrealised gain on foreign exchange	6	**(1,980)**	(1,229)
Impairment losses net of reversals on:			
Property, plant and equipment	12	**7,224**	-
Trade and other receivables	24	**4,795**	19,038
Impairment loss on goodwill	22	**130,443**	-
Reversal of impairment losses on long term investments	20	**(130)**	-
Amortisation of prepaid land lease payments	14	**1,564**	3,433
Depreciation of right-of-use assets	15	**16,014**	6,231
Property, plant and equipment written off	12	**118**	13
Depreciation of investment properties	13	**473**	475
Share of results of:			
Associated companies	18	**4,396**	38,737
Joint venture	19	**(27)**	(19)
Investment income		**(4,054)**	(6,401)
Gain on disposal of property, plant and equipment	6	**(12,845)**	(1,543)
Gain on disposal of non-current assets classified as held for sale (Note A)	27	**(25,315)**	-
Gain on disposal of investment in a subsidiary company	17	**-**	(63,192)
Gain on expiry and termination of lease	15	**(262)**	(3)
Realisation of translation adjustment reserve upon dissolution of a subsidiary company	17	**(8,586)**	-
Operating Loss Before Working Capital Changes		**(162,861)**	(168,677)

(Forward)

	Note	The Group 2023 RM'000	The Group 2022 RM'000 (Restated)
Movements in working capital:			
Decrease/(Increase) in:			
Inventories		**120,072**	(147,970)
Trade and other receivables, deposits and prepayments		**124,318**	(104,246)
Property development costs		**(4,586)**	-
(Decrease)/Increase in:			
Trade and other payables, deposits, accrued expenses and contract liabilities		**(162,082)**	39,916
Cash Used In Operations		**(85,139)**	(380,977)
Interest received		**4,054**	6,401
Interest paid		**(2,494)**	(2,414)
Net income tax paid		**(1,217)**	(7,820)
Net Cash Used In Operating Activities		**(84,796)**	(384,810)
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends received from associated companies and joint venture		**98**	10,656
(Increase)/Decrease in investment in money market funds		**(83)**	138
Proceeds from disposal/redemption of:			
Property, plant and equipment		**29,885**	10,222
Investment in a subsidiary company	17	**-**	134,454
Non-current assets classified as held for sale (Note A)		**13,520**	-
Long-term investments		**130**	-
Deposit received from non-current assets classified as held for sale	33(b)	**46,470**	-
Payments of deferred payables	34	**(80,000)**	(70,000)
Additions of property, plant and equipment (Note B)		**(27,424)**	(159,245)
Additions of prepaid land lease payment	14	**(1,884)**	-
Deposit paid for acquisition of land	41(a)	**-**	(23,000)
Refund of deposit paid for acquisition of land	41(a)	**23,000**	-
Decrease in land held for property development		**73**	6,285
Acquisition of non-controlling interests		**(24)**	-
Increase in cash and cash equivalents - restricted	26(b)	**(1,625)**	(257)
Net Cash From/(Used In) Investing Activities		**2,136**	(90,747)

(Forward)

	Note	The Group 2023 RM'000	The Group 2022 RM'000 (Restated)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid to non-controlling interest of a subsidiary company		**(750)**	-
Net drawdown/(Repayment) of:			
Short-term borrowings	31(b)	**41,476**	(14,109)
Obligation under lease arrangements	31(b)	**(47,250)**	(11,352)
Lease liabilities	32	**(5,656)**	(5,640)
Hire purchase obligations	31(b)	**(336)**	(233)
Interest paid		**(11,269)**	(9,953)
Net Cash Used In Financing Activities		**(23,785)**	(41,287)
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(106,445)**	(516,844)
Effect of foreign exchange differences		**612**	44
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**176,519**	693,319
CASH AND CASH EQUIVALENTS AT END OF YEAR	35	**70,686**	176,519

Note A:

	Note	2023 RM'000	2022 RM'000
Proceeds from disposal of non-current assets classified as held for sale		**13,520**	-
Deposit received in previous year		**18,480**	-
Total consideration	27(a)	**32,000**	-
Less: carrying amount of non-current assets classified as held for sale		**(6,685)**	-
Gain on disposal of non-current assets classified as held for sale		**25,315**	-

Note B:

	Note	2023 RM'000	2022 RM'000
Property, plant and equipment were acquired by the following means:			
Cash purchase		**27,424**	159,245
Deposit paid in previous year		**2,544**	-
Hire purchase payables	31(b)	**-**	585
Total addition of property, plant and equipment	12	**29,968**	159,830

(Forward)

	Note	The Company 2023 RM'000	2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		**(82,627)**	(3,893)
Adjustments for:			
Impairment losses no longer required for:			
Trade and other receivables	24	**(6)**	-
Amount owing by subsidiary companies	25	**-**	(295)
Investment in associated companies	18	**-**	(116)
Finance costs	9	**640**	664
Depreciation of:			
Property, plant and equipment	12	**97**	125
Right-of-use assets	15	**42**	51
Impairment losses on amount owing by subsidiary companies	25	**162**	129
Unrealised gain on foreign exchange	6	**(122)**	(120)
Loss on derecognition of investment in an associated company		**-**	25
Net fair value loss on financial assets/liabilities measured at amortised cost		**78,261**	-
Interest income		**(270)**	(414)
Operating Loss Before Working Capital Changes		**(3,823)**	(3,844)
Movements in working capital:			
Increase in trade and other receivables, deposits and prepayments		**(4,646)**	(296)
(Decrease)/Increase in trade and other payables, deposits and accrued expenses		**(319)**	352
Cash Used In operations		**(8,788)**	(3,788)
Interest received		**270**	414
Interest paid		**(262)**	(316)
Net income tax refunded/(paid)		**15**	(82)
Net Cash Used In Operating Activities		**(8,765)**	(3,772)

(Forward)

	Note	The Company 2023 RM'000	The Company 2022 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from derecognition of investment in an associated company		**-**	91
(Increase)/Decrease in amount owing by subsidiary companies		**(432)**	2,794
Increase in cash and cash equivalents - restricted	26(b)	**(57)**	(37)
Net Cash (Used In)/From Investing Activities		**(489)**	2,848
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of:			
Short-term borrowings	31(b)	**(90)**	(1)
Lease liabilities	32	**(44)**	(49)
Interest paid		**(378)**	(348)
Increase in amount owing to subsidiary companies	25	**7,704**	1,652
Net Cash From Financing Activities		**7,192**	1,254
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		**(2,062)**	330
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**466**	136
CASH AND CASH EQUIVALENTS AT END OF YEAR	35	**(1,596)**	466

The accompanying Notes form an integral part of the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

1. GENERAL INFORMATION

Lion Industries Corporation Berhad (the “Company”) is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Market of Bursa Malaysia Securities Berhad.

The Company’s principal activities are investment holding and property development.

The information on the name, principal place of business and place of incorporation, principal activities, and percentage of ownership of the holding company in each subsidiary company is disclosed in Note 43.

The registered office of the Company is located at Level 14, Lion Office Tower, No. 1 Jalan Nagasari, 50200 Kuala Lumpur, Wilayah Persekutuan.

The principal place of business of the Company is located at Level 2-4, Lion Office Tower, No. 1 Jalan Nagasari, 50200 Kuala Lumpur, Wilayah Persekutuan.

The financial statements of the Group and of the Company have been authorised by the Board of Directors for issuance on 8 April 2024.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

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

Adoption of New MFRSs, Amendments to MFRSs

In the current financial year, the Group and the Company adopted all the new and amendments to MFRSs issued by the Malaysian Accounting Standards Board (“MASB”) that are effective for annual periods beginning on or after 1 January 2023 and relevant to its operations, as follows:

MFRS 17	Insurance Contracts
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 - Comparative Information
Amendments to MFRS 101	Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to MFRS 112	International Tax Reform - Pillar Two Model Rules

The adoption of these new and amendments to MFRSs did not result in significant changes in the accounting policies of the Group and of the Company and has no significant effect on the financial performance or position of the Group and of the Company, except for the following:

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (continued)

Amendments to MFRS 112 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments clarify that the initial recognition exemption of deferred tax in MFRS 112 does not apply to transactions that give rise to equal taxable and deductible temporary differences, such as lease contracts that give rise to the recognition of a lease liability and the corresponding right-of-use assets and contracts that give rise to the recognition of decommissioning obligations and corresponding amounts recognised as assets. Instead, entities are required to recognise the related deferred tax asset and liability on initial recognition, with the recognition of any deferred tax asset being subject to the recoverability criteria in MFRS 112.

Prior to the application of the amendments, an associated company of the Group had recognised the deferred tax assets and liabilities arising from leases on a net basis. Following the requirements of the amendments, the associated company recognised deferred tax liabilities in relation to its right-of-use assets as at 1 January 2022 and only recognised deferred tax assets to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

The impact of the retrospective adjustments in respect of the above changes on the items and amounts in the Group's financial statements for the comparative period, is as follows:

	As previously reported RM'000	Effects RM'000	Restated RM'000
Statements of profit or loss			
For the financial year ended 31 December 2022			
Share of results of associated companies	(41,458)	2,721	(38,737)
Loss for the year	(312,562)	2,721	(309,841)
Loss attributable to:			
Owners of the Company	(311,599)	2,575	(309,024)
Non-controlling interests	(963)	146	(817)
Statements of other comprehensive income			
For the financial year ended 31 December 2022			
Total comprehensive loss for the year	(304,689)	2,721	(301,968)
Total comprehensive loss attributable to:			
Owners of the Company	(304,760)	2,575	(302,185)
Non-controlling interests	71	146	217
Statements of financial position			
As at 1 January 2022			
Investment in associated companies	485,826	(14,802)	471,024
Retained earnings	579,763	(14,009)	565,754
Non-controlling interests	225,147	(793)	224,354
As at 31 December 2022			
Investment in associated companies	407,759	(12,081)	395,678
Retained earnings	268,164	(11,434)	256,730
Non-controlling interests	225,218	(647)	224,571

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (continued)

Amendments to Standards issued but not yet effective

At the date of authorisation for issue of these financial statements, the amendments to MFRSs which were in issue but not yet effective and not early adopted by the Group and the Company are as listed below:

Amendments to MFRS 16	Lease Liability in a Sale and Leaseback[1]
Amendments to MFRS 101	Classification of Liability as Current or Non-current[1]
Amendments to MFRS 101	Non-current Liabilities with Covenants[1]
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements[1]
Amendments to MFRS 121	Lack of Exchangeability[2]
Amendments to MFRS 10 and MFRS 128	Sale of contribution of Assets between an Investor and Its Associate or Joint Venture[3]

[1] Effective for annual periods beginning on or after 1 January 2024.
[2] Effective for annual periods beginning on or after 1 January 2025.
[3] Effective date deferred to a date to be determined and announced by MASB.

The above amendments to MFRSs are not expected to have a material impact on the financial statements of the Group and of the Company in the period of initial application.

3. MATERIAL ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as disclosed in this summary of material accounting policies. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of MFRS 2, leasing transactions that are within the scope of MFRS 16 and measurements that have some similarities to fair value but are not fair value, such as net realisable value in MFRS 102 *Inventories* or value-in-use in MFRS 136 *Impairment of Assets*.

3. MATERIAL ACCOUNTING POLICIES (continued)

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

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

Basis of Consolidation

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.

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.

Consolidation of a subsidiary company begins when the Company obtains control over the subsidiary company and ceases when the Company loses control of the subsidiary company. Specifically, income and expenses of a subsidiary company acquired or disposed of during the year are included in profit or loss from the date the Company gains control until the date when the Company ceases to control the subsidiary company.

3. MATERIAL ACCOUNTING POLICIES (continued)

Basis of Consolidation (continued)

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiary companies is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiary companies to bring their accounting policies in line with those used by other members of the Group.

All intra-group assets and liabilities, equity, income and expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in subsidiary companies that do not result in the Group losing control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary companies. Any difference between the amount by which the non-controlling interests are adjusted at the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

Where the Group loses control of a subsidiary company, a gain or loss is recognised and is calculated as the difference between: (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest; and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary company and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to the subsidiary company are accounted for as if the Group had directly disposed of the relevant assets or liabilities of the subsidiary company (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable MFRSs). The fair value of any investment retained in the former subsidiary company at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 9 *Financial Instruments* or, when applicable, the cost on initial recognition of an investment in an associated company or joint venture.

Business Combinations

Acquisitions of subsidiary companies and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair values which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At acquisition date, the identifiable assets acquired and liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with MFRS 112 *Income Taxes* and MFRS 119 *Employee Benefits* respectively;

- liabilities or equity instruments related to the share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with MFRS 2 *Share-based Payment* at the acquisition date; and

3. MATERIAL ACCOUNTING POLICIES (continued)

Business Combinations (continued)

- assets (or disposal groups) that are classified as held for sale in accordance with MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another MFRSs.

Where the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or liability is remeasured at subsequent reporting dates in accordance with MFRS 137 *Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items of which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised at that date.

3. MATERIAL ACCOUNTING POLICIES (continued)

Investment in Subsidiary Companies

Investment in subsidiary companies which are eliminated on consolidation, are stated at cost less impairment losses, if any, in the Company's separate financial statements.

Investment in Associated Companies and Joint Venture

An associated company is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

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

The results and assets and liabilities of associated companies and joint venture are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*. Under the equity method, an investment in an associated company or a joint venture is initially recognised in the statements of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associated company or joint venture. When the Group's share of losses of an associated company or a joint venture exceeds the Group's interest in that associated company or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associated company or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associated company or joint venture.

An investment in an associated company or a joint venture is accounted for using the equity method from the date on which the investee becomes an associated company or a joint venture. On acquisition of the investment in an associated company or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of MFRS 136 *Impairment of Assets* are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associated company or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with MFRS 136 as a single asset by comparing its recoverable amount (higher of value-in-use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with MFRS 136 to the extent that the recoverable amount of the investment subsequently increases.

3. MATERIAL ACCOUNTING POLICIES (continued)

Investment in Associated Companies and Joint Venture (continued)

The Group discontinues the use of the equity method from the date when investment ceases to be an associated company or a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former associated company or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with MFRS 9. The difference between the carrying amount of the associated company or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of the associated company or joint venture is included in the determination of the gain or loss on disposal of the associated company or joint venture.

In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associated company or joint venture on the same basis as would be required if that associated company or joint venture had directly disposed of the related assets and liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associated company or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associated company becomes an investment in a joint venture or an investment in joint venture becomes an investment in an associated company. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associated company or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associated company or a joint venture of the Group, profit or losses resulting from the transactions with the associated company and joint venture are recognised in the Group's consolidated financial statements only to the extent of the Group's interest in the associated company or joint venture that are not related to the Group.

Revenue Recognition

Revenue is recognised when or as a performance obligation in the contract with customer is satisfied, i.e. when the "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation is a promise to transfer a distinct goods or service (or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer) to the customer that is explicitly stated in the contract or implied in the Group's customary business practices.

3. MATERIAL ACCOUNTING POLICIES (continued)

Revenue Recognition (continued)

Revenue is measured at the amount of consideration to which the Group and the Company expect to be entitled in exchange of transferring the promised goods or services to the customers, excluding amounts collected on behalf of third parties such as sales taxes or goods and services taxes. If the amount of consideration varies due to discounts, rebates, refunds, credits, incentives, penalties or other similar items, the Group and the Company estimate the amount of consideration to which they will be entitled based on the expected value or the most likely outcome. If the contract with customer contains more than one performance obligation, the amount of consideration is allocated to each performance obligation based on the relative stand-alone selling price of the goods or services promised in the contract.

The revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The control of the promised goods or services may be transferred over time or at a point in time. The control over the goods or services is transferred over time and revenue is recognised over time if:

- the customer simultaneously receives and consumes the benefits provided by the Group's and the Company's performance as the Group and the Company perform;
- the Group's and the Company's performance create or enhance an asset that the customer controls as the asset is created or enhanced; or
- the Group's and the Company's performance do not create an asset with an alternative use and the Group and the Company have an enforceable right to payment for performance completed to date.

Revenue for performance obligation that is not satisfied over time is recognised at the point in time at which the customer obtains control of the promised goods or services.

The revenue recognition policies of the Group and of the Company are as follows:

(i) Steel Division

Revenue from the sales of goods is recognised upon delivery of goods and the control of the goods has been transferred to the customers, net of discounts and returns.

(ii) Property Development Division

The Group recognises revenue from property development over time if it creates an asset with no alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation.

The progress towards complete satisfaction of the performance obligation is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation (e.g. by reference to the property development costs incurred to date as a percentage of the estimated total costs of development of the contract).

Revenue from sales of land under development and completed property units are recognised when the performance obligation in the contract with customer is satisfied (when the control of the land under development and completed property units has been transferred to the buyer).

3. **MATERIAL ACCOUNTING POLICIES (continued)**

Revenue Recognition (continued)

(ii) Property Development Division (continued)

Rental income is recognised over the tenure of the rental period of properties.

Interest income is recognised on an accrual basis, by reference to the principal outstanding and at the effective interest rate.

(iii) Building Material Division

Revenue from the sales of building materials, steel products, lubricants, petroleum products, automotive products and consumer products is recognised upon delivery of goods and the control of the goods has been transferred to the customers, net of discounts and returns.

Sales of goods that result in award credits for customers, under the Group’s customer loyalty programmes, are accounted for as multiple element revenue transactions and the fair value of the consideration received or receivable is allocated between the goods supplied and the award credits granted. The consideration allocated to the award credits is measured by reference to their fair value - the amount for which the award credits could be sold separately. Such consideration is not recognised as revenue at the time of the initial sale transaction - but is deferred and recognised as revenue when the award credits are redeemed and the Group’s obligations have been fulfilled.

(iv) Other Divisions

Revenue from sales of goods in the course of ordinary activities is recognised upon delivery of goods where the control of the goods has been passed to the customers, net of discounts and returns.

Revenue from services is recognised when the services are performed, net of service taxes and discounts.

Revenue from management fee is recognised upon performance of services are completed, net of taxes and discounts.

<u>Revenue from Other Sources</u>

(i) Dividend income

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

(ii) Interest income

Interest income is recognised on an accrual basis, by reference to the principal outstanding and at the effective interest rate.

3. MATERIAL ACCOUNTING POLICIES (continued)

Foreign Currency

(i) Functional and Presentation Currencies

The individual financial statements of each entity in the Group are presented in Ringgit Malaysia, United States Dollar, Chinese Renminbi or Singapore Dollar, the currency of the primary economic environment in which the entities operate (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity, are expressed in Ringgit Malaysia, which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

(ii) Foreign Currency Transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the Group's and the Company's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated 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 retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in other comprehensive income.

For the purpose of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Ringgit Malaysia using exchange rate prevailing at the end of the reporting period. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation adjustment reserve account. Such translation differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

Employee Benefits

(i) Short-term Employee Benefits

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

3. MATERIAL ACCOUNTING POLICIES (continued)

Employee Benefits (continued)

(ii) Defined Contribution Plans

The Company, its subsidiary companies incorporated in Malaysia and their eligible employees are required by law to make monthly contributions to the Employees Provident Fund, a local statutory defined contribution plans, at certain prescribed rates based on the employees' salaries. The Group's foreign incorporated subsidiary companies and their eligible employees also make contributions to their respective countries' statutory pension scheme. Such contributions are recognised as an expense in profit or loss as incurred. Once the contributions have been paid, there are no further payment obligations.

