ecmlibra

Laporan Tahunan 2022 Annual Report

ECM Libra Group Berhad (200501031433)(713570-K)

contents

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corporate information

DIRECTORS

Dato' Seri Kalimullah bin Masheerul Hassan (Chairman)
Dato' Lim Kian Onn (Deputy Chairman)
Datuk Kamarudin bin Md Ali
En Mahadzir bin Azizan
Mr Oh Teik Khim
Mr Gareth Lim Tze Xiang (Chief Executive Officer)
En Akil Hassan bin Kalimullah
(Alternate Director to Dato' Seri Kalimullah bin Masheerul Hassan)

BOARD AUDIT & RISK MANAGEMENT COMMITTEE

Datuk Kamarudin bin Md Ali (Chairman)
En Mahadzir bin Azizan
Mr Oh Teik Khim

NOMINATION AND REMUNERATION COMMITTEE

En Mahadzir bin Azizan (Chairman)
Datuk Kamarudin bin Md Ali
Mr Oh Teik Khim

SECRETARIES

Ms Wong Choy Ling
Ms Cynthia Gloria Louis
Ms Chew Mei Ling

AUDITORS

Messrs BDO PLT
201906000013 (LLP0018825-LCA) & AF 0206
Chartered Accountants
Level 8, BDO @ Menara CenTARa
360 Jalan Tuanku Abdul Rahman
50100 Kuala Lumpur
Tel : 03-2616 2888
Fax : 03-2616 3190/3191

SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel : 03-2783 9299
Fax : 03-2783 9222

REGISTERED OFFICE

2nd Floor, West Wing, Bangunan ECM Libra
8 Jalan Damansara Endah
Damansara Heights
50490 Kuala Lumpur
Tel : 03-2632 9800
Fax : 03-2096 1188

BUSINESS ADDRESS

Ground Floor, East Wing, Bangunan ECM Libra
8 Jalan Damansara Endah
Damansara Heights
50490 Kuala Lumpur
Tel : 03-2632 9800
Fax : 03-2096 1188

WEBSITE

www.ecmlibra.com

LISTING

Main Market of Bursa Malaysia Securities Berhad

directors' profile

Dato' Seri Kalimullah bin Masheerul Hassan

Non-Executive Chairman/Non-Independent

Dato' Seri Kalimullah bin Masheerul Hassan, a Malaysian, male, aged 65, began a career in journalism in 1979 before becoming a businessman in 1995. Since then, he has held positions in various Malaysian listed corporations. Dato' Seri Kalimullah was also tapped by the Government to serve on various Government agencies and boards, including as Chairman of the national news agency, Bernama, Deputy Chairman of the New Straits Times Press (M) Bhd, while continuing as Chief Executive Officer and Executive Chairman of ECM Libra Berhad, which he co-founded with two partners in 2002. He also served as a member of the National Unity Advisory Panel, the Multimedia Development Corporation (MdEC), the National Information Technology and various public-listed companies. He is now focusing on charity works undertaken by the ECM Libra Foundation which was set up and funded by him and his two partners, Dato' Chua Ming Huat and Dato' Lim Kian Onn.

Dato' Seri Kalimullah was appointed Chairman of the Board of Directors ("Board") of ECM Libra Group Berhad ("ECMLG" or "Company") on 16 June 2006. He attended five of the six Board meetings held during the financial year ended 31 December 2022.

Dato' Seri Kalimullah is Chairman of the ECM Libra Foundation Board of Trustees. His son, En Akil Hassan bin Kalimullah, is his Alternate Director in ECMLG. Dato' Seri Kalimullah is a substantial shareholder of ECMLG and has no family relationship with the other major shareholders of ECMLG and has no conflict of interest with ECMLG. He has never had any conviction for any offences and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2022.

Dato' Lim Kian Onn

Non-Executive Deputy Chairman/Non-Independent

Dato' Lim Kian Onn, a Malaysian, male, aged 66, is a member of the Institute of Chartered Accountants in England & Wales and the Malaysian Institute of Accountants. He served his articleship with KMG Thomson McLintock in London and was a consultant with Andersen Consulting from 1981 to 1984. Between 1984 and 1993, Dato' Lim was with Hong Leong Group, Malaysia as an Executive Director in the stockbroking arm responsible for corporate finance, research and institutional sales. Dato' Lim founded the Libra Capital Group in 1994 and co-founded the ECM Libra Group in 2002.

Dato' Lim was appointed to the Board of ECMLG on 16 June 2006. Dato' Lim is currently the Deputy Chairman of ECMLG, appointed as such from 1 June 2022. Dato' Lim attended five of the six Board meetings held during the financial year ended 31 December 2022.

Dato' Lim is also the non-executive Chairman of Plato Capital Limited, a company listed on the Stock Exchange of Singapore and a trustee of ECM Libra Foundation. Dato' Lim has substantial interest in ECMLG and is the father of Mr Gareth Lim Tze Xiang who is also a director and Chief Executive Officer of ECMLG. Dato' Lim has no conflict of interest with ECMLG, no conviction for any offences within the past five years and has not been imposed with any public sanction or penalty by any relevant regulatory bodies during the financial year ended 31 December 2022.

Datuk Kamarudin bin Md Ali

Independent Non-Executive

Datuk Kamarudin bin Md Ali, a Malaysian, male, aged 72, is a retired police commissioner. He holds a Masters in Science (Engineering) from University of Birmingham, United Kingdom and Bachelor of Science (Honours) (Mechanical Engineering) from University of Strathclyde, Glasgow, Scotland and attended specialized courses at the Royal College of Defense Studies, United Kingdom and University of Pittsburgh in the United States. Datuk Kamarudin retired from the Royal Malaysia Police ("RMP") on 4 May 2006 with more than thirty years' experience with extensive knowledge and skills in logistics and financial management, manpower development, strategic planning, training and crime suppression and prevention, gained through a wide range of command posts and managerial capacities held during his tenure in the RMP. He is actively involved in NGOs and is noted for his contribution to the Malaysia Crime Prevention Foundation.

Datuk Kamarudin was appointed to the Board of ECMLG on 16 June 2006. He attended all six Board meetings held during the financial year ended 31 December 2022. He is the Chairman of the Board Audit & Risk Management Committee and a member of the Nomination and Remuneration Committee of ECMLG.

Datuk Kamarudin is also a director of Ann Joo Resources Berhad. He has no family relationship with any director or major shareholder of ECMLG, no conflict of interest with ECMLG and has no conviction for any offences within the past five years. He has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2022.

En Mahadzir bin Azizan

Independent Non-Executive

En Mahadzir bin Azizan, a Malaysian, male, aged 74, is a Barrister-At-Law from Lincoln's Inn, London, United Kingdom and was called to the English Bar in 1978.

After graduation, En Mahadzir joined the Judicial and Legal Service of the Malaysian Government as a Deputy Public Prosecutor and Federal Counsel and subsequently ventured into the private sector and served Malaysian International Shipping Corporation Berhad and Island & Peninsular Berhad, the property arm of Permodalan Nasional Berhad. Whilst in the private sector, he also served as Ahli Majlis MARA, director of Amanah Raya Berhad and Tabung Haji group of companies as well as various other directorships in government linked companies.

En Mahadzir was appointed to the Board of ECMLG on 16 June 2006. He attended all six Board meetings held during the financial year ended 31 December 2022. He is the Chairman of the Nomination and Remuneration Committee and a member of the Board Audit & Risk Management Committee of ECMLG.

En Mahadzir is also a director of RCE Capital Berhad and Securities Industry Dispute Resolution Center. He has no family relationship with any director or major shareholder of ECMLG, no conflict of interest with ECMLG and has no conviction for any offences within the past five years. He has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2022.

Oh Teik Khim

Independent Non-Executive

Mr Oh Teik Khim, a Malaysian, male, aged 68, is an Associate of the Institute of Chartered Accountants in England and Wales. He has more than thirty years of experience in finance and general management. He had been the Chief Operating Officer/Chief Financial Officer and Executive Director of Plato Capital Limited ("Plato"), a company listed on the Stock Exchange of Singapore, since 2001 and 2003 respectively before he retired in September 2019. Prior to joining Plato, Mr Oh served in various senior positions in the Hong Leong Group Malaysia.

Mr Oh was appointed to the Board of ECMLG on 2 July 2020. He is a member of the Board Audit & Risk Management Committee and Nomination and Remuneration Committee of ECMLG. He attended all six Board meetings held during the financial year ended 31 December 2022.

Mr Oh has no directorship in any other public companies and listed issuers. He has no family relationship with any director or major shareholder of ECMLG, no conflict of interest with ECMLG and has no conviction for any offences within the past five years. He has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2022.

Mr Gareth Lim Tze Xiang

Chief Executive Officer/Non-Independent

Mr Gareth Lim Tze Xiang, a Malaysian, male, aged 40, holds a Bachelor of Arts Degree in Economics from St. Catharine's College at the University of Cambridge.

Mr Gareth Lim was appointed to the Board of ECMLG on 4 July 2016. On 1 June 2020, he was appointed as Chief Executive Officer of ECMLG and re-designated as Executive Director of the Company. He attended five of the six Board meetings held during the financial year ended 31 December 2022.

Mr Gareth Lim is also the Chief Executive Officer of Plato Capital Limited Group ("Plato Group"). He joined Plato Group in September 2009 as Head of Investments, responsible for the formulation and implementation of Plato Group's overall investment strategy and became the Chief Executive Officer of Plato Group in November 2010. He is Chief Executive Officer of Ormond Group which houses Plato Group's hospitality assets and also Deputy Chairman of the Board of Governors of Epsom College in Malaysia. Mr Gareth Lim began his career as part of Morgan Stanley's mergers and acquisitions practice in Singapore.

Mr Gareth Lim is also an alternate director of Plato Capital Limited, a company listed on the Stock Exchange of Singapore. He is the son of Dato' Lim Kian Onn who is a Director and major shareholder of ECMLG. He has no conflict of interest with ECMLG, no conviction for any offences within the past five years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2022.

En Akil Hassan bin Kalimullah

(Alternate Director to Dato' Seri Kalimullah bin Masheerul Hassan)
Non-Independent Non-Executive

En Akil Hassan bin Kalimullah, a Malaysian, male, aged 34, holds a Bachelor of Science in Mathematics from University of Melbourne.

En Akil Hassan started his career in Hay Group, a boutique management consulting firm specialising in human capital solutions, as an Analyst. Having spent five years there, he managed to get involved in major transformation projects with notable GLCs including but not limited to Khazanah Nasional Berhad, Employee Provident Fund (EPF), Pemodalan Nasional Berhad (PNB), Malaysian Resources Corporation Berhad (MRCB) and many others. He specialises in HR analytics, Total Remuneration Strategy, Organisational Design and Strategic Workforce Planning. Currently he works as a Culture Manager in Oriental Interest Berhad, a property developer focused on residential development in the outskirts of Kuala Lumpur where he is responsible for establishing a culture that is in line with the company's growth aspirations.

En Akil Hassan was appointed as Alternate Director to Dato' Seri Kalimullah bin Masheerul Hassan on 10 December 2019. He is the son of Dato' Seri Kalimullah bin Masheerul Hassan who is the Non-Executive Chairman and a substantial shareholder of ECMLG. En Akil Hassan has no directorship in any other public companies and listed issuers, no conflict of interest with ECMLG and has no conviction for any offences within the past five years. He has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2022.

key senior management's profile

Mr Gareth Lim Tze Xiang

Chief Executive Officer

Details of Mr Gareth Lim Tze Xiang are disclosed in the Directors' profile on page 6.

Navinderjeet Singh a/l Naranjan Singh

Chief Financial Officer

Mr Navinderjeet Singh a/l Naranjan Singh, a Malaysian, male, aged 35, holds a Postgraduate Diploma in Finance from Massey University, New Zealand and a Degree in Bachelor of Commerce in Accounting & Finance from University of Auckland, New Zealand.

Mr Navinderjeet was appointed as the Chief Financial Officer of ECM Libra Group Berhad ("ECMLG") on 10 September 2020. Prior to Mr Navinderjeet's current appointment, he was the Chief Executive Officer of Tune Hotels. Mr Navinderjeet has over fifteen years of working experience, seven of which were with Tune Hotels. During the course of Mr Navinderjeet's employment at Tune Hotels, Mr Navinderjeet has held several senior management positions where Mr Navinderjeet was involved in heading the finance, operations and commercial functions of Tune Hotels. Mr Navinderjeet also has experience in corporate finance, auditing and investment banking.

Mr Navinderjeet sits on the board of Plato Capital Limited, a company listed on the Stock Exchange of Singapore. He has no family relationship with any director or major shareholder of ECMLG, no conflict of interest with ECMLG and has no conviction for any offences within the past five years. He has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2022.

board audit & risk management committee report

Constitution

The Board Audit & Risk Management Committee ("BARMC") was established on 28 June 2006 by the Board of Directors ("Board").

Composition

The members of the BARMC during the financial year ended 31 December 2022 ("FY2022") were:

Chairman	:	Datuk Kamarudin bin Md Ali (Independent Non-Executive Director)
Members	:	En Mahadzir bin Azizan (Independent Non-Executive Director)
		Mr Oh Teik Khim (Independent Non-Executive Director)

The BARMC currently comprises the above members who are all Independent Non-Executive Directors. The BARMC member, Mr Oh Teik Khim is an Associate of the Institute of Chartered Accountants in England and Wales. Accordingly, the BARMC meets the requirements of paragraph 15.09(1) and (2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

Functions, Duties and Responsibilities of the BARMC

The key functions, duties and responsibilities of the BARMC are set out in its terms of reference ("TOR") which include, among others, the following:

(i) to review and approve the internal and statutory audit plans and the audit reports, and evaluate internal controls, including risk management and compliance matters;
(ii) to review the quarterly interim financial statements and year-end financial statements of the Group and the Company;
(iii) to consider related party transactions and conflict of interest situations that may arise within the companies in the Group; and
(iv) to review the appointment/re-appointment of the external auditors and their fees, and the scope, competency and resources of the internal audit function.

The TOR of the BARMC is reviewed on annual basis and made available on the website of the Company at www.ecmlibra.com at the dedicated section on Investor Relations.

Meetings

The BARMC meets at least four (4) times in each financial year and additional meetings may be called at any time as and when necessary. During the FY2022, four (4) BARMC meetings were held and attended by all the BARMC members.

The Chairman of the BARMC, after each BARMC meeting, reported to the Board on significant matters deliberated at the meeting and key recommendations of the BARMC for the Board's consideration and approval. The minutes of each BARMC meeting was tabled for confirmation at the following BARMC meeting and subsequently presented to the Board for notation.

Summary of Work

The summary of work of the BARMC in the discharge of its functions, duties and responsibilities during the FY2022 is as below:

1. Financial Reporting

The BARMC reviewed the interim financial statements and year-end financial statements of the Company and the Group prior to tabling to the Board for approval and subsequent release to Bursa Securities. In reviewing the interim financial statements and year-end financial statements of the Company and the Group, the BARMC ensured true and fair reporting, reliability of financial information of the Company and the Group in the statements and their compliance with the requirements of the Companies Act 2016, Malaysian Financial Reporting Standards, International Financial Reporting Standards and Main Market Listing Requirements of Bursa Securities.

Summary of Work (continued)

2. **External Audit**

The BARMC discussed with Messrs BDO PLT ("BDO"), the external auditors, their audit results for the year-end financial statements of the Company and the Group for the financial year ended 31 December 2021 ("FY2021"). BDO re-confirmed that they were independent in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants and the International Code of Ethics for Professional Accountants (including international Independence Standards) throughout the conduct of the audit engagement. BDO further highlighted to the BARMC the key audit matters to be set out in the independent auditors' report of the financial statements for the FY2021.

With the feedback provided by the management, the BARMC assessed the performance, suitability and independence of BDO for their re-appointment as external auditors for the FY2022 by taking into consideration the criteria set out in the External Auditors Assessment Policy including, amongst others, adequacy of resources of BDO to undertake their audit, level and quality of service provided by BDO and level of appropriateness of BDO's fee to support the quality of their services, communication between BDO and the management as well as the competence, knowledge, experience and independence of advice provided by the engagement partner. Other than the aforementioned, the BARMC also considered information presented in the Transparency Report of BDO, i.e. audit quality measures of BDO to uphold their audit quality and in managing risks and also audit quality indicators which provide indicators of the audit quality of BDO, during the assessment of BDO for their re-appointment as external auditors. Based on the results of the assessment, the BARMC was satisfied that BDO had met the criteria for re-appointment as external auditors of the Company for the FY2022. The BARMC accordingly recommended their re-appointment as external auditors to the Board for consideration and subsequently for the same to be recommended to the shareholders for approval at the Seventeenth Annual General Meeting of the Company held on 9 June 2022. The said re-appointment of BDO as external auditors of the Company was approved by the shareholders at the meeting held thereat.

The BARMC deliberated with BDO on their scope of work and audit plan in connection with the audit of the year-end financial statements of the Company and the Group for the FY2022 ("Audit for FY2022") covering, among others, areas of audit emphasis, timeline for completion of audit, deliverables and key dates in the audit, proposed audit fee and scope of audit. BDO confirmed that they were independent in accordance with the independence requirements set out in the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants and the International Code of Ethics for Professional Accountants (including international Independence Standards) in relation to the Audit for FY2022. The BARMC upon deliberation approved the audit plan for implementation and recommended the proposed audit fees of BDO to the Board for approval.

The external auditors could meet freely, regularly and on a confidential basis with the BARMC. During the FY2022, the BARMC had private sessions with BDO on 25 February 2022 and 24 November 2022 without the presence of the other Directors or management.

3. **Internal Audit**

The BARMC reviewed and approved the internal audit plan for the FY2022 proposed by Messrs Crowe Governance Sdn Bhd, the independent outsourced internal auditors ("Internal Auditors"). The BARMC ensured adequate scope and coverage of internal audit on activities and operations of the Group prior approving the internal audit plan. The BARMC also assessed if adequate time and resources were allocated by the Internal Auditors to perform the audit.

The BARMC reviewed the internal audit report and follow-up report presented by the Internal Auditors on their audit findings and recommendations for improvement to be implemented, results of assessment on the adequacy and effectiveness of internal controls implemented, and corresponding responses of the management. The BARMC ensured actions taken by the management to address the audit findings were satisfactory and within the agreed timeline.

The BARMC had a private session with the Internal Auditors on 25 February 2022 without the presence of the other Directors or management.

4. **Related Party Transactions**

The BARMC reviewed the related party transactions entered into by the Group on a quarterly basis to ensure these transactions were carried out in the normal course of business and transacted at arms' length.

Summary of Work (continued)

5. **Risk Management**

   The BARMC oversees the establishment of a robust risk management framework. During the FY2022, the BARMC reviewed, on a quarterly basis, the risk management reports that covered the review and management of risks including and not limited to regulatory compliance, operational, financial, legal, cyber and corruption risks, in the day-to-day business operation and activities of the Group so as to ensure that there were adequate internal control measures and mitigating factors in place to manage the risks encountered by the Group.

6. **Other Duties**

   (i) The BARMC reviewed the Board Audit & Risk Management Committee Report and Statement on Risk Management & Internal Control to ensure adherence to the relevant reporting requirements prior to its recommendation to the Board for approval for inclusion in the Annual Report of the Company.

   (ii) The BARMC reviewed its TOR to ensure it was in accordance with the Main Market Listing Requirements of Bursa Securities and in line with the relevant practices set out in the Malaysian Code on Corporate Governance. The BARMC agreed that no update was required to be made to its TOR and the same was recommended to the Board for concurrence.

   (iii) The BARMC reviewed the External Auditors Assessment Policy which sets out the guidelines and procedures for assessment of external auditors. The BARMC agreed that no update was required to be made to the said policy and it remained relevant, appropriate and fit for its purpose. The BARMC recommended the same to the Board for concurrence.

   (iv) The BARMC reviewed the Risk Management Framework which outlines the approach and management structure in the Group towards the management of risk and Risk Management Procedure Manual which lays out the procedures in the Group's approach towards risk management. The BARMC recommended the Board to formalize and adopt the Risk Management Framework and Risk Management Procedure Manual.

   (v) The BARMC reviewed and recommended the Board to approve the Anti-Money Laundering and Countering Financing of Terrorism Guideline for ECM Libra Partners Sdn Bhd ("ECMLP"), a wholly-owned subsidiary of the Company holding moneylender license under the Moneylenders Act 1951. The said Guideline outlines the requirements set by Bank Negara Malaysia in dealing with money-laundering and terrorism financing in Malaysia which need to be complied by ECMLP.

The BARMC members conducted annual assessment on the performance of individual members and the BARMC as a whole. The results of the assessment were tabled to the BARMC for notation and subsequently to the Nomination and Remuneration Committee ("NRC") and the Board for review. Both the NRC and the Board were satisfied that the BARMC and its members had discharged their functions, duties and responsibilities effectively and in accordance with the TOR of the BARMC.

Internal Audit Function

The internal audit function of the Group is outsourced to an independent internal audit service provider who reports directly to the BARMC.

