

ANNUAL REPORT

2021

BUILDING A SUSTAINABLE INVESTMENT



ANNUAL REPORT 2021

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Corporate Structure



BOARD OF DIRECTORS

Chithra Ganesalingam

Independent Non-Executive Chairman

Choong Chee Meng

Non-Independent Non-Executive Director

Leong Sek Hoe

Non-Independent Non-Executive Director
(appointed on 22 March 2022)

Ng Kit Ching

Independent Non-Executive Director
(appointed on 22 March 2022)

Dr. Yap Lang Ling

Independent Non-Executive Director
(appointed on 22 March 2022)

Lee Siow Hong

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

H'ng Boon Keng

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

Chin Kok Sang

Independent Non-Executive Director
(ceased as a director on 11 November 2021)

Yeoh Hong Hwang

Independent Non-Executive Director
(ceased as a director on 11 November 2021)

Lee Cheow Fui

Non-Independent Non-Executive Director
(redesignated to Non-Independent Non-Executive Director on 11 November 2021, resigned on 25 April 2022)

AUDIT COMMITTEE

Chairman

H'ng Boon Keng
(appointed as Chairman on 11 April 2022)

Members

Ng Kit Ching
(appointed as a member on 11 April 2022)

Dr. Yap Lang Ling
(appointed as a member on 11 April 2022)

Chin Kok Sang
(ceased as a member on 11 November 2021)

Yeoh Hong Hwang
(ceased as a member on 11 November 2021)

Lee Cheow Fui
(ceased as a member on 11 April 2022 and resigned on 25 April 2022)

NOMINATION AND REMUNERATION COMMITTEE

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

Chairman

Chithra Ganesalingam
(ceased as Chairman of the former Nominating Committee on 11 April 2022)

Lee Siow Hong

(appointed as Chairman on 11 April 2022)

Members

Choong Chee Meng

Leong Sek Hoe

(appointed as a member on 11 April 2022)

Ng Kit Ching

(appointed as a member on 11 April 2022)

Dr. Yap Lang Ling

(appointed as a member on 11 April 2022)

Chin Kok Sang

(ceased as a member of the former Nominating Committee on 11 November 2021)

Yeoh Hong Hwang

(ceased as Chairman of the former Remuneration Committee on 11 November 2021)

Lee Cheow Fui

(ceased as a member of the former Remuneration Committee on 11 April 2022 and resigned on 25 April 2022)

GROUP BOARD RISK COMMITTEE

Chairman

Dr. Yap Lang Ling
(appointed as Chairman on 11 April 2022)

Members

Ng Kit Ching
(appointed as a member on 11 April 2022)

H'ng Boon Keng

(appointed as a member on 11 April 2022)

SENIOR INDEPENDENT DIRECTOR

H'ng Boon Keng

Independent Non-Executive Director
(appointed on 27 April 2022)

Lee Cheow Fui

(Ceased as Senior Independent Director on 11 November 2021 following his redesignation to Non-Independent Non-Executive Director and resigned on 25 April 2022)

COMPANY SECRETARIES

Low Kim Heow (MAICSA 7007682)

SSM PC No. 201908002950

Mak Chooi Peng (MAICSA 7017931)

SSM PC No. 201908000889

Tan Cheng Han (MIA 11280)

SSM PC No. 202008000103

(resigned on 22 March 2022)

REGISTERED OFFICE

6th Floor, Menara Apex, Off Jalan Semenyih,
Bukit Mewah, 43000 Kajang, Selangor Darul Ehsan.

Tel : 603-8736 1118

Fax : 603-8737 3261

Website : www.apexequity.com.my

SHARE REGISTRAR

Sectrars Management Sdn. Bhd.

[201501002558 (1127890-P)]

Lot 9-7, Menara Sentral Vista,

No. 150, Jalan Sultan Abdul Samad, Brickfields,

50470 Kuala Lumpur.

Tel : 603-2276 6138/6139

Fax : 603-2276 6131

AUDITORS

Crowe Malaysia PLT

Kuala Lumpur Office, Level 16, Tower C,
Megan Avenue II, 12, Jalan Yap Kwan Seng,
50450 Kuala Lumpur.

Tel : 603-2788 9999

Fax : 603-2788 9998

PRINCIPAL BANKERS

Alliance Bank Malaysia Berhad

CIMB Bank Berhad

Hong Leong Bank Berhad

Malayan Banking Berhad

Standard Chartered Bank Malaysia Berhad

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

Stock Short Name: APEX

Stock Code: 5088

CHITHRA GANESALINGAM

Independent Non-Executive Chairman
Age 56, Female, Malaysian

Ms. Chithra Ganesalingam was appointed to the Board on 7 March 2017 and was later appointed as Chairman of the Board on 30 April 2021.

Ms. Chithra graduated from the University of Leicester, United Kingdom with a LLB(Hons) degree in 1991. She went on to complete the Certificate in Legal Practice (CLP) in 1992. She did her chambering and went on to be called to the Malaysian Bar as an Advocate & Solicitor of the High Court of Malaya in 1993.

Ms. Chithra joined JF Apex Securities Berhad in December 1993 as its Legal Officer. She was later appointed as Group Company Secretary and Legal Advisor of the Apex Group.

She left Apex Group in November 2000 to practice law with Messrs Wong Lu Peen and Tunku Alina. Her area of practice is in corporate and commercial namely secretarial, securities, mergers and acquisitions, listing advisory, joint ventures, investment structures, shipping finance, banking & finance (including Islamic finance) and conveyancing. To date, Ms. Chithra continues to practice law.

Ms. Chithra does not hold any directorship in any other public company or listed issuer.

She is also not a member of any Board committee of the Company.

CHOONG CHEE MENG

Non-Independent Non-Executive Director
Age 60, Male, Malaysian

Mr. Choong Chee Meng was appointed to the Board on 15 November 2017, and he is a member of the Nomination and Remuneration Committee.

Mr. Choong is the co-founder and Group Executive Director of ACE Holdings Berhad and its group of companies ("ACE" or "ACE Group"). Over the years, he has successfully set up a robust framework for ACE's credit and leasing businesses as well as guiding the organization to implement various initiatives that conforms to the industry's best practices.

Mr. Choong has successfully created straightforward, personalized, and cost-efficient financing solutions which differentiated ACE from other conventional financial offerings. Leading a team of accomplished and capable individuals, he works directly with businesses and equipment vendors to provide innovative lease financing solutions. As a result, ACE Credit (M) Sdn Bhd ("ACE Credit") has created a unique niche in the Small and Medium Enterprises (SMEs) and has built a stellar reputation as a respected commercial financing company. To date, ACE Credit has successfully transformed into a premier organization in the credit, leasing, and financing sector.

Mr. Choong also provides valuable guidance to ACE Group's property development, joint ventures and investment businesses. On top of his strategic responsibilities, Mr. Choong also manages the functional processes of the ACE Group, which includes risk management, devising functional and effective marketing and sales strategies, drive community relations and advocacy, and oversees financial planning of the ACE Group.

He has been successful in leading various transformation programs to reinvigorate the ACE brand as well as operationalized the digitization of the organisation to improve the effectiveness and efficiency of the workforce.

Mr. Choong also led the implementation of critical learning and development measures to ensure that the organization remains competent and sustainable. Overall, his unorthodox leadership style allowed the organization to remain resilient and relevant across an ever-changing environment.

Mr. Choong has deemed interest in the Company by virtue of his shareholding in ACE Alliance Holdings Sdn. Bhd., the ultimate parent company of ACE Credit (M) Sdn. Bhd., a substantial shareholder of the Company.

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

LEONG SEK HOE

Non-Independent Non-Executive Director and Chief Executive Officer of JF Apex Securities Berhad
Age 62, Male, Malaysian

Mr. Leong Sek Hoe was appointed as Non-Independent Non-Executive Director of the Company on 22 March 2022. He was later appointed as a member of the Nomination and Remuneration Committee on 11 April 2022. He is presently the Chief Executive Officer and Executive Director of JF Apex Securities Berhad, a wholly-owned subsidiary of Apex Equity Holdings Berhad. He joined the Apex Group on 7 August 2014 as Executive Director Operations of JF Apex Securities Berhad and was re-designated as the Chief Executive Officer on 6 December 2017.

Mr. Leong graduated with a Bachelors of Accounting (Honours) degree from the Universiti Kebangsaan Malaysia in 1983. He is also a member of the Malaysia Association of Certified Public Accountants, now known as Malaysian Institute of Certified Public Accountants (MICPA) and is a member of the Malaysian Institute of Accountants (MIA) as a Chartered Accountant, both since 1988.

Mr. Leong has worked as a Manager with Coopers & Lybrand over a period of 9 years in areas of audit and corporate care, as Deputy General Manager with Inter-Pacific Securities Sdn Bhd over a period of 5 years and as the Executive Director Operations with Jupiter Securities Sdn Bhd over a period of 7 years. He then joined EON Bank Group in 2004 when it acquired the stockbroking company, Leong & Co Sdn Bhd (later renamed as EONCAP Securities Sdn Bhd) as the Executive Director, Operations. Mr. Leong was re-designated as Head of Operations after the entity was renamed and merged with the group's Malaysian International Merchant Bankers Berhad to form MIMB Investment Bank Berhad (MIMB IB) in 2006. Upon the acquisition of EON Bank Group by Hong Leong Bank Group, MIMB IB was merged with Hong Leong Investment Bank Berhad, and Mr. Leong was appointed as the Head of Operations in 2013 where he remained for a year.

NG KIT CHING

Independent Non-Executive Director
Age 48, Female, Malaysian

Ms. Ng Kit Ching was appointed to the Board on 22 March 2022. She was subsequently appointed as a member of the Audit Committee, Nomination and Remuneration Committee and Group Board Risk Committee on 11 April 2022.

Ms. Ng graduated from the Curtin University of Technology, Perth, Australia with a Bachelor's Degree in Commerce, majoring in finance and marketing.

Ms. Ng is the founder of Wahine Capital Sdn Bhd, a women empowerment organisation with a focus on financial literacy and mentoring. She is the co-founder of EnGame Sdn Bhd, a B2B game development company with the very first self-serve game deployment platform for SMEs, as well as Founding Advisory Board Member to Fortnynja in the setup of a fully online e-Fintech school targeting Asia Pacific participants. Ms. Ng is also the co-founder of Women In Blockchain Asia, a platform enabling gender participation in the blockchain field as well as founder of the Growing Emerging Leaders, a non-governmental organisation to address the needs of today's youth, specifically focusing on assisting their integration with the work environment and adulthood.

Ms. Ng has more than 20 years of working experience in banking and financial services since 1997, with experience ranging from global banks to large regional banks. In her last banking position, she was the Head of Group Digital, Strategic Digital Alliances for Maybank Group. Amongst her senior-level assignments include strategy for financial inclusion, setting up of corporate and consumer financial services contact centres, credit card merchant and unsecured lending businesses, overseeing the card business regionalisation programmes for one of the largest banks in the region. She has also been tasked with creating alliances with synergies for organisations and providing consultancy from business transformation to service culture enhancements to the C-Suites. She has also been into the telecommunication industry as well as marketing companies.

Ms. Ng currently serves as an independent non-executive director of SMRT Holdings Berhad.

DR. YAP LANG LING

Independent Non-Executive Director
Age 49, Female, Malaysian

Dr. Yap Lang Ling was appointed to the Board on 22 March 2022. She was subsequently appointed as chairperson of the Group Board Risk Committee, a member of the Audit Committee and the Nomination and Remuneration Committee on 11 April 2022.

Dr. Yap has a Doctorate degree in service supply chain management, information technology integration and organizational performance in the healthcare industry. She has a Master's degree in Human Resource Management, Bachelor's degree with Honours in Economics, Project Management Professional credential, and Global Remuneration Professional designation.

She has more than 25 years of working experience for various leadership roles in global multinational companies across high-tech, financial services and energy industries; including local conglomerate for real estate and healthcare industries. Her experience encompassed 2 years of strategic sourcing and procurement experience in managing outsourced business processes with global and regional suppliers for group insurance benefits, occupational health, employee services, finance and administration for 17 countries in Asia and 8 countries in Latin America. 4 years of manufacturing operations and systems engineering related experience for high-paced virtual factories. 1.5 years of experience on quality, risk management, and infection prevention and control for group healthcare in Malaysia and Singapore. She further has approximately 19 years of human resource (HR) experience in various leadership capacity for the full spectrum of HR in Malaysia and with progressively responsible global experience in pay/stock/benefits design and administration for manufacturing and sales & marketing environment, greenfield, brownfield, start-up, and merger and acquisition.

Dr. Yap sits on the editorial board of Journal of Future Robot Life, IOS Press, The Netherlands. In addition, she is a graduate director of both the LeadWomen Global Women on Boards Program and 30% Club Malaysia Chapter board mentoring scheme; with subject matter expertise in strategic HR and deep knowledge in technology, digital and robotics.

Dr. Yap does not hold any directorship in any other public company or listed issuer.

H'NG BOON KENG

Independent Non-Executive Director
Age 49, Male, Malaysian

Mr. H'ng Boon Keng was appointed to the Board on 11 April 2022. He was also appointed as Chairman of the Audit Committee and a member of the Group Board Risk Committee on the same date.

Mr. H'ng graduated from the University Kebangsaan Malaysia with a Bachelor of Accounting degree (Honours). Professionally, he is a member of the Malaysian Institute of Accountants, a member of Malaysia Institute of Certified Public Accountant and a member of Financial Planning Association of Malaysia.

He started his career with Arthur Andersen & Co ("AA") in 1997 and joined Ernst & Young Malaysia ("EY") pursuant to the merger between AA and EY in 2002 and was subsequently promoted as an assurance partner of EY in 2013. Mr. H'ng left EY as an assurance partner at the end of 2021.

Mr. H'ng has more than 24 years of experience in financial audits for various public listed, multinational corporations, government-linked corporations and other private companies in various industry sectors which includes real estate, hospitality, construction, retails, capital venture, facilities management, education, automotive, logistic services, and diversified manufacturing concerns. He has experience in reporting accountants work in connection with initial public offerings in Malaysia and those with international offerings, reverse take-over exercise, corporate debts restructuring, bond issues, financial due diligence reviews, fraud investigation and Malaysia GAAP-IFRS conversion exercises.

He had also worked in EY London as Senior Manager for approximately 2 years, led the audits of various companies in the United Kingdom and the US SEC Registrant subsidiaries and had US-UK GAAP conversion and Section 404 of Sarbanes Oxley Act Reporting experiences then.

Mr. H'ng was the partner-in-charge of business operations of a branch office of his former firm in Malaysia for 2 years and was also involved in managing China referrals as well as pursuits of targeted China-based enterprises operating in Malaysia.

Mr. H'ng does not hold any directorship in any other public company or listed issuer.

LEE SIOW HONG

Independent Non-Executive Director
Age 58, Male, Malaysian

Mr. Lee Siow Hong was appointed to the Board and as the Chairman of the Nomination and Remuneration Committee on 11 April 2022.

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

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

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

Mr. Lee is currently the Chief Executive Officer of Gelang Semarak Sdn. Bhd., in charge of sand mining operations, sand and mineral trading, land improvement, civil, infrastructure and building construction.

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

Notes

1. None of the Directors have any family relationship with any Director and/or major shareholder of the Company.
2. None of the Directors have any conflict of interest with the Company.
3. None of the Directors have been convicted for offences within the past 5 years (other than traffic offences, if any) and there were no public sanctions or penalties imposed by the relevant regulatory bodies during the financial year ended 31 December 2021.
4. Details of Board meeting attendance of each Director are disclosed in the Corporate Governance Overview Statement in this Annual Report.

Senior Management Profile

ZAIRUL AZMAN BIN JEMAARI

Executive Director Dealing of JF Apex Securities Berhad
Age 52, Male, Malaysian

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

Encik Zairul Azman graduated from the Universiti Kebangsaan Malaysia (UKM) with a degree in Bachelor of Economics (Hons) majoring in Economic Analysis & Public Policy. He has been in the stockbroking industry since 1993 and has 28 years' experience in dealing department especially for institutional clients.

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

KONG MING MING

Executive Director Dealing of JF Apex Securities Berhad
Age 52, Female, Malaysian

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

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

TAN CHENG HAN

Group Financial Controller of JF Apex Securities Berhad
Age 53, Male, Malaysian

Mr. Tan Cheng Han has more than 29 years of working experience in the fields of audit, operations, compliance and group accounts. He holds a professional qualification from the Chartered Institute of Management Accountants and is a member of Malaysian Institute of Accountants.

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

Notes

1. None of the Senior Management has any family relationship with any Director and/or major shareholder of the Company.
2. None of the Senior Management has any conflict of interest with the Company.
3. None of the Senior Management has been convicted for offences within the past 5 years (other than traffic offences, if any) and there were no public sanctions or penalties imposed by the relevant regulatory bodies during the financial year ended 31 December 2021.

On behalf of the Board of Directors of Apex Equity Holdings Berhad, I have the pleasure of presenting to you the Annual Report together with the Audited Financial Statements for the financial year ended 31 December 2021 ("FY 2021").



Review

Due to the prolonged COVID-19 pandemic, the global and domestic economies have been significantly impacted. Notwithstanding, we are grateful that being categorized as "essential services" allowed us to operate during the economic shutdown which ensured our bottomline remains unaffected. On this note, I, on behalf of my fellow directors have the pleasure of presenting to you the Annual Report together with the Audited Financial Statements for FY 2021.

Financial Results

For FY 2021, our revenue increased to RM88.4 million (FY 2020: RM57.2 million), soaring 54.5% year on year (y-o-y). Similarly, the Group's pretax profit also surged to RM27.1 million (FY 2020: RM23.3 million), representing an increase of 16.3% y-o-y. In tandem with the higher revenue, the Group recorded 25.0% increase in net profit after tax of RM21.5 million (FY 2020: RM17.2 million). Hence, the Group's earnings per share for FY 2021 also rose to 10.60 sen (FY 2020: 8.49 sen). The stronger results posted for FY 2021 was mainly due to the reversal of an impairment loss on doubtful debts coupled with higher gain from the disposal of land.

Outlook

The International Monetary Fund's World Economic Outlook Report in January 2022 projected global GDP to grow by 4.4% in 2022, in anticipation of heightened economic activities worldwide following the reopening of the economy, international borders and business activities. The Malaysian Government also indicated 2022 to be a better year, with domestic GDP targeted to grow 5.5% to 6.5%. This growth was premised on the performance of the global economy alongside the resumption of full economic sectors and lifting of travel bans under the National Recovery Plan (NRP). The positive growth trajectory is further boosted by the government's 12th Malaysia Plan and Budget 2022. Having said that, we envisage that the capital markets particularly the stockbroking industry will remain challenging and volatile due to external and internal uncertainties.

Path Ahead

Despite the uncertain and challenging times ahead, the Apex Group consistently strives to achieve business growth. The Group will also remain committed in building its business and capitalizing on any opportunities for expansion alongside diversified products and offerings. On cost optimization, the management is exploring the idea of leveraging on digitalization and automation to achieve greater productivity and operational efficiency whilst minimizing overheads to remain competitive in the industry. We believe our strategic business direction is in tandem with the agenda envisaged by the Securities Commission Malaysia's Capital Market Masterplan 3 on digital acceleration and diversified product range offered by the industry players.

Appreciation

On behalf of the Board of Directors, I would like to express my heartfelt appreciation to the management team, remisers and employees of Apex Group for our stellar financial results. I would also like to take this opportunity to thank my fellow directors, our shareholders, customers, Bursa Malaysia, Securities Commission Malaysia and other stakeholders for their continuous support, co-operation and confidence in the Group. I would also like to record the Board's sincere thanks and appreciation to my fellow director, Mr Tony Lee Cheow Fui who has decided to step down after serving the Board for more than ten(10) years.

Chithra Ganesalingam

Non-Executive Chairman

Corporate Governance Overview Statement

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

The Board is pleased to present an overview of the Group's corporate governance practices, which summarise the Group's application of the Principles and Recommendations of the Malaysian Code on Corporate Governance ("MCCG") throughout the financial year ended 31 December 2021 ("FY 2021").

This Corporate Governance Overview Statement ("Statement") is prepared in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("MMLR") and it is to be read together with the Corporate Governance Report 2021 of the Company ("CG Report") which can be found on the Company's website at www.apexequity.com.my. The CG Report provides details of the Group's application and departures, including alternative practices of the principles and recommendations of MCCG.