Government Grant

Government grants, including non-monetary grants at fair value, are not recognised until there is reasonable assurance that: (i) the Group will comply with the conditions attaching to them; and (ii) the grants will be received.

Government grants (recognised as deferred income) are released to profit or loss on a systematic basis over the financial years in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

A government grant that is receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs, is recognised in profit or loss in the financial year in which it becomes receivable.

Income Tax

Income tax expense 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 or substantively enacted by the end of the reporting period. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or recoverable).

Deferred tax is accounted for, using the "liability" method, on temporary differences at the end of the reporting period 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 sufficient future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the assets to be recovered.

3. MATERIAL ACCOUNTING POLICIES (continued)

Income Tax (continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year in which the liabilities are settled or the assets are realised, based on the tax rates that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group and the Company expect, at the end of the reporting period, to recover or settle the carrying amount of their assets and liabilities.

Deferred tax is charged or credited to 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 to equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill.

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 they relate to income taxes by the same tax authority and the Group intends to settle its current tax assets and liabilities on a net basis.

The tax effects of the unused reinvestment allowances are recognised only upon actual realisation.

Impairment of Assets Excluding Goodwill

At the end of each reporting period, the Group and the Company review the carrying amounts of their non-current assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group and the Company estimate the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and 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.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

3. MATERIAL ACCOUNTING POLICIES (continued)

Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Freehold land has unlimited useful life and therefore is not depreciated. Construction work-in-progress is not depreciated as this asset is also not available for use. All other property, plant and equipment are depreciated on a straight-line method at rates based on the estimated useful lives of the various assets.

The annual depreciation rates are as follows:

Freehold buildings	2% - 4%
Other buildings	2% - 18%
Plant, machinery and equipment	2% - 25%
Prime movers and trailers	15%
Motor vehicles	8% - 25%
Furniture and office equipment	5% - 25%
Infrastructure	7%
Renovations	2% - 20%

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimates accounted for prospectively.

Gain or loss arising from the disposal of an asset is determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset and is recognised in profit or loss.

Property, Plant and Equipment under Hire-Purchase Arrangement

Property, plant and equipment acquired under hire-purchase arrangement are capitalised in the financial statements and the corresponding obligations treated as liabilities. Finance charges are allocated to profit or loss to give a constant periodic rate of interest on the remaining hire-purchase obligations.

Prepaid Land Lease Payments

Leasehold land that has an indefinite economic life and title that is not expected to pass to the Group by the end of the lease period is classified as right-of-use assets. The up-front payments for right to use the leasehold land over a predetermined period are accounted for as right-of-use assets under MFRS 16 and are subsequently measured at cost less accumulated amortisation and impairment losses.

Prepaid land lease payments are amortised over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the prepaid land lease reflects that the Group expects to exercise a purchase option, the related prepaid land lease payments are amortised over the useful life of the underlying asset. The amortisation starts at the commencement date of the lease. The prepaid land lease payments are amortised on a straight-line basis over the remaining lease terms, ranging from to 63 to 69 years (2022: 64 to 70 years).

3. MATERIAL ACCOUNTING POLICIES (continued)

Capitalisation of Borrowing Cost

Borrowing cost incurred on the construction of assets which require a substantial period of time to get them ready for their intended use are capitalised and included as part of the related assets. Capitalisation of borrowing cost will cease when the assets are ready for their intended use and is suspended during extended period in which active development is interrupted.

Investment Properties

Investment properties, comprising certain freehold and leasehold land and buildings and economic land concession (work-in-progress), are held for long-term rental yields or for capital appreciation or both, and are not occupied by the Group.

Investment properties are stated at cost, less accumulated depreciation and any impairment losses.

On disposal of an investment property, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal, it shall be derecognised (eliminated from the statements of financial position). The difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

Freehold land and economic land concession within investment properties are not depreciated. Leasehold land is depreciated over the shorter period of the lease term and the useful life of the land at an annual rate of 2%.

Buildings are depreciated on the straight-line method at an annual rate of 2%.

Leases

As Lessee

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

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

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- the amount expected to be payable by the lessee under residual value guarantees; and
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options.

3. MATERIAL ACCOUNTING POLICIES (continued)

Leases (continued)

As Lessee (continued)

The lease liability is presented as a separate line in the statements of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability by using the effective interest method and by reducing the carrying amount to reflect the lease payments made.

The Group and the Company remeasure the lease liability and make a corresponding adjustment to the related right-of-use asset whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;

- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate, unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used; or

- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group and the Company expect to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The lease term and the estimated remaining useful lives of the right-of-use assets are as follows:

Leasehold land and buildings	1 - 35 years (2022: 2 - 36 years)
Plant and equipment	2 - 4 years (2022: 3 - 5 years)

The right-of-use assets are presented as a separate line in the statements of financial position. The Group has recognised right-of-use assets in relation to the rental of leasehold land, buildings, premises, plant and equipment, which had previously been classified as operating leases.

The Group and the Company apply MFRS 136 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

3. MATERIAL ACCOUNTING POLICIES (continued)

Leases (continued)

As Lessor

Lessors classify all leases as either operating leases or finance leases and account for them differently. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group and the Company are an intermediate lessors, they account for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group’s and of the Company’s net investment in the leases. Finance lease income is allocated to financial periods so as to reflect a constant periodic rate of return on the Group’s and the Company’s net investment outstanding in respect of the leases.

When a contract includes lease and non-lease components, the Group and the Company apply MFRS 15 to allocate the consideration under the contract to each component.

Property, Plant and Equipment under Finance Leases

Assets acquired by way of finance leases are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses. The corresponding liability is included at the end of the reporting period as borrowings. In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practicable to determine; otherwise, the Group’s incremental borrowing rate is used. Any initial direct costs are also added to the carrying amount of such assets.

Lease payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised as an expense in profit or loss over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

3. MATERIAL ACCOUNTING POLICIES (continued)

Land held for Property Development

Land held for property development consists of land on which no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle. Such land is classified as non-current asset and is stated at lower of cost and net realisable value.

Cost associated with the acquisition of land includes the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies. Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount.

Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and applicable variable selling expenses.

Land held for property development is transferred to property development costs (under current assets) when development activities have commenced and where the development activities are expected to be completed within the Group's normal operating cycle.

Goodwill on Consolidation

Goodwill on consolidation represents the excess of the cost of acquisition of subsidiary companies over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary companies at the date of acquisition. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired.

If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary company, the attributable amount of goodwill is included in the determination of the gain or loss on disposal.

3. MATERIAL ACCOUNTING POLICIES (continued)

Property Development Cost

Property development costs comprising costs of land, direct materials, direct labour, other direct costs, attributable overheads and payments to subcontractors that meet the definition of inventories are recognised as an asset and are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses. The asset is subsequently recognised as an expense in profit or loss when or as the control of the asset is transferred to the customer over time or at a point in time.

Incremental costs of obtaining a contract with a customer are recognised as assets if the entity expects to recover those costs. The incremental costs of obtaining a contract are those costs that an entity incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained shall be recognised as an expense when incurred, unless those costs are explicitly chargeable to the customer regardless of whether the contract is obtained.

Contract Costs

The 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 assets relate. 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 would have been recognised had there been no impairment loss recognised previously.

The Group applies the practical expedient in paragraph 94 of MFRS 15 and recognises the incremental costs of obtaining contracts as an expense when incurred if the amortisation period of the assets that the Group otherwise would have recognised is one year or less.

Inventories

Trading merchandise, finished goods, raw materials and other products are valued at the lower of cost and net realisable value. Cost is determined principally on the ‘weighted average’ method. The costs of raw materials comprise the original purchase price plus the incidental cost incurred in bringing the inventories to their present locations and conditions. The cost of finished goods comprise the cost of raw materials, direct labour, direct charges and an appropriate proportion of production overheads.

Completed property units for sale are valued at the lower of cost and net realisable value. Cost is determined using the ‘specific identification’ method.

Net realisable value represents the estimated selling price in the ordinary course of business less selling and distribution costs and all other estimated costs to completion.

In arriving at net realisable value, due allowance is made for damaged, obsolete or slow moving inventories.

3. MATERIAL ACCOUNTING POLICIES (continued)

Non-Current Assets Classified As Held For Sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset or disposal group is available for immediate sale in its present condition and the sale is highly probable, where management is committed to the sale which is expected to complete within one year from the date of classification.

Non-current assets and disposal groups classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Provisions

Provisions are recognised when the Group or the Company has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made. Provisions are measured at the Directors' best estimate of the amount required to settle the obligation at the end of the reporting period, and are discounted to present value where the effect is material.

At the end of each reporting period, provisions are reviewed by the Directors and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that the Group will be required to settle the obligations.

Segment Reporting

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

Contract Assets and Contract Liabilities

A contract assets is the right to consideration for goods or services transferred to the customers. Contract assets is the excess of cumulative revenue recognised in profit or loss over the cumulative billings to customers.

A contract liability is stated at cost and represents the obligation of the Group to transfer goods or services to a customer for which consideration has been received from the customers.

Contingent Liabilities

The Group does not recognise a contingent liability but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or a sufficiently reliable estimate of the amount of the obligation cannot be made.

3. MATERIAL ACCOUNTING POLICIES (continued)

Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contract liabilities are initially measured at fair values. Subsequently, they are measured at higher of:

- the amount of the loss allowance determined in accordance with MFRS 9; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15.

Financial Instruments

Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

A financial asset (unless it is a trade receivable without significant financing component) is initially measured at fair value plus transaction cost that are directly attributable to its acquisition or issuance. A trade receivable without significant financing component is initially measured at the transaction price.

The Group determines the classification of its financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss, financial assets at amortised cost and financial assets at fair value through other comprehensive income.

(a) Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit taking; or
- it is a derivative that is not designated and effective as hedging instrument.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised separately in profit or loss as part of other losses or other income.

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that is held primarily for trading purposes are presented as current whereas financial assets that is not held primarily for trading purposes are presented as current or non-current based on the settlement date.

3. MATERIAL ACCOUNTING POLICIES (continued)

Financial Instruments (continued)

Financial assets (continued)

(b) Financial assets at amortised cost

Financial assets at amortised cost are held within a business model with the objective to hold assets to collect contractual cash flows and its contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principle amount outstanding.

Subsequent to initial recognition, financial assets at amortised cost are measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial asset at amortised cost are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

Interest income is recognised by applying effective interest rate to the gross carrying amount, where applicable, except for credit impaired financial assets where the effective interest rate is applied to the amortised cost.

(c) Financial assets at fair value through other comprehensive income ("FVTOCI")

(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 debt investment, 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. Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets where the effective interest rate is applied to the amortised cost.

(ii) Equity Investments

This category comprises investment in equity (other than in subsidiary companies, associated companies and joint venture) which are 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 are recognised in other comprehensive income. On derecognition, gains and losses accumulate in other comprehensive income are not reclassified to profit or loss.

3. **MATERIAL ACCOUNTING POLICIES (continued)**

Financial Instruments (continued)

Financial assets (continued)

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

Impairment of financial assets

The Group recognises loss allowance for expected credit losses on financial assets measured at amortised cost, lease receivables, trade receivables and contract assets, as well as on financial guarantee contracts.

The Group measures loss allowance at an amount equal to lifetime expected credit loss except for cash and bank balance for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowances for trade receivables, contract assets and lease receivables are always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, 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 Group's historical experience and informed credit assessment and including forward-looking information, where available.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the end of the reporting period. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

The Group considers past loss experience and observable data such as current changes and future forecast in economic changes to estimate the amount of expected impairment loss. The methodology assumptions including any forecast of future economic conditions are reviewed regularly. 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.

At end of each reporting period, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. The gross carrying amount of a financial asset is written off (either partially of full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery amounts due.

For other receivables, the Group and the Company measure loss allowance at an amount equal to 12-month expected credit loss if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition.

3. MATERIAL ACCOUNTING POLICIES (continued)

Financial Instruments (continued)

Impairment of financial assets (continued)

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability. Financial liabilities are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities. The measurement of financial liabilities depends on their classification.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group and the Company are recognised at the proceeds received, net of direct issue costs.

Other financial liabilities

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

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

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

Statements of Cash Flows

The Group and the Company adopt the indirect method in the preparation of the statements of cash flows.

Cash and cash equivalents which comprise deposits, cash and bank balances, and bank overdrafts are short-term, highly liquid investments that are readily convertible to cash with insignificant risks of changes in value.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(i) Critical judgements in applying the Group's and the Company's accounting policies

In the process of applying the Group’s and the Company’s accounting policies, which are described in Note 3 above, management is of the opinion that there are no instances of application of judgement which are expected to have a significant effect on the amounts recognised in the financial statements except for the following:

(a) Impairment of Receivables

Assessment of impairment for receivables is made based on the evaluation of collectability and ageing analysis of accounts and on management’s estimate of, amongst others, the quantum and timing of cash flows. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the judgement about the creditworthiness of the debtors and the past collection history of each customer. If the financial conditions of the customers were to deteriorate such that the ability of the customers to make repayments is affected, additional allowance for impairment loss may be required.

As at 31 December 2023, the Group has trade and other receivables due from two (2022: two) major related parties namely, Lion DRI Sdn Bhd (“Lion DRI”) and Graimpi Sdn Bhd (In liquidation) (“Graimpi”). Both of these companies are wholly-owned subsidiaries of Lion Diversified Holdings Berhad (In liquidation), a company in which Tan Sri Cheng Heng Jem has substantial interest.

	The Group	
	2023	**2022**
	RM'000	**RM'000**
Trade receivables - Lion DRI (Note 24(a))	**113,402**	113,402
Other receivables - Lion DRI and Graimpi (Note 24(b))	**111,215**	111,215
	224,617	224,617
Less: Accumulated impairment losses	**(224,617)**	(224,617)
	-	-

In view that Lion DRI ceased operations in previous financial years and the ability to generate adequate cash flows for repaying its debts to the Group is uncertain and Graimpi being in the liquidation, the Directors are of the opinion that full impairment losses need to be recognised for these outstanding amounts.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

(i) Critical judgements in applying the Group's and the Company's accounting policies (continued)

(b) Impairment of Investment Properties

The Group has investment properties which comprise mainly freehold land, leasehold land and economic land concessions (“ELC”) in Cambodia of RM118,104,000 (2022: RM113,399,000). Significant judgement is exercised in determining the manner in which the recovery of the said investment properties could be made and the amounts that could be realised. The amount expected to be recovered for the said investment properties was determined based on the fair value less cost to sell, by references to the latest valuation carried out by an independent firm of professional valuers.

(ii) Key sources of estimation uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year except for the following:

(a) Impairment of Non-Current Assets

Determining whether assets are impaired requires an estimation of the recoverable amounts of the assets. As at 31 December 2023, the Group and the Company recognised accumulated impairment losses in respect of the following:

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Long-term investments	**68,248**	68,378	**-**	-
Investment in associated companies	**12,655**	12,655	**15,323**	15,323
Investment in subsidiary companies	**-**	-	**336,853**	229,656

Management exercises its judgement in estimating the recoverable amounts of these 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 (“VIU”), will be assessed. The assessment of the recoverable amounts involves a number of methodologies.

In determining the VIU of an asset, being the future economic benefits to be expected from its continued use and ultimate disposal, the Group and the Company make estimates and assumptions that require significant judgements. While the Group and the Company believe these estimates and assumptions of VIU could be reasonable and appropriate, changes on these estimates and assumptions of VIU could impact the Group’s and the Company’s financial position and performance.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

(ii) Key sources of estimation uncertainty (continued)

(b) Impairment of Goodwill

Determining whether goodwill is impaired requires an estimation of the VIU of the cash-generating units to which goodwill has been allocated. The VIU calculation requires management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value of those cash flows. Consequently, the goodwill associated with the Group's steel operations, totaling RM130,443,000, is fully impaired during the current financial year, given that the recoverable amount is lower than its carrying amount. Details of the cash-generating unit calculation are disclosed in Note 22.

(c) Deferred Tax Assets

Deferred tax assets are recognised for deductible temporary differences, unused tax losses and unabsorbed capital allowances to the extent that it is probable that sufficient future taxable profits will be available against which the deductible temporary differences, unused tax losses and unabsorbed capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits. The total carrying value of deferred tax assets recognised by the Group amounts to RM9,937,000 (2022: RM9,484,000).

(d) Depreciation of Property, Plant and Equipment

The cost of property, plant and equipment except for freehold land and construction work-in-progress, is depreciated on a straight-line basis over the assets' useful lives. The Group reviews the remaining useful lives of property, plant and equipment at the end of each reporting period and ensures the 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.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

(ii) Key sources of estimation uncertainty (continued)

(e) Impairment of Property, Plant and Equipment

During the current financial year, the Directors have made impairment assessments on the steel making plants of two subsidiary companies located in Banting (“Banting Plants”) and in Klang ("Klang Plants"). Banting Plants have temporarily stopped production, while the Klang Plants are in operation. The two subsidiary companies have incurred losses for the year. The recoverable amounts of the Banting Plants and Klang Plants, which consist of land, buildings, plant and machinery, are determined based on fair value less cost to sell, by a reference to the latest valuation carried out by an independent firm of professional valuers in March 2024. The basis of fair value less cost to sell for the said assets is determined as follows:

(i) Land - Comparison Method (Level 3), being comparison of current prices in an active market for similar properties in the same location and condition and where necessary, adjusting for location, accessibility, market condition, size, shape and terrain of land, tenurial interest and restriction if any, availability of infrastructure, vacant possession and developmental approval and other relevant characteristics.

(ii) Building, plant and machinery - Depreciated Replacement Cost Method (Level 3), where the asset value is taken to be equal to the cost of replacing the asset in its existing condition. This is determined by taking the current replacement cost of the asset as new and allowing for depreciation of physical, functional and economic obsolescence.

The Directors believe that the chosen valuation method is appropriate in determining the recoverable amounts of these plants.

The Directors are of the opinion that the carrying amounts of the Banting Plants and Klang Plants of RM678,381,000 and RM96,452,000 (2022: RM695,771,000 and RM104,952,000) respectively, net of accumulated impairment losses of RM183,173,000 and RM3,647,000 (2022: RM185,772,000 and RM Nil) respectively are recoverable.

(f) Provision for expected credit losses ("ECL") of trade receivables

The Group uses simplified approach in calculating loss allowances for trade receivables by applying an ECL rate. Significant estimate is required in determining the impairment of trade receivables. Impairment loss measured based on ECL model is based on assumptions on risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation based on the Group’s past collection records, existing market conditions as well as forward looking estimates as of the end of the reporting period.