The Internal Auditors presented to and obtained approval from the BARMC their internal audit plan for the FY2022. During the FY2022, the Internal Auditors conducted audit on the following areas:

- Admission, billing, collection and credit control and procurement to payment of Epsom College in Malaysia ("Epsom College"). Epsom College is under the operation of Epsom College Malaysia Sdn Bhd which is a wholly-owned subsidiary of Educ8 Group Sdn Bhd ("Educ8") whilst Educ8 is an associate company of ECM Libra Group Berhad.

Other than the above mentioned, follow-up reviews were also carried out by the Internal Auditors to evaluate the status of the management's action plans on the following past auditable areas:

- Procurement to payment and revenue recognition – car park sales of the Chow Kit, an Ormond Hotel and MoMo's Kuala Lumpur. Both the hotels are owned and managed by ECML Hotels Sdn Bhd, a wholly-owned subsidiary of the Company; and

- Food and beverages operations and procurement to payment of MAKAN & MINUM owned and operated by Ormond Lifestyle Services Sdn Bhd, a joint venture company of the Company.

Internal Audit Function (continued)

In discharging their role, the Internal Auditors:

- mapped out the business processes on the scope defined (documented the workflow of key business activities from input to output process).

- performed a system of controls evaluation on high-risk areas within the business processes (identify business risks, benchmark the existing control system and identify design inadequacy, implementation lapses and process improvements).

- reviewed the overall control environment where there was a significant amount of implementation lapses.

- reported to the BARMC on the outcome of the audits conducted and their recommendations, the assessment on adequacy and effectiveness of the internal controls implemented and the actions taken by the management to implement improvements where applicable.

The above mentioned had enabled the BARMC to execute its oversight function and form an opinion on the adequacy of measures undertaken by the management.

The cost incurred for the internal audit function in respect of the FY2022 amounted to RM19,650.

This Report was approved by the Board on 13 April 2023.

corporate governance overview statement

The Board of Directors ("Board") of ECM Libra Group Berhad ("ECMLG" or "Company") is committed to manage the Company and its subsidiaries ("ECMLG Group" or "Group") in line with the corporate governance practices as set out in the Malaysian Code on Corporate Governance ("Code"). The Board believes that corporate accountability complements business practices that will facilitate the achievement of the Company's goals and objectives. In preparing this statement, the Board is pleased to report that the Company has applied the principles and complied with the practices as set out the Code except as otherwise stated. The detailed application of each practice as set out the Code during the financial year ended 31 December 2022 is disclosed in the Corporate Governance Report which is available on the Company's website, www.ecmlibra.com, at the dedicated section on Investor Relations.

PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Responsibilities

The Company is led by a proactive Board with a blend of good management and entrepreneurial skills, supported by Independent Directors who bring to the Board their diverse fields of training and experiences. The Board is primarily entrusted with the responsibility of building a sustainable business as well as setting the goals, strategies and organisational policies of the Group. In formulating the goals and strategies of the Group, the Board is mindful of the importance of business sustainability and ensures that particular attention is given to promote sustainability. The Board also oversees the conduct of the Group's businesses, ensures various control systems are in place as well as regularly reviews and evaluates such systems to ensure its adequacy and integrity.

The Board has established its Board Charter which sets out the functions, roles and responsibilities of the Board and individual Directors, authority of the Board, formal schedule of matters reserved for the Board's purview and so forth. The Board is guided by its Board Charter in discharging its duties and responsibilities. The Board Charter is made available on the Company's website at www.ecmlibra.com and shall be reviewed at least once a year and updated as and when necessary to align with changes in the regulatory requirements and circumstances, needs of the Company and business environment.

The Board has established Board Committees to assist in the discharge of its duties and each Board Committee has its own specific terms of reference. Each Board Committee undertakes in-depth deliberation of the issues delegated to it before tabling its recommendations to the Board.

As at the financial year ended 31 December 2022, the Board Committees comprised:

1. Board Audit & Risk Management Committee ("BARMC"); and
2. Nomination and Remuneration Committee ("NRC").

The terms of reference of the Board Committees are set out in the Appendices I and II to the Board Charter.

To ensure there is a check and balance and the objectivity review of the Chairman of the Board and also the Board is not impaired, the Chairman of the Board does not sit on the Board Committees and does not involve in the meetings of the Board Committees. During the financial year ended 31 December 2022, the Chairman of the Board was not invited to and did not attend any of the Board Committee meetings.

The positions of the Chairman and the Chief Executive Officer of ECMLG are held by different individuals to ensure there is a balance of power and authority. The Chairman of the Board leads the Directors in the performance of the Board's responsibilities and oversight of management whilst the responsibility of managing the Group's business activities is delegated to the Chief Executive Officer. The Chairman presides at all the Board meetings and leads the discussions and acts as a facilitator to ensure effective contribution of all Directors at the Board meetings. The Chief Executive Officer is accountable to the Board and is responsible for growing the Group's overall business and providing direction in the implementation of strategies, policies and business plans approved by the Board. All matters not specifically reserved to the Board and necessary for the day-to-day operations of the Group are delegated to the Chief Executive Officer and senior management. The Chief Executive Officer reports to and discusses with the Directors at each Board meeting on the business and financial, governance and operational issues of the Group. The responsibilities of the Chairman and the Chief Executive Officer are set out in the Board Charter.

To ensure ECMLG Group is efficiently managed, the Board meets on a quarterly basis and additionally as and when required, with a formal schedule of matters specifically reserved for its deliberation and decision. During the financial year under review, six (6) Board meetings were held and attended by all the Directors except for Dato' Seri Kalimullah bin Masheerul Hassan, Dato' Lim Kian Onn and Mr Gareth Lim Tze Xiang who attended five (5) Board meetings. All the Directors had complied with the requirements in respect of Board meeting attendance as set out in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ["Listing Requirements of Bursa Securities"].

PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

I. Board Responsibilities (continued)

The Board collectively reviews and considers all corporate proposals prior to their implementation. Corporate proposals are put to vote after careful deliberation. The Directors are updated on ECMLG Group's affairs at the Board meetings. The Board members have unlimited access to all information with regard to the activities of ECMLG Group during deliberations at the Board meetings as well as through regular interaction with senior management who are obliged to provide the Board with complete, well-focused and adequate information in a timely manner. The Directors are encouraged to obtain information on the Group's activities at any time by consultation with senior management. Where necessary, the Board shall also have access to advice of independent professional advisers at the expense of the Company. The Board will discuss and collectively decide on seeking such independent advice when the need arises. All of these arrangements have enabled the Board members to discharge their duties and responsibilities competently and in an informed manner.

The Board members are provided with the notice setting out the meeting agenda together with the comprehensive Board papers at least five (5) days prior to the Board meeting. Board papers are the key source of information for Directors before the meeting and senior management are obliged to provide sufficient, accurate and relevant supporting information in the Board papers. The Chairman with the assistance of the Company Secretaries will ensure the integrity of the information provided by the senior management and the timeliness of the Board papers. Any late provision of Board papers is discouraged by the Board, particularly if it involves complex matters. Upon conclusion of the meeting, the minutes of the meeting are circulated in a timely manner to the Board members prior to the next meeting. The Board ensures the proceedings of the meeting including Board members who abstain from deliberation and voting on a particular matter and dissenting views of the Board members, if any, and decision of the Board, are reflected accordingly in the minutes of the meeting before it is confirmed by the Board as a correct record of the proceedings held thereat.

All the members of the Board have access to the advice and support of suitably qualified and competent Company Secretaries. The Company Secretaries play important advisory roles and are the source of information and advice to the Board on any issues related to procedural and statutory requirements that may affect the Company and the Group. The Company Secretaries keep the Board updated on any material changes in law and regulatory development and advise the Board on the required action to be taken to ensure the Company and the Group's compliances with the regulatory requirements.

The Directors are aware of their responsibilities and will devote sufficient time to discharge such responsibilities. Each member of the Board holds not more than five (5) directorships in public listed companies in accordance with the Listing Requirements of Bursa Securities to ensure the Directors' commitment, resources and time are adequately focused on the affairs of the Company. The meeting schedule for the ensuing financial year is provided to the Directors in advance before the end of the current financial year so that the Directors are able to plan ahead with their schedules and to ensure sufficient time is devoted to discharge their duties and responsibilities.

All the Directors of the Company have completed the Mandatory Accreditation Programme. They receive briefings and updates on the Group's businesses, operations, risk management, internal controls, finance and relevant legislation, rules and regulations, and they are encouraged to attend courses, briefings and seminars to keep themselves abreast with the latest developments in the industry and the regulatory updates or changes and to enhance their skills and knowledge. The NRC oversees continuing education programmes covering areas that could strengthen the Directors' contribution to the Board. During the financial year, the Directors were regularly informed of available training programmes related to corporate governance, risk management and internal control, regulatory development as well as business trends. With the assistance of the Company Secretaries, the Directors had registered for the training programmes that they intended to attend.

During the financial under review, the Board members participated in the following training courses or briefings to keep themselves updated on the latest developments and to enhance their skills and knowledge:

Director	Course Name
Dato' Seri Kalimullah bin Masheerul Hassan	Global Mobility in a Sustainable World
Dato' Lim Kian Onn	Sustainability E-Training for Directors

PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

I. **Board Responsibilities** (continued)

Director	Course Name
Datuk Kamarudin bin Md Ali	Live to Inspire with Tan Sri Nazir Razak - Proponent of Better Malaysia Assembly
	Live to Inspire with Tan Sri Ariff Yusof - Parliament Unexpected
	Police Role During Emergency
	Live to Inspire with Tan Sri Dr Syed Hamid Albar in conjunction with Merdeka Day 2022
	Visit and briefing at Lynas Malaysia
	Crime Prevention in Schools
	Bursa Malaysia Immersive Experience: The Board"Agender"
	Violence Prevention Against Women
En Mahadzir bin Azizan	Release of the Securities Commission Malaysia Annual Report 2021: - Capital Market Review and Outlook - 2021 Focus and Achievements - Plans for 2022
Mr Oh Teik Khim	Voluntary Disclosure and Amnesty Programme: Addressing the Uncertainties
	APAC EY Blockchain Virtual Meet-up 2022 - Imagine the future with digital assets, trust & traceability
	Advocacy Sessions for Directors and Senior Management of Main Market Listed Issuers
Mr Gareth Lim Tze Xiang	Sustainability E-Training for Directors
En Akil Hassan bin Kalimullah	Self-Leadership Development Program

The Board members have also devoted time in non-structured continuing professional development through reading articles relating to topics relevant to the businesses of the Group.

The Board sets the Group's core values and adopts proper standards to ensure the Group operates with integrity and complies with the relevant rules and regulations. The Board has established the Directors' Code of Conduct and Ethics ("Directors' Code") which sets out the fundamental guiding principles and standards applicable to the Boards of the Group. The Directors' Code also sets out the measures in governing the daily conduct of the Board on matters connected with conflict of interest, insider trading, giving and receiving gifts, bribery and corruption, competition, anti-money laundering and so forth. The Directors' Code was incorporated in the Board Charter and made available on the website of the Company, www.ecmlibra.com, at the dedicated section on Investor Relations. The conduct of the Board is also governed by the Constitution of the Company and the relevant laws and regulations in Malaysia.

The Board observes the codes set out in the Code of Ethics for Company Directors issued by the Companies Commission of Malaysia and the said codes have been embedded in and formed part of the Directors' Code. The Code of Ethics for Company Directors provides guidance on the standards of conduct and prudent business practices as well as standards of ethical behaviour. The salient points of the said Code are highlighted below:

1. Should ensure at all times that the Company is properly managed and effectively controlled;
2. Should stay abreast of the affairs of the Company and be kept informed of the Company's compliance with the relevant legislation and contractual requirements;
3. Should disclose immediately all contractual interests whether directly or indirectly with the Company;
4. Should at all times act with utmost good faith towards the Company in any transaction and to act honestly and responsibly in the exercise of his powers in discharging his duties; and
5. Relationship with shareholders, employees, creditors and customers:
   (i) should be conscious of the interest of shareholders, employees, creditors and customers of the Company;
   (ii) should at all times promote professionalism and improve the competency of management and employees; and
   (iii) should ensure adequate safety measures and provide proper protection to workers and employees at the workplace.

PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

I. Board Responsibilities (continued)

The Group has put in place a Code of Business Conduct & Ethics to be observed by all the employees of the Group including the Board. The Code of Business Conduct & Ethics is published on the intranet of the Group and accessible to all the employees. The Board has put in place the Anti-Bribery and Corruption Policy and the Gift and Hospitality Policy which set out the responsibilities of the Directors and employees in regards to observing and upholding the Group's zero-tolerance position on bribery and corruption. The Anti-Bribery and Corruption Policy and the Gift and Hospitality Policy are available on the intranet and website of the Company and accessible to all the employees of the Group. The Directors and employees are required to abide by the said policies.

The Board has also put in place a Whistle Blowing Policy to enable the Group to take necessary measures so as to minimise, discourage, detect and prevent any form of unlawful, unethical, non-compliance and questionable practices within the Group. The Board has entrusted the BARMC to oversee the implementation of the Whistle Blowing Policy. The policy is accessible via the intranet of the Group and made available on the website of the Company and employees are encouraged to report in good faith if they are aware of any wrongdoing, malpractice or corporate misdeed has been, is being, or is likely to be committed within the Group. The BARMC, upon receiving any report and after appropriate verification of the matter, would decide on the next course of action.

Setting the tone from the top, the Board is accountable for ensuring that sustainability is integrated into the strategic direction of the Group and its operations. The strategic management of material sustainability matters is led and driven by the Chief Executive Officer, with progress and key developments escalated to the Board, accordingly. The Chief Executive Officer, together with senior management, conduct regular meetings with hotel managers and heads of departments on monthly basis to review and make executive decisions on material issues and business strategies, including economic, environmental and social ("EES") related matters.

The Board is periodically briefed by the Chief Executive Officer at the Board meetings on key sustainability issues relevant to the Group and its business, including climate-related risks and opportunities.

Performance of the Board, amongst others, in addressing the Group's material sustainability risks and opportunities, is assessed by the NRC as part of the annual assessment on the effectiveness of the Board. For the senior management, elements of EES metrics form part of the key performance indicators in their performance appraisal. The EES metrics consist of, amongst others, hotels' ratings, customers' feedback and regulatory compliance.

The Board approves the sustainability statement, which forms part of the Company's yearly Annual Report. Through the Company's Annual Report which is available on the Company's website, both the internal and external stakeholders are able to continue to stay informed of the Group's sustainability strategies, priorities, targets, as well as performance against these targets.

II. Board Composition

The Board aims to maintain a diversity of expertise, skills, competency, personalities and attributes among the Directors so as to provide a comprehensive range of perspectives and experiences, resulting in improved decision making. The Board members shall be persons of high calibre and integrity and are able to devote sufficient time to discharge their duties. The Board supports the policy of non-discrimination on gender, ethnicity and age for the Board and the workforce and would only set aside specific targets in relation to gender and ethnicity and age diversity if the situation so requires and if it is in the best interest of the Company. The Board recognises the contribution that women could bring to the Board and takes cognizance of the requirement to have at least one female Director to be on the Board pursuant to a new requirement under the Listing Requirement of Bursa Securities in relation to director appointment which will take effect on 1 June 2023. The Board would look for a woman candidate that is suitable and qualified for the new appointment on the Board before the new requirement takes effect. The Constitution of the Company provides that at least one-third of the Directors are subject to retirement by rotation at each annual general meeting and that all Directors shall retire at least once in every three years.

The Board comprises six (6) Directors, three (3) of whom are independent. The Directors hold positions in a non-executive capacity except for Mr Gareth Lim Tze Xiang who holds the position of Chief Executive Officer. The Board has exercised its judgement that the current composition of the Board with 50% Independent Directors fairly reflects the investment in the Company by all the shareholders and is appropriate to protect the interest of all the shareholders. The Board has identified Datuk Kamarudin bin Md Ali, the Chairman of the BARMC, as the Independent Non-Executive Director to whom concerns may be conveyed, who would bring the same to the attention of the Board.

PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

II. Board Composition (continued)

There is a clear division of responsibilities between the Chairman of the Board and the Chief Executive Officer and the presence of independent oversight by the Independent Directors to ensure a balance of authority and power within the Board. The wide spectrum of knowledge, skills and experience of the Board members gives added strength to the leadership which is necessary for the effective stewardship of the Group. The Board recognises the importance and contribution of its Independent Directors. They represent the element of objectivity, impartiality and independent judgment of the Board that provide adequate check and balance at the Board and to safeguard the interest of the shareholders of the Company. The Independent Directors of the Company provide the Board with vast and varied management exposure, expertise and broad business and commercial experiences.

The Board reviews the tenure of service of Directors and is of the view that continued tenure of directorship brings considerable stability to the Board and the Company has benefited from Directors who have, over time, gained valuable insight into the Group. The Board is of the view that a Director's independence should not be determined solely based on the tenure of service. The ability and effectiveness of an Independent Director is dependent on his calibre, qualification, experience, integrity and objectivity in discharging his responsibilities in good faith in the best interest of the Company and to safeguard the interests of the shareholders of the Company. Amongst various matters taken into consideration, the Board seeks to strike an appropriate balance between tenure of service, continuity of experience and the merit of refreshing the Board. In 2015, the Board approved a policy on the tenure of Independent Directors which sets a cap of twelve (12) years for the tenure of Independent Directors ("Policy on Tenure of Independent Directors"). Upon completion of twelve (12) years, such Directors can be re-designated as Non-Independent Directors. However, the Board could retain them in the same capacity subject to approval of the shareholders being obtained at an annual general meeting via a two-tier voting process.

At the Seventeenth Annual General Meeting ("17th AGM") of the Company held on 9 June 2022, the Board provided justifications and support for the ordinary resolutions to enable Datuk Kamarudin bin Md Ali and En Mahadzir bin Azizan who had served as Independent Directors of the Company for a cumulative term of sixteen (16) years, to continue to serve in the same capacity until the conclusion of the forthcoming Eighteenth Annual General Meeting ("18th AGM"). The approval of the shareholders was subsequently obtained through a two-tier voting process as described in the Guidance to Practice 5.3 of the Code for Datuk Kamarudin bin Md Ali and En Mahadzir bin Azizan to be continued as Independent Director of the Company until the conclusion of the 18th AGM.

Under the enhanced Listing Requirements of Bursa Securities, the tenure of an independent director is now limited to not more than a cumulative tenure of twelve (12) years in a listed issuer and its group of companies. All independent directors impacted by this enhancement will need to resign or be redesignated as non-independent directors by 1 June 2023. Therefore, the Company will not seek shareholders' approval at the forthcoming 18th AGM for the continuation of Datuk Kamarudin bin Md Ali and En Mahadzir bin Azizan as Independent Directors of the Company.

The Board Nomination Committee ("BNC") and the Board Remuneration Committee ("BRC") were set up on 27 September 2006. On 26 February 2020, the Board resolved to merge the BNC and the BRC as a single Board Committee and renamed it as NRC. The Board was of the view that it would improve efficiency and effectiveness of the Board in discharging its duties and responsibilities. The NRC assumed the roles and responsibilities of the BNC and the BRC and shall discharge its functions efficiently and effectively according to its terms of reference approved by the Board.

As at 31 December 2022, the NRC comprised the following Independent Non-Executive Directors:

- En Mahadzir bin Azizan (Chairman)
- Datuk Kamarudin bin Md Ali
- Mr Oh Teik Khim

PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

II. Board Composition (continued)

A summary of the main activities undertaken by the NRC in the discharge of its duties with regard to nomination matters during the financial year ended 31 December 2022 is as follows:

1. Evaluated the performance of the Board and Board Committees with regard to their structure, operations and role, and responsibilities;
2. Assessed the qualification, skills, experience, contribution, performance, fitness and propriety of individual Directors;
3. Assessed the independence of Independent Directors;
4. Assessed the re-appointment of retiring Directors at the annual general meeting;
5. Assessed the performance of key senior management;
6. Reviewed the terms of reference of the NRC;
7. Reviewed the new Directors' Fit and Proper Policy; and
8. Made available to Directors the relevant training programme on a regular basis.

In April 2022, the Board adopted the Directors' Fit and Proper Policy as recommended by the NRC and made available the said policy on the website of the Company, www.ecmlibra.com, at the dedicated section on Investor Relations. The Directors' Fit and Proper Policy sets out the fit and proper criteria for the appointment and re-appointment of Directors to the Boards of ECMLG Group and serves as guide to the NRC and the Board in their review and assessment of persons that are to be appointed to the Board as well as Directors who are seeking re-election. The Directors' Fit and Proper Policy is subject to periodic review and shall be updated as appropriate to ensure that it continues to remain relevant, appropriate and fit for its purpose.

The NRC is chaired by an Independent Director. The Chairman of the NRC leads in recruitment of candidates for Board members and key senior management and leads the annual assessment of the effectiveness of the Board and Board Committees as well as the performance of individual Directors. The Chairman of the NRC reports to the Board the proceedings after each meeting on all matters within its duties and responsibilities and the minutes of the NRC meeting is tabled to the Board for notation.