From 29 January 2021 up to 11 November 2021, the Group has applied all the practices contained within the MCCG except for Practice 4.5 (the Board has at least 30% women directors), and Practice 7.2 (disclosure of remuneration of senior management on a named basis). An overview of the departures are detailed below:

- Practice 4.5 - To meet the 30% women director composition target, the Nominating Committee ("NC") and the Board are always on the look out to expand the pool of potential women candidates for Board candidacy. The NC reviews and recommends the criteria for appointment of Directors based on the skills, composition and requirements of the Group's growth strategy.
- Practice 7.2 – The Board has chosen to disclose the remuneration of the top 5 senior management staff in bands instead of on a named basis as the Board considers the information on the remuneration of these employees sensitive and proprietary. The transparency and accountability aspects of corporate governance, applicable to the remuneration of these staff, are deemed appropriately served by the disclosure in bands of RM50,000.00.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

The Board's main roles are to create long-term value for its shareholders and various stakeholders, and provide leadership to the Group. The Board is primarily responsible for the Group's overall strategic plans and direction to ensure its sustainability, overseeing the conduct of the businesses, risk management, succession planning, effective investor relations and ensuring the systems and processes of internal controls and management are adequate and effective.

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

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

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

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

Corporate Governance Overview Statement (cont'd)

During FY 2021, in addition to routine matters, the Board looked into the following areas:

- The impact of the COVID-19 pandemic on the Group's business, in particular during the Movement Control Orders, and the actions taken by Management to lessen such impact including enhancement of the Group's COVID-19 standard operating procedures.
- Enhancement of the digital platform to engage with prospective customers and to facilitate operational activities amid the COVID-19 outbreak.
- Declaration of dividends.
- Enhancement of the Group's environmental, social and governance commitment to achieve sustainability goals.
- The performance incentive for eligible employees to ensure long-term sustainability and to reward, motivate and retain staff with excellent performance.
- The gap analysis on the revised MCCG issued by the Securities Commission Malaysia on 28 April 2021 ("MCCG 2021").

During FY 2021, until 11 November 2021, the Board was assisted by 3 Board committees, namely the Audit and Risk Management Committee ("ARMC"), NC and the Remuneration Committee ("RC") (collectively referred to as "the Board Committees"), which operate within its respective defined terms of reference ("TOR") approved by the Board. The TOR of the respective Board Committee are periodically reviewed and assessed to ensure that the respective TORs remain relevant and adequate in governing the functions and responsibilities of the committee concerned and reflect the latest developments in the MMLR and the MCCG.

On 11 April 2022, the Board formed a new Audit Committee ("AC") to replace the existing ARMC which was not constituted post 11 November 2021 and to segregate the risk management oversight function to a new Group Board Risk Committee. Details of the ARMC's non-compliance are set out in the ARMC Report. On the same date, the Board also merged the existing NC and the RC to form a new Nomination and Remuneration Committee ("NRC"). Details of which are set out in the NC Report and RC Report.

Group Board Risk Committee

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

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

The GBRC comprises the following members:

1	Dr. Yap Lang Ling , Chairperson (appointed on 11 April 2022)	Independent Non-Executive Director
2	Ng Kit Ching (appointed on 11 April 2022)	Independent Non-Executive Director
3	H'ng Boon Keng (appointed on 11 April 2022)	Independent Non-Executive Director

Roles and Responsibilities of the Chairman and Chief Executive

The roles and responsibilities of the Chairman and the Chief Executive Officer ("CEO") are clearly separated. The Chairman holds a non-executive position and is primarily responsible for matters pertaining to the Board and overall conduct of the Board. The CEO is at its principal subsidiary level at JF Apex Securities Berhad ("JF Apex"), and he is responsible for the formulation of corporate goals and objectives and the implementation of strategies to achieve them. The discharge of the CEO's responsibilities is under the oversight of the Board.

The Board has appointed Mr. Leong Sek Hoe, Executive Director/CEO of JF Apex as a NINED on 22 March 2022.

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

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

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

Role of the Company Secretaries

The Board is supported by Company Secretaries who provide advisory services, particularly on applicable governance best practices, corporate administration and Board processes to facilitate overall compliance with the MCGG, Companies Act 2016 and applicable laws and regulations. The Company Secretaries presented to the Board a gap analysis on the MCGG 2021 and the steps identified to implement the new and updated practices, as well as the necessary changes to be made to the current Board structure and policies.

Access to Information and Advice

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

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

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

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

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

Board Charter

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

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

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

Code of Conduct

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

Whistleblowing Policy

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

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

Board Composition and Independence

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

For the period since 11 November 2021 until 22 March 2022, the Board had only 3 members, comprising 2 Non-Independent Non-Executive Director ("NINED")s and one INED. As such, the Board did not comply with paragraph 15.02(1) of the MMLR, which states that a listed issuer must ensure that at least 2 directors or 1/3 of the board of directors of a listed issuer, whichever is the higher, are INEDs.

On 22 March 2022, the Board appointed Ms. Ng Kit Ching and Dr. Yap Lang Ling as INEDs and Mr. Leong Sek Hoe as NINED of the Company. Mr. Leong is currently the Executive Director/CEO of JF Apex.

On 11 April 2022, the Board further appointed Mr. Lee Siow Hong and Mr. H'ng Boon Keng as INEDs. As a result, the Board currently comprises 8 Directors with a majority of INEDs and 37.5% women directors. Moving forward, the Board through the newly established NRC, will review annually the structure, size and composition of the Board to ensure its effectiveness.

The Board has also appointed Mr. H'ng Boon Keng as the new Senior Independent Director of the Company on 27 April 2022 to coordinate the activities of the INEDs. Any queries or concerns relating to the Group may also be conveyed and directed to him via email at bkhng@apexequity.com.my. The position of Senior Independent Director was vacant since the redesignation of the former Senior Independent Director, namely, Mr. Lee Cheow Fui, from INED to NINED on 11 November 2021.

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

Tenure of INEDs

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

Appointments and Re-elections to the Board

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

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

The Board has reviewed the suitability of the following Directors due for re-election at the forthcoming 32nd AGM:

i	Chithra Ganesalingam	retiring pursuant to Article 102
ii	Dr. Yap Lang Ling	retiring pursuant to Article 109
iii	Ng Kit Ching	retiring pursuant to Article 109
iv	Leong Sek Hoe	retiring pursuant to Article 109
v	Lee Siow Hong	retiring pursuant to Article 109
vi	H'ng Boon Keng	retiring pursuant to Article 109

Corporate Governance Overview Statement (cont'd)

Board Diversity

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

The Board is of the view that the suitability of potential candidate for the Board is dependent on the candidate's competency, skills, experience, expertise, character, time commitment, integrity and other qualities in meeting the needs of the Company, regardless of gender. There are currently 3 female Directors on the Board.

Annual Assessment

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

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

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

Meetings and Time Commitment

The Board meets at least 4 times a year at quarterly intervals with additional meetings convened where necessary. During FY 2021, 9 Board meetings were held to deliberate on matters such as the Group's financial results, business plan, budget, appointment of management, appointment of INED for JF Apex, remuneration for non-executive directors, strategic decisions, and strategic direction of the Group amongst others. Board meetings for each year are scheduled in advance before the end of the preceding year in order for Directors to plan their schedules. Based on the attendance by Directors who held office during FY 2021, the Board is satisfied with the level of time commitment of the Directors towards fulfilling their roles and responsibilities as Directors. The record of attendance of the Directors at Board meetings and various Board Committees' meetings for FY 2021 is disclosed in the table below:-

Directors	Board	ARMC	NC	RC
Chithra Ganesalingam (ceased as a member of ARMC on 30 April 2021)	9/9	1/1	3/3	2/2
Choong Chee Meng	8/9	N/A	3/3	N/A
Lee Cheow Fui (resigned on 25 April 2022)	9/9	4/4	N/A	2/2
Chin Kok Sang (ceased as Director on 11 November 2021)	8/8	4/4	3/3	N/A
Yeoh Hong Hwang (ceased as Director on 11 November 2021)	8/8	4/4	N/A	2/2

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

In FY 2021, all the Directors attended more than the minimum of 50% of Board meetings held as stipulated under paragraph 15.05 of the MMLR. Additionally, in between meetings, the Directors also approved various matters requiring the sanction of the Board by way of circular resolutions.

Corporate Governance Overview Statement (cont'd)

Directors' Training

The Directors also made time to attend external training programmes to equip themselves with the knowledge to discharge their duties more effectively and to keep abreast of developments on a continuous basis in compliance with paragraph 15.08 of the MMLR. Details of training programmes and seminars attended by each Director who held office during FY 2021 are as follows:

Name	Date	Programme
Chithra Ganesalingam	2 March 2021	Cultural Diversity in the Boardroom by ICDM
	22 March 2021	Collaboration in the Boardroom: Behavioral and Relationship by ICDM
	26 March 2021	A Boardroom Simulation Live! Corporate Strategy Beyond the Crisis by ICDM
	1 April 2021	M&A Due Diligence: From Legal and Risk Perspectives by ICDM
	24 May 2021	Board Committees Overview by ICDM
	1 July 2021	MCCG Revision 2021 – Changing the Game in Corporate Governance by ICDM
	8 July 2021	Launch of the 2020 Malaysian Board Practices Review Report by ICDM
	13 July 2021	Board and Executive Remuneration in Times of Crisis by ICDM
	19 July 2021	ICDM Group Coaching by ICDM
Choong Chee Meng	-	-
Lee Cheow Fui (resigned on 25 April 2022)	-	-
Chin Kok Sang	2 March 2021	Qualified Risk Director Program by IERP Series 1 - Risk Oversight Practices Series 2 - Corporate Culture and ERM
	6 May 2021	Get to know each other and explore your role as a director in accelerating corporate innovation by ICDM
	20 May 2021	Governance in SMEs by MICG
	25 May 2021	"Tax Audit and Tax Investigation : Checkmate for tax payers?" by FPLC
	26 May 2021	"The Rise of AI and Its Impact on Strategy & Business" by KPMG Denmark
	3 June 2021	APAC Expert Webinar Series: The Business of Fraud by FS-ISAC
	15 June 2021	Qualified Risk Director Professional Certification Program by IERP Series 5 - Evolving Expectation for Boards in ERM Series 6 - The Role of Board in Fraud Risk Management
	18 June 2021	Director's Networking Group: MCCG 2021 - Much ado about nothing? by IERP
	29 June 2021	Sustainability Reporting Workshops for Practitioners: Scope & Materiality in Sustainability Reporting 2021 by Bursa
	8 July 2021	Cybersecurity: Navigating the Future by CAANZ
	9 July 2021	Corporate Governance Revisited : The co-existence of Ethics & Law sets you F.R.E.E by MACD

Corporate Governance Overview Statement (cont'd)

	13 July 2021	Qualified Risk Director Professional Certification Program by IERP Series 7 - Establishing an empowered Board Risk Committee
	16 July 2021	Value Creative Strategies : An Innovative Take On Creating Impactful, Healthy Companies by MACD
	28 July 2021	Overview of Cross-border Compliance Issues on Anti-Money Laundering Laws in Asia by Baker McKenzie
	29 July 2021	Financial Crime and Market Misconduct Post Covid-19 and Beyond by SIDC
	12 August 2021	Qualified Risk Director Professional Certification Program by IERP Series 9 - Directors Guide to BCM and ISO 22301
	19 August 2021	The Board's role & responsibilities in Crisis Communication by FIDE Forum
	4 August 2021	Rethinking Cybersecurity in the New Norm by SIDC
	27 August 2021	Top tech trends - What do they mean for your organization by FPLC
	2 Sept 2021	RAW Compliance Training Course - Ethics, Conduct, Compliance
	22 - 23 Sept 2021	Business Foresight Forum (BFF) 2021 - Transformative Innovation Reshaping Business Realities in Extraordinary Times by SIDC
	23 Sept 2021	Series 18 - Directors' Guide To Risk Management in Technology (RMiT) by IERP
	28 Sept 2021	Webinar on Securities Commission ('SC') Guidelines on the conduct of Directors of listed corporations and their subsidiaries ('SC Guidelines') by MICG
	27-Oct-21	RAW Compliance...Pandora Papers, anything new? by RAW
	8 Nov - 18 Nov 2021	International Coaching & Leadership Summit(ICLS) 2021 Virtual Event by Evenesis
	9 Nov 2021	Becoming a Boardroom Star by MICG
Yeoh Hong Hwang	8 July 2021	Launch of the 2020 Malaysian Board Practices Review Report by ICDM
	24 August 2021	Rethinking Cybersecurity in the New Norm by SIDC

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Suitability and Independence of External Auditors

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

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

The ARMC annually assesses the audit quality, suitability, objectivity, effectiveness and independence of the external auditors. The ARMC also ensures that any provision of non-audit services by the external auditors are not in conflict with their role as auditors.

As the ARMC was not constituted from 11 November 2021 until 11 April 2022, the evaluation of the performance of the external auditors, which require deliberation and recommendation by the ARMC, were deliberated directly by the Board. At the Board meeting held on 21 February 2022, the Board assessed the performance, competency, independence, technical capabilities and resource sufficiency of the external auditors. Based on the assessment, the Board was satisfied with the independence and performance of the external auditors and recommended to the Board to put forth a proposal for their re-appointment at the forthcoming 32nd AGM of the Company.

Risk Management and Internal Control Framework

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

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

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

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

The Board has formed a new GBRC on 11 April 2022 to assist the Board in reviewing and monitoring the adequacy and integrity of the Group's risk management and internal control framework.

Internal Audit Function

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

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

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

The function of the internal auditor and work carried out to discharge her duties and responsibilities during FY 2021 are set out in the ARMC report in this Annual Report.

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

Compliance with Applicable Financial Reporting Standards

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

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

Investors Relations and Shareholders Communication

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

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

The Company was still not able to leverage on technology to conduct its AGM and disseminate the notice of AGM in FY 2021 as its existing Articles of Association did not expressly provide for virtual meetings and dissemination of notice of general meetings via electronic means. The 31st AGM of the Company, which was initially scheduled to be held on 28 June 2021, had to be adjourned as physical meetings were disallowed at that point in time when the Movement Control Order was still enforced. The adjourned 31st AGM was later held on 11 November 2021 when physical meetings were allowed subject to strict adherence to the COVID-19 standard operating procedures set by the Kementerian Kesihatan Malaysia and the Kementerian Keselamatan Malaysia.

Unless the Company is able to secure 75% shareholders' approval to adopt a new constitution, the Company will not be able to hold virtual general meetings and disseminate notices of general meetings electronically. For purposes of compliance with the MMLR, the Company will be tabling the special resolution on altering or amending the whole of its existing Memorandum and Articles of Association by the replacement thereof with a new Constitution at the forthcoming 32nd AGM.

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

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

Both this Corporate Governance Overview Statement and the CG Report were approved by the Board on 27 April 2022.

Audit and Risk Management Committee Report

MEMBERSHIP AND MEETINGS

Members

1	H'ng Boon Keng, Chairman (appointed on 11 April 2022)	Independent Non-Executive Director
2	Ng Kit Ching (appointed on 11 April 2022)	Independent Non-Executive Director
3	Dr. Yap Lang Ling (appointed on 11 April 2022)	Independent Non-Executive Director
4	Chin Kok Sang (ceased as a member on 11 November 2021)	Independent Non-Executive Director
5	Yeoh Hong Hwang (ceased as a member on 11 November 2021)	Independent Non-Executive Director
6	Lee Cheow Fui (redesignated to Non-Independent Non-Executive Director on 11 November 2021 and ceased as a member on 11 April 2022, resigned on 25 April 2022)	Non-Independent Non-Executive Director

Following the cessation of office of Mr. Chin Kok Sang ("Mr. Chin") and Mr. Yeoh Hong Hwang ("Mr. Yeoh") as members of the Audit and Risk Management Committee ("ARMC") and the redesignation of Mr. Lee Cheow Fui ("Mr. Lee"), Chairman of the ARMC, from Independent Non-Executive Director ("INED") to Non-Independent Non-Executive Director ("NINED") on 11 November 2021, the ARMC was not constituted since then.

As such, the Company was not in compliance with paragraph 15.09(1) (Composition of the Audit Committee) and paragraph 15.10 (Chairman of the Audit Committee) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("MMLR") for the period from 11 November 2021 up to 11 April 2022.

The Board of Directors of the Company ("the Board") had on 22 March 2022 and 11 April 2022 appointed additional directors comprising both INEDs and NINED on the Board. Taking into consideration the new appointments, a new Audit Committee ("AC") was set up on 11 April 2022.

At present, the new AC comprises 3 members, all of whom are INEDs. The Chairman of the AC is a qualified accountant and a member of the Malaysian Institute of Accountants. The composition complies with the MMLR.

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

Meetings and Attendance

A total of 4 meetings were held during the financial year ended 31 December 2021 ("FY 2021"). Details of attendance of each member of the ARMC who held office during FY 2021 are as follows:-

Members	Attendance
Lee Cheow Fui (resigned on 25 April 2022)	4/4
Chin Kok Sang (ceased as a member on 11 November 2021)	4/4
Yeoh Hong Hwang (ceased as a member on 11 November 2021)	4/4

Since 11 November 2021, the Company was not able to comply with paragraph 15.09(1)(a) of the MMLR as the composition of the former ARMC fell below the required minimum of 3 members and was not constituted. As such, the unaudited quarterly results for the third quarter ended 30 September 2021, which requires deliberations and recommendation by the ARMC, was deliberated directly by the Board.

The non-compliance arose following the cessation of office of the INEDs at that point in time, namely, Mr. Chin and Mr. Yeoh, who were not re-elected as Directors of the Company at the adjourned 31st Annual General Meeting of the Company held on 11 November 2021 ("AGM"). As a result, both Mr. Chin and Mr. Yeoh ceased to be members of the Board as well as the ARMC. At the same AGM, the ordinary resolution pertaining to the retention of Mr. Lee, who has served as an INED for a cumulative term of 9 years, put forth for voting was also voted down. As a result, Mr. Lee was not retained as an INED and was redesignated to NINED.

As these vacancies could not be filled within the period of 3 months from the date of non-compliance, the Company had since applied to Bursa Securities and been granted extension of time up until 11 April 2022 to comply with paragraphs 15.09(1)(a) and 15.10.

SUMMARY OF ACTIVITIES DURING FY 2021

During FY 2021, the activities carried out by the ARMC are as follows:

Financial

1. Reviewed the unaudited quarterly results for the financial quarters ended 31 December 2020, 31 March 2021 and 30 June 2021 before they were presented to the Board for approval.
2. Reviewed the audited financial statements, directors' reports and other significant accounting issues arising from the audit for the financial year ended 31 December 2020 ("FY 2020") with the external auditors before they were presented to the Board for approval.
3. Reviewed and recommended all the reports and statements for inclusion in the Company's 2020 Annual Report to the Board for approval.
4. Reviewed and was satisfied with the solvency test prepared by management prior to the declaration and payment of interim dividends in FY 2021.

Matters relating to External Auditors

1. Reviewed and approved the audit review memorandum (final audit findings for FY 2020 prepared by the external auditors).
2. Reviewed with the external auditors, the results of the audit, audit report and recommendations.
3. Met with the external auditors without the presence of management on 25 February 2021, 29 November 2021 and 20 April 2022 so as to provide the external auditors with an avenue to express any concerns they may have.
4. Reviewed and assessed the performance, suitability and independence of the external auditors. After carrying out the evaluation, recommended to the Board to propose to shareholders the re-appointment of the external auditors at the AGM of the Company.
5. Reviewed the audit services and non-audit services provided by the external auditors and their corresponding fees incurred. The ARMC had concluded that the external auditors had remained independent during FY 2021.

Matters relating to Internal Auditors

1. Reviewed and approved the internal audit annual plan to ensure adequate scope and coverage of the Group's activities based on identified and assessed key risk areas.
2. Reviewed all internal audit reports, including management's responses to the observations raised by the internal auditors, and action plans to be implemented by the management on the issues reported. During the ARMC meetings, discussed significant reported matters with management together with the internal auditors to reaffirm a common understanding of the issues and management's commitment to improve the current system of internal control to address the issues.
3. Assessed and evaluated the performance and effectiveness of the internal audit during FY 2021, which includes the scope, functions, competency and resources as well as their ability to serve the Group in terms of technical competencies and manpower resource sufficiency.
4. Reviewed the outcome of follow-up audits to ascertain the status of implementation by management on the agreed action plans highlighted in the previous internal audit reports.
5. Met with the Head, Internal Audit Group without the presence of management, in order to provide her with an avenue to candidly express any concerns they may have, including those relating to their ability to perform their work without restraint or interference.

Other matters

1. Reviewed and took note of all related party transactions reported for FY 2021.
2. Reviewed and discussed the reports on the Group's risk profile and mitigation controls implemented to manage identified risks.
3. Noted the meeting minutes of the Group Risk Management Committee and reviewed the status update of key risk register reports.

The internal audit team, external auditors and certain members of the senior management team attended the ARMC meetings by invitation. The ARMC chairman reported the proceedings of the ARMC meetings to the Board after every ARMC meeting. Minutes of the ARMC meetings are circulated to all members of the Board and significant issues were brought up and discussed at Board meetings.

Audit and Risk Management Committee Report (cont'd)

After the last ARMC meeting held on 18 August 2021, subsequent matters which require deliberation and recommendation by the ARMC, were deliberated directly by the Board.