5. REVENUE

An analysis of revenue is as follows:

	The Group		The Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Revenue from contracts with customers:				
Sales of goods	**1,890,291**	2,564,232	**-**	-
Sales of completed property units	**1,320**	198	**-**	-
Services rendered	**23,176**	14,721	**-**	-
	1,914,787	2,579,151	**-**	-
Revenue from other source:				
Interest income	**30**	23	**-**	-
	1,914,817	2,579,174	**-**	-
Timing of revenue recognition:				
At a point in time	**1,892,075**	2,564,430	**-**	-
Over time	**22,712**	14,721	**-**	-
Revenue from contracts with customers	**1,914,787**	2,579,151	**-**	-
Other revenue	**30**	23	**-**	-
	1,914,817	2,579,174	**-**	-

The transactions price allocated to the remaining performance obligation (unsatisfied or partially unsatisfied) are as follows:

	The Group		The Company	
	2023	2022	2023	2022
Property development activities:	RM'000	RM'000	RM'000	RM'000
- within 1 year	**50,165**	-	**-**	-
- 1 year to 5 years	**5,541**	-	**-**	-
	55,706	-	**-**	-

6. LOSS FROM OPERATIONS

Loss from operations is arrived at after crediting/(charging) the following income/(expenses):

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Property, plant and equipment written off (Note 12)	**(118)**	(13)	**-**	-
(Allowance for)/Reversal of obsolescence of inventories (Note 23)	**(225)**	241	**-**	-
Gain on disposal of:				
- property, plant and equipment	**12,845**	1,543	**-**	-
- non-current assets classified as held for sale	**25,315**	-	**-**	-
Loss on derecognition of investment in an associated company	**-**	-	**-**	(25)
Government grant (Note (a))	**10**	53	**-**	-
Fees paid/payable to external auditors:				
Statutory audit:				
Auditors of the Company:				
- current year	**(882)**	(857)	**(127)**	(137)
- prior year	**(35)**	(41)	**10**	(52)
Other auditors:				
- current year	**(74)**	(85)	**-**	-
- prior year	**-**	(1)	**-**	-
Bad debts recovered	**94**	156	**-**	-
Rental income	**3,268**	1,924	**24**	20
Gain on foreign exchange (net):				
- Realised	**604**	527	**-**	-
- Unrealised	**1,980**	1,229	**122**	120
Interest income from Housing Development Accounts	**191**	159	**36**	33

Note (a)

During the financial year, the Group received government subsidies of RM10,000 (2022: RM53,000) in relation to the Wage Subsidy Programme under National Economic Recovery Plan initiated by the Government of Malaysia.

Analysis of staff costs is as follows:

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Salaries and other emoluments	**128,508**	142,370	**1,203**	963
Defined contribution plans	**12,712**	16,338	**39**	28
	141,220	158,708	**1,242**	991

6. LOSS FROM OPERATIONS (continued)

Included in staff costs are the remuneration of members of key management, other than the Directors of the Group and of the Company as disclosed in Note 7, as follows:

	The Group	
	2023 RM'000	2022 RM'000
Salaries and other emoluments	**2,541**	2,855
Defined contribution plans	**220**	286
	2,761	3,141

Included in other emoluments is the estimated monetary value of benefits-in-kind received and receivable by the key management personnel, other than the Directors of the Group and of the Company as disclosed in Note 7, otherwise than in cash from the Group amounted to RM58,000 (2022: RM53,000).

7. DIRECTORS' REMUNERATION

Directors' remuneration of the Group and of the Company classified into executive and non-executive Directors are as follows:

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Executive Directors:				
Fee	**60**	50	**35**	35
Salaries and other emoluments	**2,560**	2,285	**965**	1,325
Defined contribution plans	**-**	41	**-**	41
	2,620	2,376	**1,000**	1,401
Non-executive Directors:				
Fees	**255**	255	**235**	235
Salaries and other emoluments	**167**	190	**35**	58
Defined contribution plans	**12**	12	**-**	-
	434	457	**270**	293
Total	**3,054**	2,833	**1,270**	1,694

Including in other emoluments is estimated monetary value of benefits-in-kind received and receivable by the Directors otherwise than in cash from the Group and the Company amounted to RM182,000 and RM Nil respectively (2022: RM182,000 and RM56,000 respectively).

8. INVESTMENT INCOME

	The Group		The Company	
	2023	2022	**2023**	2022
	RM'000	RM'000	**RM'000**	RM'000
Interest income from:				
Fixed deposits	**1,905**	4,820	**81**	61
Subsidiary company	**-**	-	**-**	320
Others	**1,875**	1,213	**153**	-
	3,780	6,033	**234**	381
Dividend income from:				
Investment in money market funds	**83**	209	**-**	-
	3,863	6,242	**234**	381

9. FINANCE COSTS

	The Group		The Company	
	2023	2022	**2023**	2022
	RM'000	RM'000	**RM'000**	RM'000
Interest expenses on:				
Term loans	**4,975**	3,119	**377**	343
Security deposits received from customer (Note 33(b))	**2,090**	2,100	**-**	-
Deposits received from non-current assets classified as held for sale (Note 33(b))	**1,400**	-	**-**	-
Bills payable	**4,911**	3,347	**-**	-
Bank overdrafts	**403**	312	**261**	314
Obligations under hire purchase and lease arrangements	**333**	2,285	**-**	-
Lease liabilities (Note 32)	**1,289**	1,202	**1**	5
Others	**1**	2	**1**	2
	15,402	12,367	**640**	664

10. TAX (EXPENSE)/CREDIT

Tax (expense)/credit for the Group and the Company consists of:

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Estimated tax payable:				
Current year	**(4,630)**	(5,981)	**-**	(99)
Over/(Under) provision in prior year	**392**	14,867	**99**	(151)
	(4,238)	8,886	**99**	(250)
Deferred tax (Note 21):				
Current year	**(63,431)**	172	**-**	-
(Under)/Over provision in prior year	**(374)**	370	**-**	-
	(63,805)	542	**-**	-
Total tax (expense)/credit	**(68,043)**	9,428	**99**	(250)

The tax (expense)/credit varied from the amount of tax expense determined by applying the applicable income tax rate to loss before tax as a result of the following differences:

	The Group		The Company	
	2023 RM'000	2022 RM'000 (Restated)	2023 RM'000	2022 RM'000
Loss before tax	**(334,371)**	(319,269)	**(82,627)**	(3,893)
Tax credit at statutory tax rate of 24% (2022: 24%)	**80,249**	76,625	**19,830**	934
Tax effects of:				
Non-taxable income	**18,049**	17,455	**29**	155
Non-deductible expenses	**(65,512)**	(22,788)	**(19,859)**	(1,195)
Tax effect on share of results of associated companies and joint venture	**(1,049)**	(9,292)	**-**	-
Deferred tax assets not recognised	**(40,512)**	(67,816)	**-**	-
Reversal of deferred tax assets previously recognised	**(59,286)**	-	**-**	-
Utilisation of deferred tax assets not recognised previously	**-**	7	**-**	7
Over/(Under) provision in prior years:				
- Income tax	**392**	14,867	**99**	(151)
- Deferred tax	**(374)**	370	**-**	-
	(68,043)	9,428	**99**	(250)

10. TAX (EXPENSE)/CREDIT (continued)

As mentioned in Note 3, the tax effects of deductible temporary differences, unused tax losses and unused tax credits which would give rise to net deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. As at 31 December 2023, the estimated amount of temporary differences, unused tax losses, unabsorbed capital allowances and unused reinvestment allowances, for which the tax effects are not recognised in the financial statements due to uncertainty of their realisation, is as follows:

	The Group		The Company	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Temporary differences arising from:				
Property, plant and equipment	**7,514**	1,185	**-**	-
Right-of-use assets	**-**	259	**-**	-
Trade and other receivables	**10,789**	8,333	**-**	-
Others	**13,461**	7,614	**-**	-
Unused tax losses and unabsorbed capital allowances	**1,781,822**	1,380,341	**14,891**	14,891
Unused reinvestment allowances	**61,379**	61,409	**-**	-
	1,874,965	1,459,141	**14,891**	14,891

The availability of the unused tax losses, unabsorbed capital allowances and unused reinvestment allowances for offsetting future taxable profits of the Company and of the subsidiary companies are subject to the agreement with the tax authority.

In accordance with the provision of the Finance Act 2021, the time period of carrying forward unused tax losses is ten years, for which, any excess at the end of the tenth year, will be disregarded.

The expiry of the unused tax losses is as follows:

	The Group		The Company	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Unused tax losses:				
Expire by 31 December 2028	**715,379**	539,714	**12,175**	12,175
Expire by 31 December 2029	**107,452**	100,260	**-**	-
Expire by 31 December 2030	**252,960**	276,162	**-**	-
Expire by 31 December 2031	**22,444**	22,339	**-**	-
Expire by 31 December 2032	**232,553**	278,131	**-**	-
Expire by 31 December 2033	**180,820**	-	**-**	-
	1,511,608	1,216,606	**12,175**	12,175

11. LOSS PER SHARE

(a) Basic

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

	The Group	
	2023	**2022 (Restated)**
Loss attributable to owners of the Company ("RM'000)	**(401,296)**	(309,024)
Weighted average number of ordinary shares in issue ('000)	**680,804**	680,804
Loss per share (Sen)	**(58.94)**	(45.39)

(b) Diluted

The calculation of diluted loss per share was based on loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares. The diluted loss per ordinary share was not applicable as the unexercised warrants were anti-dilutive in nature, this was due to the average market share price of the Company being below the exercise price of the warrants.

12. PROPERTY, PLANT AND EQUIPMENT

The Group

COST

	As at 1 January 2023 RM'000	Additions RM'000	Disposals RM'000	Write-offs RM'000	Non-current assets classified as held for sale (Note 27) RM'000	Reclassification RM'000	Exchange difference RM'000	As at 31 December 2023 RM'000
Freehold land	296,635	-	-	-	(12,725)	-	-	283,910
Freehold buildings	383,099	869	-	-	-	260	-	384,228
Buildings under long lease	48,058	-	-	-	-	-	-	48,058
Buildings under short lease	466	-	-	-	-	-	-	466
Plant, machinery and equipment	1,598,565	16,848	(75,019)	(8,914)	-	2,545	391	1,534,416
Motor vehicles	14,448	-	(811)	-	-	-	24	13,661
Furniture and office equipment	49,281	1,439	(480)	(105)	-	3	3	50,141
Infrastructure	110,400	4,196	-	-	-	-	-	114,596
Renovations	1,852	22	-	-	-	-	-	1,874
Construction work-in-progress	169,783	6,594	(208)	-	-	(2,808)	-	173,361
Total	2,672,587	29,968	(76,518)	(9,019)	(12,725)	-	418	2,604,711

12. PROPERTY, PLANT AND EQUIPMENT (continued)

The Group

ACCUMULATED DEPRECIATION

	As at 1 January 2023 RM'000	Charge for the year RM'000	Disposals RM'000	Write-offs RM'000	Non-current assets classified as held for sale (Note 27) RM'000	Reclassification RM'000	Exchange difference RM'000	As at 31 December 2023 RM'000
Freehold land	-	-	-	-	-	-	-	-
Freehold buildings	268,864	7,149	-	-	-	-	-	276,013
Buildings under long lease	40,110	955	-	-	-	-	-	41,065
Buildings under short lease	466	-	-	-	-	-	-	466
Plant, machinery and equipment	1,104,361	33,297	(58,368)	(6,305)	-	-	368	1,073,353
Motor vehicles	11,407	546	(745)	-	-	-	24	11,232
Furniture and office equipment	38,874	2,341	(365)	(105)	-	-	1	40,746
Infrastructure	50,072	325	-	-	-	-	-	50,397
Renovations	1,495	77	-	-	-	-	-	1,572
Construction work-in-progress	-	-	-	-	-	-	-	-
Total	1,515,649	44,690	(59,478)	(6,410)	-	-	393	1,494,844

12. PROPERTY, PLANT AND EQUIPMENT (continued)

The Group

	ACCUMULATED IMPAIRMENT LOSSES					CARRYING AMOUNT
	As at 1 January 2023 RM'000	Charge for the year RM'000	Reversal RM'000	Write-offs RM'000	As at 31 December 2023 RM'000	As at 31 December 2023 RM'000
Freehold land	1,754	-	(1,754)	-	-	283,910
Freehold buildings	28,299	1,004	(1,849)	-	27,454	80,761
Buildings under long lease	-	3,467	-	-	3,467	3,526
Buildings under short lease	-	-	-	-	-	-
Plant, machinery and equipment	59,654	-	(168)	(2,491)	56,995	404,068
Motor vehicles	-	-	-	-	-	2,429
Furniture and office equipment	28	-	-	-	28	9,367
Infrastructure	57,120	-	-	-	57,120	7,079
Renovations	-	-	-	-	-	302
Construction work-in-progress	107,533	6,524	-	-	114,057	59,304
Total	254,388	10,995	(3,771)	(2,491)	259,121	850,746

12. PROPERTY, PLANT AND EQUIPMENT (continued)

The Group

COST

	As at 1 January 2022 RM'000	Additions RM'000	Disposals RM'000	Write-offs RM'000	Disposal of a subsidiary company (Note 17) RM'000	Non-current assets classified as held for sale (Note 27) RM'000	Reclassi-fication RM'000	Exchange difference RM'000	As at 31 December 2022 RM'000
Freehold land	295,267	1,368	-	-	-	-	-	-	296,635
Freehold buildings	376,838	3,780	-	-	-	-	2,481	-	383,099
Buildings under long lease	111,277	-	-	-	(63,219)	-	-	-	48,058
Buildings under short lease	466	-	-	-	-	-	-	-	466
Plant, machinery and equipment	1,867,829	107,248	(9,821)	(15)	(318,890)	(60,839)	12,611	442	1,598,565
Prime movers and trailers	2,294	-	-	(2,294)	-	-	-	-	-
Motor vehicles	14,543	1,198	(635)	(488)	(195)	-	-	25	14,448
Furniture and office equipment	71,912	12,086	(78)	(1,737)	(33,037)	-	133	2	49,281
Infrastructure	107,100	3,300	-	-	-	-	-	-	110,400
Renovations	2,215	49	-	(412)	-	-	-	-	1,852
Construction work-in-progress	142,409	30,801	-	-	(1,202)	-	(2,225)	-	169,783
Total	2,992,150	159,830	(10,534)	(4,946)	(416,543)	(60,839)	13,000	469	2,672,587

12. PROPERTY, PLANT AND EQUIPMENT (continued)

The Group

ACCUMULATED DEPRECIATION

	As at 1 January 2022 RM'000	Charge for the year RM'000	Disposals RM'000	Write-offs RM'000	Disposal of a subsidiary company (Note 17) RM'000	Non-current assets classified as held for sale (Note 27) RM'000	Reclassi-fication RM'000	Exchange difference RM'000	As at 31 December 2022 RM'000
Freehold land	-	-	-	-	-	-	-	-	-
Freehold buildings	260,879	7,985	-	-	-	-	-	-	268,864
Buildings under long lease	99,655	2,015	-	-	(61,560)	-	-	-	40,110
Buildings under short lease	466	-	-	-	-	-	-	-	466
Plant, machinery and equipment	1,354,799	32,916	(1,174)	(15)	(228,381)	(54,154)	-	370	1,104,361
Prime movers and trailers	2,294	-	-	(2,294)	-	-	-	-	-
Motor vehicles	12,163	507	(605)	(488)	(195)	-	-	25	11,407
Furniture and office equipment	67,323	1,800	(76)	(1,724)	(28,451)	-	-	2	38,874
Infrastructure	49,980	92	-	-	-	-	-	-	50,072
Renovations	1,818	89	-	(412)	-	-	-	-	1,495
Construction work-in-progress	-	-	-	-	-	-	-	-	-
Total	1,849,377	45,404	(1,855)	(4,933)	(318,587)	(54,154)	-	397	1,515,649

12. PROPERTY, PLANT AND EQUIPMENT (continued)

The Group

	ACCUMULATED IMPAIRMENT LOSSES				CARRYING AMOUNT
	As at 1 January 2022 RM'000	Charge for the year RM'000	Disposal of a subsidiary company (Note 17) RM'000	As at 31 December 2022 RM'000	As at 31 December 2022 RM'000
Freehold land	1,754	-	-	1,754	294,881
Freehold buildings	28,299	-	-	28,299	85,936
Buildings under long lease	1,515	-	(1,515)	-	7,948
Buildings under short lease	-	-	-	-	-
Plant, machinery and equipment	98,091	-	(38,437)	59,654	434,550
Prime movers and trailers	-	-	-	-	-
Motor vehicles	-	-	-	-	3,041
Furniture and office equipment	28	-	-	28	10,379
Infrastructure	57,120	-	-	57,120	3,208
Renovations	-	-	-	-	357
Construction work-in-progress	107,533	-	-	107,533	62,250
Total	294,340	-	(39,952)	254,388	902,550

12. PROPERTY, PLANT AND EQUIPMENT (continued)

The Company

	COST			
	As at 1 January 2023 RM'000	Addition RM'000	Disposal RM'000	As at 31 December 2023 RM'000
Motor vehicles	**75**	**-**	**-**	**75**
Furniture and office equipment	**5,043**	**-**	**-**	**5,043**
Renovations	**1,007**	**-**	**-**	**1,007**
Total	**6,125**	**-**	**-**	**6,125**

	ACCUMULATED DEPRECIATION				CARRYING AMOUNT
	As at 1 January 2023 RM'000	Charge for the year RM'000	Disposal RM'000	As at 31 December 2023 RM'000	As at 31 December 2023 RM'000
Motor vehicles	**73**	**-**	**-**	**73**	**2**
Furniture and office equipment	**4,893**	**87**	**-**	**4,980**	**63**
Renovations	**997**	**10**	**-**	**1,007**	**-**
Total	**5,963**	**97**	**-**	**6,060**	**65**

	COST			
	As at 1 January 2022 RM'000	Addition RM'000	Disposal RM'000	As at 31 December 2022 RM'000
Motor vehicles	75	-	-	75
Furniture and office equipment	5,100	-	(57)	5,043
Renovations	1,007	-	-	1,007
Total	6,182	-	(57)	6,125

	ACCUMULATED DEPRECIATION				CARRYING AMOUNT
	As at 1 January 2022 RM'000	Charge for the year RM'000	Disposal RM'000	As at 31 December 2022 RM'000	As at 31 December 2022 RM'000
Motor vehicles	73	-	-	73	2
Furniture and office equipment	4,849	101	(57)	4,893	150
Renovations	973	24	-	997	10
Total	5,895	125	(57)	5,963	162

12. PROPERTY, PLANT AND EQUIPMENT (continued)

(a) Included in property, plant and equipment of the Group are assets acquired under lease and hire-purchase arrangements with carrying amount of RM547,000 (2022: RM1,059,000).

(b) The deferred payables of the Group (Note 34) are secured by the property, plant and equipment of certain subsidiary companies with carrying amount totalling RM583,949,000 (2022: RM592,401,000).