The NRC is responsible for assessing and recommending new nominees to the Board, re-appointment of retiring Directors as well as Directors to fill seats on the Board Committees; assessing the effectiveness of the Board and the Board Committees; and to review the required mix of skills, experience and other qualities which Directors should bring to the Board. The NRC is responsible to assess the independence of Independent Directors based on the criteria established by the NRC in line with the Listing Requirements of Bursa Securities, Policy on Tenure of Independent Directors and as suggested in Exhibit 8 of the Corporate Governance Guide: Towards Boardroom Excellence (2nd Edition) issued by Bursa Securities. The NRC is also responsible to assess and recommend to the Board the appointment of Executive Director and Chief Executive Officer, oversee the succession of Board members and Chief Executive Officer and evaluate the performance of Executive Director, Chief Executive Officer and other key senior management of the Group. The NRC facilitates board induction by providing annual report and board induction manual and oversees continuing education programmes to be provided to Board members in areas that would strengthen their contribution to the Board. The terms of reference of NRC is published on the website of the Company and is reviewed at least once a year and updated as appropriate to reflect changes to the regulations and the Company's circumstances that might impact upon the responsibilities of the NRC.

The annual assessment on the effectiveness of the Board and the Board Committees is undertaken via Evaluation Form comprising questions related to Board's structure, Board's operations, Board's roles and responsibilities, Board Chairman's role and responsibilities and Board Committees of the Company. The Evaluation Form is completed by each NRC member and kept by the Company Secretaries. The findings from the Evaluation Form are compiled and tabled to the NRC for discussion. Subsequently, relevant reports with views and recommendations of the NRC are prepared and presented to the Board for consideration. The effectiveness of the Board and Board Committees is assessed in the areas of composition, mix of skills and experience, administration and process of meeting, quality of decision making, contribution and commitment.

PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

II. Board Composition (continued)

In the annual assessment of individual Directors by the NRC, the qualification, skills and experience of individual Directors are reviewed to ensure the composition of the Board is appropriate with a good mix of skills and core competencies in order to discharge its duties and responsibilities and to meet the business needs of the Group. The NRC assesses the performance, contribution, fitness, propriety, calibre and personality of individual Directors and completes the Directors'/Key Senior Management Officers' Evaluation Form comprising structured questions related to the assessment of the aforementioned to ensure each Director is fit and proper to continue to serve as a Director of the Company. The NRC takes into consideration the individual Directors' competency, capabilities, probity, personal integrity, reputation, participation and contribution in the Board and Board Committees, level of time commitment and other relevant factors when assessing their performance, contribution, fitness, propriety, calibre and personality. The level of time commitment of individual Directors to discharge their responsibilities is assessed based on the record of their attendance at the Board and Board Committee meetings held during the financial year, the number of directorships in public listed companies held by them and their participation in continuing training programme and/or non-structured continuing professional development through reading articles relating to topics relevant to the business of the Group. The NRC deliberates on the outcome of the annual assessment of individual Directors and reports the outcome with their views and recommendations to the Board for consideration.

The consent of retiring Directors for their re-election as Directors at annual general meeting is obtained and bankruptcy search is conducted on them before the NRC undertakes assessment on the fitness and propriety of the retiring Directors for their re-election as Directors. The NRC refers to the results of the annual assessment of individual Directors (including the retiring Directors) as mentioned in the earlier paragraph and conducts the fit and proper assessment on the retiring Directors in accordance with the Directors' Fit and Proper Policy for their re-election as Directors. In considering the fitness and propriety of the retiring Directors, due regard is given to a retiring Director's skill, experience, performance and contribution at Board and Board Committee meetings, probity and integrity and level of time commitment to discharge his duties and the aforementioned are the fit and proper criteria for re-election of Directors as set out in the Director's Fit and Proper Policy, before the NRC reports its views and recommendation on the re-election of retiring Directors to the Board for consideration.

In the case of Independent Directors, their independence is assessed by the NRC annually based on the criteria established by the NRC in line with the Listing Requirements of Bursa Securities, Policy on Tenure of Independent Directors and as suggested in Exhibit 8 of the Corporate Governance Guide: Towards Boardroom Excellence (2nd Edition) issued by Bursa Securities. The annual assessment is undertaken to ensure that Independent Directors are able to continue to provide independent view to the deliberation and decision making of the Board and Board Committee meetings and act in the best interest of the Company. Each Independent Director is required to complete the Independent Directors' Self-Assessment Form prescribed by the NRC and the results of the annual assessment of independence of Independent Directors are then compiled and tabled to the NRC for deliberation prior to their views and recommendation are presented to the Board for consideration.

For appointment of new Director, the selection of candidates is facilitated through recommendations from the Directors or external parties including the Company's contacts in related industries, and finance, legal and accounting professions. The NRC may engage services of independent recruitment firms to look for candidates that are suitable and qualified for the new appointment. In assessing the suitability of a new Director appointment, the NRC conducts a fit and proper assessment on a candidate who has been identify to be appointed as Director in accordance with the Directors' Fit and Proper Policy. Each member of the NRC completes the Directors'/Key Senior Management Officers' Evaluation Form comprising structured questions related to assessment of fitness and propriety of new Director. In assessing fitness and propriety of a candidate, the NRC takes into consideration a candidate's qualification, skills, knowledge, experience, competency and other relevant factors as may be determined by the NRC which would contribute to the Board's mix of skills. Capabilities, personal integrity, financial integrity, probity, relevant past performance or track record, reputation, time commitment of a candidate to discharge his/her duties and responsibilities and contribution that a candidate would bring to the Board and to the Group and other appropriate character and requisite quality of that person are also taken into consideration in the assessment of appointment of new Director by the NRC. A candidate who has been identified to be appointed as Director is required to make a fit and proper declaration in the form prescribed by the NRC. The form shall include a declaration by the candidate on any existing or potential conflict of interest that could affect the execution of his/her role as Director on the Board. In considering appointment of a new Independent Director, the process and criteria applied in the assessment of independence of a new candidate are the same as the annual assessment conducted on the independence of the existing Independent Directors as mentioned in the earlier paragraph. Bankruptcy search is also conducted on the candidate as part of the fit and proper assessment. A candidate that is politically active will not be proposed as a nominee for the position of Director. The above criteria are also applied in the assessment of appointment of a Chief Executive Officer. The NRC deliberates on the results of the assessment on the candidate for appointment to the Board or for appointment of Chief Executive Officer and reports their recommendations to the Board for approval.

PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

II. Board Composition (continued)

The NRC assesses the performance of the Executive Director, Chief Executive Officer and other key senior management of the Group based on their contribution, commitment and achievement of targets set in the approved business plan.

For the financial year under review, the NRC assessed the performance of the Board and the Board Committees and reviewed the qualification, skills, experience, performance, contribution, fitness, propriety, calibre and personality of individual Directors, and was satisfied that expectations had been met. The NRC assessed the independence of Independent Directors based on the criteria set in the annual assessment of their independence and was satisfied with the results of the assessment. The NRC considered the skills, experience, performance, contribution, probity and integrity and level of time commitment of the Directors who were subject to retirement by rotation at the 17th AGM and assessed that the retiring Directors had met the fit and proper criteria for re-election as Directors as set out in the Directors' Fit and Proper Policy and they were fit and proper persons to be re-elected as Directors of the Company. The NRC accordingly recommended to the Board for the re-election of the retiring Directors at the 17th AGM. The NRC evaluated the performance of the Executive Director/Chief Executive Officer for the financial year under review and ascertained that he was fit and proper to manage the business of the Group. The Board concurred with the NRC on the results of the assessments conducted as mentioned above. There was no new appointment on the Board during the financial year.

III. Remuneration

The NRC is also responsible for assessing and recommending to the Board the remuneration of Directors and key senior management, and the payment of performance bonus and salary increments for employees of the Group. The NRC members and Board members shall abstain from deliberation and voting on their individual remuneration.

The Board has approved a remuneration policy for Directors and key senior management ("Remuneration Policy") which outlines the remuneration framework and procedures to determine the remuneration of Directors and key senior management and the NRC is guided by the Remuneration Policy in carrying out the assessment of remuneration of Directors and key senior management. The Remuneration Policy is made available on the Company's website at www.ecmlibra.com at the dedicated section on Investor Relations and shall be reviewed at least once a year to ensure it continues to remain appropriate and fit for its purpose.

The remuneration framework entails an annual performance review against key performance indicators to evaluate performance and determine reward for Executive Director and key senior management with emphasis being placed on financial performance of the Group as well as the individual performance, experience, scope of work and responsibilities, which aims to attract, motivate and retain the right employees. The remuneration of Executive Director and key senior management comprises salary, defined contribution plan, monetary incentives and other fringe benefits.

For Non-Executive Directors, the level of remuneration would be commensurate with the experience and level of responsibilities undertaken by them. The remuneration of Non-Executive Directors comprises annual Directors' fees, an allowance of RM1,000 for every Board and Board Committee meeting attended, medical coverage and other claimable benefits. The remuneration of Non-Executive Directors shall be reviewed annually and subject to the approval of the shareholders at the annual general meeting.

PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

III. Remuneration (continued)

The details of the remuneration of the Directors of ECMLG received/receivable from the Group and the Company for the financial year ended 31 December 2022 are set out below:

	Group					Company				
	Salaries	Bonus	Director Fees	Other emoluments[1]	Total	Salaries	Bonus	Director Fees	Other emoluments[1]	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Executive Director										
Mr Gareth Lim Tze Xiang	864	250	-	134	1,248	360	250	-	73	683
Non-executive Directors										
Dato' Seri Kalimullah bin Masheerul Hassan	-	-	50	5	55	-	-	50	5	55
Dato' Lim Kian Onn	-	-	30	5	35	-	-	30	5	35
Datuk Kamarudin bin Md Ali	-	-	52	11	63	-	-	52	11	63
En Mahadzir bin Azizan	-	-	48	11	59	-	-	48	11	59
Mr Oh Teik Khim	-	-	48	11	59	-	-	48	11	59
	-	-	228	43	271	-	-	228	43	271
Total Directors' remuneration	864	250	228	177	1,519	360	250	228	116	954

Note:
1 "Other emoluments" represents the Group's and the Company's contribution to Employees Provident Fund for Executive Director and allowances for Non-Executive Directors.

The remuneration of the senior management of ECMLG Group (not including Executive Director) for the financial year ended 31 December 2022 is set out below:

Range of Remuneration	Senior Management
RM550,001 to RM600,000	1
Total	**1**

PRINCIPAL B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Audit Committee

The BARMC of the Company comprises solely Independent Directors since it was established on 28 June 2006. The positions of the Chairman for the Board and the BARMC are held by two different individual Directors. There are separations of roles and responsibilities between both the Chairmen to avoid any impairment in objectivity of the Board and the BARMC. The Chairman of the Board is not a member of the BARMC and none of the members of the BARMC is a former partner of the external audit firm of the Company ("Former Audit Partner"). The Board took cognizance of Practice 9.2 of the Code and shall take into consideration the appointment of a Director who is a Former Audit Partner to the BARMC only after he has observed the three (3) year cooling off period. To be in line with the Code, the said practice has been incorporated in terms of reference of the BARMC accordingly.

PRINCIPAL B: EFFECTIVE AUDIT AND RISK MANAGEMENT (continued)

I. Audit Committee (continued)

The Board, through the BARMC, has an appropriate and transparent relationship with the external auditors. The shareholders at the 17th AGM of the Company held on 9 June 2022 approved the re-appointment of Messrs BDO PLT ("BDO") as the external auditors of the Company for the financial year ended 31 December 2022. The tenure of appointment of BDO shall lapse at the conclusion of the forthcoming 18th AGM. Prior to appointment of BDO was recommended to the Board and subsequently to the shareholders for approval at the 17th AGM, the BARMC assessed the suitability, objectivity and independence of BDO by taking into consideration the criteria set out in the External Auditors Assessment Policy. The BARMC took cognizance of the assessment of appointment or re-appointment of external auditors should also consider information presented in the Annual Transparency Report of the audit firms. Based on the results of the assessment and feedback provided by the management, the BARMC was satisfied that BDO had met the criteria for re-appointment as external auditors of the Company for the financial year ended 31 December 2022. The BARMC accordingly recommended their re-appointment as external auditors to the Board for consideration and subsequently for the same to be recommended to the shareholders for approval at the 17th AGM. BDO confirmed to the BARMC that they had complied with the relevant ethical requirements, including those pertaining to independence in the audit of the financial statements of ECMLG and the Group for the financial year ended 31 December 2022.

The contracts for provision of non-audit services will not be entered into with the external auditors if there is a conflict of interest or the task to be performed required the services of internal auditors. The appointment of the external auditors for provision of non-audit services will be assessed and reviewed by the BARMC according to the principles and criteria set out in the External Auditors Assessment Policy before recommending to the Board for approval. The BARMC will ensure the provision of non-audit services by the external auditors do not interfere with the exercise of independent judgement of the external auditors and shall not be in conflict with their duties as statutory auditors.

The members of the BARMC are kept abreast with the relevant development in accounting standards, practices and rules by the Chief Financial Officer and external auditors. All the members of the BARMC are financially literate and are able to understand matters under the purview of the BARMC including the financial reporting process.

II. Risk Management and Internal Control Framework

The Statement on Risk Management & Internal Control as set out on pages 24 to 26 provides an overview of the management of risks and state of internal controls within the Group and the features of the risk management and internal control framework and the adequacy and effectiveness of this framework.

The internal audit function of the Group has been outsourced to an independent internal audit service provider ("Internal Auditors") who reports directly to the BARMC. The BARMC relies on the support of the Internal Auditors to ensure the internal audit function is effective and able to function independently. During the financial year, the BARMC reviewed and approved the internal audit plan. Based on the approved internal audit plan, the Internal Auditors scheduled and conducted internal audit reviews and subsequently provided the BARMC with reports highlighting outcome of the review and their recommendations; as well as reporting on the action taken by the management to redress any lapses.

The internal audit personnel are not related to any of the Directors of the Company and have no conflict of interest with ECMLG.

PRINCIPAL C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. Engagement with Stakeholders

The Company is committed to provide all stakeholders with timely and equitable access to material information that is comprehensive and accurate to ensure its compliance with the disclosure requirements as set out in the Listing Requirements of Bursa Securities and other applicable laws. In line with this commitment and for transparency and accountability, material corporate disclosures are deliberated by the Board before being released to the public.

PRINCIPAL C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (continued)

I. Engagement with Stakeholders (continued)

The Company's website, www.ecmlibra.com, serves as the main mean of communication for the Company to reach its shareholders and general public. To maintain transparency and to promote timely dissemination of corporate disclosures, all information made public to Bursa Securities, such as the Company's Annual Report, quarterly financial results, all corporate announcements and circular to shareholders together with the Board Charter, Code of Ethics, terms of reference of Board Committees, minutes of general meetings and other corporate information are made available on the Company's website at the dedicated section on Investor Relations. Stakeholders who would like to provide their views and feedback or require further details of the Company may contact the Company via the contact details including an email address, GroupCommDL@ecmlibra.com, as published on the website of the Company. Any correspondences, views and feedback received will be attended and addressed by the Company Secretary or escalated to the management or the Board who will respond to the stakeholders accordingly. The management has the option of calling for meetings with potential investors or analysts if it is deemed necessary. The Board has identified the Company Secretaries as the liaison persons of the Company to whom shareholders can refer to if they require any assistance on matters affecting their interests. The contact details of the Company Secretaries including an email address, secretarialdl@ecmlibra.com, are published on the website of the Company. The Company meets and communicates with its employees periodically at its town hall meeting. The Company shares its goals and values and important information of the Group with the employees and the employees are encouraged to provide their feedback and views. The employees are also encouraged to raise their concerns or questions related to work or staff welfare either before the meeting (via a link provided by the Company) or at the meeting. Any concerns or questions raised by the employees will be addressed by the management accordingly at the town hall meeting. The Board is of the opinion that all the above arrangements have been satisfactory to all the stakeholders.

II. Conduct of General Meetings

The Company's annual general meeting serves as the main forum for dialogue with shareholders. The notice of annual general meeting of the Company is sent out together with the annual report to the shareholders at least twenty-eight (28) days prior to the meeting as described in Practice 13.1 of the Code. The notice of annual general meeting is also published in the press and on the website of the Company and made public via Bursa Securities. The Board with the assistance of the Company Secretaries ensures the notice of annual general meeting to shareholders contains sufficient information related to the resolutions to be discussed and decided at the annual general meeting. The date for annual general meeting for the ensuing financial year is made available to the Directors in advance before the end of the current financial year so that the Directors are able to plan ahead with their schedules and present at the annual general meeting. The attendance of the whole Board at the annual general meeting will provide an opportunity for shareholders to communicate with each Director and for the Board to clarify and elaborate on issues raised by shareholders. The Chairmen of the BARMC and NRC will also be at the annual general meeting to answer questions from shareholders on the respective committees' activities. Hence, shareholders will have sufficient information to make informed voting decision at the annual general meeting.

Shareholders are encouraged to attend the annual general meeting, to communicate with the Board, to participate in the question and answer session and to vote on all resolutions set out in the notice of meeting. Shareholders who are unable to attend the annual general meeting are encouraged to appoint proxy/proxies (not more than two proxies) to attend, speak and vote on their behalf.

The Company convened its virtual 17th AGM on 9 June 2022 via a digital meeting platform equipped with remote participation and voting facilities. The digital meeting platform had enabled the shareholders and proxies to participate at the 17th AGM of the Company remotely, pose their questions prior to and during the 17th AGM and vote in absentia and for the Board and management to response to the shareholders on the questions raised by them. This arrangement by the Company had given the opportunity for shareholders to have a real-time and two-way interaction with the Board and management at the 17th AGM. The resolutions tabled at the 17th AGM were voted by way of poll. All the shareholders were briefed on the voting procedures by the poll administrator prior to the poll voting and an independent scrutineer was appointed to validate the votes cast. The poll results were announced by the Chairman and shared on the screen with the shareholders. Within 30 business days after the conclusion of the 17th AGM, the minutes of the 17th AGM detailing the meeting proceedings, matters discussed at the general meeting and responses of the Company to the questions or issues raised by the shareholders and poll results for the resolutions tabled, were made available to the shareholders on the website of the Company at the dedicated section on Investor Relations.

This Statement was approved by the Board on 13 April 2023.

statement on risk management & internal control

Responsibility

The Board of Directors ("Board") is responsible for managing the risks of the Group and its system of internal control as well as reviewing its adequacy and integrity. The Board recognises that the Group's system of risk management & internal control is designed to manage and minimise the risk of failure to achieve the Group's objectives. Hence, it is able to only provide a reasonable and not absolute assurance against a material misstatement of management and financial information or against financial losses and fraud. This on-going process has been in place during the financial year under review and up to the date of approval of the Statement on Risk Management & Internal Control for inclusion in the Annual Report.

Key Processes

There is an on-going process for identifying, evaluating and managing the significant risks faced by the Group, and the said process is reviewed by the Board and accords with the Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers.

The Board has appointed the Board Audit & Risk Management Committee ("BARMC") comprising Independent Directors to examine the effectiveness of the Group's risk management policies, processes and infrastructure which are established to manage various types of risks and to ensure an effective internal audit function. This is accomplished through the Chief Financial Officer who undertakes the risk management function and the independent outsourced internal auditors ("Internal Auditors") who undertake the internal audit function for the Group. The focus is on areas of priority identified through risk assessment and in accordance with the plans approved by the BARMC. In the process of risk identification and evaluation, a "bottom-up" approach is adopted. Specific risks are identified by the respective business/operating units and self-assessed with guidance by the Chief Financial Officer in the identification, evaluation and quantification, monitoring and management of such risks undertaken by the Group as a whole. The regular risk assessment exercise using the bottom-up approach promotes risk awareness and facilitates the effective control and management of potential risks for the Group, as risk identification, evaluation and mitigation are reported to the Chief Financial Officer for review and reporting to top management and the BARMC, for high-level direction and management, where applicable.

The Chief Financial Officer undertakes the risk management function of the Group and reports to the BARMC. In identifying risks, the Chief Financial Officer covers regulatory compliance, operational, financial, legal and cyber risks and so forth. The BARMC reviews the Risk Management Framework and Risk Management Procedure Manual applicable to the Group before recommending to the Board for approval. The Risk Management Framework and Risk Management Procedure Manual are subject to review annually, or as and when there are any material changes in the regulatory requirements and business environment. The Risk Management Framework outlines the approach and management structure in the Group towards the management of risk. It further provides for a general framework in the methodologies and processes adopted by the Group in identifying, monitoring and reporting risk. Likewise, the Risk Management Procedure Manual lays out the procedures in the Group's approach towards risk management. The Risk Management Framework encompasses the following:

1. Identifying the full spectrum of risks including potential risks; segregation of controllable from uncontrollable risks and identifying causes for the risk occurrences;

2. Assessing risk severity and probability, and combining estimates of severity and probability in the context of existing control measures;

3. Comparing the risk exposures to the entity's risk appetite and identifying those risk exposures that are deemed as unacceptable;

4. Identifying risk mitigation actions; instituting an on-going review of risk and controlling its effectiveness as the business and environment changes, with tighter monitoring in areas of greatest change and risk, and assessing the quality and appropriateness of mitigation actions; and

5. Providing timely exception and periodic reports to facilitate informed risk management decisions.

The BARMC reviews periodic reports from the Chief Financial Officer on risk management related to business and activities of the Group to ensure proper management of risks and appropriate measures are taken on a timely basis to mitigate any identified weaknesses in the control environment.