SUMMARY OF ACTIVITIES OF THE INTERNAL AUDIT FUNCTION

The Group has an in-house independent internal audit function, namely, Internal Audit Group ("IAG"), that reports directly to the ARMC. The total cost incurred for the internal audit function for FY 2021 amounted to RM 227,924.

The primary responsibility of the IAG is to provide independent objective assessment on the adequacy and effectiveness of governance, risk and processes implemented by the management.

IAG's internal audit function, responsibility and authority are governed by its Internal Audit Charter which was approved by the ARMC. IAG maintained their independence and impartiality on the activities and functions it audits. To reflect the independence of the internal audit function, the IAG reports functionally to the ARMC and administratively to the Chief Executive Officer of JF Apex Securities Berhad. The Head of IAG has free and direct access to the chairman of the ARMC.

IAG adopts a risk-based approach to plan and prioritize audit work focusing on high-risk auditable areas which include the Group's business operations and information system review.

During the year under review, IAG conducted the internal audit engagements in accordance with the approved internal audit plan and reported to the ARMC on a quarterly basis. The following activities were carried out by IAG during FY 2021:-

- ➡ Proposed an annual internal audit plan and tabled for ARMC's consideration and approval before commencing the internal audit work.
- ➡ Performed testing on the Group's compliance policies and procedures as well as relevant rules and regulations.

➡ Evaluated and assessed the adequacy of the Group's internal controls implemented by the management on the area of coverage in the internal audit.

➡ Internal control weaknesses observed during the course of audit review were highlighted to the appropriate level of management for their attention and resolution. The IAG shares the findings, observations and recommendations with senior management.

➡ Reported the outcome of the internal audit by way of a formal internal audit report to the ARMC and Board, highlighting the observations, recommendations and responses from relevant management of the operation units to ensure that remedial measures are taken on reported internal control weaknesses within the required timeframe.

➡ Updated the status of internal audit assignments in the internal audit reports.

➡ Conducted follow-up reviews and provided status updates to the ARMC on the progress of management agreed action highlighted in the previous internal audit reports.

EVALUATION OF THE ARMC

The evaluation of the term of office and performance of the ARMC and each of its member is carried out annually by the Nominating Committee ("NC") and presented to the Board for information.

An evaluation was carried out on the term of office, competency and performance of the ARMC and each of its member for FY 2021 by the Board instead of by the NC as, at that time of the assessment, the NC was not constituted.

TRAINING

Details of training programmes and seminars attended by each ARMC member during FY 2021 is reported under the Corporate Governance Overview Statement under Directors' Training.

Nominating Committee Report

MEMBERSHIP AND MEETINGS

Members

1	Chithra Ganesalingam, Chairperson (ceased as a member on 11 April 2022)	Independent Non-Executive Director
2	Chin Kok Sang (ceased as a member on 11 November 2021)	Independent Non-Executive Director
3	Choong Chee Meng	Non-Independent Non-Executive Director

Following the cessation of office of Mr. Chin Kok Sang ("Mr. Chin") as a member of the Nominating Committee ("NC") on 11 November 2021, the NC was not constituted as it did not meet the requirement in its terms of reference as the number of remaining members fell below the minimum of 3 members, for the period from 11 November 2021 up to 11 April 2022.

The Board of Directors of the Company ("the Board") had on 22 March 2022 and 11 April 2022 appointed additional directors comprising both INEDs and Non-Independent Non-Executive Director ("NINED") on the Board. Taking into consideration the new appointments, the existing NC and the Remuneration Committee were merged to form a new Nomination and Remuneration Committee ("NRC").

The newly constituted NRC comprises 3 members as described in the table below, the majority of whom are INEDs. The authority, duties and responsibilities of the NRC is governed by its terms of reference, which is available on the Company's website at www.apexequity.com.my.

Members

1	Lee Siow Hong, Chairman (appointed on 11 April 2022)	Independent Non-Executive Director
2	Ng Kit Ching (appointed on 11 April 2022)	Independent Non-Executive Director
3	Dr. Yap Lang Ling (appointed on 11 April 2022)	Independent Non-Executive Director
4	Leong Sek Hoe (appointed on 11 April 2022)	Non-Independent Non-Executive Director
5	Choong Chee Meng	Non-Independent Non-Executive Director

Meetings and Attendance

A total of 3 meetings were held during the financial year ended 31 December 2021 ("FY 2021"). Details of attendance of each member of the NC who held office during FY 2021 are as follows:-

Members	Attendance
Chithra Ganesalingam	3/3
Choong Chee Meng	3/3
Chin Kok Sang	3/3

Since 11 November 2021, matters which require deliberations and recommendation by the NC were deliberated directly by the Board.

The insufficient of members arose following the cessation of office of Mr. Chin, who was not re-elected as a Director of the Company at the adjourned 31st Annual General Meeting of the Company held on 11 November 2021. As a result, Mr. Chin ceased to be a member of the Board as well as the NC and hence, the insufficient INEDs.

SUMMARY OF ACTIVITIES DURING FY 2021

The NC performed the following activities in discharging its duties for FY 2021:

Composition of Board and Board Committees

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

Retirement and Re-election

1. Reviewed and assessed the performance and contribution of Directors who retired at the adjourned 31st Annual General Meeting ("AGM") and nominated them for re-election and thereafter, recommended to the Board that resolutions for their re-election be tabled at the said AGM.

Annual Performance Assessment

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

Other matters

1. Reviewed the extension of Employment Contract for Mr. Leong Sek Hoe, the Executive Director/Chief Executive Officer of JF Apex Securities Berhad, a wholly owned subsidiary of the Company, and recommended to the Board for approval.

Based on the annual assessment carried out by the Board in FY 2021, the Board is generally satisfied that the Directors have been effective in their overall discharge of functions and duties and their ability to act in the best interest of the Group. The composition of the Board and the Board Committees has the right mix of skills and knowledge, and the responsibilities of the Directors were well defined and set out in the Board Charter.

Criteria for Assessment and Recruitment

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

In evaluating the suitability of candidates, the NC considers, inter-alia, their background, knowledge, integrity, competency, experience, commitment (including time commitment) and potential contribution to the Company and its subsidiaries ("the Group"). Additionally, in the case of candidates proposed for appointment as INEDs, the candidates' independence. This is consistent with the Group's practice of being an equal opportunity employer where all appointments and employments are based strictly on merit and are not driven by any racial or gender bias. Ms. Ng Kit Ching and Dr. Yap Lang Ling, who were appointed as INEDs on 22 March 2022 has strengthened the profile of the Board and improved the Board's gender diversity and independence.

Remuneration Committee Report

MEMBERSHIP AND MEETINGS

Members

1	Yeoh Hong Hwang, Chairman (ceased as a member on 11 November 2021)	Independent Non-Executive Director
2	Chithra Ganesalingam (ceased as a member on 11 April 2022)	Independent Non-Executive Director
3	Lee Cheow Fui (redesignated to Non-Independent Non-Executive Director on 11 November 2021 and ceased as a member on 11 April 2022, resigned on 25 April 2022)	Non-Independent Non-Executive Director

Following the cessation of office of Mr. Yeoh Hong Hwang ("Mr. Yeoh") as a member of the Remuneration Committee ("RC") and the redesignation of Mr. Lee Cheow Fui ("Mr. Lee") from Independent Non-Executive Director ("INED") to Non-Independent Non-Executive Director ("NINED") on 11 November 2021, the RC was not constituted since then.

As such, the RC did not meet the requirement of its terms of reference as the number of remaining members fell below the minimum of 3 members, for the period from 11 November 2021 up to 11 April 2022.

The Board of Directors of the Company ("the Board") had on 22 March 2022 and 11 April 2022 appointed additional directors comprising both INEDs and NINED on the Board. Taking into consideration the new appointments, the existing Nominating Committee and RC were merged to form a new Nomination and Remuneration Committee ("NRC"). The composition of the NRC is disclosed in the Nominating Committee Report.

Meetings and Attendance

A total of 2 meetings were held during the financial year ended 31 December 2021 ("FY 2021"). Details of attendance of each member of the RC who held office during FY 2021 are as follows:-

Members	Attendance
Yeoh Hong Hwang	2/2
Chithra Ganesalingam	2/2
Lee Cheow Fui (resigned on 25 April 2022)	2/2

Since 11 November 2021, matters which require deliberations and recommendation by the RC were deliberated directly by the Board.

The insufficient of members arose following the cessation of office of Mr. Yeoh, who was not re-elected as a Director of the Company at the adjourned 31st Annual General Meeting of the Company held on 11 November 2021. As a result, Mr. Yeoh ceased to be a member of the Board as well as the RC.

SUMMARY OF ACTIVITIES DURING FY 2021

The RC performed the following activities in discharging its duties for FY 2021:

1. Reviewed and reported to the Board on remuneration and personnel policies, compensation and benefits with the aim of attracting, retaining and motivating individuals of the highest quality.
2. Reviewed and restructured the Directors' fees and benefits for non-executive directors and recommended to the Board to propose to the shareholders for approval.
3. Reviewed and endorsed the remuneration packages for the new Head of Human Resource & Admin and the proposed new senior manager for Group Finance.
4. Reviewed and endorsed the management's proposal for staff bonuses for FY 2021, and salary increments for year 2022 and recommended to the Board for approval.
5. Reviewed and endorsed the remuneration package for year 2022 for the Chief Executive Officer of JF Apex Securities Berhad and recommended to the Board for approval.
6. Deliberated on the proposed revisions to the existing salary scale and grading guidelines of the Group.

REMUNERATION FOR DIRECTORS

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

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

Details of the aggregate remuneration of the non-executive directors of the Company during FY 2021 are categorised as follows:

Company	Director's Fee RM'000	Salaries, bonuses and other benefits RM'000	Defined contribution benefits RM'000	Benefits in-kind RM'000	Total RM'000
Chithra Ganesalingam	73	5	-	-	78
Lee Cheow Fui (Resigned on 25 April 2022)	67	6	-	-	73
Choong Chee Meng	67	5	-	21	93
Chin Kok Sang (Ceased as a director on 11 November 2021)	47	4	-	-	51
Yeoh Hong Hwang (Ceased as a director on 11 November 2021)	47	4	-	-	51
	301	24	-	21	346

REMUNERATION OF SENIOR MANAGEMENT PERSONNEL

The Board has chosen to disclose the remuneration of the top 4 senior management staff in bands instead of on a named basis as the Board considers the information on the remuneration of these employees sensitive and proprietary. The transparency and accountability aspects of corporate governance, applicable to the remuneration of these staff, are deemed appropriately served by the above disclosures.

The remuneration of the senior management (including salary, bonus, defined contribution benefit, benefit-in kind and other remuneration) in each band of RM50,000 during FY 2021 are as follows:-

Total Remuneration in Bands of RM50,000	No of key management personnel and position
200,001 – 250,000	3 (Executive Director Dealing, Group Financial Controller)
450,001 – 500,000	1 (Chief Executive Officer)

Sustainability Statement

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

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

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

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

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

REPORTING STANDARDS

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

- **Stakeholder Inclusiveness** - Being responsive to stakeholder expectations and interest
- **Sustainability Context** - Presenting performance in the wider sustainability context
- **Materiality** - Focusing on issues where we can have the greatest impact and that are most important to our business stakeholders

- **Completeness** - Including all information that is of significant economic, environmental and social impact to enable stakeholders to assess the Company's performance.

REPORTING SCOPE AND BOUNDARIES

This Statement covers the reporting period from 1 January 2021 to 31 December 2021 (FY 2021) and based on material topics that we have identified. Our focus for FY 2021 was on reviewing our sustainability approaches which covers economic, environmental and communal other than governance.

OUR APPROACH TO DRIVING SUSTAINABILITY

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

SUSTAINABILITY STRATEGY

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

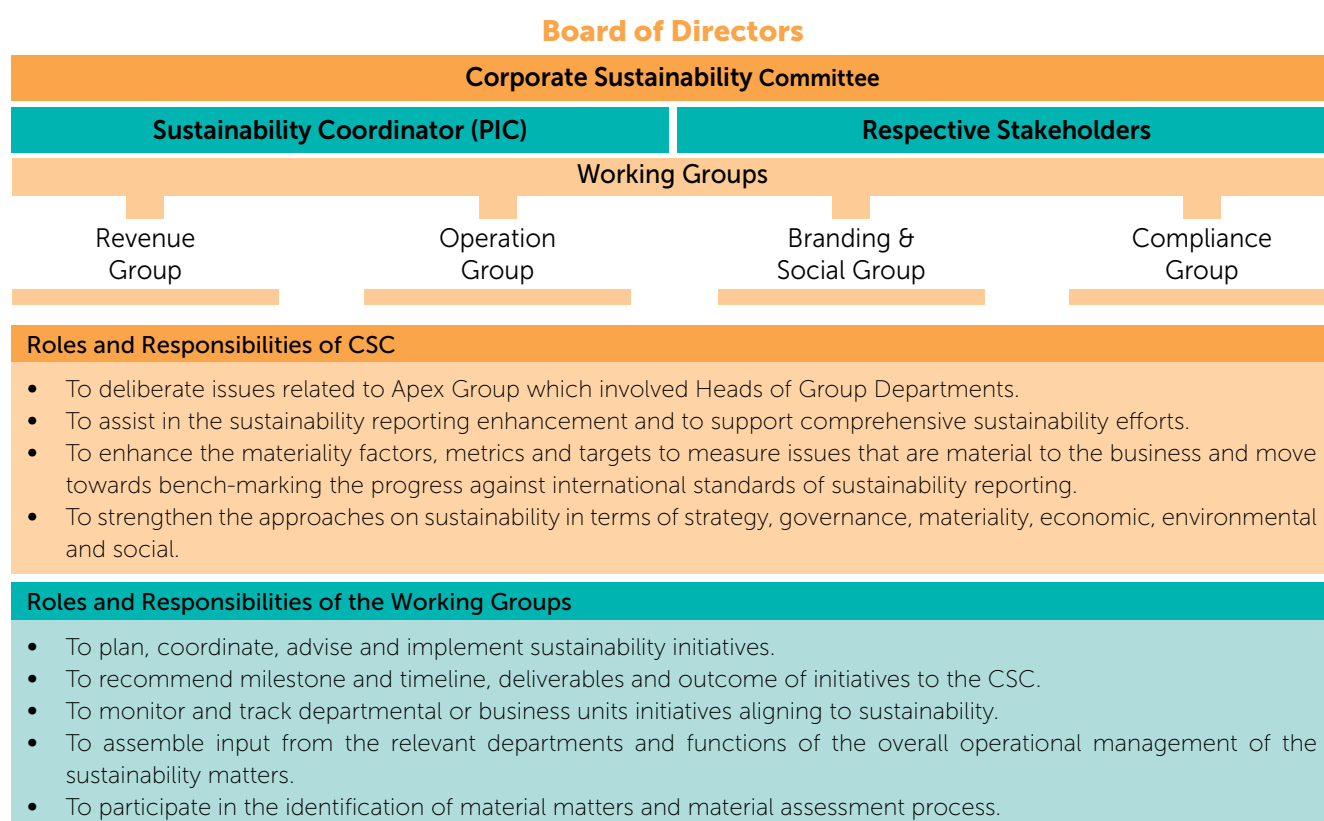
SUSTAINABILITY GOVERNANCE

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

Sustainability Statement (cont'd)

In line with sustainability, we ensure that the sustainability efforts are embedded in the strategic direction of the Apex Group by involving all the pertinent Heads of Group Departments. The CSC was established and led by the Chief Executive Officer ("CEO") of the principal subsidiary, comprises members across all departments and operational units in various working groups responsible for implementing the initiatives within the organisation. The CSC is established to oversee the formulation, implementation and effective management of our sustainability matters in line with the strategies. The structure also encourages continuous improvement on the sustainability initiatives in the Group.

The CEO provides updates to the Board on matters relating to key ESG risks and opportunities concerning sustainability matters.



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

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

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

We shall strive to ensure that our employees continue holding true to the value of integrity, act professionally and ethically. In FY 2021, we conducted two sessions of ABAC training programmes to provide employees with in-depth understanding of fraudulent acts and promote integrity through ethical principles in the course of their duties.

OUR MATERIALITY ASSESSMENT PROCESS

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

The process of identifying our materiality matters is as below:



1 Objectives & Scope

Apex undertook a materiality study within the top and middle management to determine the objectives and scope of the sustainability reporting covering all our subsidiaries and operations.

2 Identification of Relevant Sustainability Matters

The process initiated with sustainability issues relevant to Apex and its stakeholders. In generating the list, the Group assesses the operating environment and emerging trends affecting our sector. We then engaged with the internal stakeholders, the various heads of working group, to derive the sustainability matters. The references include Bursa Malaysia's Sustainability Reporting Guide and Toolkits, and international standards such as the GRI Standards.

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

OUR MATERIAL FACTORS

The materiality process involved several steps including:

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

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

Key Materiality

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

Sustainability Statement (cont'd)

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

Material Factors - Significant Impact

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

3 Our Stakeholders Engagement

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

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

Sustainability Statement (cont'd)

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

4 Assessment and Prioritization of Material Sustainability Matters

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

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

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

5 Process Review

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

ECONOMIC

Economic scenario remains as our core element based on the market conditions and global influence especially in the wake of the COVID-19 pandemic and the US-China trade war. Apex Group has taken greater efforts in identifying critical risk areas which influence the strategy of its businesses. Our commitment to business is focussed on strong corporate governance and prudent management in view of challenging internal and external environment.

Apart from the stockbroking industry being categorized as "essential services" which allowed us to operate during the economic shutdown, our business function has not been affected much as our back-office and frontline operations are semi-automated and digital ready even with the adoption of work-from-home (WFH) to safeguard the health and safety of our staff, partners and customers.

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

Data Protection and Security

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

External attack and penetration testing as well as vulnerability scans are carried out by our internal team or appointed consultant periodically, as mitigating measures. Information security materials are made available on our intranet to better educate employees on prevailing risks, especially in the handling of sensitive corporate data, in compliance with the Personal Data Protection Act 2010.

ENVIRONMENTAL

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

ELECTRICITY MANAGEMENT & CONSUMPTION

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

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

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

The electricity consumption is as below:

Environment	2019 RM	2020 RM	2021 RM
Total Electricity Consumption	639,662.49	586,141.49	448,173.85

We aim to reduce electricity consumption by 5% in 2022 and also looking into feasibility study on installing solar panel to promote green energy.

Apart from minimizing energy consumption, we have replaced the Uninterruptible Power Supply (UPS) in the Head Office with a higher efficiency unit. The UPS is a device that provides continuous power supply for a short period in the event of a sudden power failure. The UPS efficiency is based on how much of the original incoming power is needed to keep the UPS running. UPS with a higher efficiency equates to lower losses of electrical energy in terms of heat generated, thus requiring lesser energy for air conditioning too.

WASTE MANAGEMENT

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

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

RECYCLING OF RESOURCES

We promote the principles of reduce, reuse, and recycle to extend product life, where applicable, to drive organisational green behavioural change and inculcate green minded employees in the workplace. All our employees are encouraged to go paperless in carrying out our daily work and only print physical copies of documents as necessary (double-sided and in black and white, if practicable). Additionally, we have adopted the practice of circulating e-meeting papers since FY 2021 for our Board and committee meetings, as well as our internal meetings and meetings with portfolio companies where documents and files are transmitted via soft copies.

CORPORATE SOCIAL RESPONSIBILITY

The Importance of Community

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

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

Our Approach

Workplace

The Group aspires to be the employer of choice, the basic ingredient to having the right staff for the right tasks to productive employees. To achieve optimum productivity, the Group:

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

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

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

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

The following statistics are illustrated based on the demographic in the organisation.

Employment Diversity In Terms of Gender

39.22%	60.78%	37.50%	62.50%	41.90%	58.10%
Male	Female	Male	Female	Male	Female
2019		2020		2021	

Employment Diversity In Terms of Age

25.49%	50.98%	23.53%	23.08%	47.11%	29.81%	26.67%	46.66%	26.67%
Under 30	30-50	Over 50	Under 30	30-50	Over 50	Under 30	30-50	Over 50
2019			2020			2021		

Employment Diversity In Terms of Race

43.14%	47.06%	7.84%	1.96%	44.23%	47.12%	7.69%	0.96%	44.76%	47.62%	6.67%	0.95%
Malay	Chinese	Indian	Others	Malay	Chinese	Indian	Others	Malay	Chinese	Indian	Others
2019				2020				2021			

Breakdown of Senior Management by Gender

54.55%	45.45%	50.00%	50.00%	53.85%	46.15%
Male	Female	Male	Female	Male	Female
2019		2020		2021	

EDUCATION AND INDIVIDUAL DEVELOPMENT

Apex Group strives to promote a continuous learning culture through providing training for its employees to become industry experts so as to provide the expertise in servicing our clients and also efficiently performing in the workplace. The Group embarks to focus on talent development by offering its employees learning opportunities through in-house as well as external training programmes. The Group is committed to enhance best practices through training and providing relevant circulars/guidelines to employees to promote awareness on corporate governance and risks issues involving the industry and inculcate and adopt new measures to prevent fraudulent practices. The Group also sponsors certain staff in pursuing self improvement by sponsoring courses and examination fees in relevant fields especially related to finance and investments.