13. INVESTMENT PROPERTIES

The Group

	Freehold land RM'000	Freehold land and buildings RM'000	Leasehold land and buildings RM'000	Work-in progress RM'000	Total RM'000
Cost:					
As at 1 January 2022	49,576	462	23,148	37,731	110,917
Disposal of a subsidiary company (Note 17)	-	-	(2,055)	-	(2,055)
Exchange differences	2,700	-	1,125	2,054	5,879
As at 31 December 2022/ 1 January 2023	**52,276**	**462**	**22,218**	**39,785**	**114,741**
Exchange differences	**2,378**	**-**	**991**	**1,810**	**5,179**
As at 31 December 2023	**54,654**	**462**	**23,209**	**41,595**	**119,920**
Accumulated depreciation:					
As at 1 January 2022	-	212	586	-	798
Charge for the year	-	9	466	-	475
Disposal of a subsidiary company (Note 17)	-	-	(409)	-	(409)
As at 31 December 2022/ 1 January 2023	**-**	**221**	**643**	**-**	**864**
Charge for the year	**-**	**9**	**464**	**-**	**473**
Exchange differences	**-**	**-**	**19**	**-**	**19**
As at 31 December 2023	**-**	**230**	**1,126**	**-**	**1,356**
Carrying amount:					
As at 31 December 2022	52,276	241	21,575	39,785	113,877
As at 31 December 2023	**54,654**	**232**	**22,083**	**41,595**	**118,564**
Fair value:					
As at 31 December 2022	74,284	410	36,342	**Note a**	
As at 31 December 2023	**78,124**	**410**	**38,052**	**Note a**	

13. INVESTMENT PROPERTIES (continued)

Note a

Work-in-progress comprises mainly economic land concession ("ELC") in Cambodia. The lease agreements for the ELC which determine the lease period of the land, which management is pursuing, have yet to be obtained. The fair values of the ELC are not reasonably determinable until the ELC are converted into leasehold land. Based on the market evidence of transaction prices for leasehold land by the independent firm of professional valuers in March 2024 (2022: February 2023), the Directors have concluded there is no impairment for the ELC.

The rental income earned by the Group from its investment properties amounted to RM514,000 (2022: RM218,000). Direct operating expenses pertaining to the investment properties of the Group that generated rental income during the financial year amounted to RM5,000 (2022: RM5,000).

Direct operating expenses incurred by the Group for investment properties that did not generate any rental income during the financial year amounted to RM6,000 (2022: RM6,000).

The fair value of investment properties were determined based on the valuations performed by accredited independent firms of professional valuers. The valuations conform to International Valuation Standards. The fair value measurement for all the investment properties has been categorised as Level 3 fair value based on the market comparable approach that reflects recent transaction prices for similar properties. The key inputs under this approach are the price per square metre from the most recent sales of comparable properties in the area (location and size). In estimating the fair value of the properties, the highest and best use of the properties is their current use. There has been no change to the valuation technique during the financial year.

14. PREPAID LAND LEASE PAYMENTS

	The Group	
	2023	**2022**
	RM'000	**RM'000**
Cost:		
At beginning of year	**71,250**	108,769
Addition	**1,884**	-
Disposal of a subsidiary company (Note 17)	**-**	(37,519)
At end of year	**73,134**	71,250
Accumulated amortisation:		
At beginning of year	**34,625**	56,550
Amortisation for the year	**1,564**	3,433
Disposal of a subsidiary company (Note 17)	**-**	(25,358)
At end of year	**36,189**	34,625
Accumulated impairment losses:		
At beginning of year	**-**	514
Disposal of a subsidiary company (Note 17)	**-**	(514)
At end of year	**-**	-
Carrying amount	**36,945**	36,625

14. PREPAID LAND LEASE PAYMENTS (continued)

The Group's leases consist of leasehold land (2022: leasehold land and buildings). The lease will expire between the years 2085 and 2091 (2022: 2085 and 2091).

In the previous financial year, certain leasehold land and buildings located in the Mukim of Bukit Raja, Klang, Selangor, had the purchase option in the lease term. Purchase option was, when possible, to provide the Group with greater flexibility to align its need for access to the leasehold land and building with the fulfilment of the Group's business strategy. The purchase option held was exercisable only by the Group and not by the lessor. In cases in which the Group is not reasonably certain to exercise the purchase option, the exercise price of purchase options is not included within the obligations under leases arrangement.

On 29 July 2022, Amsteel Mills Sdn Bhd, a 99%-owned subsidiary company of the Company, in exercising its purchase option, entered into a conditional sale and purchase agreement with the lessor to acquire the leasehold land and buildings for a purchase consideration of RM47.13 million. The acquisition was completed on 17 February 2023.

15. RIGHT-OF-USE ASSETS

The Group

	Leasehold land and buildings RM'000	Plant and equipment RM'000	Total RM'000
Cost:			
As at 1 January 2022	26,936	806	27,742
Addition	9,714	-	9,714
Expiry and termination of lease term	(255)	-	(255)
As at 31 December 2022 / 1 January 2023	**36,395**	**806**	**37,201**
Additions	**7,681**	**23,023**	**30,704**
Expiry and termination of lease term	**(9,513)**	**-**	**(9,513)**
As at 31 December 2023	**34,563**	**23,829**	**58,392**
Accumulated depreciation:			
As at 1 January 2022	8,489	403	8,892
Charge for the year	6,070	161	6,231
Expiry and termination of lease term	(236)	-	(236)
As at 31 December 2022 / 1 January 2023	**14,323**	**564**	**14,887**
Charge for the year	**6,260**	**9,754**	**16,014**
Expiry and termination of lease term	**(1,891)**	**-**	**(1,891)**
As at 31 December 2023	**18,692**	**10,318**	**29,010**
Carrying amount:			
As at 31 December 2022	22,072	242	22,314
As at 31 December 2023	**15,871**	**13,511**	**29,382**

15. RIGHT-OF-USE ASSETS (continued)

The Company

	Buildings RM'000
Cost:	
As at 1 January 2022 / 31 December 2022 / 1 January 2023	**250**
Expiry of lease term	**(250)**
As at 31 December 2023	**-**
Accumulated depreciation:	
As at 1 January 2022	157
Charge for the year	51
As at 31 December 2022 / 1 January 2023	**208**
Charge for the year	**42**
Expiry of lease term	**(250)**
As at 31 December 2023	**-**
Carrying amount:	
As at 31 December 2022	42
As at 31 December 2023	**-**

During the current financial year, amounts recognised in profit or loss are as follows:

	The Group RM'000	The Company RM'000
2023		
Depreciation on right-of-use assets	**16,014**	**42**
Interest expense on lease liabilities	**1,289**	**1**
Expenses relating to short term lease	**866**	**-**
Gain on expiry and termination of lease	**(262)**	**-**
2022		
Depreciation on right-of-use assets	6,231	51
Interest expense on lease liabilities	1,202	5
Expenses relating to short term lease	3,991	-
Gain on expiry and termination of lease	(3)	-

Total cash outflows for leases during the current financial year (including fixed, variable and short-term lease payments) of the Group and of the Company amounted to RM7,572,000 (2022: RM10,833,000) and RM45,000 (2022: RM54,000), respectively.

16. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS

(a) Land Held for Property Development

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	RM'000	**RM'000**	**RM'000**	**RM'000**
At beginning of year:				
Land costs	**28,390**	27,457	**18**	18
Development costs	**23,459**	23,507	**8**	8
	51,849	50,964	**26**	26
Costs incurred:				
Development costs	**297**	648	**-**	-
Reversal of development costs	**-**	(15,336)	**-**	-
Transfer (to)/from property development costs (Note 16(b)):				
Land costs	**-**	933	**-**	-
Development costs	**(150)**	14,640	**-**	-
	(150)	15,573	**-**	-
Costs recognised as expenses in profit or loss:				
Land costs	**(20)**	-	**-**	-
Development costs	**(350)**	-	**-**	-
	(370)	-	**-**	-
At end of year:				
Land costs	**28,370**	28,390	**18**	18
Development costs	**23,256**	23,459	**8**	8
	51,626	51,849	**26**	26

16. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS (continued)

(b) Property Development Costs

	The Group	
	2023	**2022**
	RM'000	**RM'000**
At beginning of year:		
Land costs	**62,745**	63,678
Development costs	**180,767**	195,407
	243,512	259,085
Costs incurred:		
Land costs	**1,671**	-
Development costs	**2,915**	-
	4,586	-
Transfer from/(to) land held for property development (Note 16(a)):		
Land costs	**-**	(933)
Development costs	**150**	(14,640)
	150	(15,573)
At end of year:		
Land costs	**64,416**	62,745
Development costs	**183,832**	180,767
	248,248	243,512
Costs recognised as expenses in profit or loss:		
Previous years	**(243,512)**	(243,512)
Current year	**-**	-
	(243,512)	(243,512)
Net	**4,736**	-

17. INVESTMENT IN SUBSIDIARY COMPANIES

	The Company	
	2023	**2022**
	RM'000	**RM'000**
Quoted shares in Malaysia, at cost	**42,232**	42,232
Unquoted shares in Malaysia, at cost	**921,297**	921,297
Share options granted to employees of subsidiary companies	**9,460**	9,460
Equity contributions	**152,168**	-
	1,082,925	930,757
Accumulated impairment losses	**(336,853)**	(229,656)
	746,072	701,101
Total	**788,304**	743,333
Market value of quoted shares	**19,405**	21,887

Movements in the accumulated impairment losses are as follows:

	The Company	
	2023	**2022**
	RM'000	**RM'000**
At beginning of year	**229,656**	245,496
Reclassified from amount owing by subsidiary companies (Note 25)	**107,197**	-
Write off	**-**	(15,840)
At end of year	**336,853**	229,656

During the current financial year, the Directors reviewed the Company's investment in subsidiary companies for indication of impairment and concluded that accumulated impairment losses of RM336,853,000 (2022: RM229,656,000) is deemed adequate in respect of investment in subsidiary companies.

The equity contributions are for the capital expenditures and working capital purposes of subsidiary companies, which are treated as quasi-equity. The equity contributions have no fixed term of repayment and are repayable at the discretion of the subsidiary companies.

17. INVESTMENT IN SUBSIDIARY COMPANIES (continued)

Composition of the Group

Details of the Group's subsidiary companies are disclosed in Note 43.

Information about the composition of the Group at the end of the reporting period is as follows:

Principal activities	Principal place of business and place of incorporation	Number of wholly-owned subsidiary companies		Number of non wholly-owned subsidiary companies	
		2023	**2022**	**2023**	**2022**
Manufacture, sale and distribution of steel products	Malaysia	**11**	11	**5**	5
Building materials	Malaysia	**-**	-	**1**	1
Property development	Malaysia	**7**	7	**2**	2
Others	Malaysia	**18**	19	**16**	16
	Other countries	**-**	-	**20**	21
		36	37	**44**	45

Certain investments in subsidiary companies of the Company have been pledged as collateral to financial institutions for banking facilities as disclosed in Note 31.

Non-Controlling Interests in Subsidiary Companies

The Group's subsidiary company that has material non-controlling interests ("NCI") is Lion Posim Berhad ("LPB").

	Percentage of ownership interests held by NCI	Profit/(Loss) allocated to NCI RM'000	Accumulated NCI RM'000
2023			
LPB	26%	**3,514**	**197,591**
Other individually immaterial subsidiary companies with NCI		**(4,632)**	**25,066**
		(1,118)	**222,657**
2022 - restated			
LPB	26%	171	192,025
Other individually immaterial subsidiary companies with NCI		(988)	32,546
		(817)	224,571

17. INVESTMENT IN SUBSIDIARY COMPANIES (continued)

Summarised financial information in respect of each of the Group's subsidiary company that has material NCI is set out below. The summarised financial information below represents amounts before intragroup eliminations.

	LPB	
	2023	**2022**
	RM'000	**RM'000**
Non-current assets	**319,597**	305,644
Current assets	**621,841**	577,804
Non-current liabilities	**(6,799)**	(2,332)
Current liabilities	**(172,510)**	(140,411)
Total equity	**762,129**	740,705
Equity attributable to owners of LPB	**762,129**	740,662
Revenue	**755,137**	838,773
Profit for the year	**13,552**	601
Profit/(Loss) attributable to:		
Owners of LPB	**13,553**	659
Non-controlling interests	**(1)**	(58)
	13,552	601
Other comprehensive income/(loss) attributable to:		
Owners of LPB	**7,914**	907
Non-controlling interests	**(42)**	-
	7,872	907
Total comprehensive income/(loss) attributable to:		
Owners of LPB	**21,467**	1,566
Non-controlling interests	**(43)**	(58)
	21,424	1,508
Net cash (outflow)/inflow from:		
Operating activities	**(31,530)**	(63,511)
Investing activities	**3,698**	(4,848)
Financing activities	**13,944**	(875)
Net cash outflow	**(13,888)**	(69,234)

17. INVESTMENT IN SUBSIDIARY COMPANIES (continued)

Dissolution of a subsidiary company, Well Morning Limited

During the financial year, the Group recognised a gain of RM8,586,000 to profit or loss, arising from the realisation of translation adjustment reserve from the dissolution of a foreign subsidiary company.

Disposal of a subsidiary company in previous financial year

Amsteel Mills Sdn Bhd, a 99%-owned subsidiary company of the Company, had completed the disposal of its entire 100% equity interest in Eden Flame Sdn Bhd ("Eden Flame") on 27 May 2022. Consequent thereupon, Eden Flame ceased to be a subsidiary company of the Group with effect from 27 May 2022.

The identified assets and liabilities in relation to the above disposal are as follows:

	The Group 2022 RM'000
Property, plant and equipment (Note 12)	58,004
Investment properties (Note 13)	1,646
Prepaid land lease payments (Note 14)	11,647
Other receivables	178
Cash and cash balances	96
Trade and other payables	(213)
Net assets disposed of	71,358
Gain on disposal of a subsidiary company	63,192
Proceeds from disposal	134,550
Cash and cash equivalents	(96)
Net cash inflow from disposal	134,454
Gain attributable to:	
Owners of the Company	62,566
Non-controlling interests	626
	63,192

18. INVESTMENT IN ASSOCIATED COMPANIES

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	RM'000	**RM'000**	**RM'000**	**RM'000**
		(Restated)		
At cost:				
Quoted investments	**239,501**	239,501	**64,394**	64,394
Unquoted investments	**104,833**	104,833	**15,323**	15,323
	344,334	344,334	**79,717**	79,717
Share of post-acquisition results and reserves less dividend received	**66,641**	63,999	**-**	-
Accumulated impairment losses	**(12,655)**	(12,655)	**(15,323)**	(15,323)
	398,320	395,678	**64,394**	64,394
Market value of quoted investments	**113,159**	72,290	**19,420**	9,533

Movements in the accumulated impairment losses are as follows:

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	RM'000	**RM'000**	**RM'000**	**RM'000**
At beginning of year	**12,655**	12,655	**15,323**	15,439
Reversal	**-**	-	**-**	(116)
At end of year	**12,655**	12,655	**15,323**	15,323

Details of the associated companies are disclosed in Note 44.

A certain portion of the investment in an associated company of the Group and of the Company has been pledged as collateral to financial institutions for banking facilities as disclosed in Note 31.

Management exercises its judgement in estimating the recoverable amounts of the investment. 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 ("VIU"), will be assessed.

The assessment of the recoverable amounts involves a number of methodologies. Judgements made by management in the process of applying the Group's accounting policies in respect of investment in associated companies are as follows:

- The Group does not consider prolonged shortfall between market value and carrying amount as an indication of impairment as management believes that the quoted market price of the most recent transactions of the associated company does not reflect the recoverable amount of the investment of the associated company.

- The Group considers the investment in associated companies as a long-term strategic investment which will be realised upon the disposal of the investment in associated companies.

18. INVESTMENT IN ASSOCIATED COMPANIES (continued)

As at 31 December 2023, the market value of shares in Parkson Holdings Berhad ("Parkson") held by the Group was below its carrying amount. Accordingly, the Group had undertaken an impairment test on the carrying amount of the investment in the associated company. The recoverable amount of the investment in the associated company was estimated using cash flow projections covering a five-year period. Cash flows beyond that five-year period had been extrapolated using a terminal growth rate of 2% (2022: 2%) per annum. A discount rate of 10% (2022: 10%) per annum was applied to the cash flow projections. All the above key assumptions were based on management knowledge in the respective industries and historical information.

Summarised financial information in respect of the Group's material associated company, Parkson and reconciliation of the information of the carrying amount to the Group's interest in the associated companies, are set out below. The summarised financial information presented below represents the amounts in the financial statements of the associated companies and not the Group's shares of those amounts.

2023	Parkson RM'000	Other individually immaterial associated companies RM'000	Total RM'000
Summarised financial information			
Proportion of the Group's effective ownership interest	25%		
Assets and liabilities			
Current assets	2,519,357	249,381	2,768,738
Non-current assets	6,006,590	28,925	6,035,515
Current liabilities	(2,508,573)	(37,514)	(2,546,087)
Non-current liabilities	(3,599,850)	(21,642)	(3,621,492)
Non-controlling interests	(982,170)	(4,141)	(986,311)
Net assets	1,435,354	215,009	1,650,363
Results			
Revenue	3,477,487	107,035	3,584,522
Loss for the year	(20,507)	(9,239)	(29,746)
Other comprehensive income for the year	26,662	-	26,662
Total comprehensive income for the year	6,155	-	6,155
Group's share of (loss)/profit of associated companies	(5,138)	742	(4,396)
Foreign currency translation differences and Group's share of other comprehensive income of associated companies	3,510	3,626	7,136
Dividend received from an associated company	-	98	98
Reconciliation of net assets to carrying amount			
Group's share of net assets	359,700	38,620	398,320
Carrying amount in the Group's statements of financial position	359,700	38,620	398,320

18. INVESTMENT IN ASSOCIATED COMPANIES (continued)

2022	Parkson RM'000 (Restated)	Other individually immaterial associated companies RM'000	Total RM'000 (Restated)
Summarised financial information			
Proportion of the Group's effective ownership interest	**25%**		
Assets and liabilities			
Current assets	2,416,897	212,485	2,629,382
Non-current assets	6,472,542	25,598	6,498,140
Current liabilities	(2,537,386)	(13,474)	(2,550,860)
Non-current liabilities	(3,902,348)	(20,830)	(3,923,178)
Non-controlling interests	(967,170)	-	(967,170)
Net assets	1,482,535	203,779	1,686,314
Results			
Revenue	3,246,885	108,053	3,354,938
Loss for the year	(221,176)	(8,667)	(229,843)
Other comprehensive loss for the year	(186,432)	-	(186,432)
Total comprehensive loss for the year	(407,608)	(8,667)	(416,275)
Group's share of loss of associated companies	(35,637)	(3,100)	(38,737)
Foreign currency translation differences and Group's share of other comprehensive income of associated companies	(26,387)	(484)	(26,871)
Dividend received from associated companies	-	9,739	9,739
Reconciliation of net assets to carrying amount			
Group's share of net assets	361,693	33,985	395,678
Carrying amount in the Group's statements of financial position	361,693	33,985	395,678

18. INVESTMENT IN ASSOCIATED COMPANIES (continued)

	The Group	
	2023	**2022**
	RM'000	**RM'000**
		(Restated)
Share of net assets (excluding goodwill)	**117,859**	99,413
Share of goodwill of associated companies	**280,461**	296,265
	398,320	395,678

The Group's share of results of Renor Pte Ltd, an associated company which is under liquidation, was recognised to the extent of the carrying amount of the investment. The cumulative and current year's unrecognised share of losses are as follows:

	The Group	
	2023	**2022**
	RM'000	**RM'000**
At beginning and end of year	**26,739**	26,739

19. INVESTMENT IN JOINT VENTURE

	The Group	
	2023	**2022**
	RM'000	**RM'000**
Unquoted shares:		
At cost	**125**	125
Share in post-acquisition results less dividend received	**(8)**	(35)
	117	90

Details of the joint venture are as follows:

Name of joint venture	**Financial year end**	**Principal place of business and place of incorporation**	**Effective percentage ownership**		**Principal activity**
			2023	**2022**	
			%	**%**	
Mergexcel Property Development Sdn Bhd (In voluntary liquidation)	31 March	Malaysia	49	49	Property development

The joint venture is audited by a firm of auditors other than the auditors of the Company.