Key Processes (continued)

In carrying out its responsibilities, the BARMC relies on the support of the Chief Financial Officer and the Internal Auditors who report directly to the BARMC, in providing assurance on the adequacy and effectiveness of internal controls. The Chief Financial Officer provides the BARMC with periodic reports pertaining to compliance with internal risk management policies and parameters as well as compliance with relevant regulatory and statutory requirements. The Internal Auditors conduct internal audit reviews and provide the BARMC with reports highlighting the outcome of the review on the adequacy and effectiveness of internal controls; as well as reporting on management action taken to redress lapses, if any, and to enhance the system of internal control.

The framework of the Group's system of internal control and key procedures include:

- a management structure with clearly defined lines of responsibility and appropriate levels of delegation to govern the Group's business activities to be consistent with the Group's overall business objective and risk appetite and subjected to adequate risk management and internal controls;

- clear definitions of limits of authority to cover inter alia the day-to-day operations, credit limit, investment and capital expenditure. The limits of authority have been approved by the Board and put in place to ensure control procedures and limits are implemented and complied with;

- key functions such as finance, credit control, human resources and legal matters are controlled centrally. Internal control measures such as segregation of duties, independent checks, segmented system access controls and multi-tier authorisation processes are put in place to ensure these key functions are operating within the control environment;

- the management determines the applicability of risk monitoring and reporting procedures and is responsible for the identification and evaluation of significant risks applicable to their areas of business and operation together with the design and operation of suitable internal controls. The business and support units each undertakes periodic self-assessment to identify and assess the effectiveness of the controls put in place for all material activities, processes and systems to manage the risks identified. The undertaking of self-assessment serves as an early warning tool to drive appropriate management action before the risks materialise into losses;

- policies and procedures with embedded internal controls are documented in a series of Policies and Procedures that are subject to periodic review for updating of any changes in operational processes or regulatory requirements. The business and support units in the Group are guided by the Policies and Procedures in performing their duties to ensure compliance with internal controls and relevant laws and regulations;

- corporate values, which emphasise on ethical behaviour and quality services, are formalised into a Code of Conduct as set out in the Group's Employee Handbook and the Board Charter. The Code of Conduct provides guidance to the Directors and employees of the Group on expected moral and ethical behaviour in carrying out their duties; and

- updates relating to regulatory requirements/guidelines from Bursa Malaysia Securities Berhad, Securities Commission Malaysia and other regulatory bodies are circulated to the relevant employees of the Group on a timely manner to ensure compliance of the activities of the Group with the relevant regulatory requirements.

The Group's Whistle Blowing Policy governs reporting and investigations of allegations of suspected improper/unethical activities, violations of the laws, regulations, internal policies, procedures, guidelines and code of ethics as well as whistle blower protection. The Whistle Blowing Policy is incorporated in the Employee Handbook and accessible by the employees of the Group. The BARMC has been entrusted by the Board to be responsible for overseeing the application of the Whistle Blowing Policy for the Group.

The Group's Anti-Bribery and Corruption Policy and Gift and Hospitality Policy is in placed as a control measure to ensure Directors and all employees are well aware of their responsibilities in regards to observing and upholding the Group's zero-tolerance position on bribery and corruption and abide by the said policies. The Anti-Bribery and Corruption Policy and Gift and Hospitality Policy are available on the intranet and website and accessible by all employees of the Group.

Key Processes (continued)

On a yearly basis, all the business units within the Group draw up their business plan and budget, for the Board's approval and their performance are tracked on a monthly basis as part of the overall management of the business risk.

As required by the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the external auditors have reviewed this Statement on Risk Management & Internal Control for inclusion in the Annual Report. Based on their limited assurance procedures performed and evidence obtained, nothing has come to their attention that causes them to believe that the Statement on Risk Management & Internal Control is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers, nor is the Statement on Risk Management & Internal Control factually inaccurate.

Conclusion

The Board confirms that there is an on-going process that has been in place throughout the financial year ended 31 December 2022 for identifying, evaluating and managing significant risks faced by the Group. The Board has reviewed the adequacy and effectiveness of the risk management and internal control system within the Group for the financial year with the support of the Chief Financial Officer and Internal Auditors. From the review, no significant control weaknesses that have resulted in any material loss to the Group were identified during the financial year under review. The Board has received assurance from the Chief Executive Officer and Chief Financial Officer that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Group.

The Board is of the view that the Group's risk management and internal control system is adequate and sufficient after taking into consideration of the on-going processes in place for identifying, evaluating and managing significant risks faced by the Group and the assurance from the management; and after taking into account of any material development up to the date of approval of this Statement on Risk Management & Internal Control for inclusion in the Annual Report. The Board opines that the risk management and internal control system provides reasonable assurance that the structure and operation of controls are appropriate for the activities of the Group so as to safeguard the assets and the interests of stakeholders of the Group, and for the Group to achieve its objectives.

This Statement was approved by the Board on 13 April 2023.

chairman's statement

Dear Shareholders,

On behalf of the Board of Directors (the "Board") of ECM Libra Group Berhad (the "Company" and together with its subsidiaries, the "Group"), I present to you our Annual Report for the financial year ended 31 December 2022 ("FY2022").

Hospitality Assets

The Group's hospitality assets recovered robustly from the COVID pandemic with the Group's 1,497-key portfolio generating a positive EBITDA of RM5.65 million for the current financial year in comparison to RM0.24 million in the previous financial year ended 31 December 2021 ("FY2021"). Whilst occupancies remain below pre-COVID levels, robust demand for rooms across the market has supported significantly higher rates as compared to the pre-COVID period. As a result, average room rates in FY2022 across the Group's portfolio stood at RM83 as compared to RM56 in FY2021 - a 48% improvement year-on-year. The Group's focus on achieving cost and operating efficiencies has also allowed its properties to remain profitable on an operating level despite the challenging inflationary environment.

We are especially proud of our young, resilient and high-performing team across the Group's hotels which have consistently delivered high-quality guest experience and service despite challenges faced by the hospitality sector. This is evidenced by the multitude of internationally recognised awards won by the Group's properties - including The Chow Kit, an Ormond Hotel being recognised as Malaysia's Best Boutique Hotel and every property in the Group placed in the top 10% of TripAdvisor rankings for their respective cities and is in no small part due to the emphasis placed on the recruitment, training and retention of the Group's people and talent.

Looking ahead, the Group is seeking to grow its asset base across Malaysia and South East Asia through third-party franchise and management deals and will continue to assess investments in distressed hotel assets as they come to the market. The Group is assessing its options pertaining to its 40% equity interest in TP Hotel (Flinders) Trust, an entity that owns the proposed 533-key development asset in Flinders Lane, Melbourne, in light of the now challenging development and construction environment in the market.

Other Investments

The Group's other key holdings are in the education and manufacturing sectors via its investments in its associates, Educ8 Group Sdn Bhd ("Educ8") and Positive Carry Sdn Bhd ("Positive Carry").

The Group registered a share of profits of RM3.32 million from Educ8, contributed by its subsidiary, Epsom College in Malaysia ("Epsom College"). Epsom College's strong financial performance in FY2022 was due in part to a significant increase in student enrolment post-pandemic, a disciplined cost and operating model and a write-back of a one-off impairment in asset value that was recognised in FY2021 resulting from the adverse effects of COVID-19.

TYK Capital Sdn Bhd - a Penang-headquartered precision engineering group with plants in Malaysia and the Philippines - held through Positive Carry saw a robust financial and operating performance in FY2022 due to strong demand and an expanded customer base and the share of profits recorded by the Group over this period is RM3.56 million.

Group Financial Performance

Despite the recovery in performance across the Group's operating assets, the Group experienced a loss for FY2022 of RM2.63 million as the operating cashflows generated by the properties were insufficient to meet headquarter overheads, financing costs and a high level of depreciation due to the Group's ownership of its hotel assets. However, this is a notable improvement over the RM5.74 million loss in FY2021 and the measures undertaken and implemented by the Group over the tough pandemic years have forged a leaner and more efficient organisation that continues to deliver a world-class hospitality product. This positions the Group well to benefit from the recovery in travel and withstand the significant headwinds caused by cost inflationary pressures and a tight labour market.

chairman's statement
continued

Corporate Social Responsibility

In 2022, schools and higher learning institutes remained closed for an extended period and had to conduct on-line classes although the COVID-19 restrictions were relaxed. Unfortunately, many teachers were still learning how to conduct on-line lessons and many students had difficulties accessing on-line education channels due to lack of on-line devices.

The ECM Libra Foundation (the "Foundation"), which was founded in 2004 and is solely funded by the founding partners - Dato Seri Kalimullah Hassan and Dato Lim Kian Onn - donated close to 500 units of laptops and tablets to the poor and under-privileged in different parts of Malaysia, including Muar and Melaka.

The Foundation continued its sponsorship of the Pemimpin GSL leadership program for school leaders. This year, the program switched focus from teaching global best practices to instructing school leaders on methods for engaging parents and students to jointly recover from the lost hours of learning and to get drop-out students to return.

As with the previous year, as a result of the COVID pandemic, many families suffered loss of income. The Foundation provided financial help to the under-served and under-privileged. Working with selected Non-Governmental Organisations ("NGO"), the Foundation continued its Food Aid Program to provide relief for some 500 families in Kg. Kerinchi and 1,000 families in Kota Damansara.

One of the new programs sponsored by the Foundation this year is the In-TECH (Technical Engineering Career Head-start) program in Penang. This program is a Technical and Vocational Education and Training program catered for 250 under-privileged high school students who are looking to pursue a vocational path to a career in the electrical and electronics manufacturing sector. Partnering with a technical institute, Fourier and Penang Science Cluster, as well as the State Government, this program trains technicians while they are still in high school. These trainee technicians will start work in the industry right after graduation from secondary school, and furthering their studies during weekends after which they will be able to take a universally recognised UK City and Guilds Certificate in Engineering, thereby launching their technical career.

In the second half of 2022, the English and Malay tuition programs conducted for primary schools in five new villages in Kampar by University Tunku Abdul Rahman resumed. This program is aimed at improving students spoken English and Bahasa Malaysia and improve their confidence in speaking. This program was successfully concluded and the impact of these tuition programs was obvious at the graduation ceremony held in November 2022 for the 141 students to showcase their newly acquired language skills on stage.

For the secondary school going youths, a physical youth-camp was successfully conducted under the Foundation sponsored SPARK program, run by Leaderonomics which lasted for 6 days and 5 nights in Melaka. One of the objectives of this camp is to set the foundation for the participants to reach their full potential in impacting the lives of others within their respective communities. At the conclusion of the camp, the participants gained self-awareness, self-confidence and a cross-cultural network of friends to go out and pursue their goals.

The Foundation also provided funds to build a Multi-Purpose Hall for SMK Gajah Berang, located in Kampung Chetti, Melaka. The school is 67 years old and therein lies various problems faced by principals and teachers in the school, such as limited number of classrooms and the lack of playground facilities. Students could only play table tennis and chess. Significant improvements were made in SMK Gajah Berang's situation under two principals, Puan Hajjah Umaizarah Alwi and Encik Roszelan Bin Majid, bringing success after success to SMK Gajah Berang in facilities as well as academics and co-curricular activities. The school's plea for a Multi-Purpose Hall was answered by a contribution from the Foundation. The Multi-Purpose Hall was the highlight of the school's 6-year transformation to fulfil the dream of making the school 'The Better School' for its students. This initiative benefitted 1,112 students.

On the music and arts front, the Foundation contributed to performing arts NGO, KL Shakespeare Players for their story-telling and public speaking for government schools program. This program is targeted at young people from the B40 communities, sharing with them theatre skills to develop their confidence. With pandemic restrictions, their on-line storytelling production saw 148 schools, 491 teachers and 5,248 students involved. We also provided some funds to Melaka Youth String Orchestra for their efforts in the Orang Asli community. These funds were used to buy string instruments and train the local children to play them, and to rent classrooms at an affordable rate as their training venue. This culminated in a concert where the Orang Asli students performed with the Orchestra.

Corporate Social Responsibility (continued)

Another program targeted at B40 and under-served communities is the Goodkids program which the Foundation continued to sponsor. Aimed at self-expression which originally involved drums and percussion, the program switched to visual arts as a medium of engagement with the students due to pandemic restrictions. While working with visual arts, the program helped the students discover their self-identity, understand their family and social dynamics through counselling and hence helping them develop self-confidence. This year the focus was largely on Sekolah Bukit Lanjan, an Orang Asli school in Kota Damansara and the year culminated in a mural painting for the school depicting aspects of the Orang Asli culture.

Throughout the pandemic, the Mobile School program that the Foundation sponsored, run by Global Peace Foundation ("GPF") continued in the six villages in the Rompin area. This was possible because GPF had trained up Orang Asli teachers on the ground. GPF worked with these teachers online on their lesson plans and sent in supplies as and when needed. Towards the end of 2022, the Foundation also contributed some funds to ELOM Academy, a new startup school providing basic education to undocumented children in the Klang Valley.

Appreciation

I would like to express my heartfelt thanks to our staff for their commitment, dedication and continued support over the course of 2022. I would also like to thank you, our shareholders for your confidence and trust in us steering the Group and we remain committed to delivering value to our shareholders and providing exceptional experiences to our guests.

We are also grateful to our partners, vendors and financiers who have stood with us over the difficult COVID period and helped the Group meet and overcome adversity in light of the unique circumstances faced by all hospitality groups.

Dato' Seri Kalimullah bin Masheerul Hassan
Chairman of the Board of Directors

management discussion and analysis

OVERVIEW OF THE GROUP'S BUSINESS AND OPERATIONS

ECM Libra Group Berhad (the "Company") and its subsidiaries (together referred to as the "Group") are involved in the following business segments:

- Hospitality business;
- Investment holding; and
- Structured financing.

The Group owns and operates six (6) hotels – Tune Hotel Georgetown Penang, Tune Hotel Kota Kinabalu, Tune Hotel KLIA Aeropolis, Tune Hotel Danga Bay Johor, The Chow Kit, an Ormond Hotel, and Momo's Kuala Lumpur. The Group also has a 50% equity interest in OHG Services Sdn Bhd and Ormond Lifestyle Services Sdn Bhd, which holds the concession to manage and operate Tune Hotel KLIA2 and operates food and beverage operations at Tune Hotel KLIA2 respectively. The Ormond, Momo's and Tune brands are collectively a product that caters to short-stay business and weekend travel.

On investment holding, it involves general investments and corporate-related activities carried out by the Company, which is investing in education, manufacturing and property investments-related businesses. The Group also provides structured lending and financial services related activities.

REVIEW OF FINANCIAL RESULTS

In the year 2022, Malaysia transitioned into an endemic phase of Covid-19, with the progress lifting of Covid-related restrictions and re-opening of international borders. This has resulted in a better financial performance across the Group's hospitality assets, driven by the rebound in demand for both rooms and food and beverage.

The Group posted a lower loss of RM2.63 million for the financial year ended 31 December 2022 ("FY2022"), an improvement as compared to a loss of RM5.74 million in the preceding financial year ended 31 December 2021 ("FY2021"). The Group's revenue and net profit/(loss) breakdown is as follows:

	FY2022		FY2021	
	Revenue RM'000	**Net profit/ (loss) RM'000**	**Revenue RM'000**	**Net profit/ (loss) RM'000**
Hospitality business	**24,568**	**(6,446)**	12,518	(10,690)
Investment holding	**111**	**3,753**	243	4,637
Structured financing	**154**	**65**	553	318
Total	**24,833**	**(2,628)**	13,314	(5,735)

Hospitality business

Revenue from the hospitality business segment in FY2022 rose by RM12.05 million (96%) resulting from higher room occupancies and average room rates across our hospitality assets with the lifting of travel restrictions for local and international tourists.

On profitability, the hospitality business segment posted a loss of RM6.45 million in FY2022 from RM10.69 million a year ago. The decrease in the loss of RM4.24 million reflects the better top-line performance and also continuous focus on cost reductions and efficiencies. Staff-related costs for hospitality business segment increased by 33% in FY2022 as the Group continues to focus on quality talent recruitment to meet the increased demand whilst maintaining a high standard of service for all our hotels.

The share of loss of equity-account joint ventures decreased from a loss of RM4.06 million in FY2021 to a loss of RM2.29 million in FY2022. The loss was mainly arising from the holding cost of investment in Flinders, Melbourne.

Structured financing

The structured financing segment recorded a lower segment profit of RM0.07 million in FY2022, a decrease of 80% from RM0.32 million in FY2021, resulting from maturity of term loan and discontinuation of its interest income. The said outstanding term loan was settled and repayment was received in full in January 2022 and the Group has not extended any loan to any party in FY2022.

Investment holding

The investment holding segment posted a lower profit of RM3.75 million in FY2022 (FY2021: RM4.64 million), mainly due to higher operating expenses following the higher staff-related costs in FY2022.

REVIEW OF FINANCIAL CONDITION

Liquidity and Capital Resources

The Group has RM163.03 million (FY2021: RM165.21 million) in shareholders' fund as at 31 December 2022, translating into RM0.34 (FY2021: RM0.34) per ordinary share. Cash and bank balances and deposits with licensed financial institutions totaled RM11.78 million in FY2022 (FY2021: RM17.71 million), the decrease is mainly due to additional investment in an associate, Educ8 Group Sdn Bhd. The cash and bank balances as at 31 December 2022 is adequate to cover operational and funding commitments for the financial year ending 31 December 2023 barring any unforeseen material repercussions.

Assets

Total assets of the Group as at 31 December 2022 stood at RM208.23 million, a decrease of RM1.81 million from RM210.04 million a year ago. Nevertheless, the increase in total non-current assets from RM183.84 million to RM191.52 million is mainly due to the additional investment in an associate, Educ8 Group Sdn Bhd.

Liabilities

Total liabilities of the Group as at 31 December 2022 increased from RM44.83 million to RM45.20 million, mainly a result of an increase in trade and other payables and this is due to timing of settlement of payments to trade and other payables.

Dividend

In view of the uncertain market conditions, no dividend payment is contemplated for the FY2022.

ANTICIPATED RISKS

Competition Risk

The hospitality segment in Malaysia is highly competitive, with many local and international players vying for market share. In addition to this, the Group also faces competition from alternative accommodation providers such as Airbnb. As a result, competition risk is a significant concern for the Group's business, and we continuously evaluate and monitor our competitive position in the market.

To remain competitive, the Group will reinforce its positioning as one of the major brands in the budget and value-for-money segment through Tune Hotels, leverage on the awards and accolades the Group has attained across our three (3) brands. This will be supported by our continuous investment in the training and development of staff and continuous review of internal processes to achieve maximum efficiency and cost-saving whilst maintaining our quality of service.

Labor Shortage

Since the recovery from the pandemic, labor shortages have been a significant concern that has been affecting all industries, especially the hospitality and food and beverage segments. This may lead to increased costs for the Group's business as the Group may have to hire and retain good talent.

MOVING FORWARD

The Group is encouraged by the financial and operational performance of its hospitality assets in light of the recovery in regional travel in FY2022. Headwinds remain with sustained cost inflationary pressures and a tight labour market and the Group is focused on realising continued cost and operational efficiencies whilst ensuring service excellence and consistency in order to better differentiate against the competition.

sustainability statement

ABOUT THIS STATEMENT

This statement outlines the Annual Sustainability Statement ("Sustainability Statement") of ECM Libra Group Berhad ("Company") and its subsidiaries (collectively referred to as "Group" or "We"), which covers the reporting period from 1 January 2022 to 31 December 2022 ("FY2022") and focusing on the Group's primary business operations as a hospitality services provider in Malaysia. The reporting period of the Sustainability Statement is aligned to the reporting period of the financial reporting of the Group. For selected performance indicators that have been historically tracked, data from the immediate preceding year has been included, unless otherwise stated. There is no restatement of information made from previous reporting periods.

SCOPE

The list of entities included in the Sustainability Statement is equivalent to those disclosed in the Company's financial statements for FY2022. There were no significant changes to the organisation's structure and ownership during the year. The consolidation approach taken across these different entities and across material topics is consistent and remains unchanged from the prior year.

BOARD STATEMENT

The Board of Directors ("Board") is pleased to demonstrate our commitment towards creating long-term sustainable value and business growth for all internal and external stakeholders. The Board oversees the overall climate-related direction of the Group and is committed to conduct the business in a responsible manner so as to enhance the quality of our society while pursuing business sustainability. The Board has considered sustainability issues in its business and strategy, determined the material economic, environmental and social ("EES") factors and overseen the management and monitoring of the material EES factors.

SUSTAINABILITY GOVERNANCE STRUCTURE

Setting the tone from the top, the Board is accountable for ensuring that sustainability is integrated into the strategic direction of the Group and its operations. The Board has established Board Committees comprising the Board Audit & Risk Management Committee, and Nomination and Remuneration Committee to assist the Board in discharging its duties and responsibilities.

At the operational level, the strategic management of material sustainability matters is led and driven by the Chief Executive Officer, with progress and key developments escalated to the Board, accordingly. The Chief Executive Officer, together with senior management, conducts regular meetings with hotel managers and heads of departments on monthly basis to review and make executive decisions on material issues and business strategies, including EES related matters.