We are committed to motivate and develop employees without regard to an individual's ethnicity, race, colour, religion, gender, age and disability. Through merit-based performance management process, the Heads of Departments help their teams to identify training needs, skills gaps, and challenges faced during job, and help chart their individual career development plans.

Talent Retention and Succession Planning

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

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

Whistle Blowing and Grievance Mechanisms

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

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

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

SPORTS AND RECREATIONAL ACTIVITIES

In addition to encouraging continued participation, Apex prides itself on developing programmes and projects in partnership with the community that promotes a series of benefits beyond the traditional aspirations of improved health and well-being.

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

We promote the following elements for the well-being of the individuals and community:

COMMUNITY

Apex Group is constantly and consciously addressing our Corporate Social Responsibility (CSR), based on three principles as follows:

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

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

Apex Group has increased its contribution to CSR activities in FY 2021 to RM16,950 (2020 : RM12,000). This represents an increase despite the challenging environment of the pandemic.

For the financial ahead, Apex Group has set a target of RM24,000 of profit after tax for the financial year ending 2022 as contribution to CSR activities.

The investment of manpower and time were very minimal in the reporting year due to the impact of the pandemic, where many activities could not be held, and many disadvantaged groups were more in need of cash donations.

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



Pusat Jagaan Persatuan Insan Istimewa Cheras, Selangor.



Pusat Jagaan Pertubuhan Kebajikan Yesuvin Mahligai (YM) Selangor.



Pusat Jagaan Rumah Bakti AL Kausar Bangi.

FLOOD RELIEF AND SUPPORT

The Group places great emphasis on the community it resides with and the needs as it presents itself. The unusually heavy downpour at the end of 2021 had resulted in devastating floods in the residential areas in various parts of the country, in particular Selangor's Ulu Langat district near to Kajang where the Group's head office is located. Consequently, the Group responded immediately by contributing finances to procure much needed food, cookware, blankets and utensils as indicated by residents in the severely affected Taman Sri Nanding in Ulu Langat to mitigate their misery and losses in facing the unprecedented calamity.



Flames of Hope - A CSR Drive by Apex for Flood victims at Taman Sri Nanding, Kampung Jawa, Kampung Dalam and Kampung Dusun Tua (Hulu Langat)

SAFE WORKPLACE PRACTICES

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

In addition, the Group has embarked to improve the air ventilation in Menara Apex by installing more windows in the building. Present windows are left unlocked and for areas of possible danger, the safety bars were incorporated to the windows. As a further measure to seek a ventilation solution that is more active yet doesn't wear down the air conditioning systems, a study is conducted to improve the exhaust air flow.

COVID-19 Response

As the pandemic continued in Malaysia during 2021, we prioritised the safety of our people and the community at large through implementation of response measures across our operations as we strive to maintain quality service to clients with minimal disruptions. To curb potential spread of COVID-19 in the workplace, we remained committed in ensuring full compliance with the Ministry of Health of Malaysia's SOPs and management guidelines through implementation of COVID-19 preventive measures. These included:

- Established COVID-19 response procedures for office and operations
- Carried out case investigation and contact tracing in the event of reported infections at the workplace
- Implemented COVID-19 awareness programmes across various channels including via emails and signages at entrances, lobbies and lifts
- Reinforced strict hygiene standards and safety measures in offices and operation sites
- Enforced the Working From Home ("WFH") Guidelines for management support teams
- Suspended international and interstate business travels and corporate events
- Ensured physical distancing and mandatory wearing of face mask. Hand sanitiser stations were set up for employees throughout our offices and operation sites
- Deployed vigilant cleaning and regular sanitisation in the workplace and our fleet of vehicles
- Enforced mandatory screening pre-entry; all employees and visitors are required to scan the MySejahtera application and measure body temperature prior to entering our premises

Some of these measures are still carried out until today, and we constantly ensure employees are well informed about the updated SOPs. We recognise that building defences against COVID-19 in the workplace and our community at large is a team effort. To intensify the fight against COVID-19 company-wide, we carried out mass Rapid Antigen Test every fortnightly for the operations employees, between July to December 2021, to prevent the emergence of workplace clusters. When the Government worked to ramp up the COVID-19 National Immunisation Programme, we had proactively joined the drive by rolling out an internal campaign to constantly share the vaccine updates and encourage registration for COVID-19 vaccination among our employees.

LEADERSHIP & COMMITMENT

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

LOOKING AHEAD

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

This Statement has been approved by the Board and is current as at 27 April 2022.

Statement on Risk Management and Internal Control

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

BOARD RESPONSIBILITY

The Board acknowledges their responsibilities for the adequacy and integrity of the system of internal controls of the Company and its subsidiary companies ("Group") and are fully aware that the system of internal control cannot totally eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

RISK MANAGEMENT FRAMEWORK

The Board confirms that there is an ongoing process of risk identification which involves identifying possible risk exposures arising from changes in the internal and external environment as well as operational conditions. The process was in place for the financial year under review and up to the date of issuance of this Annual Report.

As part of the risk management process, a Register of Risks is maintained to identify key principal business risk areas and is updated on an on-going basis for changes in the risk profile. The Register of Risks summarizes the risk matrix, risk control actions, and roles and responsibilities.

The risk measurement guidelines consist of qualitative measures to determine the financial and non-financial consequences of the different risks based on their likelihood and impact.

The risk control actions are designed and implemented based on the priority sequence.

The Group has set the following risk tolerance levels:

a

Extreme risk: Immediate action required and must be dealt with straight away;

b

High risk: Senior management attention needed;

c

Moderate risk: Management responsibility must be specified;

d

Low risk: Manage by routine procedures.

Statement on Risk Management and Internal Control (cont'd)

All key risks from the various business units are consolidated in the Group Key Risk Register. Group key risks identified in financial year 2021 are summarized as follows:-

(a) Operational Risks

Operational risks arise from the execution of the Group's core businesses (i.e. stock broking activities) and a significant failure of internal processes, people and information system, or from external events that would impact the Group's ability to meet its deliverables.

To enhance the Group's operational processes, the management is guided through improvements, lessons learnt, approved standard operating procedures and quality controls to ensure that all business units are functional.

(b) Security Risks

Rapid increase in risks from cyber-related crimes and increased threats of fraudulent schemes, white collar crimes emanating from money laundering, bribery and corruption, reinforce the need for the Group to remain vigilant and respond promptly to unexpected changes in its operating environment. Security breaches or incidents can cause operational disruptions to the Group.

The Group's cyber security measures are reviewed regularly to mitigate IT-related risks such as malware infection, ransomware, denial of service and unauthorised access. Cyber security awareness session, is organized for all staff and entities within the Group at least once a year for employees to understand vulnerabilities and threats to business operations. There are also regular updates on cyber security news and information to create a culture around cyber security awareness at the workplace.

(c) Financial Risks

The Group are exposed to financial risks which include market price risk, credit and liquidity risks arising from the inability to recover debts in a timely manner which may adversely affect the Group's profitability, cash flow and funding. In order to minimise such exposures, tightening of credit control, close monitoring of collections and overdue debts are carried out continuously.

(d) Legal and Compliance Risks

The Group's businesses could be exposed to litigation risk by clients, vendors and other parties. Such action may have a material effect on the Group's financial condition which impacts the financial results or operational efficiency.

The Group has in place contracts and agreements to govern the contractual arrangements with customers and vendors. Continuous review of contractual obligations, terms and conditions by the legal and compliance unit will ensure there is compliance at all times.

EMERGING RISK

(a) COVID-19 and Variants

The emergence of COVID-19 pandemic has severely impacted the global economy and business operating environment. The Group identifies sectors and customers who may be vulnerable to the economic impact brought by the government's Movement Control Order.

The Group has implemented measures such as employees and visitors screening for symptoms of COVID-19 and risk, restricting non-essential movement of visitors to and from our business properties, distributing masks, face shields and table shields to staff, increasing the frequency of disinfection of work places, maintaining social distancing at work places, staff testing of COVID-19 and encouraging staff to get vaccinated and rotational work-from-home to reduce travelling and exposure to the infections.

In respect of business continuity, the Group has implemented and is still practicing operational activities on a rotation basis to improve resilience during the COVID-19 pandemic and beyond for essential/critical services and ensuring the well-being of its employees and continued productivity.

Statement on Risk Management and Internal Control (cont'd)

(b) Regulatory Non-compliance Risk

The Group's core business, i.e. stock broking activities, operate under a highly regulated environment with stringent regulatory and supervisory requirements, particularly in the areas of effective governance, risk management, liquidity management as well as technology risk. Failure to meet regulatory compliance would attract punitive action, including monetary fines.

The Group reviews its policies, procedures and risk practices periodically and is prepared to initiate changes to current business policies, identify potential areas of business growth and to ensure effective compliance with the evolving regulatory landscape.

(c) Cyber Security Risk

Cyber security is critical to all the operations of the businesses in the Group. The Group is becoming more vulnerable to cyber threats due to its increasing reliance on computers, programs, networks and social media. Various security measures have been put in place to minimize exposure to cyber security risk including identifying potential vulnerabilities in its operating environment, and ensuring timely response and recovery action are taken in the event of cyber-breach. Intensive system testing and review measures are conducted regularly to prevent unauthorized access to its computer servers, equipment and networks, including engaging external IT experts to assist in reviewing networks, server setup and firewall systems and to ensure that preventive measures taken are sufficient to mitigate cyber risks.

As part of the risk management processes, the risk owners are required to report the key risks on monthly basis and all the identified key risks were tabled in the key risk register for tracking risk mitigation activities and progress. All of these key risks are continually monitored and reviewed by the Group Risk Management Committee ("GRMC") on an ongoing basis.

The GRMC was established to review and monitor the Group's risk management framework and activities. Minutes of the GRMC meetings and risk status update reports are subsequently circulated to the Audit and Risk Management Committee ("ARMC") where key risks and mitigating action plans are discussed and implemented.

The in-house internal audit team has undertaken to provide independent objective assessments on the adequacy, efficiency and effectiveness of the internal control systems to manage the risk exposures of the Group.

During the financial year under review, the in-house internal audit team has presented their follow-up audit status report on previously reported audited findings in respect of the subsidiary companies within the Group.

The Board with the assistance of the ARMC, GRMC and in-house internal audit team have continuously reviewed and evaluated existing risks and the identified new risks that the Group may face and management action plans to manage these risks.

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

INTERNAL AUDIT FUNCTION

The Group has an established internal audit department namely, Internal Audit Group ("IAG") whose primary function is to assist the ARMC in discharging its duties and responsibilities in relation to risk. Their role is to provide the ARMC with independent and objective reports on the adequacy and effectiveness of the system of internal controls and procedures established in the operating units within the Group and the extent of compliance with the Group's established policies, procedures and guidelines.

IAG highlights significant findings and corrective measures in respect of any non-compliance to the Management and the ARMC on a timely basis.

The annual audit plan is reviewed and approved by the ARMC annually and a quarterly audit report is circulated to the ARMC updating on the progress of the quarterly internal audit work program and the status of management's response to the identified audit issues. Further activities of the IAG are set out in the ARMC Report.

Statement on Risk Management and Internal Control (cont'd)

KEY ELEMENTS OF INTERNAL CONTROL

The key elements of internal control are described below:

- Board committees have been set up to assist the Board to perform its oversight function, namely the ARMC, Nominating Committee and Remuneration Committee.
- There is a formal organisation structure in place which clearly defines the line of accountability, reporting and hierarchy of authority.
- There is a clear Group policies and procedures manual including authority limit on key activities that lay down the objective, scope, policies and operating procedures for the Group.
- Three Lines of Defense model to serve as guidance for the senior management of the Group to communicate the expectation that information be shared and activities coordinated among each of the groups responsible for managing the organization's risks and controls, as reflected below:
 - 1st line of defense: Business units and operational management functions that own and manage risks.
 - 2nd line of defense: Risk management and compliance functions that oversee risk.
 - 3rd line of defense: Internal audit functions that provide independent assurance.
- The Group has established an internal policy and procedures on related party transactions (RPTs). All RPTs are dealt with in accordance with the Main Market Listing Requirements of Bursa Securities ("MMLR"). The ARMC and the Board review the RPTs at the respective meetings of the ARMC and the Board.
- Regular senior management meetings to review, identify, discuss and resolve the strategic, operational, financial, and key business issues.
- Quarterly meetings for ARMC and the Board are held to discuss internal audit reports, periodic financial statements and issues that warrant ARMC and Board's attention.

REVIEW OF THIS STATEMENT

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

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

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

This Statement is made in accordance with the resolution of the Board dated 27 April 2022.

CONCLUSION

Based on the foregoing as well as the inquiries and information provided, the Board has received assurance from the Executive Directors of the operating subsidiary companies and Group Financial Controller that the Group's risk management process and system of internal control are operating adequately and satisfactorily in all material aspects to meet the business objectives of the Group during the financial year ended 31 December 2021 and up to the date of approval of this Statement.

Statement on Directors' Responsibility In Relation To The Financial Statements

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

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

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

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

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

This statement is made in accordance with a resolution of the Board dated 27 April 2022.

AEHB Group Financial Highlights

Year Ended 31 December 2021

	2017	2018	2019	2020	2021
	RM'000	RM'000	RM'000	RM'000	RM'000
RESULTS - PROFIT AND LOSS					
Revenue	44,227	40,139	33,997	57,154	88,419
Profit/(loss) before tax	18,415	11,307	9,480	23,326	27,118
Profit/(loss) attributable to shareholders of the company	14,040	8,195	6,011	17,213	21,475
BALANCE SHEET					
Total assets	469,176	350,876	334,670	366,908	383,457
Total liabilities	179,308	50,682	32,518	47,543	48,696
Current assets	389,729	269,731	254,292	318,013	339,732
Due from clients/brokers	254,660	142,685	111,537	120,146	131,074
Current liabilities	179,226	50,682	31,867	47,142	48,499
Due to clients/brokers	163,543	35,675	16,728	21,420	29,496
Total borrowings	5,006	5,002	4,997	5,003	5,008
Net current assets	210,503	219,049	222,425	270,871	291,233
Net tangible assets	289,868	300,194	302,152	319,365	334,761
Shareholders' equity	289,868	300,194	302,152	319,365	334,761
Share capital	221,940	221,940	221,940	221,940	221,940
PER SHARE					
	Sen	Sen	Sen	Sen	Sen
Profit/(loss) before tax	9.09	5.58	4.68	11.51	13.38
Profit/(loss) attributable to shareholders of the company	6.93	4.04	2.97	8.49	10.60
Net tangible assets	143.05	148.14	149.11	157.60	165.20
Net dividend - cash	5.00	0.00	2.00	0.00	3.00
- share dividend	0.00	0.00	0.00	0.00	0.00

AEHB Group Financial Highlights (cont'd)

FINANCIAL RATIOS

Return on investment

Return on shareholders' capital

Profit/(loss) before tax	8.30%	5.09%	4.27%	10.51%	12.22%
Profit/(loss) attributable to shareholders of the company	6.33%	3.69%	2.71%	7.76%	9.68%

Return on shareholders' equity

Profit/(loss) before tax	6.35%	3.77%	3.14%	7.30%	8.10%
Profit/(loss) attributable to shareholders of the company	4.84%	2.73%	1.99%	5.39%	6.42%

Return on shareholders' equity and total borrowings

Profit/(loss) before tax	6.25%	3.70%	3.09%	7.19%	7.98%
Profit/(loss) attributable to shareholders of the company	4.76%	2.69%	1.96%	5.31%	6.32%

Margins

Profit before tax/Revenue	41.64%	28.17%	27.88%	40.81%	30.67%
Profit attributable to shareholders of the company/Revenue	31.75%	20.42%	17.68%	30.12%	24.29%

Current ratio (times)

2.17	5.32	7.98	6.75	7.00
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Gearing

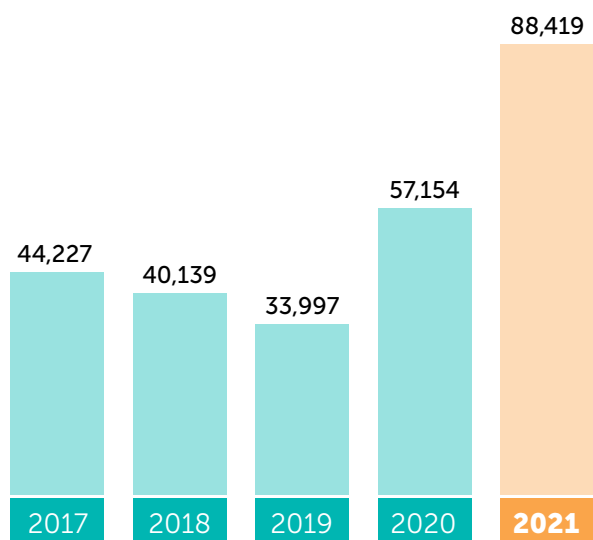
Total borrowings/shareholders' equity	1.73%	1.67%	1.65%	1.57%	1.50%
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STOCK MARKET INFORMATION

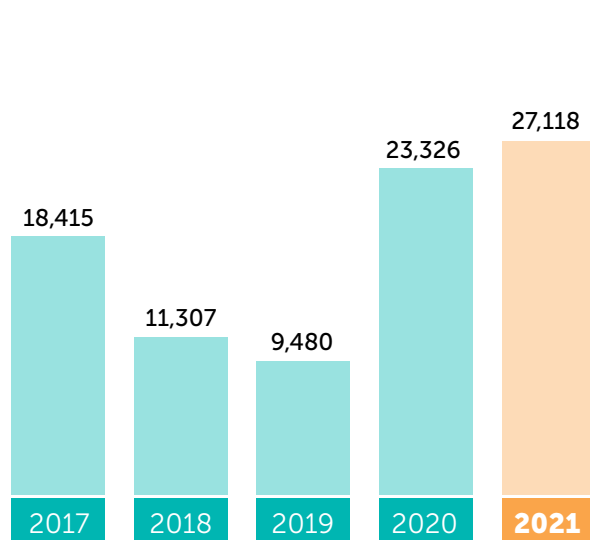
Share price - High (RM)	1.99	1.62	1.08	1.25	1.15
- Low (RM)	1.30	0.90	0.78	0.62	0.81
Last transacted price as at 31 December (RM)	1.43	0.94	0.80	0.96	1.10
Market capitalisation as at 31 December (RM'000)	305,395	200,749	170,850	205,020	234,919
Net price earnings ratio (times)	20.64	23.24	26.97	11.30	10.38

5 Years Financial Performance

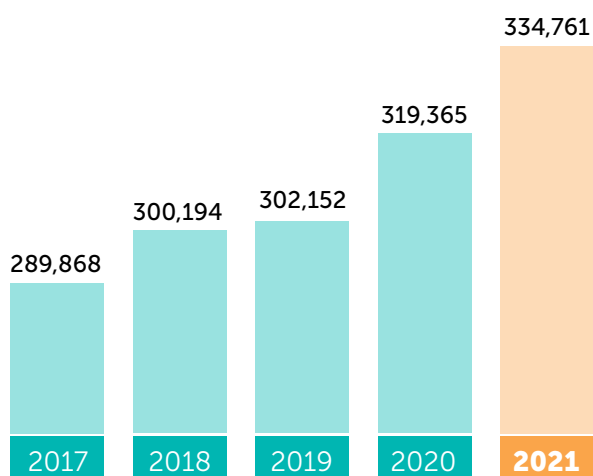
Revenue (RM'000)



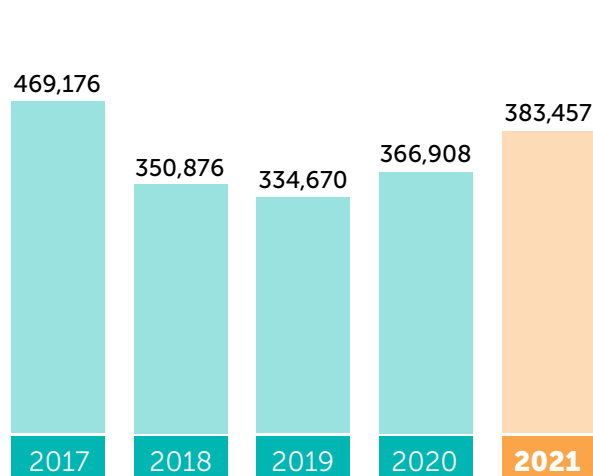
Profit Before Tax (RM'000)



Shareholders' Equity (RM'000)



Total Assets (RM'000)



Management Discussion & Analysis

Year Ended 31 December 2021

JF APEX SECURITIES BERHAD ("JFAS")

Overview

JFAS is a wholly owned subsidiary of Apex Equity Holdings Berhad ("AEHB"). Incorporated in 1979, JFAS is principally engaged in business as stocks and shares brokers, futures brokers, investment advisors and dealers in securities. JFAS' head office is located at Kajang and it has 1 branch in Petaling Jaya. JFAS also operates several dealing-branches across Malaysia.