19. INVESTMENT IN JOINT VENTURE (continued)

The summarised unaudited financial information in respect of the joint venture of the Group is set out below:

	The Group	
	2023	**2022**
	RM'000	**RM'000**
Assets and Liabilities		
Current assets	**306**	2,257
Current liabilities	**(14)**	(15)
Net assets	**292**	2,242
Results		
Revenue	**-**	-
Interest income	**61**	50
Profit for the year	**41**	34
Group's share of profit of joint venture	**27**	19
Reconciliation of net assets to carrying amount		
Group's share of net assets	**129**	1,240
Other adjustments	**(12)**	(1,150)
Carrying amount in the Group's statements of financial position	**117**	90

As at 31 December 2023 and 31 December 2022, there are no contingent liabilities and capital commitments relating to the Group’s interest in the joint venture.

20. LONG-TERM INVESTMENTS

	The Group		The Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Fair value through other comprehensive income				
Unquoted investments in Malaysia	**599**	599	**216**	216
At amortised cost				
Unquoted bonds, adjusted for accretion of interest	**68,248**	68,378	**-**	-
Less: Accumulated impairment losses	**(68,248)**	(68,378)	**-**	-
	-	-	**-**	-
Total	**599**	599	**216**	216

Movements in the accumulated impairment losses are as follows:

	The Group		The Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
At beginning of year	**68,378**	68,378	**-**	-
Reversal	**(130)**	-	**-**	-
At end of year	**68,248**	68,378	**-**	-

During the current financial year, the Directors reviewed the Group's and the Company's long-term investments measured at amortised cost for indication of impairment and concluded that the carrying amounts at the end of the reporting period are equivalent to their recoverable amounts.

The investment in unquoted bonds of the Group bears yield to maturity of 4.75% (2022: 4.75%) per annum.

21. DEFERRED TAX ASSETS/LIABILITIES

Deferred tax assets/liabilities of the Group and of the Company are as follows:

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
At beginning of year	**5,207**	4,665	**-**	-
Transfer to/(from) profit or loss (Note 10):				
Property, plant and equipment	**(437)**	(56,374)	**1**	-
Inventories	**(22)**	(410)	**-**	-
Others	**(3,805)**	919	**-**	-
Unused tax losses and unabsorbed capital allowance	**(59,541)**	56,407	**(1)**	-
	(63,805)	542	**-**	-
At end of year	**(58,598)**	5,207	**-**	-

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

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Deferred tax assets	**9,937**	9,484	**-**	-
Deferred tax liabilities	**(68,535)**	(4,277)	**-**	-
	(58,598)	5,207	**-**	-

21. DEFERRED TAX ASSETS/LIABILITIES (continued)

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

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Deferred tax assets				
Temporary differences arising from:				
Inventories	**235**	257	**-**	-
Others	**9,262**	9,618	**-**	-
Unused tax losses and unabsorbed capital allowances	**739**	60,280	**-**	1
	10,236	70,155	**-**	1
Offsetting	**(299)**	(60,671)	**-**	(1)
Deferred tax assets (after offsetting)	**9,937**	9,484	**-**	-
Deferred tax liabilities				
Temporary differences arising from:				
Property, plant and equipment	**61,998**	61,561	**-**	1
Others	**6,836**	3,387	**-**	-
	68,834	64,948	**-**	1
Offsetting	**(299)**	(60,671)	**-**	(1)
Deferred tax liabilities (after offsetting)	**68,535**	4,277	**-**	-

22. GOODWILL

	The Group	
	2023	**2022**
	RM'000	**RM'000**
Goodwill on consolidation:		
At beginning and end of year	**131,644**	131,644
Accumulated impairment losses	**(131,644)**	(1,201)
	-	130,443

Movements in the accumulated impairment losses are as follows:

	The Group	
	2023	**2022**
	RM'000	**RM'000**
At beginning of year	**1,201**	1,201
Addition	**130,443**	-
At end of year	**131,644**	1,201

Goodwill acquired in business combinations is allocated, at acquisition date, to cash-generating-units ("CGU") that are expected to benefit from that business combination. Goodwill has been allocated to the steel operations of the Group.

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired.

The recoverable amount of the CGU is determined from a value-in-use calculation. The key assumptions for the value-in-use calculation are those regarding the discount rate, growth rates and expected changes to selling prices and direct costs during the year. Management estimates discount rate using pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the CGU. The growth rates and changes in selling prices and direct costs are based on expectations of future changes in the market.

The Group prepares cash flow forecasts derived from the most recent financial budgets for next financial year and extrapolates cash flows for the following 4 financial years based on an estimated growth rate of 5% (2022: 5%) per annum. The pre-tax discount rate used is 10% (2022: 8%) per annum.

Upon conducting an impairment test, it is revealed that the recoverable amount of goodwill associated with the Group's steel operations is lower than its carrying amount. Consequently, the goodwill amounting to RM131,644,000 is fully impaired during the financial year, and no analysis of the sensitivity of the impairment test to changes in key assumptions is performed.

23. INVENTORIES

Inventories consist of the following:

	The Group		The Company	
	2023	2022	**2023**	2022
	RM'000	RM'000	**RM'000**	RM'000
Property:				
Completed units for sale	**126**	1,652	**43**	43
Leasehold land	**46,911**	-	**-**	-
Raw materials	**75,580**	99,540	**-**	-
Finished goods	**54,486**	131,110	**-**	-
General and consumables stores	**125,164**	144,519	**-**	-
Trading merchandise	**17,218**	17,480	**-**	-
	272,448	392,649	**-**	-
Less: Allowance for obsolescence of inventories	**(11,351)**	(13,971)	**-**	-
	261,097	378,678	**-**	-
Net	**308,134**	380,330	**43**	43

Movement in the allowances for obsolescence of inventories are as follows:

	The Group	
	2023	2022
	RM'000	RM'000
At beginning of year	**13,971**	15,520
Allowance for/(Reversal of) obsolescence of inventories (Note 6)	**225**	(241)
Write off	**(2,845)**	(1,308)
At end of year	**11,351**	13,971

During the current financial year, amounts recognised in profit or loss are as follows:

	The Group	
	2023	2022
	RM'000	RM'000
Inventories written back/(down)	**1,291**	(97,430)
Inventories written off	**(656)**	(92)

24. TRADE RECEIVABLES, OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

(a) Trade receivables

	The Group 2023 RM'000	The Group 2022 RM'000
Trade receivables	**486,086**	468,136
Less: Accumulated impairment losses	**(174,083)**	(166,944)
Net	**312,003**	301,192

Trade receivables of the Group comprise amounts receivable for the sale of goods and services rendered.

The credit period granted to customers ranges from 30 to 90 days (2022: 30 to 90 days).

The following table details the risk profile of trade receivables based on the Group's provision matrix. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer base.

	The Group			
	2023		2022	
	Gross trade receivables RM'000	Lifetime ECL RM'000	Gross trade receivables RM'000	Lifetime ECL RM'000
Not past due	**133,594**	**2,722**	215,794	1,787
Past due:				
1 - 30 days	**44,409**	**816**	35,278	655
31 - 60 days	**22,974**	**436**	18,954	418
More than 60 days	**285,109**	**170,109**	198,110	164,084
	486,086	**174,083**	468,136	166,944

Movement in the accumulated impairment losses are as follows:

	The Group 2023 RM'000	The Group 2022 RM'000
At beginning of year	**166,944**	164,623
Addition	**10,283**	6,063
Reversal	**-**	(2,473)
Write off	**(3,144)**	(1,269)
At end of year	**174,083**	166,944

24. TRADE RECEIVABLES, OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (continued)

(a) Trade receivables (continued)

In determining the recoverability of trade receivables, the Group considers any change in the credit quality of the trade receivables from the date credit was initially granted up to the end of the reporting period.

As at 31 December 2023, the Group has trade receivables owing by a major related party, Lion DRI (2022: Lion DRI) which has been fully impaired in the previous years:

	The Group	
	2023	**2022**
	RM'000	**RM'000**
Lion DRI	**113,402**	113,402
Less: Accumulated impairment losses	**(113,402)**	(113,402)
Net	**-**	-

The Group recognised impairment loss on trade receivables owing by this major related party based on an assessment of the recoverability of the receivables, as disclosed in Note 4(i)(a).

The currency profile of trade receivables is as follows:

	The Group	
	2023	**2022**
	RM'000	**RM'000**
Ringgit Malaysia	**311,945**	300,595
United States Dollar	**58**	597
	312,003	301,192

As at 31 December 2023, the trade receivables of a subsidiary company of RM21,744,000 (2022: RM4,608,000) has been charged as collateral to a financial institution for the bank borrowings granted to the Group (Note 31).

24. TRADE RECEIVABLES, OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (continued)

(b) Other receivables, deposits and prepayments

	The Group 2023 RM'000	The Group 2022 RM'000	The Company 2023 RM'000	The Company 2022 RM'000
Other receivables	**438,444**	518,927	**4,291**	4,670
Less: Accumulated impairment losses	**(155,871)**	(161,401)	**(1,304)**	(1,310)
Net	**282,573**	357,526	**2,987**	3,360
Advance payments to suppliers	**23,031**	102,185	**-**	-
Deposits	**15,493**	21,932	**226**	252
Deposit paid for acquisition of land (Note 41(a))	**-**	23,000	**-**	-
Prepayments	**19,538**	4,978	**5,444**	393
	340,635	509,621	**8,657**	4,005

Movement in the accumulated impairment losses are as follows:

	The Group 2023 RM'000	The Group 2022 RM'000	The Company 2023 RM'000	The Company 2022 RM'000
At beginning of year	**161,401**	145,953	**1,310**	1,310
Addition	**941**	15,452	**-**	-
Reversal	**(6,429)**	(4)	**(6)**	-
Write off	**(42)**	-	**-**	-
At end of year	**155,871**	161,401	**1,304**	1,310

24. TRADE RECEIVABLES, OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (continued)

(b) Other receivables, deposits and prepayments (continued)

As at 31 December 2023, the Group has other receivables due from the following two major related parties, Lion DRI and Graimpi:

	The Group	
	2023	2022
	RM'000	RM'000
Other receivables		
Graimpi	**103,730**	103,730
Lion DRI	**7,485**	7,485
	111,215	111,215
Less: Accumulated impairment losses	**(111,215)**	(111,215)
	-	-

The amounts owing by Graimpi and Lion DRI, totaling RM111,215,000 (2022: RM111,215,000), have been impaired based on the assessment as disclosed in Note 4(i)(a).

In determining the recoverability of other receivables, the Group considers any change in the credit quality of the other receivables from the date credit was initially granted up to the end of the reporting period.

The currency profile of other receivables and deposits is as follows:

	The Group		The Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Ringgit Malaysia	**294,130**	368,156	**3,213**	3,612
United States Dollar	**2,675**	27,459	**-**	-
Chinese Renminbi	**204**	380	**-**	-
Others	**1,057**	6,463	**-**	-
	298,066	402,458	**3,213**	3,612

25. RELATED COMPANIES TRANSACTIONS

Amount owing by subsidiary companies included under non-current assets

	The Company	
	2023 RM'000	2022 RM'000
Amount owing by subsidiary companies	**476,688**	-
Less: Accumulated impairment losses	**(15,764)**	-
	460,924	-

Amount owing by subsidiary companies included under non-current assets which arose mainly from inter-company advances, expenses paid on behalf and novation of debts, which are unsecured, interest-free and not expected to be settled in cash within next 12 months.

Amount owing by subsidiary companies included under current assets

	The Company	
	2023 RM'000	2022 RM'000
Amount owing by subsidiary companies	**2**	741,853
Less: Accumulated impairment losses	**-**	(122,799)
	2	619,054

Amount owing by subsidiary companies included under current assets which arose mainly from inter-company advances, expenses paid on behalf and novation of debts, which are interest-free, receivable on demand and expected to be settled in cash, except for in year 2022, unsecured advances of RM5.71 million bore interest at 5% per annum.

Movement in the accumulated impairment losses is as follows:

	The Company	
	2023 RM'000	2022 RM'000
At beginning of year	**122,799**	122,965
Addition	**162**	129
Reversal	**-**	(295)
Reclassified to investment in subsidiary companies (Note 17)	**(107,197)**	-
At end of year	**15,764**	122,799

The amount owing by subsidiary companies is denominated in Ringgit Malaysia.

25. RELATED COMPANIES TRANSACTIONS (continued)

Amount owing to subsidiary companies included under non-current liabilities

	The Company	
	2023	**2022**
	RM'000	**RM'000**
Amount owing to subsidiary companies	**143,240**	-

Amount owing to subsidiary companies under non-current liabilities which arose mainly from inter-company advances, expenses paid on behalf and novation of debts, is unsecured, interest-free and not expected to be settled in cash within 12 months.

Amount owing to subsidiary companies included under current liabilities

	The Company	
	2023	**2022**
	RM'000	**RM'000**
Amount owing to subsidiary companies	**-**	170,824

Amount owing to subsidiary companies under current liabilities which arose mainly from inter-company advances, expenses paid on behalf and novation of debts, is unsecured, interest-free, repayable on demand and expected to be settled in cash.

The currency profile of amount owing to subsidiary companies is as follows:

	The Company	
	2023	**2022**
	RM'000	**RM'000**
Ringgit Malaysia	**136,150**	161,988
Chinese Renminbi	**7,090**	8,836
	143,240	170,824

The Company has the following non-trade transactions with subsidiary companies during the reporting period:

	The Company	
	2023	**2022**
	RM'000	**RM'000**
With subsidiary companies:		
Advances from	**7,776**	7,245
Repayment to	**(72)**	(5,593)

25. RELATED COMPANIES TRANSACTIONS (continued)

Reconciliation of liabilities arising from financing activities

The table below details changes in 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 Company's statement of cash flows as cash flows from/(used in) financial activities.

	As at 1 January 2023 RM'000	Non cash flows RM'000	Financing cash flows RM'000	As at 31 December 2023 RM'000
The Company				
Amount owing to subsidiary companies	**170,824**	**(35,288)**	**7,704**	**143,240**

	As at 1 January 2022 RM'000	Non cash flows RM'000	Financing cash flows RM'000	As at 31 December 2022 RM'000
The Company				
Amount owing to subsidiary companies	169,172	-	1,652	170,824

26. INVESTMENT IN MONEY MARKET FUNDS, DEPOSITS, CASH AND BANK BALANCES

(a) Investment in money market funds

	The Group	
	2023	**2022**
	RM'000	**RM'000**
Fair value through profit or loss:		
Investment in money market funds	**2,362**	2,279

The Group's investment in money market funds, denominated in Ringgit Malaysia, is managed by a licensed fund management company. The amounts deposited can be withdrawn at the discretion of the Group by given a two-day notice period.

(b) Deposits, cash and bank balances

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Deposits with financial institutions:				
Restricted	**29,801**	28,175	**3,365**	3,307
Unrestricted (Note 35)	**33,815**	40,334	**1,911**	350
	63,616	68,509	**5,276**	3,657
Housing Development Accounts (Note 35)	**6,639**	18,030	**-**	3,590
Cash and bank balances:				
Restricted	**23**	24	**23**	24
Unrestricted (Note 35)	**44,280**	121,690	**48**	61
	114,558	208,253	**5,347**	7,332

The Housing Development Accounts are maintained in accordance with Section 7(A) of the Housing Development (Control and Licensing) Act, 1966. These accounts, which consist of monies received from purchasers, are for the payment of property development expenditure incurred. The surplus monies, if any, will be released to the Company and certain subsidiary companies upon the completion of the property development projects and after all property development expenditure have been fully settled.

Included in deposits with financial institutions and cash and bank balances are the amount totalling RM29.8 million (2022: RM28.2 million) and RM3.4 million (2022: RM3.3 million) of the Group and of the Company, respectively, which have been pledged or earmarked for the repayment of the borrowings in Note 31 and pledged as collateral for bank guarantees granted.

26. INVESTMENT IN MONEY MARKET FUNDS, DEPOSITS, CASH AND BANK BALANCES (continued)

(b) Deposits, cash and bank balances (continued)

The effective interest rates during the financial year are ranged as follows:

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
Deposits with financial institutions (per annum)	**1.05% to 2.80%**	1.05% to 2.80%	**2.05% to 2.75%**	1.75% to 2.10%

Deposits of the Group and of the Company have maturity periods ranging from 1 to 365 days (2022: 1 to 365 days) and 1 to 365 days (2022: 1 to 365 days) respectively.

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

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Ringgit Malaysia	**84,609**	179,026	**5,347**	7,332
Chinese Renminbi	**28,345**	27,552	**-**	-
United States Dollar	**1,602**	1,673	**-**	-
Singapore Dollar	**2**	2	**-**	-
	114,558	208,253	**5,347**	7,332

The deposits, cash and bank balances denominated in Chinese Renminbi of subsidiary companies in the People's Republic of China ("PRC") are subject to the exchange control restrictions of that country. The said deposits, cash and bank balances are available for use by the subsidiary companies in the PRC and the exchange control restrictions are applicable only if the monies are to be remitted to countries outside the PRC.

27. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

	The Group	
	2023	**2022**
	RM'000	**RM'000**
Freehold land ((Note 12) and (Note 41(b))	**12,725**	-
Barges (Note (a))	**-**	4,618
Tug boats (Note (a))	**-**	2,067
	12,725	6,685

(a) On 1 December 2022, Lion Waterway Logistics Sdn Bhd, an indirect subsidiary company of the Company, entered into a sale and purchase agreement to dispose of its barges and tug boats for a total consideration of RM32,000,000. The disposal was completed during the financial year.

28. SHARE CAPITAL

Share capital of the Group and of the Company is presented by:

	The Group and The Company			
	2023		2022	
	Number of shares '000	Amount RM'000	Number of shares '000	Amount RM'000
Issued share capital:				
Ordinary shares:				
At beginning and end of year	**717,909**	**1,250,536**	717,909	1,250,536

29. WARRANTS

The Company had on 14 December 2022 issued 340,400,686 warrants by way of bonus issue on the basis of 1 warrant for every 2 existing ordinary shares held in the Company.

Salient features of the warrants are as follows:

(a) Each warrant entitles the registered holder to subscribe for 1 new ordinary share in the Company at any time on or before the maturity date, 12 December 2025, falling 3 years from the date of issuance of the warrants. Unexercised warrants after the exercise period will thereafter lapse and cease to be valid;

(b) The exercise price of the warrants is fixed at RM0.43 per warrant;

(c) The new ordinary shares to be issued upon the exercise of the warrants shall rank *pari passu* in all respects with the existing ordinary shares of the Company; and

(d) The warrants were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad on 21 December 2022.

As at 31 December 2023, 340,400,686 (2022: 340,400,686) warrants remained unexercised.