FRAMEWORK AND ASSURANCE

The Sustainability Statement has been prepared by referencing to the Global Reporting Initiative ("GRI") sustainability standards and the requirements of the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad ("Bursa"). The GRI Standards were chosen as GRI represents the global best practices for reporting on an organisation's sustainability impacts.

STAKEHOLDERS' ENGAGEMENT

In building long-term business growth, the Group acknowledges the importance of its stakeholders to the Group's continued success and business sustainability. The Group believes that it is essential to understand and be responsive to the stakeholders' concerns or expectations of the Group. We strive to improve our stakeholders' engagement through various communication channels and they are described briefly below:

Stakeholder	Mode of communication	Potential issues	Our Response
Customers	- Face to face interaction - Customer feedback surveys - Corporate website and social media channels	- Product and service quality - Data privacy and security	- Provide prompt action and attention to customer feedback surveys. - Face to face or virtual interaction. - Personal Data Protection Act policy in place to protect customer data and privacy.
Management	- Management meetings - Corporate events	- Financial sustainability - Corporate governance and strategies	- Budget and forecast with variance analysis provided during monthly management meeting - Reports on on-going or planned corporate actions as and when required - Monthly business performance meetings - Key performance indicators review and corrective actions taken
Employees	- Internal emails - Employee appraisal - Townhalls - Staff trainings	- Workplace environment - Employees' life-long learning	- Provide leadership development programs - Provide various training and skills enhancement opportunities
Investors	- Annual General Meeting - Corporate website and social media channels - Corporate announcements - News releases/ announcements - Annual report	- Financial sustainability - Corporate governance practices	- Timely announcement of financial results - Announcement on ongoing or planned corporate actions as and when required
Government and Regulators	- Regular consultation - Statutory reporting	- Compliance with laws and regulations - Ethical business practices	- Advise from professionals such as solicitors, auditors, tax agents and other consultant - Announce or report relevant information in a timely manner
Suppliers	- Meetings and discussions	- Agreeable contracts and terms - Supply chain management	- Ensure consistent communication with suppliers on contracts - Established standard operating procedures to ensure timely disbursement of payments

MATERIAL ASSESSMENT

We recognise that material issues can directly or indirectly impact our ability to create long-term value for our customers, suppliers, employees, investors and society at large. We have undertaken a detailed process to identify, rate, prioritise and validate the EES issues that matter most to our organisation. The assessment involves the following steps:

1. **Identify** - We conducted an internal review and analysis of sustainability issues based on current and emerging risks and opportunities, together with a list of the common set of prescribed sustainability matters and indicators that are deemed material for all listed issuers issued by Bursa.

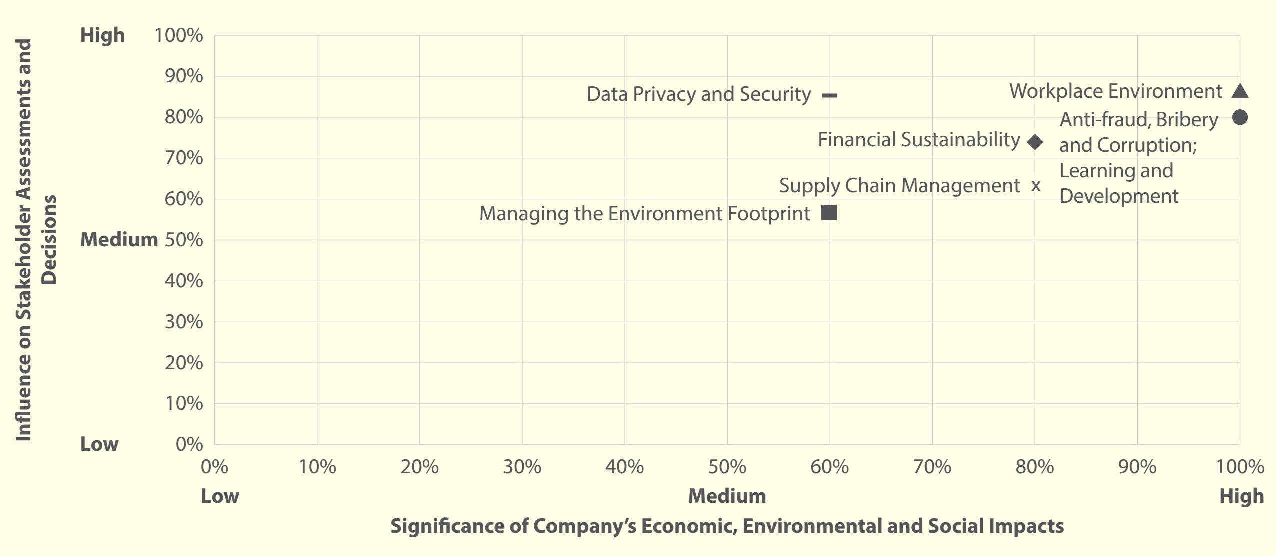
2. **Rate** - Similar sustainability issues of the Company and its subsidiaries are clustered together. Collectively, a total of 7 sustainability factors were identified.

MATERIAL ASSESSMENT (continued)

3. **Prioritise** - We engaged our internal and external stakeholder groups and distributed a materiality assessment survey for them to rank the 7 material factors based on the importance to our stakeholders as well as our business operations. Results of the assessment are plotted onto a materiality matrix as shown in Figure 1, graded from medium to high importance.

4. **Validate** - The Board reviews and approves the Sustainability Statement, as part of the Annual Report annually.

Figure 1: Materiality matrix



Material Aspects and Indicators

Material ESS Factors	GRI Standard	Relevant Policies
Financial Sustainability	GRI 201: Economic Performance 2016	- Accounting Policies
Managing the Environment Footprint	GRI 302: Energy 2016 GRI 303: Water and Effluents 2018	- Energy Conservation Policy
Workplace Environment	GRI 405: Diversity and Equal Opportunity 2016 GRI 403: Occupational Health and Safety 2018	- Remuneration Policy for Directors and Key Senior Management Officers - Occupational Safety and Health standard operating procedures
Learning and Development	GRI 404: Training and Education 2016	- Standard Operating Procedures - Learning & Development
Supply Chain Management	GRI 204 Procurement Practices 2016	- Procurement Policy
Anti-fraud, Bribery and Corruption	GRI 205: Anti - corruption 2016	- Anti-Bribery & Corruption Policy - Employees' Code of Conduct - Whistle-Blowing Policy - Gift & Hospitality Policy - Directors' Code of Conduct and Ethics
Data Privacy and Security	GRI 418: Customer Privacy 2016	- Personal Data Protection Act - Employees' Code of Conduct

ECONOMIC

Material ESG Factor	GRI Standard	Disclosure
Financial Sustainability	GRI 201: Economic Performance 2016	Direct economic value generated and distributed

Financial Sustainability

The Group is encouraged by the financial and operational performance of its investment portfolio and also hospitality segment in FY2022. Despite the challenging operating environment, total Group's revenue recorded in FY2022 was RM24.83 million, increased by 87% year-on-year. The Group posted a lower net loss of RM2.63 million in FY2022, an improvement as compared to a loss of RM5.74 million in the previous financial year ended 31 December 2021 ("FY2021").

For more details on financial performance for FY2022, please refer to the Management Discussion and Analysis at pages 30 to 31 of this Annual Report 2022 and the Group's financial statements are set out on pages 42 to 123 of this Annual Report 2022.

ENVIRONMENTAL

Material ESG Factor	GRI Standard	Disclosure
Managing the environmental footprint	GRI 302: Energy 2016 GRI 303: Water and Effluents 2018	Energy consumption Water consumption

Managing the environmental footprint

The Group is concerned about environmental issues such as pollution and climate change which affects everyone's quality of life. The Group is committed to minimising, as far as possible, our environmental footprint by adopting responsible approaches on resources usage.

We endeavor to reduce wastage in our operations by employing the 3R concept – Reduce, Reuse and Recycle. The Group actively promotes responsible use of energy and resources and efficient energy-saving habits among the employees such as turning off appliances and lights when not in use.

The main energy source is purchased electricity from national electricity provider, Tenaga Nasional Berhad and the water consumption is measured against the municipal water purchased. Key statistics on energy and water consumption during the year are as follows:

Figure 2: Energy and water consumption

	FY2022	FY2021
Electricity consumption	3,478,939kWh	1,254,398kWh
Water consumption	76,684m^3	48,331m^3

For the financial year under review, the Group recorded an increase of 177% in electricity consumption and 59% in water consumption due to higher occupancies recorded at the Group's hospitality assets, resulted from the relaxation of movement control imposed by the federal and state governments and opening of international borders.

As we look forward to increased business activities at our properties and business, we will continue to explore approaches to enhance energy and water intensity at our operations.

Target for FY2022	Performance in FY2022	Target for FY2023
Maintain zero incidences of environmental non-compliance.	There was no reported incidence of environmental non-compliance.	Maintain zero incidences of environmental non-compliance.

SOCIAL

Material ESG Factor	GRI Standard	Disclosure
Workplace Environment	GRI 405: Diversity and Equal Opportunity 2016 GRI 403: Occupational Health and Safety 2018	Diversity of employees Worker training on occupational health and safety
Learning and Development	GRI 404: Training and Education 2016	Training conducted for employees
Supply Chain Management	GRI 204 Procurement Practices 2016	Proportion of spending on local suppliers

Workplace environment

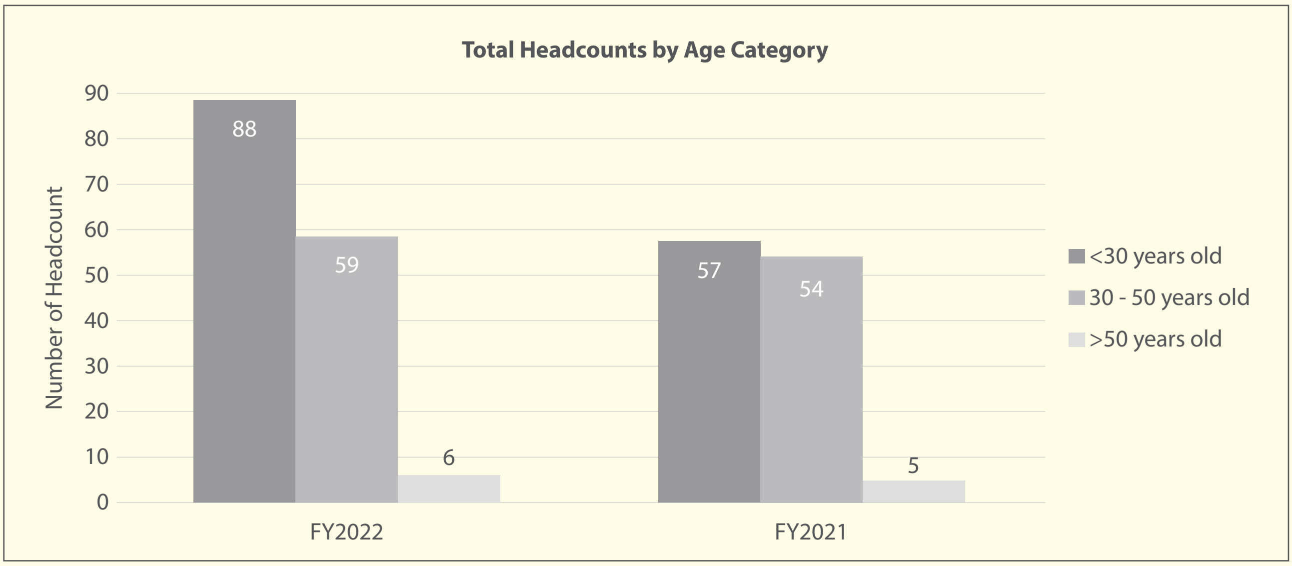
Employees are the key driver of an organization to ensure sustainable business growth. The Group offers equal employment opportunities to all regardless of race, ethnicity, gender or age group. We apply a non-discrimination principle in our employment, and strive to achieve workforce diversity.

As at 31 December 2022, the Group employs a total number of 153 employees, the majority of whom are permanent, full-time employees and there were no part-time employees. The Group's employee breakdown are summarised as follows:

Figure 2: Workforce Composition in FY2022

By Gender	Total Headcount	%
Male	78	51%
Female	75	49%
Total	**153**	**100%**

By Age Group	Total Headcount	%
< 30 years old	88	57%
30 - 50 years old	59	39%
> 50 years old	6	4%
Total	**153**	**100%**



On talent attraction and retention, the Group practices fair and equal employment opportunities based on qualifications, working experiences, skills and competency of employees. For existing employees, the Group review remuneration and staff benefits on an annual basis based on the employee's job performance and reference to the market rate and conditions, aimed to create a productive and motivated workforce. The Group is also committed to protect and respect the human rights of employees in accordance with the relevant laws and regulations as well as ensuring the employees' safety and well-being.

SOCIAL (continued)

Workplace environment (continued)

The Group has a whistle-blowing policy that serves to provide a platform for employees to report in good faith and in confidence, without fear of reprisals and concerns about any improper conduct within the Group.

The Group believes that our employees are our greatest asset. The Group advocates a workplace culture that emphasises on the importance of Occupational Safety and Health ("OSH") in the daily operations. This is achieved through a combination of risk assessments, identification of occupational hazards, safety trainings, development and communication of OSH policies, as well as effective implementation of OSH standard operating procedures.

Awareness of the importance of hygiene and health is increasing worldwide and has accelerated further due to the COVID-19 pandemic and a growing threat from antimicrobial resistance, thus the Group strives to enable better hygiene and health standards within the workplace.

Target for FY2022	Performance in FY2022	Target for FY2023
Maintain zero incidences of grievances on labour practices or human rights issues.	There was no reported incidence of grievances on labour practices or human rights issues.	Maintain zero incidences of grievances on labour practices or human rights issues.

Learning and development

The Group recognises that enhancing employees' skills is important towards achieving sustainability and growth of organisations. We strive to build a strong culture of learning and to continuously improve employees' skills through on-the-job and off-the-job trainings. The Group also encourages its employees to pursue continuous professional development to gain further qualifications.

In FY2022, total employees' participation in training programs totaled of 469 training hours, which is an average of 3 hours per employee. The Group will continue to encourage its employees to attend trainings.

Target for FY2022	Performance in FY2022	Target for FY2023
Average training hours per employee of 2 hours.	Recorded an average of 3 training hours per employee.	Average training hours per employee of 2 hours.

Supply chain management

The Group cognisant responsible procurement practices such as local sourcing is key to create economic value for the Malaysian economy. We aim to source and procure products and services locally where possible, in all of our business activities.

We employ stringent screening and assessment processes in the selection of the suppliers for our operations. The requirements and conduct expected from our suppliers include but not limited to the following:

- compliance with laws and regulations;
- commitment to high quality standards and timeliness of delivery;
- zero tolerance for human rights violations of employees; and
- commitment to uphold safe, healthy and fair workplace practices.

SOCIAL (continued)

Supply chain management (continued)

The Group has established a Procurement Policy to demonstrate our commitment towards sustainable sourcing and procurement. Purchases from suppliers are guided by procurement processes through this policy. Purchases are made via suppliers on preferred supplier lists maintained to ensure all materials and services procured are of appropriate quality and costs commensurate with quality. The performance of these suppliers is assessed on timely basis to ensure they remain competitive in terms of timely delivery, product quality, and pricing.

Target for FY2022	Performance in FY2022	Target for FY2023
At least 90% of our suppliers engaged were local suppliers.	More than 90% of our suppliers engaged were local suppliers.	At least 90% of our suppliers engaged were local suppliers.

CORPORATE GOVERNANCE

The Group is committed to sustainable growth by integrating strong corporate governance and risk management practices, as outlined in our Corporate Governance Overview Statement, on pages 13 to 23 of this Annual Report 2022.

The Group strives to comply with all regulatory requirements and licensing conditions to ensure continuity of licenses and approvals granted to carry out our businesses. We through compliance checklist track and monitor our reporting obligations and continued compliance with the relevant requirements.

Material ESG Factor	GRI Standard	Disclosure
Anti-fraud, Bribery and Corruption	GRI 205: Anti - corruption 2016	Confirmed incidents of corruption
Data Privacy and Security	GRI 418: Customer Privacy 2016	Complaints concerning breaches or leakage of customer data

Anti-fraud, bribery and corruption

The Group strive to uphold the highest level of ethical standards at all times and in all aspects of our business by abiding with all the relevant laws, regulations and industry best practices. We have adopted the Employees' Code of Conduct, Whistle-Blowing Policy, Anti-Bribery and Corruption Policy, and Gift and Hospitality Policy, which articulates the Group's zero-tolerance approach against all forms of bribery, corruption and misconduct in its business conduct.

Target for FY2022	Performance in FY2022	Target for FY2023
Maintain zero incidents of corruption.	There were no reported incidents of corruption.	Maintain zero incidents of corruption.

Data privacy and security

The Group strives to raise customer satisfaction by offering good service to our customers and responding to their feedback promptly. Our uncompromising focus on guest experience has led us to incorporate guest satisfaction measurements by gathering guest's feedback via surveys in TrustYou, a guest review platform which helps us evaluate guest satisfaction dynamically. It combines internal and external ratings data with an evaluation of our hotels' performance relative to competitors in each market segment.

We strive to ensure that feedback from our guests always receives the priority it deserves and empowers our staff to resolve issues as they arise in order to delight our guests and build their loyalty to our brand, thus all guest's feedbacks are handled appropriately by our staff, who have been trained on problem resolution.

The Group is committed to ensuring customers' personal data are kept confidential in compliance with the Malaysia Personal Data Protection Act, 2010. We highly respect personal data privacy and will not disclose these data without consent unless it is required by the law.

Target for FY2022	Performance in FY2022	Target for FY2023
Maintain zero complaints concerning breaches or leakage of customer data privacy.	There were no reported complaints concerning breaches or leakage of customer data privacy.	Maintain zero complaints concerning breaches or leakage of customer data privacy.

directors' responsibility statement for the audited financial statements

The Directors are required by the Companies Act 2016 to prepare financial statements for each financial year to give a true and fair view of the state of affairs of the Group and of the Company as at the end of the financial year and of the results and cashflows for the year then ended. The Directors are satisfied that in preparing the financial statements of the Group and of the Company for the financial year ended 31 December 2022, the Group and the Company have adopted and applied consistently appropriate accounting policies, supported by reasonable and prudent judgments and estimates. The Directors also consider that all applicable approved accounting standards in Malaysia have been followed and the financial statements have been prepared on a going concern basis and in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Directors are responsible for ensuring that the Group and the Company maintain sufficient accounting records that disclose with reasonable accuracy the financial position of the Group and of the Company, and which enable them to ensure that the financial statements comply with the Companies Act 2016.

The Directors also have general responsibility for taking such steps that are reasonably expected of them to safeguard the assets of the Group and of the Company, and taking reasonable steps for the prevention and detection of fraud and other irregularities.

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financial statements

directors' report

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

Principal activities

The principal activities of the Company are investment holding and provision of management services. The Group's subsidiaries, associates and joint ventures are involved in the business of investment holding, structured financing and hospitality. The other information relating to the subsidiaries, associates and joint ventures are disclosed in Note 16, Note 17 and Note 18 to the financial statements respectively.

Results

	Group	Company
	RM'000	RM'000
Loss for the financial year attributable to owners of the Company	**2,628**	**5,001**

Other than as disclosed in Note 27 to the financial statements, there were no other material transfers to or from reserves or provisions during the financial year.

In the opinion of the Directors, 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.

Dividend

No dividend has been paid or declared by the Company since the end of the previous financial year. The Directors do not recommend the payment of any dividend for the current financial year ended 31 December 2022.

Issue of shares and debentures

There were no changes in the issued and paid-up capital of the Company during the financial year.

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

Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the financial year.

Directors

The Directors of the Company in office since the beginning of the financial year to the date of this report are:

Dato' Seri Kalimullah bin Masheerul Hassan
Dato' Lim Kian Onn
Datuk Kamarudin bin Md Ali
En Mahadzir bin Azizan
Mr Gareth Lim Tze Xiang
Mr Oh Teik Khim
En Akil Hassan bin Kalimullah - alternate director to Dato' Seri Kalimullah bin Masheerul Hassan

Directors of the subsidiaries

The directors of the subsidiaries (excluding Directors who are also Directors of the Company) since the beginning of the financial year to the date of this report are:

Mr Navinderjeet Singh A/L Naranjan Singh
Ms Yip Lai Fun

Directors' benefits

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by the Directors or the fixed salary of a full time employee of the Company or of its related corporations as disclosed in Note 8 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 except for Dato' Seri Kalimullah bin Masheerul Hassan and Dato' Lim Kian Onn who may be deemed to derive a benefit by virtue of those transactions and agreements for the provision of tenancies as disclosed in Note 29 to the financial statements made by the Company and its related corporations with Dato' Seri Kalimullah bin Masheerul Hassan and Dato' Lim Kian Onn and corporations in which Dato' Seri Kalimullah bin Masheerul Hassan and Dato' Lim Kian Onn are deemed to have interests.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Indemnities to directors, officers and auditors

The Group and the Company do not maintain Directors' and Officers' Liability Insurance in respect of any legal action taken against the Directors and officers in the discharge of their duties while holding office for the Group and the Company. No insurance has been effected for any director and officer of the Group and the Company during the financial year.