JFAS' revenue decreased 10% to RM50.85 million for the financial year ended 31 December 2021 from RM56.51 million in the previous financial year. The decrease in revenue was mainly attributed to the lower securities transactions. Consequently, JFAS registered a lower profit before tax of RM21.01 million for the financial year ended 31 December 2021 as compared to RM22.14 million in the previous financial year.

Prospect

Malaysia's macro outlook is expected to be more positive in 2022, given the high level of COVID-19 vaccination rates and reopening of the economy that prompts a revival in economic activities.

However, the introduction of Cukai Makmur or prosperity tax and higher stamp duty on shares transaction may adversely affect investors' sentiment.

JFAS anticipated a more subdued outlook for stockbroking business for the financial year ending 2022.

APEX DEVELOPMENT SDN BHD ("AD")

Overview

AD is a wholly owned subsidiary of Apex Equity Holdings Berhad ("AEHB"). Incorporated in 1983, AD is principally engaged in the business of property holding. AD's main income is contributed by Menara Apex, a 10 storey office building located at Kajang.

AD's revenue decreased by 5% to RM1.90 million for the financial year ended 31 December 2021 from RM2.00 million in the previous financial year due to lower occupancy rate at Menara Apex. AD registered a lower profit before tax of RM0.93 million for the financial year ended 31 December 2021 as compared to RM1.81 million in the previous financial year. In addition to lower occupancy rate, the drop in profit before tax was also due to the absence of gain from disposal of a vacant land of RM0.79 million recorded in the previous financial year.

Prospect

As JFAS is occupying most of Menara Apex, it is anticipated that AD's revenue would remain stable for the financial year ahead.

APEX EQUITY CAPITAL SDN BHD ("AEC")

Overview

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

AEC's registered revenue of RM37.00 million for the financial year ended 31 December 2021 as compared to zero revenue in the previous financial year was due to revenue from the disposal of its development land. Consequently, AEC registered a higher profit before tax of RM5.34 million for the financial year ended 31 December 2021 as compared to RM0.84 million in the previous financial year.

Prospect

AEC anticipated that there would not be any development activity in the near future after the completion of the disposal of its development lands. In addition, due to lack of money lending activities, AEC expects its income for the financial year ending 31 December 2022 to comprise mainly interest incomes derive from money market placements.

Additional Compliance Information

A Audit and Non-Audit Fees

The amount of audit fees and non-audit fees paid and payable by the Company and Group to the Company's external auditors or firms affiliated to the external auditors' firm for the financial year ended 31 December 2021 are as follows:-

	Company RM	Group RM
Audit services rendered	40,000	153,000
Non-audit services rendered	32,000	32,000
Total	72,000	185,000

B Material Contracts

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

C Utilisation of proceeds

There were no proceeds raised from any corporate proposal during the financial year ended 31 December 2021.

FINANCIAL REPORT

For The Financial Year Ended 31 December 2021

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Directors' Report

The directors have pleasure to submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2021.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding whilst the principal activities of its subsidiaries are set out in Note 5 to the financial statements.

RESULTS

	The Group RM'000	The Company RM'000
Profit/(Loss) after taxation attributable to owners of the Company	21,475	(275)

DIVIDENDS

Since the end of previous financial year, the Company declared the following dividends for the financial year ended 31 December 2021:-

	RM'000
(i) A first interim single tier dividend of one (1) sen per ordinary share, paid on 30 June 2021	2,026
(ii) A second interim single tier dividend of one (1) sen per ordinary share, paid on 30 September 2021	2,026
(iii) A third interim single tier dividend of one (1) sen per ordinary share, paid on 28 December 2021	2,027
	6,079

On 21 February 2022, the directors declared an interim dividend of one (1) sen per ordinary share amounting to RM2,026,402 and a special dividend of nine (9) sen per ordinary share amounting to RM18,237,619 in respect of the financial year ended 31 December 2021, paid on 6 April 2022. The financial statements for the year do not reflect these dividends. These dividends will be accounted in the financial year ending 31 December 2022 being the reporting period in which these dividends are declared.

RESERVES AND PROVISIONS

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

ISSUES OF SHARES AND DEBENTURES

During the financial year:-

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

TREASURY SHARES

As at 31 December 2021, the total issued and fully paid shares in the Company stood at 213,563,324 ordinary shares, of which 10,923,118 ordinary shares are being held as treasury shares, as disclosed in Note 18 to the financial statements.

OPTIONS GRANTED OVER UNISSUED SHARES

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

DIRECTORS

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

Chithra Ganesalingam

Choong Chee Meng

Leong Sek Hoe (Appointed on 22.3.2022)

Dr. Yap Lang Ling (Appointed on 22.3.2022)

Ng Kit Ching (Appointed on 22.3.2022)

H'ng Boon Keng (Appointed on 11.4.2022)

Lee Siow Hong (Appointed on 11.4.2022)

Chin Kok Sang (Cessation of office on 11.11.2021)

Yeoh Hong Hwang (Cessation of office on 11.11.2021)

Lee Cheow Fui (Resigned on 25.4.2022)

In accordance with the Company's Articles of Association, Chithra Ganesalingam retires by rotation pursuant to Article 102 and Leong Sek Hoe, Dr. Yap Lang Ling, Ng Kit Ching, H'ng Boon Keng and Lee Siow Hong retire pursuant to Article 109 at the forthcoming Annual General Meeting. The retiring directors being eligible offer themselves for re-election.

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

Leong Sek Hoe

Foo Siew Yuen

Tan Cheng Han

Zairul Azman Bin Jemaari

Kong Ming Ming

Ng Keat Teong James

DIRECTORS' INTERESTS

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

	Number of Ordinary Shares			
	At 1.1.2021	Bought	Sold	At 31.12.2021
The Company				
<i>* Indirect interest</i>				
Choong Chee Meng	48,683,509	-	18,333,509	30,350,000

** Deemed interested by virtue of his direct substantial shareholding in ACE Alliance Holdings Sdn. Bhd., the ultimate parent company of ACE Credit (M) Sdn. Bhd.*

By virtue of his deemed interest in the Company, Choong Chee Meng is deemed to have interests in shares in its related corporations during the financial year to the extent of the Company's interests.

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

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in Note 31 to the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

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

OTHER STATUTORY INFORMATION

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

- (f) In the opinion of the directors:
- (i) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.
 - (ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

DIRECTORS' REMUNERATION

The details of the directors' remuneration paid or payable to the directors of the Company during the financial year are disclosed in Note 31 to the financial statements.

INDEMNITY AND INSURANCE COST

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

During the financial year, the total amount of indemnity insurance premium which amongst others include the directors of the Company and its subsidiaries, and certain officers of the Group was RM135,000.

SUBSIDIARIES

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

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

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

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

AUDITORS

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

The details of the auditors' remuneration are disclosed in Note 26 to the financial statements.

Signed in accordance with a resolution of the directors dated 27 April 2022.

Chithra Ganesalingam

Leong Sek Hoe

Statement By Directors

Pursuant To Section 251(2) of The Companies Act 2016

We, Chithra Ganesalingam and Leong Sek Hoe, being two of the directors of Apex Equity Holdings Berhad, state that, in the opinion of the directors, the financial statements set out on pages 62 to 114 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2021 and of their financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the directors dated 27 April 2022.

Chithra Ganesalingam

Leong Sek Hoe

Statutory Declaration

Pursuant To Section 251(1)(B) of The Companies Act 2016

I, Tan Cheng Han, MIA Membership Number: 11280, being the officer primarily responsible for the financial management of Apex Equity Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 62 to 114 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by
Tan Cheng Han
at Kajang in the State of Selangor
on this 27 April 2022

Tan Cheng Han

Before me

Independent Auditors' Report

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Apex Equity Holdings Berhad, which comprise the statements of financial position as at 31 December 2021 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 62 to 114.

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 2021, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

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.

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

Revenue Recognition Refer to Note 23 to the financial statements

Key Audit Matter

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

Our focus is on two main revenue streams of the Group as follows:

- Brokerage income; and
- Interest income.

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

How our audit addressed the key audit matter

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

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

Key Audit Matters (Cont'd)

Impairment of Receivables Refer to Note 12 to the financial statements

Key Audit Matter

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

How our audit addressed the key audit matter

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

- Reviewed the ageing report and tested its reliability;
- Assessed the recoverability of major receivables including but not limited to, subsequent collections;
- Understand the methodologies and tested the model used for computation of impairment; and
- Reviewed the basis of estimation on the adequacy of the Group's allowance for impairment losses on receivables.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

OTHER 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.

Crowe Malaysia PLT

201906000005 (LLP0018817-LCA) & AF 1018

Chartered Accountants

Ooi Song Wan

02901/10/2022 J

Chartered Accountant

Kuala Lumpur

Statements of Financial Position

At 31 December 2021

		The Group		The Company	
	Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	5	-	-	225,991	225,991
Investment in an associate	6	-	4,904	-	-
Property and equipment	7	11,969	12,150	-	-
Investment properties	8	27,093	27,101	-	-
Right-of-use assets	9	618	711	-	-
Other assets	10	4,045	4,029	-	-
		43,725	48,895	225,991	225,991
CURRENT ASSETS					
Marketable securities held for trading	11	2,242	-	-	-
Receivables	12	136,067	132,418	66	7,014
Amount owing by a subsidiary	13	-	-	11,471	10,286
Current tax assets		-	-	30	25
Fixed deposits with a licensed bank	14	214	208	-	-
Cash and short-term funds	15	196,305	154,887	109	9
		334,828	287,513	11,676	17,334
Non-current asset held for sale	16	4,904	30,500	-	-
TOTAL ASSETS		383,457	366,908	237,667	243,325
EQUITY AND LIABILITIES					
EQUITY					
Share capital	17	221,940	221,940	221,940	221,940
Treasury shares	18	(7,459)	(7,459)	(7,459)	(7,459)
Reserves	19	120,280	104,884	19,804	26,158
TOTAL EQUITY		334,761	319,365	234,285	240,639
NON-CURRENT LIABILITY					
Lease liabilities	20	197	401	-	-
CURRENT LIABILITIES					
Payables	21	42,516	40,109	40	220
Amount owing to a subsidiary	13	-	-	3,342	2,466
Lease liabilities	20	362	250	-	-
Current tax liabilities		613	1,780	-	-
Bank overdraft	22	5,008	5,003	-	-
		48,499	47,142	3,382	2,686
TOTAL LIABILITIES		48,696	47,543	3,382	2,686
TOTAL EQUITY AND LIABILITIES		383,457	366,908	237,667	243,325

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

Statements of Profit or Loss and Other Comprehensive Income

For The Financial Year Ended 31 December 2021

	Note	The Group		The Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
REVENUE	23	88,419	57,154	365	3,172
DIRECT OPERATING COSTS	24	(48,612)	(18,338)	-	-
GROSS PROFIT		39,807	38,816	365	3,172
OTHER OPERATING INCOME		2,840	3,079	326	-
NET IMPAIRMENT GAIN ON FINANCIAL ASSETS	25	1,359	97	-	-
ADMINISTRATIVE AND GENERAL EXPENSES		(16,818)	(18,276)	(838)	(1,312)
FINANCE COSTS		(70)	(91)	(76)	(37)
SHARE OF RESULTS OF AN ASSOCIATE	6	-	(299)	-	-
PROFIT/(LOSS) BEFORE TAXATION	26	27,118	23,326	(223)	1,823
INCOME TAX EXPENSE	27	(5,643)	(6,113)	(52)	(25)
PROFIT/(LOSS) AFTER TAXATION		21,475	17,213	(275)	1,798
OTHER COMPREHENSIVE INCOME		-	-	-	-
TOTAL COMPREHENSIVE INCOME/ (EXPENSE) FOR THE FINANCIAL YEAR		21,475	17,213	(275)	1,798
PROFIT/(LOSS) AFTER TAXATION ATTRIBUTABLE TO:-					
Owners of the Company		21,475	17,213	(275)	1,798
TOTAL COMPREHENSIVE INCOME/ (EXPENSE) ATTRIBUTABLE TO:-					
Owners of the Company		21,475	17,213	(275)	1,798
EARNINGS PER SHARE (SEN):	28				
- basic		10.60	8.49		
- diluted		10.60	8.49		

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

Statements of Changes In Equity

For The Financial Year Ended 31 December 2021

The Group	Note	Non-Distributable		Distributable		Total Equity
		Share Capital RM'000	Fair Value Reserve RM'000	Treasury Shares RM'000	Retained Profits RM'000	
Balance at 1.1.2020		221,940	2,131	(7,459)	85,540	302,152
Profit after taxation/Total comprehensive income for the financial year		-	-	-	17,213	17,213
Balance at 31.12.2020/1.1.2021		221,940	2,131	(7,459)	102,753	319,365
Profit after taxation/Total comprehensive income for the financial year		-	-	-	21,475	21,475
Distribution to owners of the Company:						
- Dividends	29	-	-	-	(6,079)	(6,079)
Balance at 31.12.2021		221,940	2,131	(7,459)	118,149	334,761

The Company	Note	Share Capital RM'000	Treasury Shares RM'000	Retained Profits RM'000	Total Equity RM'000
Balance at 1.1.2020		221,940	(7,459)	24,360	238,841
Profit after taxation/Total comprehensive income for the financial year		-	-	1,798	1,798
Balance at 31.12.2020/1.1.2021		221,940	(7,459)	26,158	240,639
Loss after taxation/Total comprehensive expense for the financial year		-	-	(275)	(275)
Distribution to owners of the Company:					
- Dividends	29	-	-	(6,079)	(6,079)
Balance at 31.12.2021		221,940	(7,459)	19,804	234,285

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

Statements of Cash Flows

For The Financial Year Ended 31 December 2021

	The Group		The Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit/(Loss) before taxation	27,118	23,326	(223)	1,823
Adjustments for:-				
Depreciation:				
- property and equipment	463	489	-	-
- investment properties	8	8	-	-
- right-of-use assets	313	248	-	-
Interest expense	70	91	76	37
Share of results of an associate	-	299	-	-
Dividend income	(197)	(196)	-	(3,000)
Gain arising from changes in fair value of marketable securities	(37)	-	-	-
Gain on disposal of investment properties	-	(792)	-	-
Interest income	(1,259)	(898)	(365)	(172)
Net impairment gain on financial assets	(1,359)	(97)	-	-
Operating profit/(loss) before working capital changes	25,120	22,478	(512)	(1,312)
Changes in clearing fund	(16)	-	-	-
Changes in marketable securities held for trading	(2,205)	-	-	-
Changes in receivables	(2,290)	(8,639)	6,947	(4)
Changes in non-current asset held for sale	30,500	-	-	-
Changes in payables	2,407	13,468	(180)	94
CASH FROM/(FOR) OPERATIONS	53,516	27,307	6,255	(1,222)
Dividend received	197	196	-	3,000
Interest received	1,259	898	-	-
Interest paid	(14)	(25)	-	-
Income tax refund	-	683	-	3
Income tax paid	(6,810)	(4,864)	(56)	(52)
NET CASH FROM OPERATING ACTIVITIES	48,148	24,195	6,199	1,729

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

Statements of Cash Flows (cont'd)

		The Group		The Company	
		2021	2020	2021	2020
	Note	RM'000	RM'000	RM'000	RM'000
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES					
Purchase of equipment		(282)	(25)	-	-
Proceeds from disposal of investment properties		-	792	-	-
Placement of fixed deposits		(6)	(6)	-	-
Net advances to a subsidiary		-	-	(1,185)	(3,572)
Interest received from a subsidiary		-	-	365	172
NET CASH (FOR)/FROM INVESTING ACTIVITIES		(288)	761	(820)	(3,400)
CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES					
Advances from a subsidiary	30 (a)	-	-	800	1,650
Repayment of lease obligation	30 (b)	(312)	(229)	-	-
Interest paid on lease liabilities	30 (b)	(56)	(66)	-	-
Dividend paid		(6,079)	-	(6,079)	-
NET CASH (FOR)/FROM FINANCING ACTIVITIES		(6,447)	(295)	(5,279)	1,650
NET INCREASE/(DECREASE)					
IN CASH AND CASH EQUIVALENTS		41,413	24,661	100	(21)
CASH AND CASH EQUIVALENTS					
AT BEGINNING OF THE FINANCIAL YEAR		149,884	125,223	9	30
CASH AND CASH EQUIVALENTS					
AT END OF THE FINANCIAL YEAR	30 (c)	191,297	149,884	109	9

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

Notes To The Financial Statements

For The Financial Year Ended 31 December 2021

1 GENERAL INFORMATION

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 27 April 2022.

2 PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding whilst the principal activities of its subsidiaries are set out in Note 5 to the financial statements.

3 BASIS OF PREPARATION

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

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

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

Amendments to MFRS 16: Covid-19-Related Rent Concessions beyond 30 June 2021

Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform – Phase 2

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

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

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information	1 January 2023
Amendment to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendment to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018 – 2020	1 January 2022

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

4 SIGNIFICANT ACCOUNTING POLICIES

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The outbreak of the COVID-19 has brought unprecedented challenges and added economic uncertainties in Malaysia and markets in which the Group operates. While the Group has considered the potential financial impact of the COVID-19 pandemic in the preparation of these financial statements, the full financial impact to the Group remains uncertain. Accordingly, there is a possibility that factors not currently anticipated by management could occur in the future and therefore affect the recognition and measurement of the Group's assets and liabilities at the reporting date.

Key Sources of Estimation Uncertainty

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

(a) Impairment of Investments in Subsidiaries

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

The carrying amount of the investments in subsidiaries as at the reporting date of the Company is RM225.991 million (2020 – RM225.991 million).

(b) Impairment of Property and Equipment, Investment Properties and Right-of-Use Assets

The Group determines whether its property and equipment, investment properties and right-of-use assets are impaired by evaluating the extent to which the recoverable amounts of these assets are less than their carrying amounts. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods are used to determine the recoverable amounts, such as valuation reports and discounted cash flows. For discounted cash flows, significant judgement is required in the estimation of the present value of future cash flows generated by the assets, which involve uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates. The carrying amount of the property and equipment, investment properties and right-of-use assets as at the reporting date is disclosed in Notes 7, 8 and 9 to the financial statements respectively.

(c) Impairment on Trade Receivables

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables. The Group develops the expected loss rates based on the payment profiles of past sales (including changes in the customer payment profile in response to the COVID-19 pandemic) and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying value of trade receivables. The carrying amounts of trade receivables as at the reporting date are disclosed in Note 12 to the financial statements.

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(d) Impairment on Non-Trade Receivables

The loss allowances for non-trade financial assets are based on assumptions about risk of default (probability of default) and expected loss if a default happens (loss given default). It also requires the Group and the Company to assess whether there is a significant increase in credit risk of the non-trade financial asset at the reporting date. The Group and the Company uses judgements in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions and forward-looking information incorporating the impact of COVID-19 pandemic. The carrying amounts of other receivables as at the reporting date are disclosed in Notes 12 and 13 to the financial statements respectively.

(e) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group and the Company recognises tax liabilities based on their understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the period in which such determination is made. The carrying amount of the current tax liabilities of the Group is RM612,988 (2020 – RM1,779,509), and the current tax assets of the Company is RM29,709 (2020 – RM25,582).

Critical Judgements Made in Applying Accounting Policies

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

Classification between Investment Properties and Owner-Occupied Properties

The Group determines whether a property qualifies as an investment property, and has developed a criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independent of the other assets held by the Group.

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

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

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 BASIS OF CONSOLIDATION

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

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

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

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

(a) Business Combinations

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

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

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

(b) Non-Controlling Interests

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

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

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

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 BASIS OF CONSOLIDATION (CONT'D)

(d) Loss of Control

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

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

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

4.3 FUNCTIONAL AND FOREIGN CURRENCIES

(a) Functional and Presentation Currency

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

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

(b) Foreign Currency Transactions and Balances

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

4.4 FINANCIAL INSTRUMENTS

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

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

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

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

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 FINANCIAL INSTRUMENTS (CONT'D)

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

(a) Financial Assets

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

Debt Instruments

(i) Amortised Cost

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

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

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

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

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

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

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

Equity Instruments

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

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

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

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial Liabilities

(i) Financial Liabilities at FVPL

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

(ii) Other Financial Liabilities

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

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

(c) Equity Instruments

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

(i) Ordinary Shares

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

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

(ii) Treasury Shares

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

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

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

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 FINANCIAL INSTRUMENTS (CONT'D)

(d) Derecognition

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

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

(e) Financial Guarantee Contracts

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

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

4.5 INVESTMENTS IN SUBSIDIARIES

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

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

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.6 INVESTMENTS IN ASSOCIATES

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

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

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

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

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

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7 PROPERTY AND EQUIPMENT

(a) Measurement Basis

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

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

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

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

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

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

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

(b) Depreciation

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

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.8 INVESTMENT PROPERTIES

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

(a) Measurement Basis

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

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

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

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

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property or inventories, the fair value at the date of change becomes the cost for subsequent accounting purposes. If the owner-occupied property becomes an investment property, such property shall be accounted for in accordance with the accounting policy set out in Note 4.7 above.