30. RESERVES

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	RM'000	**RM'000 (Restated)**	**RM'000**	**RM'000**
Non-distributable reserves:				
Treasury shares	**(13,193)**	(13,193)	**(13,193)**	(13,193)
Capital reserve	**(65,215)**	(68,725)	**5,419**	5,419
Translation adjustment reserve	**73,250**	72,016	**-**	-
	(5,158)	(9,902)	**(7,774)**	(7,774)
(Accumulated losses)/ Retained earnings	**(144,566)**	256,730	**(67,569)**	14,959
	(149,724)	246,828	**(75,343)**	7,185

Treasury shares

This amount relates to the acquisition cost of treasury shares. The Directors are committed to enhancing the value of the Company for its shareholders and believe that the repurchase plan can be applied in the best interest of the Company and of its shareholders.

As of 31 December 2023, the Company held 37,105,300 (2022: 37,105,300) treasury shares at a carrying amount of RM13,192,722 (2022: RM13,192,722).

Capital reserve

Capital reserve, which arose from share options lapsed, reclassified from equity compensation reserve and share of other reserves in subsidiary and associated companies.

Translation adjustment reserve

Exchange differences arising from the translation of foreign controlled subsidiary and associated companies are taken to the translation adjustment reserve as described in the accounting policies.

31. LOANS AND BORROWINGS

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Non-current				
Secured				
Term loans from financial institutions	**21,680**	-	**-**	-
Unsecured				
Obligations under hire-purchase arrangements (Note 31(d))	**520**	833	**-**	-
	22,200	833	**-**	-
Current				
Secured				
Obligations under lease arrangement (Note 31(c))	**-**	47,250	**-**	-
Term loans from financial institutions	**23,060**	22,910	**4,820**	4,910
Bank overdrafts (Note 35)	**14,048**	3,535	**3,555**	3,535
Bills payable	**78,400**	75,900	**-**	-
Receivables financing	**21,744**	4,608	**-**	-
Unsecured				
Obligations under hire-purchase arrangements (Note 31(d))	**251**	274	**-**	-
Bills payable	**536**	526	**-**	-
	138,039	155,003	**8,375**	8,445
	160,239	155,836	**8,375**	8,445

The currency profile of loans and borrowings of the Group and of the Company are denominated in Ringgit Malaysia.

31. LOANS AND BORROWINGS (continued)

(a) Terms and repayment schedule

The Group

	Carrying amount RM'000	Within 1 year RM'000	2 to 5 years RM'000	More than 5 years RM'000
2023				
Secured				
Term loans from financial institutions	**44,740**	**23,060**	**21,680**	**-**
Bank overdrafts	**14,048**	**14,048**	**-**	**-**
Bills payable	**78,400**	**78,400**	**-**	**-**
Receivables financing	**21,744**	**21,744**	**-**	**-**
Unsecured				
Obligations under hire-purchase arrangements (Note 31(d))	**771**	**251**	**481**	**39**
Bills payable	**536**	**536**	**-**	**-**
	160,239	**138,039**	**22,161**	**39**
2022				
Secured				
Obligations under lease arrangements (Note 31(c))	47,250	47,250	-	-
Term loans from financial institutions	22,910	22,910	-	-
Bank overdrafts	3,535	3,535	-	-
Bills payable	75,900	75,900	-	-
Receivables financing	4,608	4,608	-	-
Unsecured				
Obligations under hire-purchase arrangements (Note 31(d))	1,107	274	702	131
Bills payable	526	526	-	-
	155,836	155,003	702	131

31. LOANS AND BORROWINGS (continued)

(a) Terms and repayment schedule (continued)

The Company

	Carrying amount RM'000	Within 1 year RM'000	2 to 5 years RM'000
2023			
Secured			
Term loan from financial institution	**4,820**	**4,820**	**-**
Bank overdraft	**3,555**	**3,555**	**-**
	8,375	**8,375**	**-**
2022			
Secured			
Term loan from financial institution	4,910	4,910	-
Bank overdraft	3,535	3,535	-
	8,445	8,445	-

The receivables financing of the Group is secured by trade receivables of an indirect subsidiary company and corporate guarantee of a subsidiary company.

The short-term borrowings pertaining to certain subsidiary companies are secured by charges on the deposits with financial institutions (Note 26(b)), certain investment in an associated company (Note 18) and corporate guarantee from the Company (Note 38).

The short-term borrowings of the Company are secured by charges on certain investment in an associated company (Note 18) and certain investment in subsidiary companies (Note 17).

The borrowings and hire-purchase obligations of the Group and of the Company bear interest at rates ranging from 3.67% to 10.00% (2022: 2.52% to 10.00%) and 6.35% to 10.00% (2022: 6.35% to 7.85%) per annum, respectively.

31. LOANS AND BORROWINGS (continued)

(b) Reconciliation of liabilities arising from financing activities

	As at 1 January 2023 RM'000	Other non-cash financing RM'000	(Repayments)/ Drawdown RM'000	Interest paid RM'000	Interest expense RM'000	As at 31 December 2023 RM'000
The Group						
Obligations under lease arrangements	47,250	-	(47,250)	(301)	301	-
Obligations under hire purchase arrangements	1,107	-	(336)	(32)	32	771
Other borrowings (other than bank overdrafts)	103,944	-	41,476	(9,886)	9,886	145,420
	152,301	-	(6,110)	(10,219)	10,219	146,191
The Company						
Other borrowings (other than bank overdrafts)	4,910	-	(90)	(377)	377	4,820

31. LOANS AND BORROWINGS (continued)

(b) Reconciliation of liabilities arising from financing activities (continued)

	As at 1 January 2022 RM'000	Other non-cash financing RM'000	Repayments RM'000	Interest paid RM'000	Interest expense RM'000	As at 31 December 2022 RM'000
The Group						
Obligations under lease arrangements	58,602	-	(11,352)	(2,250)	2,250	47,250
Obligations under hire purchase arrangements	755	585	(233)	(35)	35	1,107
Other borrowings (other than bank overdrafts)	118,053	-	(14,109)	(6,466)	6,466	103,944
	177,410	585	(25,694)	(8,751)	8,751	152,301
The Company						
Other borrowings (other than bank overdraft)	4,911	-	(1)	(343)	343	4,910

31. LOANS AND BORROWINGS (continued)

(c) Obligations under lease arrangements

Obligations under lease arrangements are as follows:

	The Group Minimum lease payment 2023 RM'000	The Group Minimum lease payment 2022 RM'000
Amount payable under finance lease:		
Within 1 year	**-**	47,438
Less: Finance charges	**-**	(188)
Present value of lease payables	**-**	47,250
The obligations under lease arrangements are repayable as follows:		
Within 1 year	**-**	47,250

The obligations under lease arrangements, denominated in Ringgit Malaysia, bore interest at rates ranging from 9.25% to 10.30% (2022: 9.25% to 10.30%) per annum and had been fully settled during the financial year.

(d) Obligations under hire-purchase arrangements

	The Group 2023 RM'000	The Group 2022 RM'000
Minimum hire-purchase payments:		
- Within 1 year	**272**	305
- More than 1 year but not exceeding 2 years	**224**	392
- More than 2 years but not exceeding 5 years	**313**	381
- More than 5 years	**44**	148
	853	1,226
Future finance charges on hire-purchase liabilities:		
- Within 1 year	**(21)**	(31)
- More than 1 year but not exceeding 2 years	**(16)**	(26)
- More than 2 years but not exceeding 5 years	**(40)**	(45)
- More than 5 years	**(5)**	(17)
	(82)	(119)
Principal amount relating to hire-purchase liabilities	**771**	1,107

32. LEASE LIABILITIES

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	RM'000	**RM'000**	**RM'000**	**RM'000**
At beginning of year	**23,197**	19,145	**44**	93
Addition	**14,183**	9,714	**-**	-
Expiry and termination of lease term	**(7,884)**	(22)	**-**	-
Finance costs (Note 9)	**1,289**	1,202	**1**	5
Payment of lease rental	**(6,706)**	(6,842)	**(45)**	(54)
	24,079	23,197	**-**	44
Breakdown:				
Non-current	**14,618**	16,723	**-**	-
Current	**9,461**	6,474	**-**	44
	24,079	23,197	**-**	44

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

The Group

	Future minimum lease payments RM'000	Interest RM'000	Present value of minimum lease payments RM'000
2023			
Within 1 year	**10,600**	**(1,139)**	**9,461**
More than 1 year but not exceeding 2 years	**7,483**	**(931)**	**6,552**
More than 2 years but not exceeding 5 years	**8,661**	**(595)**	**8,066**
	26,744	**(2,665)**	**24,079**
2022			
Within 1 year	7,565	(1,091)	6,474
More than 1 year but not exceeding 2 years	7,111	(1,045)	6,066
More than 2 years but not exceeding 5 years	11,713	(1,056)	10,657
	26,389	(3,192)	23,197

The Company

	Future minimum lease payments RM'000	Interest RM'000	Present value of minimum lease payments RM'000
2023			
Within 1 year	**-**	**-**	**-**
	-	**-**	**-**
2022			
Within 1 year	45	(1)	44
	45	(1)	44

The Group does not face a significant liquidity risk with regard to its lease liabilities.

32. LEASE LIABILITIES (continued)

Reconciliation of liabilities arising from financing activities

The table below details the reconciliation of the opening and closing amounts in the statements of financial position for each liability for which cash flows have been, or would be, classified as financing activities in the statements of cash flows:

	As at 1 January 2023 RM'000	Interest expense RM'000	Interest paid RM'000	Repayments RM'000	Other non-cash financing RM'000	As at 31 December 2023 RM'000
The Group						
Lease liabilities	**23,197**	**1,289**	**(1,050)**	**(5,656)**	**6,299**	**24,079**
The Company						
Lease liabilities	**44**	**1**	**(1)**	**(44)**	**-**	**-**

	As at 1 January 2022 RM'000	Interest expense RM'000	Interest paid RM'000	Repayments RM'000	Other non-cash financing RM'000	As at 31 December 2022 RM'000
The Group						
Lease liabilities	19,145	1,202	(1,202)	(5,640)	9,692	23,197
The Company						
Lease liabilities	93	5	(5)	(49)	-	44

33. TRADE PAYABLES, OTHER PAYABLES, DEPOSITS AND ACCRUED EXPENSES, AND CONTRACT LIABILITIES

(a) Trade payables

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Trade payables	**415,194**	470,122	**274**	244
Retention monies	**886**	780	**65**	38
	416,080	470,902	**339**	282

The normal credit period granted to the Group and the Company for trade purchases ranges from 30 to 60 days (2022: 30 to 60 days).

Certain portions of the trade payables of the Group are secured by the corporate guarantee from the Company (Note 38).

The currency profile of trade payables is as follows:

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Ringgit Malaysia	**398,695**	450,404	**339**	282
United States Dollar	**15,522**	19,359	**-**	-
Chinese Renminbi	**6**	6	**-**	-
Others	**1,857**	1,133	**-**	-
	416,080	470,902	**339**	282

(b) Other payables, deposits and accrued expenses

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Other payables and deposits	**178,099**	236,230	**484**	850
Deposit received from non-current assets classified as held for sale	**46,470**	-	**-**	-
Accrued expenses	**63,856**	91,200	**397**	407
	288,425	327,430	**881**	1,257

Included in other payables and deposits of the Group, is an amount of RM16.1 million (2022: RM15.4 million) representing security deposits received from customers. These deposits bear interest ranging from 11.75% to 12.00% (2022: 11.75% to 12.00%) per annum and have repayment periods ranging from 1 to 120 days (2022: 1 to 120 days).

The deposit received from non-current assets classified as held for sale of the Group bears interest of 9.60% (2022: Nil) per annum.

33. TRADE PAYABLES, OTHER PAYABLES, DEPOSITS AND ACCRUED EXPENSES, AND CONTRACT LIABILITIES (continued)

(b) Other payables, deposits and accrued expenses (continued)

The currency profile of other payables is as follows:

	The Group		The Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Ringgit Malaysia	**265,113**	284,239	**881**	1,257
United States Dollar	**18,050**	20,116	**-**	-
Chinese Renminbi	**4,739**	4,821	**-**	-
Others	**523**	18,254	**-**	-
	288,425	327,430	**881**	1,257

(c) Contract liabilities

	The Group	
	2023	2022
	RM'000	RM'000
Customer loyalty programs (i)	**29,628**	28,794
Advances received from customers (ii)	**45,870**	28,054
Provision for liquidated and ascertained damage (iii)	**599**	-
	76,097	56,848

The contract liabilities primarily relate to the unredeemed customer loyalty credits awards and advances received from customers.

(i) Customer loyalty programs

A subsidiary company of the Company accounts for the customer loyalty award credits as a separate obligation of the sales transactions in which they are granted. The consideration received in sales transactions is allocated between the loyalty award credits and the other component of the sales. The amount allocated to the loyalty award credits is determined by reference to its fair value and is deferred until the awards are redeemed or liability is extinguished.

The following table shows reconciliation from the opening balance to the closing balance for the customer loyalty programs.

	The Group	
	2023	2022
	RM'000	RM'000
At beginning of year	**28,794**	24,405
Provision	**12,408**	12,227
Utilised	**(11,574)**	(7,838)
At end of year	**29,628**	28,794

33. TRADE PAYABLES, OTHER PAYABLES, DEPOSITS AND ACCRUED EXPENSES, AND CONTRACT LIABILITIES (continued)

(c) Contract liabilities (continued)

(ii) Advances received from customers

Advances received from customers represents the considerations received from customers for goods yet to be delivered. The following table shows reconciliation from the opening balance to the closing balance for the advances received from customers.

	The Group	
	2023	**2022**
	RM'000	**RM'000**
At beginning of year	**28,054**	-
Consideration received	**1,407,914**	1,959,271
Utilised	**(1,390,098)**	(1,931,217)
At end of year	**45,870**	28,054

(iii) Provision for liquidated and ascertained damage

Provision of liquidated and ascertained damage arose from failure to deliver the leasehold lands to a customer at the predetermined time.

The following table shows reconciliation from the opening balance to the closing balance for provision for liquidated and ascertained damage:

	The Group	
	2023	**2022**
	RM'000	**RM'000**
At beginning of year	**-**	-
Addition	**599**	-
At end of year	**599**	-

34. DEFERRED PAYABLES

	The Group	
	2023	**2022**
	RM'000	**RM'000**
Non-current		
Secured	**120,622**	243,725
Current		
Secured	**123,103**	80,000
	243,725	323,725

As part of the expansion into the flat steel business, the Group has acquired from Megasteel Sdn Bhd all the encumbered assets for a total consideration of RM537,725,000 ("Purchase Consideration"). The Purchase Consideration is payable to Megasteel Secured Lenders.

As at 31 December 2023, the Group has paid a total of RM294,000,000 (2022: RM214,000,000) to the Megasteel Secured Lenders. Of the remaining Purchase Consideration, the deferred payables, RM123,103,000 is payable within the next 12 months after the reporting period and RM120,622,000 is scheduled for payment in 2031.

The deferred payables of the Group are secured by the said assets acquired which are included in the property, plant and equipment as disclosed in Note 12 and corporate guarantee from the Company (Note 38).

35. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise the following:

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Cash and bank balances (unrestricted)(Note 26(b))	**44,280**	121,690	**48**	61
Deposits with financial institutions (unrestricted) (Note 26(b))	**33,815**	40,334	**1,911**	350
Housing Development Accounts (Note 26(b))	**6,639**	18,030	**-**	3,590
Bank overdrafts (Note 31)	**(14,048)**	(3,535)	**(3,555)**	(3,535)
	70,686	176,519	**(1,596)**	466

36. RELATED COMPANIES AND RELATED PARTIES TRANSACTIONS

Related parties are entities in which certain Directors and/or substantial shareholders of the Company or of its subsidiary companies or persons connected with such Directors and/or substantial shareholders have interest, excluding those parties disclosed in Notes 17, 18, 19 and 25.

The Group has the following significant transactions with related parties during the financial year, which were determined on terms not more favourable to the related parties than to third parties:

Sales and purchase of goods and services and interest

Name of Company	Nature	The Group 2023 RM'000	The Group 2022 RM'000
Bright Steel Sdn Bhd	Rental income	**95**	95
Lion Tooling Sdn Bhd	Purchase of toolings	**3,055**	937
Secom (Malaysia) Sdn Bhd	Purchase of assets	**-**	881
Likom Caseworks Sdn Bhd	Purchase of goods	**-**	204
	Management fees income	**1,633**	1,512
Likom CMS Sdn Bhd	Management fees income	**1,225**	1,134
Bonus Essential Sdn Bhd	Management fees income	**-**	3,776
	Acquisition of land	**-**	10,400
Pancar Tulin Sdn Bhd	Management fees income	**3,331**	2,911
Lion Mining Sdn Bhd	Sale of goods	**32,466**	47,904
	Purchase of goods	**26,408**	9,035
	Rental income	**1,285**	941
Compact Energy Sdn Bhd	Purchase of goods	**41,506**	46,352
	Rental income	**366**	366
	Interest expense	**-**	22

The Company has the following significant transactions with subsidiary company during the financial year, which were determined on terms not more favourable to the subsidiary company than to third parties:

Name of Company	Nature	The Company 2023 RM'000	The Company 2022 RM'000
Subsidiary company			
Amsteel Mills Sdn Bhd	Interest income	**-**	320

36. RELATED COMPANIES AND RELATED PARTIES TRANSACTIONS (continued)

The gross outstanding balances arising from the above transactions with related parties are as follows:

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Receivables:				
Included in trade receivables	**204,218**	166,208	**-**	-
Included in other receivables	**152,680**	135,822	**1,824**	1,895
Payables:				
Included in trade payables	**5,766**	3,235	**139**	139
Included in other payables	**27,899**	41,356	**57**	57

The outstanding balances with related parties are either interest-free or with normal trade terms (2022: either interest-free or with normal trade terms) per annum, repayable on demand and expected to be settled in cash.

Compensation of key management personnel (other than the Directors of the Company)

Key management personnel (other than the Directors of the Company) are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly.

During the financial year, the significant transactions, which were determined on terms not more favourable to the key management personnel (other than the Directors of the Company) than to third parties, are as follows:

	The Group	
	2023	**2022**
	RM'000	**RM'000**
Sales of property	**2,787**	-

36. RELATED COMPANIES AND RELATED PARTIES TRANSACTIONS (continued)

Acquisition of land by Posim Marketing Sdn Bhd (“Posim Marketing”)

On 25 November 2021, Posim Marketing, a subsidiary company of Lion Posim Berhad ("LPB"), a listed subsidiary company, had entered into a conditional sale and purchase agreement (“SPA”) with Bonus Essential Sdn Bhd ("Bonus Essential") for the acquisition of 10.879 acres of vacant freehold industrial land located at Banting Industrial City, Kuala Langat, Selangor (“BIC Industrial Park Development”) from Bonus Essential for a cash consideration of RM26 million (“Purchase Consideration”) (“Acquisition of Land”).

Bonus Essential is a company in which Tan Sri Cheng Heng Jem (“TSWC”) is a director and has substantial interest.

The Purchase Consideration was arrived at on a willing buyer-willing seller basis after taking into consideration the market valuation as certified by Henry Butcher Malaysia Sdn Bhd.