There were no indemnity given to or insurance effected for the auditors of the Group and of the Company during the financial year.

Directors' remuneration

The Directors' remuneration of the Group and of the Company for the financial year ended 31 December 2022 are as follows:

	Group RM'000	Company RM'000
Salaries and bonuses	**1,114**	**610**
Director fees	**228**	**228**
Other emoluments	**177**	**116**
	1,519	**954**

Directors' interests

The Directors holding office at the end of the financial year who had beneficial interests in the ordinary shares of the Company and/or its related corporations during the financial year ended 31 December 2022, as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act, 2016, are as follows:

	Number of ordinary shares			
	As at 1.1.2022	**Acquired**	**Sold**	**As at 31.12.2022**
Direct interest in the Company				
Dato' Seri Kalimullah bin Masheerul Hassan	**70,562,815**	-	-	**70,562,815**
Dato' Lim Kian Onn	**36,837,778**	**29,458,500**	-	**66,296,278**
Datuk Kamarudin bin Md Ali	**100,000**	-	-	**100,000**
Indirect interest in the Company				
Dato' Lim Kian Onn	**130,387,186**	**4,456,100**	-	**134,843,286**

Dato' Lim Kian Onn, by virtue of his interests in the Company and pursuant to Section 8(4) of the Companies Act, 2016, is deemed to have interests in the shares of all the subsidiaries of the Company to the extent that the Company has an interest.

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

Other statutory information

(a) Before the statements of comprehensive income and statements of financial position of the Group and the Company were made out, the Directors took reasonable steps:

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

  (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had 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 which would render:

  (i) the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and

  (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

(c) At the date of this report, the Directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(d) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements of the Group and of the Company misleading.

Other statutory information (continued)

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

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

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

(f) In the opinion of the Directors:

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

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

Auditor and auditors' remuneration

The auditors, BDO PLT (201906000013 (LLP0018825-LCA) & AF 0206), have expressed their willingness to continue in office.

Auditors' remuneration of the Group and of the Company for the financial year ended 31 December 2022 are as follows:

	Group RM'000	Company RM'000
Statutory audit	**96**	**35**
Non-statutory audit	**5**	**5**
	101	**40**

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

Dato' Seri Kalimullah bin Masheerul Hassan
Director

Gareth Lim Tze Xiang
Director

Kuala Lumpur, Malaysia
13 April 2023

statement by directors

Pursuant to Section 251(2) of the Companies Act, 2016

We, Dato' Seri Kalimullah bin Masheerul Hassan and Gareth Lim Tze Xiang, being two of the Directors of ECM Libra Group Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 51 to 123 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 at 31 December 2022 and of their financial performance and cash flows for the financial year then ended.

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

Dato' Seri Kalimullah bin Masheerul Hassan

Gareth Lim Tze Xiang

Kuala Lumpur, Malaysia
13 April 2023

statutory declaration

Pursuant to Section 251(1)(b) of the Companies Act, 2016

I, Navinderjeet Singh A/L Naranjan Singh, being the officer primarily responsible for the financial management of ECM Libra Group Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 51 to 123 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the abovenamed at Kuala Lumpur in the
Federal Territory this 13 April 2023

Navinderjeet Singh A/L Naranjan Singh

Before me,

Mardhiyyah Abdul Wahab
Commissioner for Oaths

13 April 2023

independent auditors' report

to the members of ECM Libra Group Berhad
(Incorporated in Malaysia)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of ECM Libra Group Berhad, which comprise the statements of financial position as at 31 December 2022 of the Group and of the Company, and the statements of profit or loss, statements of 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 51 to 123.

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 2022, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") 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 ("ISAs"). 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.

1. Impairment assessment of non-current assets of hospitality segment and the carrying amount of investment in a subsidiary, ECML Hotels Sdn. Bhd. ("ECMLH") and a joint venture, OHG Services Sdn. Bhd. ("OHGS").

As at 31 December 2022, the carrying amounts of property, plant and equipment, right-of-use assets and intangible assets of the hospitality segment of the Group amounted to RM97.8 million, RM13.1 million and RM0.1 million respectively as disclosed in Note 12(a) to the financial statements and the carrying amount of the investment of the Group in OHGS amounted to RM19.6 million as disclosed in Note 18(d) to the financial statements. The carrying amount of the investment of the Company in ECMLH and OHGS amounted to RM82.8 million and RM24.1 million respectively as disclosed in Note 16(c) and Note 18(d) to the financial statements.

We considered this to be a key audit matter because of the significant judgements and estimates applied by management to determine the recoverability of property, plant and equipment, intangible assets and right-of-use assets of the hospitality segment and the carrying amount of investment in ECMLH and OHGS due to the key assumptions used in determining recoverable amounts based on the higher of fair value less costs of disposal ("FVLCD") and value-in-use calculations ("VIU").

Our audit procedures included the following:

(a) For recoverable amounts based on VIU computed by management, we have:

(i) tested the significant input underpinning the VIU calculations such as occupancy rates, average room rates and operating costs to the hotel properties' historical results;

(ii) verified pre-tax discount rate used by management for the CGU by comparing to market rate, weighted average cost of capital of the Group and relevant risk factors; and

(iii) performed sensitivity analysis of our own to stress test the key assumptions in the impairment model.

Key Audit Matters (continued)

1. Impairment assessment of non-current assets of hospitality segment and the carrying amount of investment in a subsidiary, ECML Hotels Sdn. Bhd. ("ECMLH") and a joint venture, OHG Services Sdn. Bhd. ("OHGS"). (continued)

Our audit procedures included the following: (continued)

(b) For recoverable amount based on the external valuation obtained, we have:

(i) obtained the valuation report by the independent professional valuer that was relied upon by the management in determining the recoverable amount of the relevant assets;

(ii) assessed the independent professional valuer's competency, capabilities, and objectivity by checking the valuers' qualification and registration to the relevant boards; and

(iii) discussed with the professional valuer the methodology and evaluated the assumptions used in the valuation.

(c) Considered whether the relevant disclosures were appropriate in the financial statements.

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 MFRSs, IFRSs 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 ability of the Group and of the Company 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 ISAs 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.

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

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

(a) 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.

(b) 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 internal control of the Group and of the Company.

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

(d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company 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.

(e) 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.

(f) 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.

BDO PLT
201906000013 (LLP0018825-LCA) & AF 0206
Chartered Accountants

Brendan Francis Lim Jern Zhen
03591/09/2023 J
Chartered Accountant

Kuala Lumpur
13 April 2023

statements of profit or loss

for the financial year ended 31 December 2022

		Group		Company	
	Note	2022	2021	2022	2021
		RM'000	RM'000	RM'000	RM'000
Revenue	3	**24,833**	13,314	**3,411**	2,578
Other income	4	**720**	1,076	**48**	23
Changes in inventories		**78**	5	**-**	-
Purchase of inventories		**(2,235)**	(1,540)	**-**	-
Net (losses)/reversals on impairment of financial assets		**(33)**	23	**(4,033)**	-
Other impairment losses		**-**	-	**(817)**	(5,183)
Operating expenses		**(27,652)**	(20,233)	**(3,598)**	(2,535)
Loss from operations		**(4,289)**	(7,355)	**(4,989)**	(5,117)
Finance costs	5	**(2,104)**	(1,965)	**(1)**	(11)
Investments in associates and and joint ventures, net of tax					
- loss on dilution of equity interest		**(142)**	-	**-**	-
- share of results		**4,590**	2,149	**-**	-
Loss before tax	6	**(1,945)**	(7,171)	**(4,990)**	(5,128)
Taxation	9	**(683)**	1,436	**(11)**	(36)
Loss for the financial year		**(2,628)**	(5,735)	**(5,001)**	(5,164)
Attributable to owners of the Company		**(2,628)**	(5,735)	**(5,001)**	(5,164)

		Sen	Sen
Basic and diluted loss per ordinary share attributable to owners of the Company	10	**(0.55)**	(1.19)

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

statements of comprehensive income

for the financial year ended 31 December 2022

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Loss for the financial year	**(2,628)**	(5,735)	**(5,001)**	(5,164)
Other comprehensive income/(loss):				
Items that may be reclassified to profit or loss in subsequent periods, net of tax:				
Exchange differences on translation of investment in foreign operations	**(397)**	(717)	**-**	-
Share of other comprehensive loss in an associate	**(219)**	(454)	**-**	-
	(616)	(1,171)	**-**	-
Items that will not be reclassified to profit or loss in subsequent periods, net of tax:				
Fair value changes on financial assets measured at fair value through other comprehensive income	**1,068**	(5,560)	**1,068**	(5,560)
Other comprehensive income/(loss) for the financial year, net of tax	**452**	(6,731)	**1,068**	(5,560)
Total comprehensive loss for the financial year, net of tax	**(2,176)**	(12,466)	**(3,933)**	(10,724)
Attributable to owners of the Company	**(2,176)**	(12,466)	**(3,933)**	(10,724)

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

statements of financial position

as at 31 December 2022

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Assets					
Non-current assets					
Property, plant and equipment	12	**98,030**	100,564	**159**	355
Intangible assets	13	**81**	141	**-**	-
Right-of-use assets	14	**13,209**	14,236	**-**	77
Deferred tax assets	15	**2,157**	2,807	**-**	-
Investments in subsidiaries	16	**-**	-	**83,763**	84,580
Investments in associates	17	**21,320**	5,755	**9,047**	-
Investments in joint ventures	18	**56,727**	57,862	**65,745**	64,394
Other investments	19	**-**	2,470	-	2,470
		191,524	183,835	**158,714**	151,876
Current assets					
Inventories		**283**	205	**-**	-
Trade and other receivables	20	**4,172**	2,153	**519**	238
Contract assets	21	**364**	83	**-**	-
Tax recoverable		**111**	94	**82**	80
Loans, advances and financing	22	**-**	5,967	**-**	-
Cash and bank balances and deposits with licensed financial institutions	23	**11,779**	17,705	**1,159**	12,026
		16,709	26,207	**1,760**	12,344
Total assets		**208,233**	210,042	**160,474**	164,220
Equity and liabilities					
Current liabilities					
Loans and borrowings	24	**21,258**	20,820	**-**	-
Trade and other payables	25	**3,486**	2,136	**643**	370
Lease liabilities	14	**386**	687	**-**	83
Contract liabilities	21	**422**	282	**-**	-
Tax payable		**-**	10	**-**	-
		25,552	23,935	**643**	453
Net current (liabilities)/assets		**(8,843)**	2,272	**1,117**	11,891

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

statements of financial position continued

as at 31 December 2022

	Note	Group		Company	
		2022	2021	2022	2021
		RM'000	RM'000	RM'000	RM'000
Equity and liabilities (continued)					
Non-current liabilities					
Loans and borrowings	24	**17,165**	18,197	**-**	-
Lease liabilities	14	**2,475**	2,689	**-**	-
Deferred tax liabilities	15	**8**	12	**9**	12
		19,648	20,898	**9**	12
Total liabilities		**45,200**	44,833	**652**	465
Net assets		**163,033**	165,209	**159,822**	163,755
Equity attributable to owners of the Company					
Share capital	26	**107,546**	107,546	**107,546**	107,546
Retained earnings		**68,260**	69,454	**64,268**	67,977
Reserves	27	**(12,773)**	(11,791)	**(11,992)**	(11,768)
Total equity		**163,033**	165,209	**159,822**	163,755
Total liabilities and equity		**208,233**	210,042	**160,474**	164,220

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

statements of changes in equity

for the financial year ended 31 December 2022

Group	Share capital RM'000	Foreign currency translation reserve RM'000	Fair value reserve RM'000	Retained earnings RM'000	Total equity RM'000
At 1 January 2022	**107,546**	**(23)**	**(11,768)**	**69,454**	**165,209**
Loss on foreign currency translation	**-**	**(397)**	**-**	**-**	**(397)**
Share of other comprehensive loss in an associate	**-**	**(219)**	**-**	**-**	**(219)**
Net change in fair value of an equity investment	**-**	**-**	**1,068**	**-**	**1,068**
Transfer of cumulative gain on disposal of investments to retained earnings	**-**	**-**	**(1,434)**	**1,434**	**-**
Total other comprehensive (loss)/income for the financial year	**-**	**(616)**	**(366)**	**1,434**	**452**
Loss for the financial year	**-**	**-**	**-**	**(2,628)**	**(2,628)**
Total comprehensive loss for the financial year	**-**	**(616)**	**(366)**	**(1,194)**	**(2,176)**
At 31 December 2022	**107,546**	**(639)**	**(12,134)**	**68,260**	**163,033**
At 1 January 2021	107,546	1,148	(7,207)	76,188	177,675
Loss on foreign currency translation	-	(717)	-	-	(717)
Share of other comprehensive loss in an associate	-	(454)	-	-	(454)
Net change in fair value of an equity investment	-	-	(5,560)	-	(5,560)
Transfer of cumulative loss on disposal of investments to retained earnings	-	-	999	(999)	-
Total other comprehensive loss for the financial year	-	(1,171)	(4,561)	(999)	(6,731)
Loss for the financial year	-	-	-	(5,735)	(5,735)
Total comprehensive loss for the financial year	-	(1,171)	(4,561)	(6,734)	(12,466)
At 31 December 2021	107,546	(23)	(11,768)	69,454	165,209

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

statements of changes in equity continued

for the financial year ended 31 December 2022

Company	Share capital RM'000	Fair value reserve RM'000	Retained earnings RM'000	Total equity RM'000
At 1 January 2022	**107,546**	**(11,768)**	**67,977**	**163,755**
Net change in fair value of an equity investment	**-**	**1,068**	**-**	**1,068**
Transfer of cumulative gain on disposal of investments to retained earnings	**-**	**(1,292)**	**1,292**	**-**
Total other comprehensive income for the financial year	**-**	**(224)**	**1,292**	**1,068**
Loss for the financial year	**-**	**-**	**(5,001)**	**(5,001)**
Total comprehensive loss for the financial year	**-**	**(224)**	**(3,709)**	**(3,933)**
At 31 December 2022	**107,546**	**(11,992)**	**64,268**	**159,822**
At 1 January 2021	107,546	(6,989)	73,922	174,479
Net change in fair value of an equity investment	-	(5,560)	-	(5,560)
Transfer of cumulative loss on disposal of investments to retained earnings	-	781	(781)	-
Total other comprehensive loss for the financial year	-	(4,779)	(781)	(5,560)
Loss for the financial year	-	-	(5,164)	(5,164)
Total comprehensive loss for the financial year	-	(4,779)	(5,945)	(10,724)
At 31 December 2021	107,546	(11,768)	67,977	163,755

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

statements of cash flows
for the financial year ended 31 December 2022

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Cash flows from operating activities					
Loss before tax		**(1,945)**	(7,171)	**(4,990)**	(5,128)
Adjustments for:					
Amortisation of intangible assets	13	**60**	73	**-**	-
Depreciation of property, plant and equipment	12	**3,066**	3,103	**201**	200
Depreciation of right-of-use assets	14	**1,027**	1,227	**77**	184
Dividend income		**-**	-	**(3,300)**	(2,336)
Impairment losses on investment in a subsidiary		**-**	-	**817**	5,183
Interest expense	5	**2,104**	1,965	**1**	11
Interest income		**(290)**	(743)	**(111)**	(184)
Investments in associates and and joint ventures, net of tax					
- loss on dilution of equity interest		**142**	-	**-**	-
- share of results		**(4,590)**	(2,149)	**-**	-
Net losses/(reversals) on impairment of financial assets		**33**	(23)	**4,033**	-
Net unrealised foreign exchange differences		**33**	25	**500**	745
Operating loss before changes in working capital		**(360)**	(3,693)	**(2,772)**	(1,325)
(Increase)/Decrease in operating assets:					
Contract assets		**(281)**	(6)	**-**	-
Inventories		**(78)**	(5)	**-**	-
Loans, advances and financing		**5,738**	-	**-**	-
Trade and other receivables		**(2,084)**	129	**(316)**	152
Increase/(Decrease) in operating liabilities:					
Contract liabilities		**140**	151	**-**	-
Trade and other payables		**1,350**	(2,306)	**273**	59
Cash generated from/(used in) operations		**4,425**	(5,730)	**(2,815)**	(1,114)
Interest received		**518**	514	**113**	182
Interest paid		**(2,098)**	(1,963)	**(1)**	(11)
Tax paid		**(64)**	(118)	**(16)**	(28)
Net cash from/(used in) operating activities		**2,781**	(7,297)	**(2,719)**	(971)

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

for the financial year ended 31 December 2022

		Group		Company	
		2022	2021	2022	2021
	Note	RM'000	RM'000	RM'000	RM'000
Cash flows from investing activities					
Advances to joint ventures		**(1,851)**	(23)	**(1,851)**	(23)
Advances to a subsidiary		**-**	-	**(4,000)**	-
Dividend received from:					
- a joint venture company		**300**	2,336	**300**	2,336
- a subsidiary		**-**	-	**3,000**	-
Net proceeds from disposal of other investments		**1,292**	7,458	**1,292**	7,458
Purchase of additional shares in subsidiaries		**-**	-	**-**	(9,500)
Purchase of additional shares in an associate		**(6,000)**	-	**(6,000)**	-
Purchase of additional shares in other investment		**(801)**	-	**(801)**	-
Purchase of property, plant and equipment	12	**(532)**	(317)	**(5)**	(16)
Purchase of intangible assets	13	**-**	(15)	**-**	-
Purchase of additional shares in joint ventures		**-**	(50)	**-**	(50)
Net cash (used in)/from investing activities		**(7,592)**	9,389	**(8,065)**	205
Cash flows from financing activities					
Repayment of term loans		**(600)**	(150)	**-**	-
Payment of lease liabilities - principal		**(515)**	(826)	**(83)**	(193)
Net cash used in financing activities		**(1,115)**	(976)	**(83)**	(193)
Net (decrease)/increase in cash and cash equivalents		**(5,926)**	1,116	**(10,867)**	(959)
Cash and cash equivalents at beginning of the financial year		**17,228**	16,112	**12,026**	12,985
Cash and cash equivalents at end of the financial year	23	**11,302**	17,228	**1,159**	12,026

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

notes to the financial statements

1. CORPORATE INFORMATION

The Company is a public limited company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at 2nd Floor, West Wing, Bangunan ECM Libra, 8 Jalan Damansara Endah, Damansara Heights, 50490 Kuala Lumpur. The principal place of business of the Company is located at Ground Floor, East Wing, Bangunan ECM Libra, 8 Jalan Damansara Endah, Damansara Heights, 50490 Kuala Lumpur.

The principal activities of the Company are investment holding and provision of management services. The principal activities and other information of the subsidiaries, associates and joint ventures are disclosed in Note 16, Note 17 and Note 18 to the financial statements, respectively.

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

The consolidated financial statements for the financial year ended 31 December 2022 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Company") and the Group's interests in associates and joint ventures.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 13 April 2023.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

The financial statements have been prepared on a historical cost basis except otherwise disclosed in the accounting policies below and on the basis of accounting principles applicable to going concern.

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

During the current financial year, the Group reported a net loss of RM2,628,000 and as at 31 December 2022, the current liabilities of the Group exceeded its current assets by RM8,843,000.

The Group carried out monthly cash flows review for the next twelve (12) months to ensure that the business operations have sufficient funds available to meet its obligations as and when they fall due. Historical results of the treasury management show that the Group has the ability to meet its obligations as and when they fall due and the Group has not defaulted on any obligations due or payable to financial institutions or creditors.

The Directors are confident that the Group will continue to generate sufficient cash flows from its operations for the next twelve (12) months from the reporting date coupled with continuous actions taken by management to reduce costs and optimise the Group's cash flows and liquidity. In addition, the Directors also expects the lender to provide continued financial support by making available the existing and remaining unutilised borrowing facility to the Group. Based on these factors, the Directors believe it is appropriate to prepare the financial statements of the Group on a going concern basis.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

The Group and the Company adopted the following Amendments of the MFRS Framework that were issued by the Malaysian Accounting Standards Board during the financial year:

Title	Effective date
Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022
Amendments to MFRS 3 *Reference to the Conceptual Framework*	1 January 2022
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

The adoption of the Amendments did not have any material effect to the financial statements of the Group and of the Company.

2.3 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2023

Title	Effective date
MFRS 17 *Insurance Contracts*	1 January 2023
Amendments to MFRS 17 *Insurance Contracts*	1 January 2023
Amendments to MFRS 17 *Initial Application of MFRS 17 and MFRS 9 - Comparative Information*	1 January 2023
Amendments 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 16 *Lease Liability in a Sale and Leaseback*	1 January 2024
Amendments to MFRS 101 *Non-current Liabilities with Covenants*	1 January 2024
Amendments to MFRS 101 *Classification of Liabilities as Current or Non-current*	1 January 2024
Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Deferred

The Group and the Company are in the process of assessing the impact of implementing these Standards and Amendments, since the effects would only be observable for future financial years.