(b) Depreciation

Freehold land is not depreciated.

Depreciation is charged to profit or loss on a straight-line method to write off the depreciable amount of the properties over their estimated useful lives. Depreciable amount is determined after deducting the residual value from the cost of the properties.

The principal annual rates for this purpose are:-

Leasehold land	Over the estimated useful lives
Building and apartments units	2%

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the properties.

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.9 LEASES

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

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

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

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

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

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

4.10 NON-CURRENT ASSETS HELD FOR SALE

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

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.11 IMPAIRMENT

(a) Impairment of Financial Assets

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

The expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognises lifetime expected credit losses for trade receivables and contract assets using the simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience and are adjusted for forward-looking information (including time value of money where appropriate).

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

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

(b) Impairment of Non-Financial Assets

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

An impairment loss is recognised in profit or loss immediately.

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

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.12 INCOME TAXES

(a) Current Tax

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

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

(b) Deferred Tax

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

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

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

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

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

4.13 CASH AND CASH EQUIVALENTS

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

4.14 EMPLOYEE BENEFITS

(a) Short-Term Benefits

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

(b) Defined Contribution Plans

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

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.15 EARNINGS PER ORDINARY SHARE

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

4.16 OPERATING SEGMENTS

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

4.17 TRUST ACTIVITIES

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

4.18 CONTINGENT LIABILITIES

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

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

4.19 FAIR VALUE MEASUREMENTS

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

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

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

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

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.20 REVENUE

(a) Revenue from Contracts with Customers

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

The Group recognises revenue when (or as) it transfers control over a service to customer. An asset is transferred when (or as) the customer obtains control of that asset.

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

(i) Brokerage Income

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

(ii) Interest Income

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

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

(iii) Fees and Commission

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

(iv) Rental Income from Investment Properties

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

(b) Revenue from Other Sources

Dividend Income

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

Notes To The Financial Statements (cont'd)

5 INVESTMENTS IN SUBSIDIARIES

	The Company	
	2021 RM'000	2020 RM'000
Unquoted shares, at cost:		
- Ordinary Shares	139,991	139,991
- Redeemable Non-Cumulative Convertible Preferences Shares ("RNCCPS")	86,000	86,000
	225,991	225,991

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

Name of Subsidiary	Percentage of Issued Share Capital Held by Parent		Principal Activities
	2021	2020	
	%	%	
Subsidiaries of the Company			
JF Apex Securities Berhad (“JF Apex”)	100	100	Stock, share and futures broker and dealer in securities and investment advisor.
Apex Development Sdn. Bhd. (“ADSB”)	100	100	Property holding.
Apex Equity Capital Sdn. Bhd. (“AEC”)	100	100	Money lending and property development.
Subsidiaries of JF Apex			
JF Apex Nominees (Asing) Sdn. Bhd.	100	100	Provision of nominee services.
JF Apex Nominees (Tempatan) Sdn. Bhd.	100	100	Provision of nominee services.

The salient features of RNCCPS are as follows:-

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

Subsequent to the end of the reporting period, AEC has redeemed 20 million of the RNCCPS at RM1.00 per RNCCPS for cash consideration of RM20 million.

Notes To The Financial Statements (cont'd)

6 INVESTMENT IN AN ASSOCIATE

	The Group	
	2021 RM'000	2020 RM'000
Unquoted shares, at cost	7,075	7,075
Share of post-acquisition losses	(2,171)	(2,171)
	4,904	4,904
Reclassified to non-current asset held for sale (Note 16)	(4,904)	-
	-	4,904

The detail of the associate, which is incorporated in Malaysia and having its principal place of business in Malaysia, is as follows:-

Name of Company	Percentage of Issued Share Capital Held by Parent		Principal Activities
	2021	2020	
	%	%	
<i>Associate of JF Apex</i>			
Astute Fund Management Berhad (“AFMB”) (formerly known as Apex Investment Services Berhad)	-	43	Establishment and management of unit trusts and wholesale funds and provision of portfolio management services.

The summarised financial information of the associate in the previous reporting period that was individually material to the Group was as follows:-

	2020 RM'000
At 31 December	
Non-current assets	765
Current assets	12,130
Non-current liabilities	(509)
Current liabilities	(982)
Net assets	11,404
12-month Period Ended 31 December	
Revenue	3,891
Loss after taxation/Total comprehensive expenses for the financial year	(696)
Group's share of loss after taxation/Total comprehensive expenses for the financial year	(299)
Carrying amount of Group's interests in the associate	4,904

During the financial year, JF Apex, a subsidiary of the Company entered into an agreement to dispose its entire equity interest in the associate. Accordingly the carrying amount of the investment in the associate has been reclassified to non-current asset held for sale, as disclosed in Note 16 to the financial statements.

Notes To The Financial Statements (cont'd)

7 PROPERTY AND EQUIPMENT

The Group	Freehold Land	Buildings	Office Equipment	Motor Vehicles	Plant and Machinery	Furniture, Fixtures and Fittings	Renovation	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2021								
Cost								
At 1 January	1,318	17,076	9,576	354	1,209	5,776	5,439	40,748
Additions	-	-	282	-	-	-	-	282
At 31 December	1,318	17,076	9,858	354	1,209	5,776	5,439	41,030
Accumulated depreciation								
At 1 January	-	6,445	9,460	352	1,209	5,712	5,420	28,598
Charge for the financial year	-	336	86	1	-	38	2	463
At 31 December	-	6,781	9,546	353	1,209	5,750	5,422	29,061
Carrying amount at 31 December	1,318	10,295	312	1	-	26	17	11,969
2020								
Cost								
At 1 January	1,318	17,076	10,176	354	1,209	5,776	5,439	41,348
Additions	-	-	25	-	-	-	-	25
Written off	-	-	(625)	-	-	-	-	(625)
At 31 December	1,318	17,076	9,576	354	1,209	5,776	5,439	40,748
Accumulated depreciation								
At 1 January	-	6,109	9,999	323	1,209	5,699	5,395	28,734
Charge for the financial year	-	336	86	29	-	13	25	489
Written off	-	-	(625)	-	-	-	-	(625)
At 31 December	-	6,445	9,460	352	1,209	5,712	5,420	28,598
Carrying amount at 31 December	1,318	10,631	116	2	-	64	19	12,150

Notes To The Financial Statements (cont'd)

7 PROPERTY AND EQUIPMENT (CONT'D)

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

	The Group	
	2021 RM'000	2020 RM'000
Office equipment	9,317	9,257
Furniture, fixtures and fittings	5,555	5,555
Renovation	5,420	5,420
Plant and machinery	1,209	1,209
Buildings	258	258
Motor vehicles	353	349
	22,112	22,048

8 INVESTMENT PROPERTIES

The Group	Freehold Land RM'000	Leasehold Land RM'000	Apartment Unit RM'000	Total RM'000
2021				
Cost				
At 1 January/31 December	22,696	4,332	156	27,184
Accumulated depreciation				
At 1 January	-	14	69	83
Charge for the financial year	-	5	3	8
At 31 December	-	19	72	91
Carrying amount at 31 December	22,696	4,313	84	27,093
Fair value at 31 December	80,096	4,620	97	84,813
2020				
Cost				
At 1 January/31 December	22,696	4,332	156	27,184
Accumulated depreciation				
At 1 January	-	9	66	75
Charge for the financial year	-	5	3	8
At 31 December	-	14	69	83
Carrying amount at 31 December	22,696	4,318	87	27,101
Fair value at 31 December	80,096	4,620	97	84,813

Notes To The Financial Statements (cont'd)

8 INVESTMENT PROPERTIES (CONT'D)

The directors have opted for the cost model in determining the carrying amount of the investment properties.

Freehold land with a carrying value of RM22,695,670 (2020 – RM22,695,670) and the leasehold land are held for currently undetermined future use. Both the freehold and leasehold land are held vacant.

The Group acquired the long leasehold land in 2015 when it had a remaining leasehold period of 888 years.

The fair value of these properties for financial year 2021 was determined by reference to valuations carried out by certain registered independent professional valuers in 2021. For financial year 2020, the fair value was based on valuations carried out by certain registered independent professional valuers in 2018 and 2019.

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

9 RIGHT-OF-USE ASSETS

The Group	Office Premises RM'000	Motor Vehicles RM'000	Others RM'000	Total RM'000
2021				
Cost				
At 1 January	-	1,092	143	1,235
Addition	220	-	-	220
At 31 December	220	1,092	143	1,455
Accumulated depreciation				
At 1 January	-	492	32	524
Charge for the financial year	66	245	2	313
At 31 December	66	737	34	837
Carrying amount at 31 December	154	355	109	618
2020				
Cost				
At 1 January/31 December	-	1,092	143	1,235
Accumulated depreciation				
At 1 January	-	246	30	276
Charge for the financial year	-	246	2	248
At 31 December	-	492	32	524
Carrying amount at 31 December	-	600	111	711

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

Notes To The Financial Statements (cont'd)

10 OTHER ASSETS

		The Group	
		2021	2020
		RM'000	RM'000
Unquoted shares in Malaysia, at fair value	10.1	2,793	2,793
Contribution to clearing fund	10.2	1,252	1,236
		4,045	4,029

10.1 Unquoted Shares

Investment in unquoted shares represents investment in Malaysian Rating Corporation Berhad held by a subsidiary. Upon adoption of MFRS 9, the Group considered this investment as equity instruments and designated it at FVOCI.

10.2 Contribution to Clearing Fund

The contribution to the clearing fund which was made in accordance with the Business Rules of the Bursa Malaysia Derivatives Berhad ("BMDB"), is placed with Bursa Malaysia Derivatives Clearing Berhad ("BMDC"). The clearing fund earns an effective interest rate of 1.17% (2020 – 1.47%) per annum.

11 MARKETABLE SECURITIES HELD FOR TRADING

The marketable securities, which are stated at fair value, represent investments in listed equity securities in Malaysia that offer the Group the opportunity for return through dividend income and fair value gains. The fair value of these securities is based on quoted market prices.

12 RECEIVABLES

		The Group		The Company	
		2021	2020	2021	2020
		RM'000	RM'000	RM'000	RM'000
Trade balances:-					
Amount owing by brokers	(a)	4,167	10,321	-	-
Gross amount owing by clients	(a)	129,708	113,985	-	-
Less: Impairment losses on receivables	(b)	(2,801)	(4,160)	-	-
		126,907	109,825	-	-
		131,074	120,146	-	-
Non-trade balances:-					
Deposits	(c)	4,402	11,704	5	7,005
Other receivables		313	302	-	-
Prepayments		278	266	61	9
		136,067	132,418	66	7,014

12 RECEIVABLES (CONT'D)

(a) Gross Amount Owing by Brokers and Clients

The amount owing by brokers which is unsecured, interest-free and is from the normal business transactions of the Group.

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

The normal credit term for the amounts owing by brokers and non-margin clients is transaction day plus 2 trading days ("T+2") (2020 – "T+2") in accordance with the Fixed Delivery and Settlement System trading rules of Bursa Malaysia Securities Berhad ("BMSB"). A contra interest at a flat rate of 10.5% (2020 – 10.5%) per annum is charged on outstanding amounts owing by non-margin clients after T+2 (2020 – T+2). However, clients may opt for discretionary financing which is permitted by BMSB for an extended settlement period of T+7 (2020 – T+7) at an interest rate of 8% per annum. Gross amount owing by clients under this extended settlement period at the end of the reporting period amounted to RM9,169,267 (2020 – RM10,935,019).

Included in amount owing by clients of the Group at the end of the reporting period is an amount of RM1,119,953 (2020 – RM3,542,297) owing by a company in which a director of the Company has indirect equity interest and is also a common director of the said company. The amount owing was subject to the normal credit term of T+2.

(b) Movements of Impairment Losses on Amount Owing by Clients

	The Group	
	2021 RM'000	2020 RM'000
At 1 January	4,160	4,257
Additions	968	368
Reversal	(2,327)	(465)
At 31 December	2,801	4,160

(c) Deposits

Included in deposits are the following:-

- (aa) An amount of RM7 million placed by the Company as deposit in the previous financial year according to the BMA as disclosed in Note 35.1 to the financial statements. This deposit is subject to the terms and conditions precedent set out in the BMA and earned interest at a prevailing market interest rate applicable to fixed deposits. The deposit earned an effective interest rate of 1.25% per annum at the end of the previous reporting period. The deposit has been refunded during the financial year after the BMA lapsed, refer to Note 35.1 to the financial statements.
- (ab) Deposits placed with Bursa Malaysia Securities Clearing Sdn. Bhd. are as follows:-
 - (i) An amount of RM2,517,987 (2020 – RM2,489,536) representing equity margin deposit which earns an effective interest rate of 1.22% (2020 – 1.91%) per annum at the end of the reporting period.
 - (ii) An amount of RM300,558 (2020 – RM296,914) representing clearing guarantee fund which earns effective interest rates ranging from 1.20% to 1.29% (2020 – 1.20% to 2.64%) per annum, and has a maturity period of less than three months at the end of the reporting period.

13 AMOUNTS OWING BY/(TO) A SUBSIDIARY

The amounts owing by/(to) a subsidiary represent unsecured advances, which earn interest at the bankers' acceptances rate of a reference bank with an effective interest rate of 2.66% (2020 – 2.25%) per annum. The amounts owing are receivable/repayable on demand and are to be settled in cash.

14 FIXED DEPOSITS WITH A LICENSED BANK

The fixed deposits at the end of the reporting period which have been pledged with financial institution, earn weighted average effective interest rate of 1.75% (2020 – 2.74%) per annum and have a maturity period of 12 months (2020 – 12 months).

15 CASH AND SHORT-TERM FUNDS

15.1 ACCOUNTS OF THE GROUP AND THE COMPANY

	The Group		The Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances	97,772	55,002	109	9
Money at call and deposit placements maturing within one month	98,533	99,885	-	-
	196,305	154,887	109	9

The money at call and deposits placement maturing within one month earn effective interest rates of between 1.25% to 1.73% (2020 – 1.25% and 1.70%) per annum at the end of the reporting period and have maturity periods ranging from 3 to 33 days (2020 – 4 to 33 days).

Included in the Group's cash and short-term funds are monies received from remisiers as deposits amounting to RM7,679,913 (2020 – RM7,128,421).

15.2 ACCOUNTS HELD IN TRUST

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

	The Group	
	2021	2020
	RM'000	RM'000
Money at call and deposit placements maturing within one month	90,741	95,879
Cash and bank balances	31,445	72,605
Clearing house and brokers	2,925	2,288
	125,111	170,772

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

16 NON-CURRENT ASSET HELD FOR SALE

16.1 INVESTMENT IN AN ASSOCIATE

On 23 March 2021, JF Apex, a subsidiary of the Company has entered into a Share Sale Agreement with certain third parties (who are acting together as purchasers) for the proposed disposal of its entire 43% equity interest representing 10,105,000 issued and fully paid-up ordinary shares in its associate refer to in Note 6 to the financial statements, for a cash consideration of approximately RM5.2 million.

The share sale was completed subsequent to the end of the reporting period.

16.2 INVENTORIES (LAND HELD FOR DEVELOPMENT)

In the previous financial year another subsidiary, AEC had entered into a Sale and Purchase Agreement with a third party to dispose the entire inventories, comprising 4 parcels of commercial land held for development for a cash consideration of RM37 million.

The disposal was completed during the current financial year.

17 SHARE CAPITAL

	The Group/The Company			
	Number of Shares ('000)		RM'000	
	2021	2020	2021	2020
Issued and Fully Paid-Up				
Ordinary Shares	213,563	213,563	221,940	221,940

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

18 TREASURY SHARES

	The Group/The Company			
	Number of Shares ('000)		RM'000	
	2021	2020	2021	2020
At 1 January/31 December	10,923	10,923	7,459	7,459

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

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

Notes To The Financial Statements (cont'd)

19 RESERVES

	The Group		The Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Distributable				
Retained profits	118,149	102,753	19,804	26,158
Non-distributable				
Fair value reserve	2,131	2,131	-	-
	120,280	104,884	19,804	26,158

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

20 LEASE LIABILITIES

	The Group	
	2021	2020
	RM'000	RM'000
At 1 January	651	880
Addition	220	-
Interest expenses recognised in profit or loss	56	66
Repayments of principal	(312)	(229)
Payment of interest expenses	(56)	(66)
At 31 December	559	651
Analysed by:-		
Current liabilities	362	250
Non-current liability	197	401
	559	651

Notes To The Financial Statements (cont'd)

21 PAYABLES

	The Group		The Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Trade balances:-				
Amount owing to clients	3,239	16,503	-	-
Amount owing to brokers	26,257	4,917	-	-
	29,496	21,420	-	-
Non-trade balances:-				
Deposits	7,618	11,007	-	-
Other payables	2,792	4,693	-	-
Accruals	2,610	2,989	40	220
	13,020	18,689	40	220
	42,516	40,109	40	220

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

The normal credit terms of the amount owing to clients and brokers are within T+2 (2020 – T+2).

22 BANK OVERDRAFT

The bank overdraft facility granted to a subsidiary is at a floating rate financial instrument which is unsecured but guaranteed by the Company. The effective interest rate of the bank overdraft at the end of the reporting period was 7.14% (2020 – 7.14%) per annum.

Notes To The Financial Statements (cont'd)

23 REVENUE

	The Group		The Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Revenue from Contract with Customers				
<u>Recognised at a point in time</u>				
Brokerage income	35,497	43,661	-	-
Fees and commission	2,388	1,384	-	-
Sale of land held for development	37,000	-	-	-
	74,885	45,045	-	-
<u>Recognised over time</u>				
Interest income	12,150	11,474	365	172
Rental income from investment properties	537	619	-	-
	12,687	12,093	365	172
	87,572	57,138	365	172
Revenue from Other Sources				
Dividend income	-	-	-	3,000
Results from trading marketable securities	847	16	-	-
	847	16	-	3,000
	88,419	57,154	365	3,172

24 DIRECT OPERATING COSTS

	The Group	
	2021	2020
	RM'000	RM'000
Cost of development land sold	32,385	-
Commission of remisiers, dealers and brokers	15,737	17,815
Direct operating expenses of investment properties	490	523
	48,612	18,338

25 NET IMPAIRMENT GAIN ON FINANCIAL ASSETS

	The Group	
	2021	2020
	RM'000	RM'000
Impairment gain/(loss) on trade receivables [Note 12(b)]:		
- additions during the financial year	(968)	(368)
- reversal during the financial year	2,327	465
Net impairment gain on financial assets	1,359	97

Notes To The Financial Statements (cont'd)

26 PROFIT/(LOSS) BEFORE TAXATION

	The Group		The Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) before taxation is arrived at after charging/(crediting):-				
Auditors' remuneration:				
- audit fee:				
- current year	153	153	40	40
- underprovision in the previous financial year	-	5	-	-
- non-audit fee	32	13	32	13
Material Expenses/(Income)				
Depreciation:				
- property and equipment	463	489	-	-
- investment properties	8	8	-	-
- right-of-use assets	313	248	-	-
Directors' remuneration (Note 31)	1,391	1,550	348	564
Interest expenses on financial liabilities measured at amortised cost:				
- lease liabilities	56	66	-	-
- amount owing to a subsidiary	-	-	76	37
- bank overdraft	14	25	-	-
Staff costs (including other key management personnel as disclosed in Note 31):				
- short-term employment benefits	6,235	6,073	-	-
- defined contribution plans	634	783	-	-
- others	202	140	-	-
Short-term lease expenses	1,802	1,941	-	-
Gain on disposal of investment properties	-	(792)	-	-
Unrealised gain on marketable securities	(37)	-	-	-
Gross dividend from:				
- a subsidiary	-	-	-	(3,000)
- unquoted investment	(197)	(196)	-	-
Interest income on financial assets measured at amortised cost:				
- amount owing by a subsidiary	-	-	(365)	(172)
- fixed and time deposits	(933)	(898)	-	-
- deposit placed with a solicitor	(326)	-	(326)	-
Rental income from operating leases of:				
- investment properties	(536)	(619)	-	-
- inventories	(84)	(544)	-	-

The estimated monetary value of benefits-in-kind provided by the Group to the directors of the Company and the directors of the subsidiaries were RM21,250 (2020 – RM21,250) and RM24,690 (2020 – RM30,572) respectively.