Posim Marketing has lodged a private caveat and lien holder’s caveat on the said land. Bonus Essential has procured a personal guarantee from TSWC, its ultimate shareholder, in favour of Posim Marketing with a guaranteed sum of RM26 million to secure the repayment by Bonus Essential in the event Bonus Essential failed to complete the Acquisition of Land.

In the previous financial year, the Group reclassified RM13.0 million from "other receivable" in non-current assets to "construction work-in-progress" under property, plant and equipment. Posim Marketing paid cash consideration of RM23.4 million to Bonus Essential and incurred ancillary costs of RM1 million in relation to the Acquisition of Land. The Acquisition of Land became unconditional on 24 June 2022. As a result, the total consideration of RM24.4 million was classified as "construction work-in-progress" under property, plant and equipment in Note 12.

As at 31 December 2023, included in the Group's carrying amount of "construction work-in-progress" is RM24.4 million pertaining to the Acquisition of Land that has not been reclassified to "freehold land" under property, plant and equipment, as certain infrastructure works by Bonus Essential are yet to be completed.

37. SEGMENTAL INFORMATION

Segment reporting is presented in respect of the Group's business segments in a manner consistent with the internal reporting provided to and regularly reviewed by the chief operating decision makers in order to allocate resources to a segment and to assess its performance.

Business segments provide products or services that are subject to risks and returns that are different from those of other business segments. Geographical segments provide products or services within a particular economic environment that is subject to risks and returns that are different from those components operating in other economic environments.

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 liabilities are determined before intragroup balances and intragroup transactions are eliminated as part of the consolidation process, except to the extent that such intragroup balances and transaction are within the Group.

(a) Business Segments

The Group's activities are classified into three major business segments:

- Steel - manufacture and marketing of steel bars, wire rods, and steel related products, and provision of chartering services;

- Building materials - trading and distribution of building materials and other steel products; and

- Others - property development and management, investment holding, treasury business, manufacture and trading of lubricants products, distribution of petroleum products and automotive products, provision of transportation services and training services, distributing and retailing of consumer products, none of which is of a sufficient size to be reported separately.

Inter-segment revenue comprises sales of goods and income from other business segments. These transactions are conducted on an arm's length basis under terms, conditions and prices not materially different from transactions with non-related parties.

Capital expenditure comprises additions to property, plant and equipment, investment properties and prepaid land lease payments.

37. SEGMENTAL INFORMATION (continued)

(a) Business Segments (continued)

The Group 2023	Steel RM'000	Building materials RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Statements of Profit or Loss					
Revenue					
External revenue	1,164,003	620,884	129,930	-	1,914,817
Inter-segment revenue	266,912	14,550	19,801	(301,263)	-
Total revenue	1,430,915	635,434	149,731	(301,263)	1,914,817
Results					
Segment results	(195,181)	2,290	(3,715)	-	(196,606)
Finance costs	(11,730)	(1,256)	(2,416)	-	(15,402)
Share of results of:					
Associated companies	889	-	(5,285)	-	(4,396)
Joint venture	-	-	27	-	27
Investment income	670	1,760	1,433	-	3,863
Realisation of translation adjustment reserve upon dissolution of a subsidiary company	-	8,586	-	-	8,586
Impairment loss on goodwill	(130,443)	-	-	-	(130,443)
Loss before tax					(334,371)
Tax expense					(68,043)
Loss for the year					(402,414)

37. SEGMENTAL INFORMATION (continued)

(a) Business Segments (continued)

The Group 2023	Steel RM'000	Building materials RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Statements of Financial Position					
Segment assets	1,380,812	378,757	423,446	-	2,183,015
Investment in associated companies and joint venture	8,670	-	389,767	-	398,437
Unallocated corporate assets					19,675
Total Assets					2,601,127
Segment liabilities	900,852	83,658	224,135	-	1,208,645
Unallocated liabilities					69,013
Total Liabilities					1,277,658
Other Information					
Capital expenditure	30,497	103	1,252	-	31,852
Depreciation and amortisation	53,140	560	9,041	-	62,741
Impairment loss on:					
Property, plant and equipment	10,995	-	-	-	10,995
Trade and other receivables	884	5,885	4,853	-	11,622
Reversal of impairment loss on:					
Property, plant and equipment	(3,603)	-	(168)	-	(3,771)
Trade and other receivables	(6,377)	(253)	(197)	-	(6,827)
Long term investments	(124)	-	(6)	-	(130)
Other non-cash expenses/(income)	89,385	193	(582)	-	88,996

37. SEGMENTAL INFORMATION (continued)

(a) Business Segments (continued)

The Group
2022, restated

	Steel RM'000	Building materials RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Statements of Profit or Loss					
Revenue					
External revenue	1,875,822	577,634	125,718	-	2,579,174
Inter-segment revenue	261,130	147,453	18,906	(427,489)	-
Total revenue	2,136,952	725,087	144,624	(427,489)	2,579,174
Results					
Segment results	(359,238)	3,998	17,622	-	(337,618)
Finance costs	(10,250)	(183)	(1,934)	-	(12,367)
Share of results of:					
Associated companies	928	-	(39,665)	-	(38,737)
Joint venture	-	-	19	-	19
Investment income	3,433	1,795	1,014		6,242
Gain on disposal of investment in a subsidiary company	63,192	-	-	-	63,192
Loss before tax					(319,269)
Tax credit					9,428
Loss for the year					(309,841)

37. SEGMENTAL INFORMATION (continued)

(a) Business Segments (continued)

The Group 2022, restated	Steel RM'000	Building materials RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Statements of Financial Position					
Segment assets	1,957,243	373,534	335,840	-	2,666,617
Investment in associated companies and joint venture	7,781	-	387,987	-	395,768
Unallocated corporate assets					23,512
Total Assets					3,085,897
Segment liabilities	1,132,886	56,120	168,932	-	1,357,938
Unallocated liabilities					6,024
Total Liabilities					1,363,962
Other Information					
Capital expenditure	143,199	11,504	5,127	-	159,830
Depreciation and amortisation	45,840	558	9,145	-	55,543
Impairment loss on trade and other receivables	15,438	5,449	628	-	21,515
Reversal of impairment loss on trade and other receivables	(184)	(1,341)	(952)	-	(2,477)
Other non-cash expenses/(income)	32,855	4,098	(1,100)	-	35,853

37. SEGMENTAL INFORMATION (continued)

(b) Geographical Segments

The Group operates in two main geographical areas:

- Malaysia - manufacture and marketing of steel bars, wire rods, and steel related products, provision of chartering services, property development and management, trading and distribution of building materials and other steel products, manufacture and trading of lubricants products, distribution of petroleum products and automotive products, provision of transportation services and training services, distributing and retailing of consumer products; and

- Other countries which are not sizable to be reported separately.

	Revenue	
	2023	**2022**
	RM'000	**RM'000**
Malaysia	**1,888,259**	2,527,383
Other countries	**26,558**	51,791
	1,914,817	2,579,174

	Total assets		Capital Expenditure	
	2023	**2022**	**2023**	**2022**
	RM'000	**RM'000**	**RM'000**	**RM'000**
		(Restated)		
Malaysia	**2,424,517**	2,917,896	**31,852**	159,825
Other countries	**176,610**	168,001	**-**	5
	2,601,127	3,085,897	**31,852**	159,830

In determining the geographical segments of the Group, revenue is based on the country in which the customer is located. Total assets and capital expenditure are determined based on where the assets are located.

38. FINANCIAL GUARANTEE CONTRACTS

	The Company	
	2023	**2022**
	RM'000	**RM'000**
Corporate guarantee given to certain subsidiary companies for:		
Deferred payables (Note 34)	**243,725**	323,725
Trade payables and short-term borrowings	**451,075**	347,185
	694,800	670,910

The corporate guarantees issued were not recognised in the financial statements as the Directors regard the value of the credit enhancement provided by these guarantees is minimal and the probability of default, based on historical track records of the parties receiving the guarantees are remote.

39. CAPITAL COMMITMENTS

At the end of the reporting period, the Group has the following capital commitments:

	The Group	
	2023	2022
	RM'000	RM'000
Purchase of property, plant and equipment and others:		
Approved and contracted for	**9,525**	2,600
Approved but not contracted for	**3,228**	3,058
	12,753	5,658

40. FINANCIAL INSTRUMENTS

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 Group's overall strategy remains unchanged since 31 December 2022.

The capital structure of the Group and of the Company consists of net debts (borrowings offset by cash and cash equivalents) and equity of the Group and of the Company (comprising issued capital, reserves and non-controlling interests).

The Group's management reviews the capital structure of the Group on a regular basis. As part of this review, management considers the cost of capital and risk associated with each class of capital.

Gearing ratio

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

	The Group		The Company	
	2023	2022	2023	2022
	RM'000	RM'000 (Restated)	RM'000	RM'000
Debt (i)	**160,239**	155,836	**8,375**	8,445
Cash and cash equivalents (excluding bank overdrafts)	**(84,734)**	(180,054)	**(1,959)**	(4,001)
Net debts/(cash)	**75,505**	(24,218)	**6,416**	4,444
Equity (ii)	**1,323,469**	1,721,935	**1,175,193**	1,257,721
Debt to equity ratio	**5.71%**	N/A*	**0.55%**	0.35%

* The Group is in net cash position, thus debt to equity ratio is not applicable.

(i) Debt is defined as obligations under lease arrangements, obligations under hire-purchase arrangements, loan and borrowings as disclosed in Note 31.

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

40. FINANCIAL INSTRUMENTS (continued)

Categories of financial instruments

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Financial assets				
Fair Value Through Profit or Loss ("FVTPL"):				
Investment in money market funds	**2,362**	2,279	**-**	-
Fair Value Through Other Comprehensive income ("FVTOCI"):				
Unquoted investments	**599**	599	**216**	216
Amortised cost:				
Trade receivables	**312,003**	301,192	**-**	-
Other receivables and deposits	**298,066**	402,458	**3,213**	3,612
Amount owing by subsidiary companies	**-**	-	**460,926**	619,054
Deposits, cash and bank balances	**114,558**	208,253	**5,347**	7,332
Financial liabilities				
At amortised cost:				
Trade payables	**416,080**	470,902	**339**	282
Other payables, deposits and accrued expenses	**288,425**	327,430	**881**	1,257
Amount owing to subsidiary companies	**-**	-	**143,240**	170,824
Lease liabilities	**24,079**	23,197	**-**	44
Loan and borrowings	**160,239**	155,836	**8,375**	8,445
Deferred payables	**243,725**	323,725	**-**	-

Financial risk management objectives and policies

The operations of the Group and of the Company are subject to a variety of financial risks, including foreign currency risk, interest rate risk, credit risk and liquidity risk. The Group's and the Company's financial risk management principal objective is to minimise the Group's and the Company's exposure to risks and/or costs associated with the financing, investing and operating activities of the Group and of the Company.

Various risk management policies are made and approved by the Board of Directors for observation in the day-to-day operations for the controlling and management of the risks associated with financial instruments.

40. FINANCIAL INSTRUMENTS (continued)

Foreign currency risk

The Group and the Company undertake transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuation arise.

The carrying amounts of the Group's and of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	The Group		The Company	
	Assets	Liabilities	Assets	Liabilities
	RM'000	RM'000	RM'000	RM'000
2023				
United States Dollar	**4,335**	**33,572**	**-**	**-**
Chinese Renminbi	**28,549**	**4,745**	**-**	**7,090**
Others	**1,059**	**2,380**	**-**	**-**
	33,943	**40,697**	**-**	**7,090**
2022				
United States Dollar	29,729	39,475	-	-
Chinese Renminbi	27,932	4,827	-	8,836
Others	6,465	19,387	-	-
	64,126	63,689	-	8,836

<u>Foreign currency sensitivity analysis</u>

The Group and the Company are mainly exposed to the foreign currencies of United States Dollar and Chinese Renminbi.

The following table details the Group's and the Company's sensitivity to a 10% increase and decrease in the Ringgit Malaysia against the relevant foreign currencies. 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 reporting year for a 10% change in foreign currency rates. A positive number below indicates a gain in the profit or loss before tax and other equity where the Ringgit Malaysia strengthens 10% against the relevant currency. For a 10% weakening of the Ringgit Malaysia against the relevant currency, there would be a comparable impact on profit or loss before tax and other equity, the balances below would be negative.

40. FINANCIAL INSTRUMENTS (continued)

Foreign currency sensitivity analysis (continued)

	The Group		The Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Profit or loss before tax				
United States Dollar	**2,924**	975	**-**	-
Chinese Renminbi	**45**	29	**709**	884
	2,969	1,004	**709**	884
Other equity				
Chinese Renminbi	**(2,425)**	(2,340)	**-**	-

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the year end exposure does not reflect the exposure during the financial year.

Interest rate risk

The Group is exposed to interest rate risk through the impact of rate changes on bank borrowings. The interest rates for the said bank borrowings are disclosed in Note 31.

The interest rates for the loans and borrowings and lease liabilities, which are fixed at the inception of the borrowing/financing arrangements, are disclosed in Notes 31 and 32 respectively.

Interest rate sensitivity analysis

The Group's exposures to interest rates on financial liabilities are detailed below. The sensitivity analysis below has been determined based on the exposure to interest rates for financial liabilities at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liabilities at the end of the reporting period will remain unchanged for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher or lower and all other variables were held constant, the Group's and the Company's profit or loss before tax for the year ended 31 December 2023 would increase or decrease by as follows:

	The Group		The Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Floating rate liabilities				
Bank overdrafts	**70**	18	**18**	18
Bills payables	**395**	382	**-**	-
Term loans	**224**	115	**24**	25
Receivables financing	**109**	23	**-**	-
	798	538	**42**	43

40. FINANCIAL INSTRUMENTS (continued)

Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations.

Trade and other receivables and corporate guarantees

The Group is exposed to credit risk mainly from trade and other receivables. The Group extends credit to its customers based upon careful evaluation on the customers' financial condition and credit history.

The Company is also exposed to credit risk resulting from the corporate guarantee given to financial institution for the granting of credit facilities to the subsidiary companies. The Company's maximum exposure to credit risk resulting from the corporate guarantee is disclosed in Note 38. The Company monitors on an ongoing basis the results of the subsidiary companies, and their repayments. As at the reporting date, there was no indication that these companies would default on repayment.

The Group's and the Company's exposure to credit risk in relation to their receivables, should all their customers fail to perform their obligations as of 31 December 2023, is the carrying amount of these receivables as disclosed in the statements of financial position. The concentration of credit risk is limited due to the fact that the customer base is large and did not exceed 10% of gross monetary assets at any time during the reporting period.

Deposits, cash and bank balances

Exposure to credit risk arising from deposits, cash and bank balances is managed by depositing or investing the Group's and the Company's funds with licensed financial institutions. The deposits, cash and bank balances that denominated in Chinese Renminbi which are held with bank and financial institutions in the PRC, rated A2 and Baa2 (2022: A2 and Baa2) respectively, based on Moody's Investors Service ratings.

Deposits, cash and bank balances have been assessed on a 12-month expected loss basis and reflects the short maturities of the exposures. The Group and the Company consider that their deposits, cash and bank balances have low credit risk based on their external credit ratings.

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Group's and of the Company's short-term, medium and long-term funding and liquidity management requirements. The Group and the Company manage liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The Group and the Company practice prudent liquidity risk management to minimise the mismatch of financial assets and liabilities and to maintain sufficient credit facilities for contingent funding requirement of working capital.

40. FINANCIAL INSTRUMENTS (continued)

Liquidity risk (continued)

The tables below summarise the maturity profile of the Group's and of the Company's financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations. The tables include both interest and principal cash flows.

The Group 2023	**Within 1 year RM'000**	**More than 1 year but not exceeding 2 years RM'000**	**More than 2 years but not exceeding 5 years RM'000**	**More than 5 years RM'000**	**Total RM'000**	**Contractual interest rate %**
Financial liabilities						
Non-interest bearing:						
Trade payables	416,080	-	-	-	416,080	-
Other payables, deposits and accrued expenses	225,890	-	-	-	225,890	-
Deferred payables	123,103	-	-	120,622	243,725	-
Interest bearing:						
Other payables, deposits and accrued expenses	17,973	-	-	-	17,973	11.75 - 12.00
Security deposits from non-current assets classified as held for sale	50,931	3,346	-	-	54,277	9.60
Lease liabilities	10,600	7,483	8,661	-	26,744	2.50 - 6.98
Loans and borrowings	144,820	7,104	17,336	44	169,304	3.67 - 10.00
	989,397	17,933	25,997	120,666	1,153,993	

40. FINANCIAL INSTRUMENTS (continued)

Liquidity risk (continued)

The Group 2022	**Within 1 year RM'000**	**More than 1 year but not exceeding 2 years RM'000**	**More than 2 years but not exceeding 5 years RM'000**	**More than 5 years RM'000**	**Total RM'000**	**Contractual interest rate %**
Financial liabilities						
Non-interest bearing:						
Trade payables	470,902	-	-	-	470,902	-
Other payables, deposits and accrued expenses	312,065	-	-	-	312,065	-
Deferred payables	80,000	123,103	-	120,622	323,725	-
Interest bearing:						
Other payables, deposits and accured expenses	17,190	-	-	-	17,190	11.75 - 12.00
Lease liabilities	7,565	7,111	11,713	-	26,389	2.50 - 6.98
Loans and borrowings	157,772	392	381	148	158,693	2.52 - 10.30
	1,045,494	130,606	12,094	120,770	1,308,964	

40. FINANCIAL INSTRUMENTS (continued)

Liquidity risk (continued)

The Company

2023

	Within 1 year RM'000	More than 1 year but not exceeding 5 years RM'000	Total RM'000	Contractual interest rate %
Financial liabilities				
Non-interest bearing:				
Trade payables	**339**	**-**	**339**	**-**
Other payables, deposits and accrued expenses	**881**	**-**	**881**	**-**
Amount owing to subsidiary companies	**-**	**178,528**	**178,528**	**-**
Financial guarantee contracts	**694,800**	**-**	**694,800**	**-**
Interest bearing:				
Loans and borrowings	**8,994**	**-**	**8,994**	**6.35 - 10.00**
	705,014	**178,528**	**883,542**	

2022

	Within 1 year RM'000	More than 1 year but not exceeding 5 years RM'000	Total RM'000	Contractual interest rate %
Financial liabilities				
Non-interest bearing:				
Trade payables	282	-	282	-
Other payables, deposits and accrued expenses	1,257	-	1,257	-
Amount owing to subsidiary companies	170,824	-	170,824	-
Financial guarantee contracts	670,910	-	670,910	-
Interest bearing:				
Lease liabilities	45	-	45	6.60
Loans and borrowings	9,069	-	9,069	6.35 - 7.85
	852,387	-	852,387	

40. FINANCIAL INSTRUMENTS (continued)

Fair value of financial instruments

Except as detailed in the following table, the carrying amounts of the financial assets and the financial liabilities carried at amortised cost in the financial statements approximate their fair values.