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. The financial statements of the Company's subsidiaries are prepared for the same reporting date as the Company, using consistent accounting policies for transactions and events in similar circumstances.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Basis of consolidation (continued)

Specifically, the Group controls an investee if, and only if, the Group has:

- power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);

- exposure, or rights, to variable returns from its investment with the investee; and

- the ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement with the other vote holders of the investee;

- rights arising from other contractual arrangements; and

- the Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the financial year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

2.5 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date's fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Business combinations and goodwill (continued)

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 9 *Financial Instruments* ("MFRS 9"), is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with MFRS 9. Other contingent consideration that is not within the scope of MFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit ("CGU") and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the CGU retained.

2.6 Investments in joint ventures

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

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group's investments in joint venture are accounted for using the equity method.

Under the equity method, the investments in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

The statement of profit or loss reflects the Group's share of the results of operations of the joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interests in the joint venture.

The aggregate of the Group's share of profit or loss of a joint venture is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the joint venture.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Investments in joint ventures (continued)

The financial statements of the joint venture are prepared as of the same reporting date as the Group. When necessary, adjustments are made to bring the accounting policies into line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognises the loss as "Share of results of joint ventures" in the statement of profit or loss.

Upon loss of significant influence of the joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

In the Company's separate financial statements, investment in joint ventures are stated at cost less impairment losses.

2.7 Investments in associates

Associates are entities, including unincorporated entities, in which the Group has significant influence, but not control, over the financial and operating policies.

Investment in an associate is accounted for in the consolidated financial statements using the equity method less any impairment losses, if any. The cost of the investment includes transaction costs. The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the associates, after adjustments if any, to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investments is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. The difference between the fair value of any retained interest plus proceeds from the interest disposed of and the carrying amount of the investment at the date when equity method is discontinued is recognised in the profit or loss.

When the Group's interest in an associate decreases but does not result in a loss of significant influence, any retained interest is not remeasured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to the profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

Investments in associates are measured in the Company's statement of financial position at cost less any impairment losses. The cost of investment includes transaction costs.

2.8 Current versus non-current classification

The Group and the Company present assets and liabilities in the statements of financial position based on current/non-current classification.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Current versus non-current classification (continued)

An asset is current when it is:

- expected to be realised or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within twelve (12) months after the reporting year; or
- cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve (12) months after the reporting year.

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve (12) months after the reporting year; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting year.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group and the Company classify all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.9 Fair value measurement

The Group and the Company measure financial instruments and non-financial assets at fair value at each reporting date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group and the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset 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.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.9 Fair value measurement (continued)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.10 Foreign currencies

The Group's consolidated financial statements are presented in Ringgit Malaysia, which is also the functional currency of the Company. All financial information is presented in RM and has been rounded to the nearest thousand, unless otherwise stated.

(i) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment in a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recognised in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

(ii) Foreign operations

For consolidation purposes, the assets and liabilities of foreign operations are translated into RM at the rate of exchange prevailing at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of transactions. The exchange differences arising on the translation are recognised in OCI and are presented in the foreign currency translation reserve in equity. On disposal of a foreign operation, the component of other comprehensive income relating to that particular operation is reclassified to profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial assets

Initial recognition and measurement

Financial assets are recognised initially at their fair values plus, in the case of financial assets not at fair value through profit or loss, transactions costs that are directly attributable to the acquisition of the financial assets.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the Group and the Company initially measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient are measured at the transaction price determined under MFRS 15 *Revenue from Contract with Customers* ("MFRS 15") (refer to the accounting policies in Note 2.23 revenue from contracts with customers).

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's and the Company's business model for managing financial assets refers to how they manage their financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group and the Company commit to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments);
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instrument);
- Financial assets at fair value through profit or loss; and
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments).

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Financial instruments (continued)

(i) Financial assets (continued)

Subsequent measurement (continued)

(a) Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's and the Company's financial assets at amortised cost include trade and other receivables (excluding prepayments), deposits, loans, advances and financing and cash and cash equivalents.

(b) Financial assets at fair value through OCI (debt instruments)

The Group and the Company did not have or designate any financial assets at fair value through OCI (debt instruments).

(c) Financial assets at fair value through OCI (equity instruments)

Upon initial recognition, the Group and the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under MFRS 132 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group and the Company benefit from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group and the Company elected to classify irrevocably its investments under this category as disclosed in Note 19 to the financial statements.

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

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss. This category includes derivative instruments and listed equity investments which the Group and the Company had not irrevocably elected to classify at fair value through OCI.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired; or

- The Group and the Company have transferred other rights to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group and the Company have transferred substantially all the risks and rewards of the asset, or (b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Financial instruments (continued)

(i) Financial assets (continued)

Derecognition (continued)

When the Group and the Company have transferred its rights to receive cash flows from an asset or have entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continue to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company could be required to repay.

Impairment

For trade receivables and contract assets, the Group and the Company apply a simplified approach in calculating expected credit losses ("ECLs") and uses a provision matrix to calculate the ECLs for trade and other receivables, and contract assets. Therefore, the Group and the Company do not track changes in credit risk, but instead recognise a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company have established a provision matrix that their based on their historical credit loss experience, adjusted for forward-looking information on macroeconomic factors, which the Group and the Company has identified as unemployment rate specific to the debtors and the economic environment.

Impairment for other receivables are recognised based on the general approach of MFRS 9. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset by comparing the risk of default occurring over the expected life with the risk of default since initial recognition. For balances in which the credit risk has not increased significantly since initial recognition of the financial asset, 12-month ECLs along with gross interest income are recognised. For balances in which credit risk has increased significantly, lifetime ECLs along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime ECLs along with interest income on a net basis are recognised.

The Group and the Company defined significant increase in credit risk when contractual payments are 90 days past due. However, in certain cases, the Group and the Company may also consider a financial asset to be in default when internal or external information indicates that the Group and the Company are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Further disclosures relating to impairment of financial assets are also provided in Note 20 to the financial statements.

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised initially at their fair values plus, in the case of financial liabilities not at fair value through profit or loss, transactions costs that are directly attributable to the issue of the financial liabilities.

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Financial instruments (continued)

(ii) Financial liabilities (continued)

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

(a) Financial liabilities at fair value through profit or loss ("FVTPL")

The Group and the Company did not have or designate any financial liabilities at FVTPL.

(b) Financial liabilities at amortised cost

This is the category most relevant to the Group and the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to lease liabilities, interest-bearing loans and borrowings, and trade and other payables. For more information, refer to Notes 14, 24 and 25 to the financial statements, respectively.

Derecognition

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

(iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.12 Financial guarantees

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

Financial guarantee contract is recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value. The fair value of a financial guarantee contract is the present value of the difference between the net contractual cash flows required under a debt instrument, and the net contractual cash flows that would have been required without the guarantee. The present value is calculated using a risk free rate of interest.

At the end of each subsequent reporting period, financial guarantees are measured at the higher of the amount of the loss allowance; and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of MFRS 15.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 Property, plant and equipment

Items of property, plant and equipment are measured at cost less any accumulated depreciation and accumulated impairment losses, if any. Capital work-in-progress is stated at cost, net of accumulated impairment losses, if any.

When significant parts of plant and equipment are required to be replaced at intervals, the Group and the Company depreciate them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Freehold land is stated at cost. Freehold land has an unlimited useful life and therefore is not depreciated. Capital work-in-progress is also not depreciated as these assets are not available for use.

Depreciation of buildings constructed on leasehold land is provided for on a straight-line basis to write off the cost of the asset to its residual value over the shorter of the estimated useful life of 50 years or the respective remaining lease periods of the leasehold land.

Depreciation is calculated to write down the cost of the assets to their residual values on a straight-line basis over the estimated useful lives of the assets, as follows:

Buildings	46 - 50 years
Renovations	5 - 10 years
Furniture and fittings and office equipment	3 - 5 years
Computers	5 years
Motor vehicles	5 years

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.14 Leases

The Group and the Company assess at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group and Company as a lessee

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

(i) Right-of-use assets

The Group and the Company recognise right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.14 Leases (continued)

Group and Company as a lessee (continued)

(i) Right-of-use assets (continued)

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Leasehold land	48 years
Buildings	14 years
Office equipment	4 years
Office premises	3 - 5 years

If ownership of the leased asset transfers to the Group and the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 2.16 to the financial statements.

(ii) Lease liabilities

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

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

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

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

Group and Company as a lessor

Leases in which the Group and the Company do not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in other income in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.15 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the CGU level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

Software

Computer software is measured initially at cost. Following initial acquisition, computer software is measured at cost less any accumulated amortisation and accumulated impairment losses, if any.

The useful life of computer software is assessed to be finite. Computer software is amortised on a straight-line basis over the estimated economic useful lives at an annual rate of 20% - 33.3% and assessed for impairment whenever there is an indication that it may be impaired. The amortisation period and the amortisation method for computer software with finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and is treated as changes in accounting estimates. The amortisation expense on computer software with finite lives is recognised in profit or loss.

2.16 Impairment of non-financial assets

The Group and the Company assess, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group and the Company estimate the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal ("FVLCD") and its value in use ("VIU"). The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing VIU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining FVLCD, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.16 Impairment of non-financial assets (continued)

Impairment losses of continuing operations are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group and the Company estimate the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

2.17 Inventories

Inventories consists of food and beverages, consumables and general supplies in relation to the hospitality segment which are stated at the lower of cost and net realisable value, with cost being determined on the first-in, first-out basis. The costs comprise costs of purchase.

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

2.18 Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of pledged deposits, if any.

2.19 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised in equity in the year in which they are declared.

2.20 Employee benefits

(i) Short-term employee benefits

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.20 Employee benefits (continued)

(ii) Defined contribution plan

The Group and the Company participate in the national pension schemes as defined by the laws of the countries in which it has operations. The Group and the Company make contributions to the Employee Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

2.21 Provisions

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost in profit or loss.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic benefits will be required to settle the obligation, the provision is reversed.

2.22 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.23 Revenue

(i) Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

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

- The customer simultaneously receives and consumes all of the benefits provided by the Group as the Group performs;

- The Group's performance creates or enhances an asset that the customer controls as the asset is created; or

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

The Group's revenue from contracts with customers are further described below:

(a) Room revenue, sale of food and beverages and other ancillary services revenue

Hotel revenue from room rental is recognised over time during the period of stay for the hotel guests.

Revenue from food and beverage and other ancillary services are generally recognised at the point in time when the services are rendered.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.23 Revenue (continued)

(i) Revenue from contracts with customers (continued)

The Group's revenue from contracts with customers are further described below: (continued)

(b) Management services fees

Revenue from management services fee is recognised when services are rendered and the performance obligations are satisfied by the Group over time.

Payment terms are either on cash terms or on credit terms of 30 days for corporate customers.

(ii) Other sources of income

Revenue from other sources are recognised as follows:

(a) Interest income is recognised on accrual basis using the effective interest method.

(b) Other fees such as arrangement fees are recognised as and when services are performed.

(c) Dividend income is recognised when the rights to receive payment is established.

(d) Rental income is recognised on a straight-line basis over the lease term. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(iii) Contract balances

(a) Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

In the context of revenue recognised over time in room rental, contract asset is the excess of cumulative revenue earned over the billings to date.

(b) Trade receivables

A trade receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

(c) Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier).

In the context of revenue recognised over time in room rental, contract liability is the excess of billings to date over cumulative revenue earned.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.24 Taxes

(i) Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss.

(ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.24 Taxes (continued)

(ii) Deferred tax (continued)

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(iii) Sales and service tax ("SST")

When SST is incurred, SST is recognised as part of the expense or cost of acquisition of the asset applicable as SST is not recoverable from the taxation authority.

Whereas, revenue is recognised net of the amount of SST billed as it is payable to the taxation authority. SST payable to the taxation authority is included as part of payables in the statements of financial position.

2.25 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Group who regularly reviews the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 30 to the financial statements, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.26 Significant accounting judgments and estimates

The preparation of the consolidated and separate financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions 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, are described below.

(i) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured based on the net assets of the investees, which are used as a proxy for their fair value.

Significant judgment was applied by the Group and the Company to value the unquoted investments measured at fair value through other comprehensive income as described in Notes 19 and 31(b) to the financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.26 Significant accounting judgments and estimates (continued)

(ii) Impairment of non-financial assets

The Group and the Company review the carrying amounts of the non-financial assets at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the Group and the Company shall estimate the recoverable amount of CGU or groups of CGU. The recoverable amount is measured at the higher of FVLCD and VIU. Impairment exists when the carrying value of CGU exceeds its recoverable amount.

The FVLCD calculation is based on valuations by independent valuation specialist which were derived from comparisons with recent transactions involving other similar assets and where applicable, the age, size and title tenure and the capitalisation of the net income of the property.

The VIU calculation is based on a discounted cash flow ("DCF") model. The cash flows are derived from the budget for the next 11 years or upon expiry of the concession agreement and do not include restructuring activities that the Group and the Company are not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

The estimation of the recoverable amounts involves significant judgement and estimations. While the Group and the Company believe that the assumptions are appropriate and reasonable, changes in the assumptions may materially affect the assessment of recoverable amounts.

The accumulated impairment losses for property, plant and equipment, intangible assets, right-of-use assets, investments in subsidiaries, investments in associates and investments in joint ventures are disclosed in Notes 12, 13, 14, 16, 17 and 18 to the financial statements, respectively.

(iii) Deferred tax assets

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

Assumptions about generation of future taxable profits depend on management's estimates of future cash flows. These depend on estimates of revenue, operating cost, capital expenditure, dividends and other capital management transactions. Judgment is also required about application of income tax legislation.

These judgments and assumptions are subject to risks and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets recognised in the statement of financial position and the amount of unrecognised tax losses and unrecognised temporary differences.

The carrying amount of the Group's and the Company's deferred tax assets and liabilities are as disclosed in Note 15 to the financial statements.

(iv) Lease discount rates

In determining the incremental borrowing rates whenever the implicit rates of interest in a lease are not readily determinable as well as the lease terms, the incremental borrowing rates of the Group and the Company are based on prevailing market borrowing rates over similar lease terms, of similar value as the right-of-use asset in a similar economic environment. Lease terms are based on management expectations driven by prevailing market conditions and past experience in exercising similar renewal and termination options.

3. REVENUE

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Revenue from contract with customers:				
Hotel operations	**17,033**	6,995	**-**	-
Sale of food and beverages	**5,311**	3,868	**-**	-
Management services fees	**2,199**	1,650	**-**	-
	24,543	12,513	**-**	-
Revenue from other sources:				
Fee income	**-**	58	**-**	58
Interest income from:				
- loans, advances and financing	**16**	517	**-**	-
- deposits with licensed banks	**274**	226	**111**	184
Dividend income from a subsidiary	**-**	-	**3,000**	-
Dividend income from a joint venture	**-**	-	**300**	2,336
	290	801	**3,411**	2,578
	24,833	13,314	**3,411**	2,578
Timing of revenue recognition				
At a point in time	**5,381**	3,918	-	-
Over time	**19,162**	8,595	-	-
	24,543	12,513	-	-

All sales are made within Malaysia.

4. OTHER INCOME

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Rental income	**216**	240	**-**	-
Miscellaneous	**504**	836	**48**	23
	720	1,076	**48**	23

5. FINANCE COSTS

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Interest expense on:				
- lease liabilities	**191**	202	**1**	11
- revolving credits	**958**	860	**-**	-
- term loans	**955**	903	**-**	-
	2,104	1,965	**1**	11

6. LOSS BEFORE TAX

Other than those disclosed elsewhere in the notes to the financial statements, the loss before tax is arrived at after charging/(crediting):

		Group		Company	
	Note	**2022**	**2021**	**2022**	**2021**
		RM'000	**RM'000**	**RM'000**	**RM'000**
Auditors' remuneration					
- statutory audit		**96**	96	**35**	35
- non-statutory audit		**5**	5	**5**	5
Net losses/(reversals) on impairment of financial assets	20	**33**	(23)	**4,033**	-
Amortisation of intangible assets	13	**60**	73	**-**	-
Depreciation of property, plant and equipment	12	**3,066**	3,103	**201**	200
Depreciation of right-of-use assets	14	**1,027**	1,227	**77**	184
Employee benefits expense	7	**10,590**	7,941	**1,999**	909
Net unrealised loss on foreign exchange translation		**33**	25	**500**	745
Impairment losses on investment in a subsidiary	16	**-**	-	**817**	5,183

7. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Wages and salaries	**8,620**	6,368	**1,445**	540
Contributions to defined contribution plan	**1,031**	773	**178**	78
Other employee benefits	**939**	800	**376**	291
	10,590	7,941	**1,999**	909

Included in the employee benefits of the Group and of the Company are Directors' fees and other emoluments as disclosed in Note 8 to the financial statements.

8. DIRECTORS' REMUNERATION

Forms of remuneration in aggregate for all Directors of the Company for the financial year are as follows:

	Group					Company				
2022	Salaries	Bonus	Director Fees	Other emoluments[1]	Total	Salaries	Bonus	Director Fees	Other emoluments[1]	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Executive Director										
Mr Gareth Lim Tze Xiang	**864**	**250**	**-**	**134**	**1,248**	**360**	**250**	**-**	**73**	**683**
Non-executive Directors										
Dato' Seri Kalimullah bin Masheerul Hassan	**-**	**-**	**50**	**5**	**55**	**-**	**-**	**50**	**5**	**55**
Dato' Lim Kian Onn	**-**	**-**	**30**	**5**	**35**	**-**	**-**	**30**	**5**	**35**
Datuk Kamarudin bin Md Ali	**-**	**-**	**52**	**11**	**63**	**-**	**-**	**52**	**11**	**63**
En Mahadzir bin Azizan	**-**	**-**	**48**	**11**	**59**	**-**	**-**	**48**	**11**	**59**
Mr Oh Teik Khim	**-**	**-**	**48**	**11**	**59**	**-**	**-**	**48**	**11**	**59**
	-	**-**	**228**	**43**	**271**	**-**	**-**	**228**	**43**	**271**
Total Directors' remuneration	**864**	**250**	**228**	**177**	**1,519**	**360**	**250**	**228**	**116**	**954**

1 "Other emoluments" represents the Group's and the Company's contribution to Employees Provident Fund for Executive Director and allowances for Non-Executive Directors.

	Group					Company				
2021	Salaries	Bonus	Director Fees	Other emoluments[1]	Total	Salaries	Bonus	Director Fees	Other emoluments[1]	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Executive Director										
Mr Gareth Lim Tze Xiang	403	-	-	48	451	75	-	-	9	84
Non-executive Directors										
Dato' Seri Kalimullah bin Masheerul Hassan	-	-	50	3	53	-	-	50	3	53
Dato' Lim Kian Onn	-	-	30	4	34	-	-	30	4	34
Datuk Kamarudin bin Md Ali	-	-	52	9	61	-	-	52	9	61
En Mahadzir bin Azizan	-	-	48	9	57	-	-	48	9	57
Mr Oh Teik Khim	-	-	48	9	57	-	-	48	9	57
	-	-	228	34	262	-	-	228	34	262
Total Directors' remuneration	403	-	228	82	713	75	-	228	43	346

1 "Other emoluments" represents the Group's and the Company's contribution to Employees Provident Fund for Executive Director and allowances for Non-Executive Directors.

9. TAXATION

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Major components of income tax expense/ (credit) include:					
Current tax expense					
Current year		**38**	134	**13**	30
(Over)/Under provision in prior years		**(1)**	3	**1**	4
		37	137	**14**	34
Deferred tax expense					
Relating to origination and reversal of temporary differences	15	**572**	(702)	**(5)**	1
Under/(Over) provision in prior years	15	**74**	(871)	**2**	1
		646	(1,573)	**(3)**	2
		683	(1,436)	**11**	36

(a) Income tax is calculated at the Malaysian statutory tax rate of 24% (2021: 24%) of the estimated taxable profit for the financial year.

(b) Reconciliation of income tax expense

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

	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Loss before tax	**(1,945)**	(7,171)	**(4,990)**	(5,128)
Tax at Malaysian statutory rate of 24% (2021: 24%)	**(467)**	(1,721)	**(1,198)**	(1,231)
Tax effects of:				
Non-allowable expenses	**1,633**	1,075	**1,998**	1,823
Non-taxable income	**-**	-	**(792)**	(561)
Tax effects of share of results in associates and joint ventures	**(1,102)**	(517)	**-**	-
Deferred tax assets not recognised	**546**	595	**-**	-
(Over)/Under provision in prior years:				
- income tax	**(1)**	3	**1**	4
- deferred tax	**74**	(871)	**2**	1
	683	(1,436)	**11**	36

9. TAXATION (continued)

(c) Tax on each component of other comprehensive income is as follows:

2022	Before tax RM'000	Group tax effect RM'000	After tax RM'000
Items that may be reclassified subsequently to profit or loss			
Loss on foreign currency translations	**(397)**	**-**	**(397)**
Share of other comprehensive loss in an associate	**(219)**	**-**	**(219)**
Items that may not be reclassified subsequently to profit or loss			
Fair value changes on financial assets measured at fair value through other comprehensive income	**1,068**	**-**	**1,068**
2021			
Items that may be reclassified subsequently to profit or loss			
Loss on foreign currency translations	(717)	-	(717)
Share of other comprehensive loss in an associate	(454)	-	(454)
Items that may not be reclassified subsequently to profit or loss			
Fair value changes on financial assets measured at fair value through other comprehensive income	(5,560)	-	(5,560)

2022	Before tax RM'000	Company tax effect RM'000	After tax RM'000
Items that may not be reclassified subsequently to profit or loss			
Fair value changes on financial assets measured at fair value through other comprehensive income	**1,068**	**-**	**1,068**
2021			
Items that may not be reclassified subsequently to profit or loss			
Fair value changes on financial assets measured at fair value through other comprehensive income	(5,560)	-	(5,560)

10. LOSS PER ORDINARY SHARE

(a) Basic loss per ordinary share

The basic loss per ordinary share is calculated by dividing the Group's loss for the financial year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

	Group 2022	2021
Loss for the financial year attributable to owners of the Company (RM'000)	**(2,628)**	(5,735)
Weighted average number of ordinary shares in issue (units '000)	**479,926**	479,926
Basic loss per ordinary share (sen)	**(0.55)**	(1.19)

10. LOSS PER ORDINARY SHARE (continued)

(b) Diluted loss per ordinary share

The Group has no dilution in its loss per ordinary share in the current and previous financial year as there are no dilutive potential ordinary shares.