Notes To The Financial Statements (cont'd)

27 INCOME TAX EXPENSE

	The Group		The Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Current tax expense:				
- for the financial year	5,663	6,148	53	25
- overprovision in the previous financial year	(20)	(35)	(1)	-*
	5,643	6,113	52	25

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

	The Group		The Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Profit/(loss) before taxation (excluding share of associate's results)	27,118	23,626	(223)	1,823
Tax at the statutory tax rate of 24% (2020 – 24%)	6,508	5,670	(54)	438
Tax effects of:-				
Tax effect of expenses not deductible in determining taxable profit	3,086	872	107	307
Tax effect of income not taxable in determining taxable profit	(47)	(237)	-	(720)
Utilisation of deferred tax assets not previously recognised	(3,884)	(157)	-	-
Overprovision of current tax expense in the previous financial year	(20)	(35)	(1)	-*
Income tax expense for the financial year	5,643	6,113	52	25

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2020 – 24%) of the estimated assessable profit for the financial year.

*less than RM1,000

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

	The Group	
	2021	2020
	RM'000	RM'000
Allowance for impairment losses on receivables	2,801	4,160
Provisional expenses	983	1,153
Accelerated capital allowances over depreciation	260	468
Unused tax losses	57,275	71,670
	61,319	77,451
Excess of depreciation over capital allowances	(52)	-
	61,267	77,451

No deferred tax assets are recognised in respect of these items as it is not probable that taxable profits will be available against which the deductible temporary differences can be utilised.

The unused tax losses are allowed to be utilised for 10 (2020 – 7) consecutive years of assessment since the year of assessment 2018, and expire in the year of assessment 2028 (2020 – 2025).

Notes To The Financial Statements (cont'd)

28 EARNINGS PER SHARE

The earnings per share has been calculated based on the consolidated profit after taxation of RM21.475 million (2020 – RM17.213 million) attributable to owners of the Company and on 202.640 million (2020 – 202.640 million) ordinary shares in issue during the financial year after deducting treasury shares is calculated as follows:-

	The Group	
	2021	2020
	'000	'000
Number of ordinary shares in issue at 31 December	213,563	213,563
Less:-		
Number of treasury shares held at 31 December (Note 18)	(10,923)	(10,923)
	202,640	202,640
Basic earnings per share (sen)	10.60	8.49

Diluted earnings per share:

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

29 DIVIDENDS

	The Company	
	2021	2020
	RM'000	RM'000
Recognised as distribution to owners of the Company:-		
First interim single tier dividend of one (1) sen per share, paid on 30 June 2021	2,026	-
Second interim single tier dividend of one (1) sen per share, paid on 30 September 2021	2,026	-
Third interim single tier dividend of one (1) sen per share, paid on 28 December 2021	2,027	-
	6,079	-

On 21 February 2022, the directors declared an interim dividend of one (1) sen per ordinary share amounting to RM2,026,402 and a special dividend of nine (9) sen per ordinary share amounting to RM18,237,619 in respect of the financial year ended 31 December 2021, paid on 6 April 2022. The financial statements for the year do not reflect these dividends. These dividends will be accounted in the financial year ending 31 December 2022 being the reporting period in which these dividends are declared.

Notes To The Financial Statements (cont'd)

30 CASH FLOW INFORMATION

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

	The Group	
	2021 RM'000	2020 RM'000
Lease liabilities:-		
At 1 January	651	880
Change in Financing Cash Flows		
Addition	220	-
Repayments of principal	(312)	(229)
Interest paid during the financial year	(56)	(66)
	(148)	(295)
Non-cash Changes		
Interest expenses recognised in profit or loss	56	66
At 31 December	559	651

	The Company	
	2021 RM'000	2020 RM'000
Amount owing to a subsidiary:-		
At 1 January	2,466	779
Change in Financing Cash Flows		
Advances received during the financial year	800	1,650
Non-cash Changes		
Interest expense recognised in profit or loss	76	37
At 31 December	3,342	2,466

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

	The Group	
	2021 RM'000	2020 RM'000
Payment for short-term leases	1,802	1,941
Interest paid on lease liabilities	56	66
Payment of lease liabilities	312	229
	2,170	2,236

Notes To The Financial Statements (cont'd)

30 CASH FLOW INFORMATION (CONT'D)

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

	The Group		The Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Fixed deposits with a licensed bank	214	208	-	-
Cash and short-term funds	196,305	154,887	109	9
Bank overdraft (Note 22)	(5,008)	(5,003)	-	-
	191,511	150,092	109	9
Less:-				
Fixed deposits pledged and/or with tenure more than 3 months (Note 14)	(214)	(208)	-	-
	191,297	149,884	109	9

31 KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel of the Group and of the Company are the executive and non-executive directors of the Company and certain directors of the subsidiaries.

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

	The Group		The Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
(a) Directors				
(i) Directors of the Company				
Non-executive Directors				
Short-term employee benefits:				
- fees	301	501	301	501
- other benefits	26	42	26	42
- benefits-in-kind	21	21	21	21
	348	564	348	564
(ii) Directors of Subsidiaries				
Executive Director				
Short-term employee benefits:				
- salaries, bonuses and other benefits	904	849	-	-
- benefits-in-kind	25	31	-	-
Defined contribution benefits	114	106	-	-
	1,043	986	-	-
Total directors' remuneration	1,391	1,550	348	564

Notes To The Financial Statements (cont'd)

31 KEY MANAGEMENT PERSONNEL COMPENSATION (CONT'D)

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
(b) Other Key Management Personnel				
Short-term employee benefits:				
- salaries, bonuses and other benefits	1,323	1,301	-	-
- benefits-in-kind	16	19	-	-
Defined contribution benefits	167	164	-	-
Total compensation of other key management personnel	1,506	1,484	-	-

32 RELATED PARTY DISCLOSURES

(a) Identities of Related Parties

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

(b) Significant Related Party Transactions and Balances

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

	The Company	
	2021 RM'000	2020 RM'000
Transactions with subsidiaries:-		
Dividend received from a subsidiary	-	3,000
Repayment of advances from a subsidiary	7,103	1,296
Advances:		
- from a subsidiary	800	1,650
- to a subsidiary	(7,923)	(4,696)
Interest charged:		
- to a subsidiary	365	172
- by a subsidiary	(76)	(37)

33 OPERATING SEGMENTS

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

The Group is organised into 3 main business segments as follows:-

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

The money lending segment is not disclosed as the Group is not active in this segment, thus there is no related financial information for purposes.

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

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

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

BUSINESS SEGMENTS

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

Notes To The Financial Statements (cont'd)

33 OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS (CONT'D)

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

	Investment Holdings and Others	Stock and Futures Broking	Property Holding and Property Development	The Group
2020	RM'000	RM'000	RM'000	RM'000
Revenue				
External revenue	29	56,506	619	57,154
Inter-segment revenue	3,172	-	1,384	4,556
	3,201	56,506	2,003	61,710
Adjustments and eliminations				(4,556)
Consolidated revenue				57,154
Results				
Segment results	(1,295)	23,869	892	23,466
Interest income	5	-	893	898
Depreciation:				
- property and equipment	-	(149)	(340)	(489)
- investment properties	-	-	(8)	(8)
- right-of-use assets	-	(80)	(168)	(248)
Net impairment gain on financial assets	-	97	-	97
Interest expense	-	(47)	(44)	(91)
(Loss)/Profit before taxation after eliminations	(1,290)	23,690	1,225	23,625
Share of results of an associate				(299)
				23,326
Income tax expense				(6,113)
Consolidated profit after taxation				17,213

33 OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS (CONT'D)

	Investment Holdings and Others	Stock and Futures Broking	Property Holding and Property Development	The Group
2020	RM'000	RM'000	RM'000	RM'000
Assets				
Segment assets	243,677	244,739	117,593	606,009
Current tax assets	27	-	-	27
Elimination/Adjustments	(236,304)	(349)	(2,475)	(239,128)
Consolidated total assets	7,400	244,390	115,118	366,908
Liabilities				
Segment liabilities	2,721	51,479	4,355	58,555
Current tax liabilities	-	1,724	83	1,807
Elimination/Adjustments	(2,522)	(10,287)	(10)	(12,819)
Consolidated total liabilities	199	42,916	4,428	47,543
Other segment items				
Additions to non-current assets other than financial instruments:				
- property and equipment	-	22	3	25

GEOGRAPHICAL INFORMATION

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

MAJOR CUSTOMERS

There is no single customer contributing revenue equal to or more than 10% of Group's revenue, other than a customer who has contributed RM37 million (2020 - Nil) to the Group's revenue for the financial year ended 31 December 2021 from the property holding and property development segment.

34 FINANCIAL INSTRUMENTS

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

34.1 FINANCIAL RISK MANAGEMENT POLICIES

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

(a) Market Risk

(i) Foreign Currency Risk

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

34 FINANCIAL INSTRUMENTS (CONT'D)

34.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(ii) Interest Rate Risk

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

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

The Group's exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period is disclosed in Note 34.1(c) to the financial statements.

Interest Rate Risk Sensitivity Analysis

A 100 basis points (2020 – 100 basis points) strengthening or weakening in the interest rates at the end of the reporting period would have immaterial impact on profit after taxation. This assumes that all other variables remain constant.

(iii) Equity Price Risk

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

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

(b) Credit Risk

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

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

The Company's exposure to credit risk arises principally from advances to subsidiaries, corporate guarantee given to a third party on behalf of a subsidiary. The Company monitors the results of these subsidiaries regularly and repayments made by the subsidiaries.

(i) Credit Risk Concentration Profile

The Group does not have any major concentration of credit risk related to any individual client or counterparty.

34 FINANCIAL INSTRUMENTS (CONT'D)

34.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(ii) Maximum Exposure to Credit Risk

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

The maximum exposure to credit risk is as follows:-

	The Group	
	2021	2020
	RM'000	RM'000
Trade receivables	131,074	120,146
Less: Collateral held	(87,302)	(78,650)
Net exposure to credit risk	43,772	41,496

(iii) Assessment of Impairment Losses

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

The gross carrying amounts of financial assets are written off against the associated impairment, if any, when there is no reasonable expectation of recovery (i.e. the debtor does not have assets or sources of income to generate sufficient cash flows to repay the debt) despite the fact that they are still subject to enforcement activities.

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

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

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

34 FINANCIAL INSTRUMENTS (CONT'D)

34.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

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

Trade Receivables

The Group applies the simplified approach to measure expected credit losses using a lifetime expected loss allowance for all trade receivables.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. Therefore, the Group concluded that the expected loss rates for trade receivables are a reasonable approximation.

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

The expected loss rates are based on the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the trade receivables to settle their debts.

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

Allowance for Impairment Losses

The Group	Gross Amount RM'000	Individual Impairment RM'000	Carrying Value RM'000
2021			
Current (not past due)	131,074	-	131,074
Credit impaired	2,801	(2,801)	-
	133,875	(2,801)	131,074
2020			
Current (not past due)	120,146	-	120,146
Credit impaired	4,160	(4,160)	-
	124,306	(4,160)	120,146

The movements in the loss allowances in respect of trade receivables are disclosed in Note 12 to the financial statements.

34 FINANCIAL INSTRUMENTS (CONT'D)

34.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

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

Other Receivables

Other receivables are also subject to the impairment requirements of MFRS 9, the identified impairment loss was immaterial and hence, it is not provided for.

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

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

Amount Owing By Subsidiaries

The Company applies the 3-stage general approach to measuring expected credit losses for all inter-company balances. The Company considers loans and advances to subsidiaries have low credit risks. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the subsidiaries' advances when they are payable, the Company considers the advances to be in default when the subsidiaries are not able to pay when demanded. The Company considers a subsidiary's advance to be credit impaired when the subsidiary is unlikely to repay its loan or advance in full or the subsidiary is continuously loss making or the subsidiary is having a deficit in its total equity.

The Company determines the probability of default for these loans and advances individually using internal information available.

Allowance for Impairment Losses

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

34 FINANCIAL INSTRUMENTS (CONT'D)

34.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk

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

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

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

Maturity Analysis

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

The Group	Weighted Average Effective Interest Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 – 5 Years RM'000
2021					
Non-Derivative Financial Liabilities					
Trade payables	-	29,496	29,496	29,496	-
Other payables and accruals	-	5,402	5,402	5,402	-
Bank overdraft	7.14	5,008	5,008	5,008	-
Lease liabilities	7.84	559	596	394	202
		40,465	40,502	40,300	202
2020					
Non-Derivative Financial Liabilities					
Trade payables	-	21,420	21,420	21,420	-
Other payables and accruals	-	7,682	7,682	7,682	-
Bank overdraft	7.14	5,003	5,003	5,003	-
Lease liabilities	8.50	651	723	295	428
		34,756	34,828	34,400	428

34 FINANCIAL INSTRUMENTS (CONT'D)

34.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The Company	Weighted Average Effective Interest Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 – 5 Years RM'000
2021					
Non-Derivative Financial Liabilities					
Other payables and accruals	-	40	40	40	-
Amount owing to a subsidiary	2.66	3,342	3,342	3,342	-
Financial guarantee contracts in relation to corporate guarantee given to a subsidiary	-	-	5,008	5,008	-
		3,382	8,390	8,390	-
2020					
Non-Derivative Financial Liabilities					
Other payables and accruals	-	220	220	220	-
Amount owing to a subsidiary	2.25	2,466	2,466	2,466	-
Financial guarantee contracts in relation to corporate guarantee given to a subsidiary	-	-	5,003	5,003	-
		2,686	7,689	7,689	-

34.2 CAPITAL RISK MANAGEMENT

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

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

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

34 FINANCIAL INSTRUMENTS (CONT'D)

34.2 CAPITAL RISK MANAGEMENT (CONT'D)

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

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

	2021 RM'000	2020 RM'000
Liquid capital	192,953	176,919
Total risk requirement	5,949	5,041
Capital adequacy ratio	32.44	35.09

The liquid capital of the subsidiary is as follows:-

	2021 RM'000	2020 RM'000
Total non-current assets *	8,838	8,604
Total current assets #	424,507	484,396
Less:-		
Total current liabilities #	(225,813)	(301,465)
	207,532	191,535
Less:-		
Assets not ranking for liquid capital	(14,579)	(14,616)
Liquid capital	192,953	176,919

Notes:-

* This includes equipment, investment in associate and unquoted investment.

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

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

	2021 RM'000	2020 RM'000
Operational risk requirement	5,000	5,000
Counterparty risk requirement	478	41
Position risk requirement	471	-
	5,949	5,041

Notes To The Financial Statements (cont'd)

34 FINANCIAL INSTRUMENTS (CONT'D)

34.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group		The Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Financial Assets				
<u>Equity Instruments at FVOCI</u>				
Unquoted investment (Note 10)	2,793	2,793	-	-
<u>Equity Instruments at FVPL</u>				
Marketable securities held for trading (Note 11)	2,242	-	-	-
<u>Amortised Cost</u>				
Contribution to clearing fund (Note 10)	1,252	1,236	-	-
Trade receivables (Note 12)	131,074	120,146	-	-
Other receivables (Note 12)	313	302	-	-
Amount owing by a subsidiary	-	-	11,471	10,286
Fixed deposits with a licensed bank	214	208	-	-
Cash and short-term funds	196,305	154,887	109	9
	329,158	276,779	11,580	10,295
Financial Liability				
<u>Amortised Cost</u>				
Trade payables (Note 21)	29,496	21,420	-	-
Other payables and accruals (Note 21)	5,402	7,682	40	220
Amount owing to a subsidiary	-	-	3,342	2,466
Bank overdraft (Note 22)	5,008	5,003	-	-
Lease liabilities (Note 20)	559	651	-	-
	40,465	34,756	3,382	2,686

34.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	The Group		The Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Financial Assets				
<u>Equity Instruments at FVOCI</u>				
Gains recognised in profit or loss	197	196	-	-
<u>Mandatorily at FVPL</u>				
Gain recognised in profit or loss	884	-	-	-
<u>Amortised Cost</u>				
Net gains recognised in profit or loss	2,292	1,016	365	172
Financial Liability				
<u>Amortised Cost</u>				
Losses recognised in profit or loss	(70)	(91)	(76)	(37)

34 FINANCIAL INSTRUMENTS (CONT'D)

34.5 FAIR VALUE INFORMATION

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

Fair Value of Financial Instruments Carried at Fair Value

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

	Fair Value of Financial Instruments Carried At Fair Value			Fair Value of Financial Instruments Not Carried At Fair Value			Total Fair Value	Carrying Amount
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
The Group								
2021								
Financial Assets								
Marketable securities held for trading	2,242	-	-	-	-	-	2,242	2,242
Other assets:								
- unquoted shares in Malaysia	-	-	2,793	-	-	-	2,793	2,793
2020								
Financial Asset								
Other assets:								
- unquoted shares in Malaysia	-	-	2,793	-	-	-	2,793	2,793

- (i) The fair values above have been determined using the following basis:-
- The fair value of the unquoted shares in Malaysia is determined based on input and the information applicable to level 3 fair value measurement.
- # The fair value of the unquoted equity investment is determined to approximate the net asset value of the investee as the carrying value of the investment is immaterial in the context of the financial statements.
- (ii) There were no transfer between level 1 and level 2 during the financial year.

35 MATERIAL LITIGATIONS

35.1 KUALA LUMPUR HIGH COURT ORIGINATING SUMMONS NO. WA-24NCC-56-02/2019 ("OS 56")

On 25 February 2019, Concrete Parade Sdn. Bhd. ("Concrete Parade"), a corporate shareholder of the Company filed an oppression suit vide OS 56 against amongst others, the Company and JF Apex seeking amongst others a declaration that the Heads of Agreement and the Business Merger Agreement ("BMA") related to the proposed merger of businesses of JF Apex Securities Berhad ("JF Apex"), a wholly-owned subsidiary of the Company and Mercury Securities Sdn. Bhd. ("Mercury") via the transfer by Mercury to JF Apex of its stockbroking, corporate advisory and other related businesses together with the requisite business assets and business liabilities for a consideration of RM140 million ("Proposed Merger"), as illegal and/or unlawful and/or null and void.

On 7 August 2019, the High Court dismissed OS 56. Concrete Parade subsequently appealed to the Court of Appeal against the dismissal of OS 56 vide Appeal 1551, disclosed in Note 35.2 below.

35.2 COURT OF APPEAL CIVIL APPEAL NO. W-02(IM)(NCC)-1551-08/2019 ("Appeal 1551")

On 7 August 2019, the High Court dismissed OS 56. Concrete Parade subsequently appealed to the Court of Appeal against the dismissal of OS 56 vide Appeal 1551.

On 20 November 2019, Concrete Parade obtained an order from the Court of Appeal to stay the proceedings in OS 345 as disclosed in Note 35.3 below, pending the disposal of Appeal 1551. The hearing of Appeal 1551 finally concluded on 18 February 2021.

On 16 April 2021, the Company announced that Mercury Securities Sdn. Bhd. had vide its letter dated 15 April 2021 informed the Company that it was not seeking a further extension of the Conditions Fulfilment Period for the BMA which had been mutually extended for 10 times for a period of more than 2 years. As a result, the BMA had lapsed, and the Proposed Merger has been discontinued. In light that the BMA had lapsed, the Company had through its solicitors informed Court of Appeal of this development.

On 18 August 2021, the Court of Appeal allowed Appeal 1551 with costs.

On 7 February 2022, the Company obtained an order from the Court of Appeal to stay part of the Court of Appeal of 18 August 2021 where the Company need not sell the treasury shares held by it pending the disposal of its application for leave to appeal to the Federal Court, disclosed in Note 35.3 below.

35.3 FEDERAL COURT APPLICATION NO. 08(f)-399-09/2021(W)

On 17 September 2021, the Company had filed an application for leave to appeal to the Federal Court ("Leave Application") against the entire decision of the Court of Appeal which allowed Appeal 1551, as disclosed in Note 35.2 above.

The Leave Application is fixed for hearing on 10 May 2022.

35 MATERIAL LITIGATIONS (CONT'D)

35.4 KUALA LUMPUR HIGH COURT ORIGINATING SUMMONS NO. WA-24NCC-345-06/2019 ("OS 345")

JF Apex and Mercury, filed OS 345 on 1 July 2019 and obtained the Vesting Order from the High Court for the Proposed Merger.

Concrete Parade and another corporate shareholder of the Company, Pinerains Sdn. Bhd. ("Pinerains") applied to intervene in OS 345 and set aside the Vesting Order.

On 15 July 2019, Concrete Parade's application to set aside the Vesting Order was allowed. Both Concrete Parade and Pinerains were allowed to intervene in OS 345.

On 18 September 2019, the High Court set aside resolutions passed at the EGM held on 18 June 2019 in respect of the Proposals as the High Court was of view that the shareholders' circular dated 3 June 2019 did not clearly define the assets in the Proposed Merger. Costs of RM100,000 was awarded to Pinerains and damages was ordered to be assessed. OS 345 was however not dismissed.

On 30 April 2021, Pinerains's application for assessment of damages was allowed with nominal damages of RM5,000. No cost was awarded to Pinerains. Pinerains had on 25 May 2021 filed an appeal via Court of Appeal No. W-02(IM)/(NCC)-1089-05/2021 ("Appeal 1089") against the decision of the High Court, disclosed in Note 35.5 below.

The hearing of OS 345 had been stayed pending the disposal of Appeal 1551.