	The Group		The Company		
2023	**Carrying amount RM'000**	**Fair value RM'000**	**Carrying amount RM'000**	**Fair value RM'000**	
Financial assets					
Investment in money market funds	**2,362**	**2,362**	**-**	**-**	
Unquoted investments	**599**	**599**	**216**	**216**	^
2022					
Financial assets					
Investment in money market funds	2,279	2,279	-	-	
Unquoted investments	599	599	216	216	^

\# The quoted market prices of quoted investments as at the end of the reporting period are used to determine the fair values of these financial assets.

^ The fair values of unquoted investments are based on price quotes for similar instruments based on market observable inputs (Level 2) as quoted prices of identical instruments from an active market (Level 1) are not available.

40. FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy

Fair values of financial instruments that are measured at fair value in the statements of financial position at the end of the reporting period are as follows:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
The Group				
2023				
Financial assets				
Investment in money market funds	**2,362**	**-**	**-**	**2,362**
Unquoted investments	**-**	**599**	**-**	**599**
2022				
Financial assets				
Investment in money market funds	2,279	-	-	2,279
Unquoted investments	-	599	-	599
The Company				
2023				
Financial asset				
Unquoted investments	**-**	**216**	**-**	**216**
2022				
Financial asset				
Unquoted investments	-	216	-	216

There were no transfers between Levels 1, 2 and 3 during the financial year.

41. SIGNIFICANT EVENTS

(a) LLB Bina Sdn Bhd, a wholly-owned subsidiary of the Company, had on 6 January 2022 entered into a Novation Agreement with Grandprop Sdn Bhd (“Grandprop”) and Premier Land Resources Sdn Bhd ("Premier Land") for the proposed acquisition of the sub-divided 80 acres land located in Sepang, Selangor ("Sub-divided 80 acres Land") by way of novation to LLB Bina Sdn Bhd of all rights, benefits, interests, obligations and liabilities of Grandprop under the Sale and Purchase Agreement dated 20 November 2020 entered into between Premier Land and Grandprop for a cash consideration of RM23 million ("Consideration") ("Agreement").

On 6 January 2022, the Group has fully paid the Consideration.

On 8 August 2023, LLB Bina had entered into a Deed of Mutual Termination with Premier Land, wherein both parties mutually agreed to terminate the Agreement due to the prolonged delay in fulfilling the conditions subsequent to the Agreement, including issuance of separate title for the Sub-divided 80 acres Land. As a result, the Consideration has been fully refunded to the Group during the year.

41. SIGNIFICANT EVENTS (continued}

(b) On 1 September 2023:

(i) Amsteel Mills Sdn Bhd ("AMSB"), a 99%-owned subsidiary company of the Company, entered into a conditional sale and purchase agreement with Unichamp Mineral Sdn Bhd (“Unichamp Mineral”) for the proposed disposal of a portion of a piece of freehold land held under GRN 297957, Lot 19322, Mukim Tanjong Duabelas, Daerah Kuala Langat, Negeri Selangor measuring 19.781 acres or approximately 861,660 sq ft for a cash consideration of RM67.96 million; and

(ii) Gelora Berkat Sdn Bhd, a wholly-owned indirect subsidiary company of the Company, entered into a conditional sale and purchase agreement with Unichamp Mineral for the proposed disposal of a portion of a piece of freehold land held under H.S.(D) 26819, PT 17217, Mukim Tanjong Duabelas, Daerah Kuala Langat, Negeri Selangor measuring 7.006 acres or approximately 305,181 sq ft for a cash consideration of RM24.07 million (collectively, the "Proposed Disposals”).

The Proposed Disposals are pending fulfillment of conditions precedent.

(c) Lion Waterfront Sdn Bhd, a wholly-owned subsidiary of Lion Posim Berhad (“LPB”), in turn, a listed subsidiary company of the Company, had on 18 May 2022 entered into a conditional development agreement with Landasan Lumayan Sdn Bhd (“Landasan Lumayan”), a wholly-owned subsidiary of Menteri Besar Selangor (Pemerbadanan), to form an unincorporated joint venture to undertake a mixed residential and commercial development on a parcel of land to be alienated by the Selangor State Government to Landasan Lumayan measuring approximately 26.29 acres in Section 24, Shah Alam, Selangor (“Proposed Unincorporated Joint Venture”).

In conjunction with the Proposed Unincorporated Joint Venture, LPB proposed to diversify the existing businesses of LPB and its subsidiary companies to include property development (“Proposed Diversification”).

The Proposed Unincorporated Joint Venture and the Proposed Diversification shall collectively be referred to as the “Proposals”.

The Shareholders of LPB had on 2 December 2022 approved the Proposals.

The Proposals are pending the approvals to be obtained from relevant regulatory authorities.

42. SUBSEQUENT EVENT

AMSB had on 23 February 2024 entered into a conditional sale and purchase agreement with RHB Trustees Berhad, who acted as the trustee for Axis Real Estate Investment Trust for the disposal of a piece of leasehold land held under H.S.(D) 24277, PT 3501 in Mukim Kapar, Daerah Klang, Negeri Selangor Darul Ehsan measuring approximately 3.23 hectares together with the buildings erected thereon, for a disposal consideration of RM49.00 million (“Disposal”).

The Disposal is pending completion.

43. SUBSIDIARY COMPANIES

The subsidiary companies are as follows:

Name of company	Principal place of business and place of incorporation	Percentage ownership 2023 %	Percentage ownership 2022 %	Principal activities
*Amble Legacy Sdn Bhd	Malaysia	**100**	100	Investment holding
Cendana Domain Sdn Bhd	Malaysia	**100**	100	Investment holding
*Crest Wonder Sdn Bhd	Malaysia	**100**	100	Investment holding
Lion Courts Sdn Bhd	Malaysia	**100**	100	Property development and investment holding
Lion Group Management Services Sdn Bhd	Malaysia	**52**[a]	52[a]	Provision of management services
*Lion Metal Industries Sdn Bhd	Malaysia	**100**	100	Provision of storage facilities
*Lion Motor Venture Sdn Bhd	Malaysia	**100**	100	Investment holding
LLB Enterprise Sdn Bhd	Malaysia	**94**	94	Dormant
LLB Harta (M) Sdn Bhd	Malaysia	**100**	100	Managing of debts novated from the Company and certain of its subsidiary companies pursuant to a debt restructuring exercise undertaken by the Company and certain of its subsidiary companies
LLB Nominees Sdn Bhd	Malaysia	**100**	100	Investment holding
*LLB Steel Industries Sdn Bhd	Malaysia	**100**	100	Investment holding

43. SUBSIDIARY COMPANIES (continued)

Name of company	Principal place of business and place of incorporation	Percentage ownership 2023 %	2022 %	Principal activities
LLB Strategic Holdings Sdn Bhd	Malaysia	**100**	100	Dormant
*LLB Venture Sdn Bhd (Dissolved on 10 March 2023)	Malaysia	**-**	100	Dormant
Malim Courts Property Development Sdn Bhd	Malaysia	**100**	100	Property development and investment holding
Mcken Sdn Bhd	Malaysia	**100**	100	Ceased operations
*Slag Aggregate Sdn Bhd	Malaysia	**100**	100	Investment holding
Sucorp Enterprise Sdn Bhd	Malaysia	**100**	100	Money lending and investment holding
Tahap Berkat Sdn Bhd	Malaysia	**100**	100	Investment holding
Subsidiary company of Amble Legacy Sdn Bhd				
*Tianjin Baden Real Estate Development Co Ltd (In voluntary liquidation)	People's Republic of China	**95**	95	Property development
Subsidiary company of Cendana Domain Sdn Bhd				
Cendana Aset Sdn Bhd	Malaysia	**100**	100	Real estate activities namely renting and leasing of land and building as well as plant and machinery

43. SUBSIDIARY COMPANIES (continued)

Name of company	Principal place of business and place of incorporation	Percentage ownership 2023 %	2022 %	Principal activities
Subsidiary company of Cendana Aset Sdn Bhd				
*Secomex Manufacturing (M) Sdn Bhd	Malaysia	**100**	100	Ceased operations
Subsidiary company of Crest Wonder Sdn Bhd				
Lunas Cemerlang Sdn Bhd	Malaysia	**100**	100	Investment holding
Subsidiary companies of Lunas Cemerlang Sdn Bhd				
Lion Steel Sdn Bhd	Malaysia	**100**	100	Manufacturing and marketing of steel products
Formula Sepadu Sdn Bhd	Malaysia	**100**	100	Dormant
Kenari Juara Sdn Bhd	Malaysia	**100**	100	Dormant
Sendi Setara Sdn Bhd	Malaysia	**100**	100	Dormant
Subsidiary company of Lion Motor Venture Sdn Bhd				
*Tianjin Hua Shi Auto Meter Co Ltd (In voluntary liquidation)	People's Republic of China	**56**	56	Manufacturing of meters for motor vehicles and after sales services
Subsidiary companies of LLB Nominees Sdn Bhd				
*Holdsworth Investment Pte Ltd	Singapore	**70**	70	Investment holding
*Zhongsin Biotech Pte Ltd	Singapore	**51**	51	Investment holding

43. SUBSIDIARY COMPANIES (continued)

Name of company	Principal place of business and place of incorporation	Percentage ownership 2023 %	2022 %	Principal activities
Subsidiary company of LLB Steel Industries Sdn Bhd				
*Steelcorp Sdn Bhd	Malaysia	**99**	99	Investment holding
Subsidiary companies of Malim Courts Property Development Sdn Bhd				
Berkat Timor Sdn Bhd	Malaysia	**100**	100	Dormant
Inspirasi Elit Sdn Bhd	Malaysia	**85**	85	Property development
JOPP Builders Sdn Bhd	Malaysia	**100**	100	Dormant
LLB Bina Sdn Bhd	Malaysia	**100**	100	Construction works and property development
LLB Indah Permai Sdn Bhd	Malaysia	**100**	100	Property development
LLB Suria Sdn Bhd (Dissolved on 15 March 2023)	Malaysia	**-**	100	Investment holding
PM Holdings Sdn Bhd	Malaysia	**100**	100	Investment holding, property development and provision of management services
Soga Sdn Bhd	Malaysia	**99**	98	Property development
Sumber Realty Sdn Bhd	Malaysia	**100**	100	Investment holding and property development
Syarikat Pekan Baru Kemajuan Sdn Bhd	Malaysia	**100**	100	Dormant

43. SUBSIDIARY COMPANIES (continued)

Name of company	Principal place of business and place of incorporation	Percentage ownership 2023 %	2022 %	Principal activities
Subsidiary company of Sucorp Enterprise Sdn Bhd				
Kisan Agency Sdn Bhd	Malaysia	**100**	100	Property development
Subsidiary company of Tahap Berkat Sdn Bhd				
Gelora Berkat Sdn Bhd	Malaysia	**100**	100	Investment holding
Subsidiary companies of PM Holdings Sdn Bhd				
Citibaru Sendirian Berhad	Malaysia	**100**	100	Dormant
Malim Jaya (Melaka) Sdn Bhd	Malaysia	**100**	100	Property development
Subsidiary company of Soga Sdn Bhd				
Batu Pahat Enterprise Sdn Bhd	Malaysia	**100**	100	Dormant
Subsidiary company of Steelcorp Sdn Bhd				
Amsteel Mills Sdn Bhd	Malaysia	**100**	100	Manufacture and marketing of steel bars and wire rods
Subsidiary companies of Sumber Realty Sdn Bhd				
Projek Jaya Sdn Bhd	Malaysia	**100**	100	Investment holding
Seri Lalang Development Sdn Bhd	Malaysia	**100**	100	Ceased operations
Sharikat Pengangkutan East West Sdn Bhd	Malaysia	**100**	100	Dormant

43. SUBSIDIARY COMPANIES (continued)

Name of company	Principal place of business and place of incorporation	Percentage ownership 2023 %	2022 %	Principal activities
Subsidiary companies of Amsteel Mills Sdn Bhd				
Amsteel Mills Marketing Sdn Bhd	Malaysia	**100**	100	Sale and distribution of steel products
*Amsteel Mills Realty Sdn Bhd	Malaysia	**100**	100	Ceased operations
Lion Posim Berhad ("LPB")	Malaysia	**74**[D]	74[D]	Investment holding
Lion Waterway Logistics Sdn Bhd	Malaysia	**100**	100	Stevedoring and related activities and to own, lease and operate ships barges and to enter into charter parties
*Lion Investment (A) Sdn Bhd (Acquired on 19 December 2023)	Malaysia	**100**	-	Dormant
Subsidiary companies of LPB				
Gama Harta Sdn Bhd	Malaysia	**100**	100	Investment holding
Intra Inspirasi Sdn Bhd	Malaysia	**100**	100	Investment holding
LFIB Agriculture (Cambodia) Sdn Bhd	Malaysia	**100**	100	Investment holding
*Lion AMB Resources Sdn Bhd	Malaysia	**100**	100	Investment holding
Lion Petroleum Products Sdn Bhd	Malaysia	**100**	100	Manufacturing of petroleum products

43. SUBSIDIARY COMPANIES (continued)

Name of company	Principal place of business and place of incorporation	Percentage ownership 2023 %	2022 %	Principal activities
Subsidiary companies of LPB (continued)				
Posim Marketing Sdn Bhd	Malaysia	**100**	100	Trading and distribution of building materials and steel products
Posim Petroleum Marketing Sdn Bhd	Malaysia	**100**	100	Trading, distribution and e-commerce of petroleum and automotive products
*Lion Waterfront Sdn Bhd	Malaysia	**100**	100	Property development
Subsidiary company of Gama Harta Sdn Bhd				
Brands Pro Management Sdn Bhd	Malaysia	**100**	100	Distribution and retailing of ACCA KAPPA products and other beauty and fashion brands
Subsidiary companies of LFIB Agriculture (Cambodia) Sdn Bhd ("BVI Companies")				
^Bright Triumph Investments Limited	British Virgin Islands	**100**	100	Investment holding
^Distinct Harvest Limited	British Virgin Islands	**100**	100	Investment holding
^Double Merits Enterprise Limited	British Virgin Islands	**100**	100	Investment holding
^Elite Image Investments Limited	British Virgin Islands	**100**	100	Investment holding
^Eminent Elite Investments Limited	British Virgin Islands	**100**	100	Investment holding

43. SUBSIDIARY COMPANIES (continued)

Name of company	Principal place of business and place of incorporation	Percentage ownership 2023 %	2022 %	Principal activities
Subsidiary companies of LFIB Agriculture (Cambodia) Sdn Bhd ("BVI Companies") (continued)				
^Green Choice Holdings Limited	British Virgin Islands	**100**	100	Investment holding
^Radiant Elite Holdings Limited	British Virgin Islands	**100**	100	Investment holding
^Up Reach Limited	British Virgin Islands	**100**	100	Investment holding
Subsidiary companies of BVI Companies				
^Bright Triumph (Cambodia) Co., Limited	Cambodia	**100**	100	Investment and development in agriculture
^Distinct Harvest (Cambodia) Co., Ltd	Cambodia	**100**	100	Investment and development in agriculture
^Hi-Rev Lubricants (Cambodia) Co., Ltd	Cambodia	**100**	100	Wholesale of petroleum products and related products
^Eminent Elite (Cambodia) Co., Ltd	Cambodia	**100**	100	Investment and development in agriculture
^Green Choice (Cambodia) Co., Limited	Cambodia	**100**	100	Investment and development in agriculture
^Radiant Elite (Cambodia) Co., Ltd	Cambodia	**100**	100	Investment and development in agriculture

43. SUBSIDIARY COMPANIES (continued)

Name of company	Principal place of business and place of incorporation	Percentage ownership 2023 %	2022 %	Principal activities
Subsidiary companies of BVI Companies (continued)				
^Up Reach (Cambodia) Co., Limited (In voluntary liquidation)	Cambodia	**100**	100	Investment and development in agriculture
Subsidiary companies of Lion AMB Resources Sdn Bhd				
*AMB Venture Sdn Bhd	Malaysia	**100**	100	Investment holding
*CeDR Corporate Consulting Sdn Bhd	Malaysia	**100**	100	Provision of training services
Subsidiary company of Posim Marketing Sdn Bhd				
*Well Morning Limited (Dissolved on 27 October 2023)	Hong Kong SAR	**-**	100[c]	Investment holding
Subsidiary companies of AMB Venture Sdn Bhd				
*Chrome Marketing Sdn Bhd	Malaysia	**100**	100	Investment holding
*Lion Tyre Venture Sdn Bhd	Malaysia	**100**	100	Ceased operations
*Range Grove Sdn Bhd	Malaysia	**100**	100	Investment holding

43. SUBSIDIARY COMPANIES (continued)

Name of company	Principal place of business and place of incorporation	Percentage ownership 2023 %	2022 %	Principal activities
Subsidiary company of Range Grove Sdn Bhd				
*Shanghai AMB Management Consulting Co Ltd	People's Republic of China	**100**	100	Provision of management services

* The financial statements of these companies are audited by auditors other than the auditors of the Company.

^ These subsidiary companies are inactive presently and no statutory requirement for the financial statements to be audited at the end of the financial year.

[a] 35% held by Sucorp Enterprise Sdn Bhd and 17% held by Posim Petroleum Marketing Sdn Bhd.

[b] 20% held by the Company and 54% held by Amsteel Mills Sdn Bhd.

[c] 70% held by Posim Marketing Sdn Bhd, 17% held by Lion Waterway Logistics Sdn Bhd and 13% held by Amsteel Mills Sdn Bhd.

44. ASSOCIATED COMPANIES

The associated companies of the Group are as follows:

Name of company	Financial year-end	Principal place of business and place of incorporation	Percentage ownership 2023 %	2022 %	Principal activities
Renor Pte Ltd (Dissolved on 1 April 2024)	30 June	Singapore	**40**	40	Investment holding
Lion Insurance Company Limited	31 December	Malaysia	**41**	41	Captive insurance business
Parkson Holdings Berhad	31 December	Malaysia	**26**	26	Investment holding
Lion Titco Resources Sdn Bhd	31 December	Malaysia	**40**	40	Processing of steel slag and metal extraction
Lion Corporation Berhad	31 December	Malaysia	**21**	21	Investment holding
Lion Asiapac Limited	30 June	Singapore	**37**	37	Investment holding
Angkasa Amsteel (M) Sdn Bhd (In voluntary liquidation)	30 June	Malaysia	**50**	50	Trading and distribution of fabricated steel reinforcement bars

The financial statements of all the associated companies are audited by auditors other than the auditors of the Company.

STATEMENT BY DIRECTORS

We, Tan Sri Cheng Heng Jem and Cheng Hui Ya, Serena, being two of the Directors of Lion Industries Corporation Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and of the financial performance and the cash flows of the Group and of the Company for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 8 April 2024.

TAN SRI CHENG HENG JEM
Director

CHENG HUI YA, SERENA
Director

Kuala Lumpur

DECLARATION BY THE OFFICER PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANY

I, Ooi Kim Lai (MIA Membership number: 9454), the officer primarily responsible for the financial management of LION INDUSTRIES CORPORATION BERHAD, do solemnly and sincerely declare that the accompanying financial statements 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 Declaration Act, 1960.

OOI KIM LAI

Subscribed and solemnly declared by the abovenamed OOI KIM LAI at Kuala Lumpur in the Federal Territory on the 8th day of April 2024.

Before me

W839
ONG SIEW KEE
Commissioner for Oaths