In light that the BMA had lapsed and the Proposed Merger has been discontinued, on 7 September 2021, OS 345 was withdrawn with costs of RM5,000 awarded to Concrete Parade and Pinerains respectively.

35.5 APPEAL 1089

On 5 January 2022, the Court of Appeal allowed Pinerains' appeal and awarded damages of RM300,000 to Pinerains.

36 SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

On 11 March 2020, the World Health Organisation declared the COVID-19 outbreak as global pandemic. Following the declaration, the Government of Malaysia has on 18 March 2020 imposed the Movement Control Order ("MCO") and subsequently entered into various phases of the MCO until 31 December 2020 to curb the spread of the COVID-19 pandemic in Malaysia.

The management has assessed the impact on the Group and of the opinion that there were no material financial impacts arising from the pandemic as at the end of the reporting period. Nevertheless, the Group has taken and will continue to take necessary steps to safeguard and preserve its financial condition, emphasising on liquidity management to meet its continuing financial commitments and liquidity needs.

Given the dynamic nature of the COVID-19 pandemic, it is not practicable to provide a reasonable estimate of its impacts on the Group's financial position, operating results and cash flows at the date on which these financial statements are authorised for issue.

List of Properties

As At 31 December 2021

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

Location	Description of property held	Title No.	Tenure	Land Area (Sq.Ft.)	Usage	Net Book Value RM	Date of acquisition of property
Mukim of Sepang Kuala Langat	Vacant Land Lot 429	C.T.12098	Freehold	4,361,446	Investment Property	12,709,330	20/7/95
Mukim of Kajang Hulu Langat	Office Building	EMR 8560 Lot 7382	Freehold	51,008	Office Building	11,441,143	1/9/94
Mukim of Ulu Yam Hulu Selangor	Vacant Land	Geran No. 6636 Lot 1677	Freehold	4,312,441	Investment Property	9,986,339	13/12/96
Mukim of Beaufort	Vacant	PL 176194880	Leasehold Expiry: 2905	14,374,949	Investment Property	4,312,964	9/12/15
APT 28/A(C)/(L) Hartaya Bay Resort Mukim Kijal	Apartment Unit	H S (D) 2302 P.T 2865 #	Leasehold Expiry: 2095	1,206	-	193,429	30/8/96
Parcel No. D7 Building D Bukit Mewah Kajang	Apartment Unit	Geran No. 54436 M1881	Freehold	1,059	Occupied By Staff	84,697	16/5/94
Parcel No. E7 Building E Bukit Mewah Kajang	Apartment Unit	Geran No. 54436 M1880	Freehold	1,067	Occupied By Staff	84,697	16/5/94
Unit No. E/F1 Strawberry Park Resort Apartment	Apartment Unit	#	Leasehold Expiry: 2067	1,232	For Staff Use	-*	7/6/95

* Fully depreciated

Under master title

Shareholders' Analysis Report

As At 8 April 2022

No. of Shares Issued	213,563,324 ordinary shares (including 10,923,118 treasury shares)
Class of shares	Ordinary shares
Voting rights	One vote per ordinary share held

DISTRIBUTION SHAREHOLDERS

	No. Of Shareholders	% Of Shareholders	No. Of Shares	% Of Issued Share Capital
Less than 100	747	23.54	27,155	0.01
100-1,000	226	7.12	115,463	0.06
1,001-10,000	1,798	56.65	5,671,275	2.80
10,001-100,000	343	10.81	9,068,122	4.48
100,001-Less than 5% of issued shares	56	1.76	93,315,368	46.05
5% and above of issued shares	4	0.13	94,442,823	46.61
Total	3,174	100	202,640,206	100

DIRECTORS' SHAREHOLDINGS

NAME	Direct Interest		Indirect Interest	
	No. Of Shares	% Of Shares	No. Of Shares	% Of Shares
Chithra Ganesalingam	-	-	-	-
Lee Cheow Fui (Resigned on 25 April 2022)	-	-	-	-
Choong Chee Meng	-	-	30,350,000	14.98*
Leong Sek Hoe (Appointed on 22 March 2022)	-	-	-	-
Dr. Yap Lang Ling (Appointed on 22 March 2022)	-	-	-	-
Ng Kit Ching (Appointed on 22 March 2022)	-	-	-	-
Lee Siow Hong (Appointed on 11 April 2022)	-	-	-	-
H'ng Boon Keng (Appointed on 11 April 2022)	-	-	-	-

* Deemed interested by virtue of his direct substantial shareholding in ACE Alliance Holdings Sdn. Bhd., the ultimate parent company of ACE Credit (M) Sdn. Bhd.

SUBSTANTIAL SHAREHOLDERS

NAME	Direct Interest		Indirect Interest	
	No. Of Shares	% Of Shares	No. Of Shares	% Of Shares
Fun Sheung Development Limited	31,966,914	15.78	-	-
Mercsec Nominees (Tempatan) Sdn Bhd	30,350,000	14.98	-	-
Pledged Securities Account for ACE Credit (M) Sdn Bhd	-	-	30,350,000	14.98*
Choong Chee Meng	-	-	-	-
CIMB Group Nominees (Tempatan) Sdn Bhd	24,946,600	12.31	-	-
CIMB Commerce Trustee Berhad – Kenanga Growth Fund	10,495,800	5.18	-	-
Yenson Investments Limited	-	-	-	-

* Deemed interested by virtue of his direct substantial shareholding in ACE Alliance Holdings Sdn. Bhd., the ultimate parent company of ACE Credit (M) Sdn. Bhd.

TOP THIRTY LARGEST SECURITIES ACCOUNT HOLDERS

NAME	NO. OF SHARES	% OF SHARES
Fun Sheung Development Limited	31,966,914	15.78
Mercsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for ACE Credit (M) Sdn Bhd	27,033,509	13.34
CIMB Group Nominees (Tempatan) Sdn Bhd CIMB Commerce Trustee Berhad – Kenanga Growth Fund	24,946,600	12.31
Yenson Investments Limited	10,495,800	5.18
Concrete Parade Sdn Bhd	10,000,000	4.93
Mercsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Gerald Nicholas Tan Eng Hoe (2)	10,000,000	4.93
Pinerains Sdn Bhd	8,898,480	4.39
Joymap Bridge Sdn Bhd	7,579,700	3.74
Cergas Megah (M) Sdn Bhd	7,549,040	3.73
CIMB Group Nominees (Tempatan) Sdn Bhd CIMB Commerce Trustee Berhad for Kenanga Growth Fund Opportunities Fund	6,606,200	3.26
Mercsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ong Chin Kok	5,683,509	2.80
Lim Siew Kim	5,656,920	2.79
Maybank Nominees (Tempatan) Sdn Bhd Maybank Trustees Berhad for Kenanga Bondextra Fund	3,500,000	1.73
Mercsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for ACE Credit (M) Sdn Bhd (2)	3,316,491	1.64
Mercsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chew Beow Soon	3,199,500	1.58
Cimsec Nominees (Tempatan) Sdn Bhd CIMB for Azizan Bin Abd Rahman (PB)	2,756,974	1.36
Mercsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yong Chong Hee	2,718,000	1.34
Pacific & Orient Insurance Co Berhad	1,111,400	0.55
Lim Kim Chai	1,100,000	0.54
ACE Credit (M) Sdn Bhd Pledged Securities Account for Ong Hay Thong	1,000,000	0.49
ACE Credit (M) Sdn Bhd Pledged Securities Account for Leong Kim Fong	1,000,000	0.49
Mercsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Choong Ai Nee	1,000,000	0.49
Chan Kean Siew	926,160	0.46
Maybank Securities Nominees (Tempatan) Sdn Bhd Maybank Kim Eng Securities Pte Ltd for Chan Teik Huat	822,120	0.41
Chan Kean Chai	821,100	0.41
Chin Sin Hong	652,000	0.32
Chan Eng Keong	637,358	0.31
Ng King Song	600,000	0.30
Khor Keng Saw @ Khaw Ah Soay	475,044	0.23
Ong Bee Lian	472,500	0.23
Total	182,525,319	90.07

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 32nd Annual General Meeting of Apex Equity Holdings Berhad ("the Company") will be held at the Conference Room, 10th Floor, Menara Apex, Off Jalan Semenyih, Bukit Mewah, 43000 Kajang, Selangor Darul Ehsan on Monday, 20 June 2022 at 10:30 a.m. to transact the following businesses:

AGENDA

As Ordinary Business

1. To receive the Audited Financial Statements of the Company and of the Group for the financial year ended 31 December 2021 together with the Reports of the Directors and Auditors thereon. **Please refer to Explanatory Note 1**
2. To approve the payment of Directors' fees to the following Non-Executive Directors of the Company payable on a quarterly basis with effect from the conclusion of the 32nd Annual General Meeting until the conclusion of the next Annual General Meeting of the Company to be held in 2023:-

Directors	Amount (RM)
i Ms. Chithra Ganesalingam	146,250
ii Mr. Choong Chee Meng	108,750
iii Ms. Ng Kit Ching	131,250
iv Dr. Yap Lang Ling	134,625
v Mr. Lee Siow Hong	112,125
vi Mr. H'ng Boon Keng	123,375
3. To approve the payment of benefits to the Non-Executive Directors of the Company up to an amount of RM65,000.00 with effect from the conclusion of the 32nd Annual General Meeting until the conclusion of the next Annual General Meeting of the Company to be held in 2023. **Resolution 7**
4. To re-elect Ms. Chithra Ganesalingam who retires pursuant to Article 102 of the Company's Articles of Association. **Resolution 8**
5. To re-elect the following Directors who retire pursuant to Article 109 of the Company's Articles of Association:
 - (i) Ms. Ng Kit Ching **Resolution 9**
 - (ii) Dr. Yap Lang Ling **Resolution 10**
 - (iii) Mr. Lee Siow Hong **Resolution 11**
 - (iv) Mr. H'ng Boon Keng **Resolution 12**
 - (v) Mr. Leong Sek Hoe **Resolution 13**
6. To re-appoint Crowe Malaysia PLT as Auditors of the Company to hold office from the conclusion of the 32nd Annual General Meeting until the conclusion of the next Annual General Meeting to be held in 2023 and to authorise the Directors to fix their remuneration. **Resolution 14**

As Special Business

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

7. **SPECIAL RESOLUTION** **Resolution 15**
PROPOSED ADOPTION OF NEW CONSTITUTION OF THE COMPANY
THAT approval be and is hereby given to the Company to alter or amend the whole of its existing Memorandum and Articles of Association by the replacement thereof with a new Constitution of the Company as set out in Appendix A with immediate effect AND THAT the Board of Directors of the Company be and is hereby authorised to assent to any conditions, modifications and/or amendments as may be required by any relevant authorities, and to do all acts and things and take all such steps as may be considered necessary to give full effect to the foregoing.

Notice of Annual General Meeting (cont'd)

8. To transact any other business that may be transacted at the 32nd Annual General Meeting of which due notice shall have been given in accordance with the Companies Act 2016 and the Articles of Association of the Company.

By Order of the Board

Low Kim Heow (MAICSA 7007682)

SSM PC No. 201908002950

Mak Chooi Peng (MAICSA 7017931)

SSM PC No. 201908000889

Company Secretaries

Kajang

29 April 2022

EXPLANATORY NOTES

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

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

2. Items 2 and 3 of the Agenda – Payment of Directors' fees and benefits to the Non-Executive Directors

The Company is seeking shareholders' approval for the payment of Non-Executive Directors' fees and benefits of up to RM825,000.00 with effect from the 32nd Annual General Meeting ("AGM") of the Company until the conclusion of the next AGM of the Company in 2023 pursuant to Section 230(1) of the Act. The amount of Directors' fees and benefits were based on 15 months (i.e. a buffer of 3 months) in case an extension of time is needed to convene the next annual general meeting. By way of information, the annual general meetings held in 2020 and 2021 were held within the period pursuant to Section 340(2) of the Act.

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

No.	Description	Chairman (RM)		Members (RM)	
		Fee (RM per annum)	Meeting allowance (RM per meeting)	Fee (RM per annum)	Meeting allowance (RM per meeting)
1.	Board	117,000	-	78,000	1,000
2.	Audit Committee	11,700	-	9,000	500
3.	Nomination and Remuneration Committee	11,700	-	9,000	500
4.	Group Board Risk Committee	11,700	-	9,000	500

In the event that the proposed Directors' fees and benefits are insufficient, approval will be sought at the next AGM for additional Directors' fees and benefits to meet the shortfall. Mr. Leong Sek Hoe being the Non-Independent Non-Executive Director of the Company does not receive any Director's remuneration by virtue of him being the Executive Director/Chief Executive Officer of JF Apex Securities Berhad.

3. Items 4 and 5 of the Agenda – Re-election of Directors

Ms. Chithra Ganesalingam, who retires in accordance with Article 102 of the Articles of Association of the Company and being eligible, has offered herself for re-election.

As the Nominating Committee was not constituted at that time when the Board evaluation was carried out (as its composition fell below the required minimum number of three (3) as stipulated in its terms of reference), the evaluation was carried out directly by the Board of Directors of the Company ("Board") with the affected Director abstaining from all deliberations and recommendations.

The Board had assessed Ms. Chithra Ganesalingam and considered her performance and contribution based on the Self and Peer assessment, her contribution to the Board deliberations, time commitment and her ability to act in the best interests of the Company in decision-making. The Board had recommended her for re-election based on the following consideration:-

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

Ms. Ng Kit Ching, Dr. Yap Lang Ling, Mr. Lee Siow Hong, Mr. H'ng Boon Keng and Mr. Leong Sek Hoe (collectively referred to as "Retiring Directors"), who retire in accordance with Article 109 of the Articles of Association of the Company, and being eligible, have offered themselves for re-election. The Retiring Directors were newly appointed to the Board in March and April 2022. As such, their assessment and evaluation had been carried out prior to their respective appointments.

The Board, with each affected Director abstaining from deliberations and voting on their own re-election, has recommended the re-election of Ms. Chithra Ganesalingam and the Retiring Directors. Their profiles are disclosed in the Annual Report 2021.

4. Item 6 of the Agenda – Re-appointment of Auditors

As the Audit and Risk Management Committee was not constituted at that time when the annual assessment of external auditors was carried out (as its composition fell below the required minimum number of three (3) as stipulated in its terms of reference), the assessment was carried out directly by the Board.

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

5. Item 7 of the Agenda – Proposed Adoption of New Constitution of the Company

The proposed amendments to the existing Memorandum & Articles of Association of the Company ("M&A") are made mainly to ensure compliance with the amended Bursa Malaysia Securities Berhad Main Market Listing Requirements which was issued on 29 November 2017 and to provide clarity and consistency with the amendments that arise from the Act effective 31 January 2017.

In view of the substantial amendments to the existing M&A, the Board of Directors has again proposed that the existing M&A be replaced in its entirety with the proposed new Constitution as set out in Appendix A as the new Constitution of the Company. The proposed new Constitution shall take effect once the Special Resolution has been passed by a majority of not less than 75% of such members who are entitled to attend and vote in person or by proxy at the 32nd AGM. Details of the proposed amendments together with the rationale for the same are enclosed for ease of reference.

Notice of Annual General Meeting (cont'd)

To re-cap, this Special Resolution had been tabled twice at the Company's Extraordinary General Meetings held on 19 June 2019 and 18 November 2019 ("EGMs"), and once at the Adjourned 30th AGM held on 2 September 2020 ("Adjourned AGM") with a new version of the Constitution which is more structured and provides better clarity and eases understanding for the readers.

By way of information for the benefit of shareholders, no queries were raised at the EGMs on the proposed amendments and yet the Special Resolution was not carried. At the Adjourned AGM on 2 September 2020, a shareholder raised queries on a few clauses in the proposed new Constitution, which were addressed at the said meeting. All the same, the Special Resolution was not carried. The Special Resolution was again tabled at the Adjourned 31st AGM held on 11 November 2021 and was voted down.

The Company had made four (4) attempts to seek its shareholders' approval for the Special Resolution but to no avail. This 32nd AGM will be the fifth (5th) attempt. The Company has applied for extension of time from Bursa Malaysia Securities Berhad to adopt a new Constitution.

NOTES:

Entitlement to Attend/Participate, Speak and Vote

Only members whose names appear in the Record of Depositors on 13 June 2022 shall be entitled to attend, speak and vote at this 32nd Annual General Meeting ("Meeting").

Proxy

1. A member entitled to attend and vote at this Meeting is entitled to appoint one (1) or more proxies to attend and vote in his stead. If a member wishes to personally participate in this Meeting, please do not appoint any proxy(ies).
2. Where a member appoints two (2) or more proxies, the appointments shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.
3. There shall be no restriction as to the qualification of the proxy.
4. The instrument appointing the proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing. If the appointor is a corporation, the instrument appointing a proxy shall be given under the corporation's common seal or under the hand of an officer or attorney of the corporation duly authorised in that behalf.
5. Where a member is an authorized nominee, as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
6. Where a member is an exempt authorised nominee ("EAN"), as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the EAN may appoint in respect of each omnibus account it holds.
7. All Proxy Forms must be deposited at the Company's Registered Office at 6th Floor, Menara Apex, Off Jalan Semenyih, Bukit Mewah, 43000 Kajang, Selangor Darul Ehsan not less than 48 hours before the time appointed for holding this Meeting or any adjournment thereof.

Voting

1. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice of the 32nd Annual General Meeting shall be put to vote by way of poll.

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PROXY FORM

CDS ACCOUNT NO.	NO. OF SHARES HELD



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

of _____

_____ [Address]

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

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

and / or (delete as appropriate)

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

or failing him, the Chairman of the Meeting as my/our proxy to attend and to vote for me/us and on my/our behalf at the 32nd Annual General Meeting of the Company to be held at the Conference Room, 10th Floor, Menara Apex, Off Jalan Semenyih, Bukit Mewah, 43000 Kajang, Selangor Darul Ehsan on Monday, 20 June 2022 at 10:30 a.m. or any adjournment thereof, and to vote as indicated below:

Item	Agenda	Resolution	For	Against	Abstain
1.	Approval for payment of Director's fee to Ms. Chithra Ganesalingam	Resolution 1			
2.	Approval for payment of Director's fee to Mr. Choong Chee Meng	Resolution 2			
3.	Approval for payment of Director's fee to Ms. Ng Kit Ching	Resolution 3			
4.	Approval for payment of Director's fee to Dr. Yap Lang Ling	Resolution 4			
5.	Approval for payment of Director's fee to Mr. Lee Siow Hong	Resolution 5			
6.	Approval for payment of Director's fee to Mr. H'ng Boon Keng	Resolution 6			
7.	Approval of payment of Director's benefit	Resolution 7			
8.	Re-election of Ms. Chithra Ganesalingam	Resolution 8			
9.	Re-election of Ms. Ng Kit Ching	Resolution 9			
10.	Re-election of Dr. Yap Lang Ling	Resolution 10			
11.	Re-election of Mr. Lee Siow Hong	Resolution 11			
12.	Re-election of Mr. H'ng Boon Keng	Resolution 12			
13.	Re-election of Mr. Leong Sek Hoe	Resolution 13			
14.	Re-appointment of Crowe Malaysia PLT as the Auditors of the Company	Resolution 14			
15.	Special Resolution – Proposed Adoption of New Constitution of the Company	Resolution 15			

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

Signed this _____ day of _____, 2022

Signature of Shareholder/Common Seal

NOTES:**Entitlement to Attend/Participate, Speak and Vote**

Only members whose names appear in the Record of Depositors on 13 June 2022 shall be entitled to attend, speak and vote at this 32nd Annual General Meeting ("Meeting").

Proxy

- A member entitled to attend and vote at this Meeting is entitled to appoint one (1) or more proxies to attend and vote in his stead. If a member wishes to personally participate in this Meeting, please do not appoint any proxy(ies).
- Where a member appoints two (2) or more proxies, the appointments shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.
- There shall be no restriction as to the qualification of the proxy.
- The instrument appointing the proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing. If the appointor is a corporation, the instrument appointing a proxy shall be given under the corporation's common seal or under the hand of an officer or attorney of the corporation duly authorised in that behalf.
- Where a member is an authorized nominee, as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- Where a member is an exempt authorised nominee ("EAN"), as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the EAN may appoint in respect of each omnibus account it holds.
- All Proxy Forms must be deposited at the Company's Registered Office at 6th Floor, Menara Apex, Off Jalan Semenyih, Bukit Mewah, 43000 Kajang, Selangor Darul Ehsan not less than 48 hours before the time appointed for holding this Meeting or any adjournment thereof.

Voting

- Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice of the 32nd Annual General Meeting shall be put to vote by way of poll.

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STAMP

The Company Secretary

Apex Equity Holdings Berhad

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

6th Floor, Menara Apex,
Off Jalan Semenyih,
Bukit Mewah, 43000 Kajang
Selangor Darul Ehsan, Malaysia

PLEASE FOLD HERE

Apex Equity Holdings Berhad

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

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