11. DIVIDENDS

For the current financial year ended 31 December 2022, the Directors do not recommend the payment of any dividend.

12. PROPERTY, PLANT AND EQUIPMENT

Group	Land and buildings*	Renovations	Furniture and fittings and office equipment	Computers	Motor vehicles	Work-in progress	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cost							
At 1 January 2022	**100,075**	**3,041**	**4,264**	**79**	**942**	**651**	**109,052**
Additions	**28**	**51**	**397**	**5**	**-**	**51**	**532**
Reclassified from right-of-use assets	**-**	**-**	**135**	**-**	**-**	**-**	**135**
At 31 December 2022	**100,103**	**3,092**	**4,796**	**84**	**942**	**702**	**109,719**
Accumulated depreciation and impairment							
At 1 January 2022	**5,652**	**443**	**1,605**	**60**	**643**	**85**	**8,488**
Charge during the financial year	**1,374**	**309**	**1,190**	**5**	**188**	**-**	**3,066**
Reclassified from right-of-use assets	**-**	**-**	**135**	**-**	**-**	**-**	**135**
At 31 December 2022	**7,026**	**752**	**2,930**	**65**	**831**	**85**	**11,689**
Carrying amount							
At 31 December 2022	**93,077**	**2,340**	**1,866**	**19**	**111**	**617**	**98,030**
Cost							
At 1 January 2021	100,050	3,014	4,036	63	942	630	108,735
Additions	25	27	228	16	-	21	317
At 31 December 2021	100,075	3,041	4,264	79	942	651	109,052
Accumulated depreciation and impairment							
At 1 January 2021	4,272	27	489	57	455	85	5,385
Charge during the financial year	1,380	416	1,116	3	188	-	3,103
At 31 December 2021	5,652	443	1,605	60	643	85	8,488
Carrying amount							
At 31 December 2021	94,423	2,598	2,659	19	299	566	100,564

* Included in the Group's net carrying amount of land and buildings are freehold land of RM31,170,000 (2021: RM31,170,000).

12. PROPERTY, PLANT AND EQUIPMENT (continued)

Company	Furniture and fittings and office equipment RM'000	Computers RM'000	Motor vehicles RM'000	Total RM'000
Cost				
At 1 January 2022	**58**	**79**	**942**	**1,079**
Additions	**-**	**5**	**-**	**5**
At 31 December 2022	**58**	**84**	**942**	**1,084**
Accumulated depreciation				
At 1 January 2022	**20**	**60**	**644**	**724**
Charge during the financial year	**8**	**5**	**188**	**201**
At 31 December 2022	**28**	**65**	**832**	**925**
Carrying amount				
At 31 December 2022	**30**	**19**	**110**	**159**
Cost				
At 1 January 2021	58	63	942	1,063
Additions	-	16	-	16
At 31 December 2021	58	79	942	1,079
Accumulated depreciation				
At 1 January 2021	12	57	455	524
Charge during the financial year	8	3	189	200
At 31 December 2021	20	60	644	724
Carrying amount				
At 31 December 2021	38	19	298	355

(a) Impairment assessment

(i) The Group's hospitality segment reported losses during the financial year. The carrying amounts of property, plant and equipment, right-of-use assets and intangible assets of the Group's hospitality segment amounted to RM97,764,000 (2021: RM100,097,000), RM13,138,000 (2021: RM13,801,000) and RM81,000 (2021: RM141,000) respectively. In assessing for impairment, each loss-making hotel is regarded as a separate CGU.

(ii) Management's VIU assessments

The Directors and management have assessed the recoverable amount of a hotel (Tune Hotel KLIA Aeropolis) using the discounted cash flows projections based on the VIU method. Cash flows are projected based on developments in the market and the expected future performance.

The cash flows for the hotel property have been assessed for a period of eleven (11) years as management has taken into consideration the remaining concession period of eleven (11) years and the longer gestation period of the business that will have an impact on profitability.

12. PROPERTY, PLANT AND EQUIPMENT (continued)

(a) Impairment assessment (continued)

(ii) Management's value-in-use ("VIU") assessments (continued)

Assumptions	
Year 1	
- Average room rate	RM98
- Occupancy room rate	56%
Year 2 to Year 11	
- Average room rate	RM100 to RM114
- Occupancy room rate	58%
Inflationary adjustments on other operating costs (Year 1 to Year 11)	3% to 5%
Discount rate	10%

Based on the above impairment assessment, the recoverable amount of the hotel property based on VIU exceeds the carrying amount of the hotel property, therefore, no further impairment loss is required.

(iii) Valuation by an independent professional valuer

The Directors and management have engaged an independent professional valuer to determine the recoverable amounts of the remaining hotels (Tune Hotel Penang, Tune Hotel Danga Bay, Tune Hotel Kota Kinabalu, The Chow Kit, an Ormond Hotel and Momo's Kuala Lumpur). The fair values of the hotel properties are determined based on income approach or comparison approach using Level 3 inputs in the fair value hierarchy of MFRS 13 *Fair Value Measurement*.

The significant inputs used in the valuation are disclosed below:

Significant unobservable inputs	
Projected average hotel room rates	RM70 to RM120
Projected yearly occupancy rates	40% to 76%
Discount rate	8% to 9%
Terminal capitalisation rate	6.5% to 7%
Adjusted property value	RM683 per square feet
Adjusted property value	RM332,000 to RM336,000 per room

Based on the above impairment assessment, the recoverable amounts of the hotel properties based on FVLCD are higher than the carrying amounts of the hotel properties, therefore, no impairment loss is required.

12. PROPERTY, PLANT AND EQUIPMENT (continued)

(b) Assets charged as security

Certain property, plant and equipment of the Group have been charged as securities to banks for loans and borrowings granted to the Group as disclosed in Note 24 to the financial statements with carrying amounts as follows:

	Group	
	2022	2021
	RM'000	RM'000
Land and buildings	**93,067**	94,410
Renovations	**2,334**	2,583
Furniture and fittings and office equipment	**1,681**	2,512
Work-in-progress	**617**	566
	97,699	100,071

13. INTANGIBLE ASSETS

Group	Goodwill	Software	Total
	RM'000	RM'000	RM'000
Cost			
At 1 January 2022/31 December 2022	**2,592**	**260**	**2,852**
Accumulated amortisation and impairment			
At 1 January 2022	**2,592**	**119**	**2,711**
Charge during the financial year	**-**	**60**	**60**
At 31 December 2022	**2,592**	**179**	**2,771**
Carrying amount			
At 31 December 2022	**-**	**81**	**81**
Cost			
At 1 January 2021	2,592	245	2,837
Additions	-	15	15
At 31 December 2021	2,592	260	2,852
Accumulated amortisation and impairment			
At 1 January 2021	2,592	46	2,638
Charge during the financial year	-	73	73
At 31 December 2021	2,592	119	2,711
Carrying amount			
At 31 December 2021	-	141	141

14 LEASES

(a) Right-of-use assets

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the financial year:

Group	Leasehold land RM'000	Buildings RM'000	Office equipment RM'000	Office premises RM'000	Total RM'000
Cost					
At 31 December 2021/1 January 2022	**11,960**	**4,122**	**304**	**1,959**	**18,345**
Reclassified to property, plant and equipment	**-**	**-**	**(135)**	**-**	**(135)**
At 31 December 2022	**11,960**	**4,122**	**169**	**1,959**	**18,210**
Accumulated depreciation and impairment					
At 1 January 2021	108	1,889	203	682	2,882
Charge during the financial year	260	291	97	579	1,227
At 31 December 2021/1 January 2022	**368**	**2,180**	**300**	**1,261**	**4,109**
Reclassified to property, plant and equipment	**-**	**-**	**(135)**	**-**	**(135)**
Charge during the financial year	**260**	**291**	**4**	**472**	**1,027**
At 31 December 2022	**628**	**2,471**	**169**	**1,733**	**5,001**
Carrying amount					
At 31 December 2022	**11,332**	**1,651**	**-**	**226**	**13,209**
At 31 December 2021	11,592	1,942	4	698	14,236

Company	Office premises RM'000	Total RM'000
Cost		
At 1 January 2021/31 December 2021/ 1 January 2022/ 31 December 2022	631	631
Accumulated depreciation		
At 1 January 2021	370	370
Charge during the financial year	184	184
At 31 December 2021/1 January 2022	**554**	**554**
Charge during the financial year	**77**	**77**
At 31 December 2022	**631**	**631**
Carrying amount		
At 31 December 2022	**-**	**-**
At 31 December 2021	77	77

14 LEASES (continued)

(a) Right-of-use assets (continued)

(i) The Group and the Company leases a number of lands, buildings and office equipments in the locations, which they operate with fixed periodic rent over the lease term.

(ii) Low-value assets and short-term leases

The Group and the Company have certain leases of office equipment that are low-value and certain leases of premises that are short-term leases. The Group and the Company apply the 'lease of low-value assets' and 'short-term leases' recognition exemptions for these leases.

(iii) Concession Agreement

Included in the land and building of the Group of RM1,651,000 (2021: RM1,942,000) are concession fee and prepaid land lease for the rights to inter alia, design, construct, install, operate and maintain a limited-service hotel comprising 218 rooms known as "Tune Hotel KLIA Aeropolis", located at a portion of land measuring approximately 4,406.86 square meters at Sepang, Selangor pursuant to the acquisition of concession agreement with Malaysia Airports (Properties) Sdn Bhd ("MAP") dated 2 January 2020 until 11 February 2034 ("Concession Agreement") from OMT Hotels Sdn. Bhd.

In accordance with the Concession Agreement, MAP will grant the Group the right and authority to:

- design, construct, build, operate, maintain and manage the hotel on a built-operate-transfer model;
- provide hotel services; and
- use the concession area for permitted use.

The costs and expenses associated with the hotel operations rights will be borne by the Group.

(iv) Assets charged as security

As at 31 December 2022, leasehold land of the Group with a carrying amount of RM11,332,000 (2021: RM11,592,000) are subject to a first legal charge security for loans and borrowings granted to the Group, as disclosed in Note 24 to the financial statements.

(b) Lease liabilities

The carrying amounts of lease liabilities and the movements during the financial year are as follows:

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM'000	**RM'000**	**RM'000**	**RM'000**
As at 1 January	**3,376**	4,202	**83**	276
Accretion of interest	**191**	202	**1**	11
Payments	**(706)**	(1,028)	**(84)**	(204)
As at 31 December	**2,861**	3,376	**-**	83
Current	**386**	687	**-**	83
Non-current	**2,475**	2,689	**-**	-
Total	**2,861**	3,376	**-**	83

14 LEASES (continued)

(b) Lease liabilities (continued)

The incremental borrowing rates of lease liabilities are as follows:

	Group		Company	
	2022	**2021**	**2022**	**2021**
	%	**%**	**%**	**%**
Buildings	**5.47**	5.47	**-**	-
Office equipment	**12.25**	12.25	**-**	-
Office premises	**5.47 - 5.97**	5.47 - 5.97	**5.97**	5.97

The remaining maturities as at the reporting date were as follows:

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM'000	**RM'000**	**RM'000**	**RM'000**
On demand or within one (1) year	**386**	687	**-**	83
More than one (1) year but not later than two (2) years	**200**	386	**-**	-
More than two (2) years but not later than five (5) years	**533**	540	**-**	-
Later than five (5) years	**1,742**	1,763	**-**	-
	2,861	3,376	**-**	83

The following are the amounts recognised in profit or loss:

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Depreciation expenses of right-of-use assets	**1,027**	1,227	**77**	184
Interest expense on lease liabilities	**191**	202	**1**	11
Expenses relating to leases of low value assets	**-**	16	**-**	-
Expenses relating to short-term lease	**119**	-	**119**	-
Total	**1,337**	1,445	**197**	195

The Group and the Company had total cash outflows for leases of RM825,000 (2021: RM1,044,000) and RM203,000 (2021: RM204,000) respectively.

15. DEFERRED TAX ASSETS/(LIABILITIES)

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
At 1 January		**2,795**	1,222	**(12)**	(10)
Recognised in profit or loss					
- Relating to origination and reversal of temporary differences	9	**(572)**	702	**5**	(1)
- (Under)/Over provision of deferred tax in prior financial years	9	**(74)**	871	**(2)**	(1)
		(646)	1,573	**3**	(2)
At 31 December		**2,149**	2,795	**(9)**	(12)
Presented, after appropriate offsetting, as follows:					
Deferred tax assets		**3,690**	4,566	**-**	-
Deferred tax liabilities		**(1,541)**	(1,771)	**(9)**	(12)
		2,149	2,795	**(9)**	(12)

The components and movements of deferred tax assets and liabilities as at the end of the year are as follows:

Group	Unabsorbed capital allowances RM'000	Unutilised business losses RM'000	Others RM'000	Total RM'000
Deferred tax assets				
At 1 January 2021	2,639	770	286	3,695
Recognised in profit or loss	(24)	432	463	871
At 31 December 2021/1 January 2022	**2,615**	**1,202**	**749**	**4,566**
Recognised in profit or loss	**(439)**	**(17)**	**(420)**	**(876)**
At 31 December 2022	**2,176**	**1,185**	**329**	**3,690**

	Property, plant and equipment RM'000	Others RM'000	Total RM'000
Deferred tax liabilities			
At 1 January 2021	(2,393)	(80)	(2,473)
Recognised in profit or loss	622	80	702
At 31 December 2021/1 January 2022	**(1,771)**	**-**	**(1,771)**
Recognised in profit or loss	**230**	**-**	**230**
At 31 December 2022	**(1,541)**	**-**	**(1,541)**

15. DEFERRED TAX ASSETS/(LIABILITIES) (continued)

The components and movements of deferred tax assets and liabilities as at the end of the year are as follows (continued):

Company	Property, plant and equipment
	RM'000
Deferred tax liabilities	
At 1 January 2021	(10)
Recognised in profit or loss	(2)
At 31 December 2021/1 January 2022	**(12)**
Recognised in profit or loss	**3**
At 31 December 2022	**(9)**

The temporary differences for which no deferred tax assets have been recognised in the statements of financial position are as follows:

	Group	
	2022	2021
	RM'000	RM'000
Unutilised tax losses		
- expires by 31 December 2030	**1,425**	1,425
- expires by 31 December 2031	**2,486**	2,486
- expires by 31 December 2032	**2,230**	-
Unabsorbed capital allowances	**169**	93
Other deductible temporary differences	**(80)**	(50)
	6,230	3,954

Deferred tax assets have not been recognised in respect of unutilised tax losses and unabsorbed capital allowances as they may not be used to offset taxable profits elsewhere in the Group, they have arisen in subsidiaries that have been loss-making for some time, and there are no other tax planning opportunities or other evidence of recoverability in the near future. The amount and availability of these items to be carried forward up to the periods as disclosed above are subject to the agreement of the tax authority.

16. INVESTMENTS IN SUBSIDIARIES

	Company	
	2022	2021
	RM'000	RM'000
Unquoted shares at cost		
At 1 January	**84,580**	80,263
Increase in investments in subsidiaries	**-**	9,500
Less: Impairment losses	**(817)**	(5,183)
At 31 December	**83,763**	84,580

16. INVESTMENTS IN SUBSIDIARIES (continued)

(a) In the previous financial year, the Company increased its investments in subsidiaries by RM9,500,000 by way of capitalisation of amounts due from these subsidiaries, as follows:

	2021 RM'000
Net advances made to subsidiaries during the financial year	9,500
Capitalisation of amounts owing from subsidiaries	(9,500)
	-

(b) During the financial year, an impairment loss of RM817,000 (2021: RM5,183,000) has been recognised in respect of cost of investment in a subsidiary, Ormond Group Sdn Bhd ("OGSB"), due to declining business operations. The recoverable amount of the cost of investment in OGSB is based on its FVLCD. The net assets of OGSB is used as a proxy for its recoverable amount based on FVLCD, which is categorised as level 3 in the fair value hierarchy.

(c) As at 31 December 2022, the carrying amount of the Company's investment cost in ECML Hotels Sdn Bhd ("ECMLH") amounted to RM82,800,000 (2021: RM82,800,000). ECMLH had reported losses, which indicated that the carrying amount of the investment in ECMLH may be impaired. Considering ECMLH's main underlying assets comprise the hospitality segment CGUs, the Company reviews the investment in the subsidiary for impairment based on the recoverable amount by reference to the fair value less cost of disposal of the underlying assets or the VIU of the underlying assets. As the recoverable amount is higher than the carrying amount, no further impairment loss is recognised during the financial year. The key assumptions for the impairment testing are disclosed in Note 12(a) to the financial statements.

(d) Details of the subsidiaries, all incorporated in Malaysia, are as follows:

Name of company	Principal place of business	Effective percentage of ownership 2022 %	2021 %	Principal activities
ECM Libra Partners Sdn. Bhd.	Malaysia	**100**	100	Provision of credit services
ECML Hotels Sdn. Bhd.	Malaysia	**100**	100	Business of operating hotels
Ormond Group Sdn. Bhd.	Malaysia	**100**	100	Investment holding and provision of business management consultancy services
ECM Libra Sdn. Bhd.	Malaysia	**100**	-	Dormant

(e) On 29 November 2022, the Company had incorporated a wholly-owned subsidiary known as ECM Libra Sdn. Bhd. with paid-up share capital of RM10 comprising 10 ordinary shares.

17. INVESTMENTS IN ASSOCIATES

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM'000	**RM'000**	**RM'000**	**RM'000**
At cost				
Unquoted shares in Malaysia				
At 1 January	**-***	-*	**-***	-*
Increase in investment in an associate	**6,000**	-	**6,000**	-
Reclassified from other investments	**3,047**	-	**3,047**	-
At 31 December	**9,047**	-	**9,047**	-
Share of post-acquisition reserves	**12,273**	5,755	**-**	-
	21,320	5,755	**9,047**	-

* *This denotes amount below RM1,000*

(a) Details of the associates, incorporated in Malaysia, are as follows:

Name of company	Principal place of business	Effective percentage of ownership		Nature of relationship
		2022	**2021**	
		%	**%**	
Positive Carry Sdn. Bhd.*	Malaysia	**30.00**	29.70	Investment holding. The activity contribute to investment holding business segment of the Group.
EDUC8 Group Sdn. Bhd.	Malaysia	**21.36**	10.01	Investment holding. The activity contribute to investment holding business segment of the Group.

* *Not audited by member firms of BDO PLT.*

(b) In the previous financial year, the Company subscribed for 297 ordinary shares in Positive Carry Sdn. Bhd. ("PCSB"), representing 29.7% equity interest in PCSB for a total cash consideration of RM297.

The fair values of the identifiable assets and liabilities as at the date of acquisition were:

	RM'000
Investment in an associate	19,998
Tax recoverable	3
Cash and bank balances	51
Sundry payables	(19)
Total identifiable net assets	20,033
Group's share in equity (%)	29.7%
Share of net assets of the Group	5,950
Gain on bargain purchase arising on acquisition	(5,950)
Purchase consideration transferred	-*

* *This denotes amount below RM1,000*

17. INVESTMENTS IN ASSOCIATES (continued)

(b) (continued)

During the financial year, the Company subscribed for additional 3 ordinary shares in PCSB for a total cash consideration of RM3. Following the subscription, the Company holds 30% equity interest in PCSB. There is no material impact arising from the subscription.

During the financial year, EDUC8 Group Sdn. Bhd. ("EDUC8") became an associate of the Group through the acquisition of 6,000,000 redeemable convertible preference shares ("RCPS") in EDUC8 for RM6,000,000. The interest of the Group in EDUC8 increased to 24.55% subsequent to the conversion of RCPS to ordinary shares. On 22 December 2022, the Group's interest in EDUC8 was diluted to 21.36% pursuant to the rights issue by EDUC8, of which the Group did not subscribe. The impact of dilution amounted to RM142,000.

(c) Financial information:

The summarised financial information of the associates which are accounted for using equity method are as follows:

Group	**EDUC8**	**PCSB**	**Total**
2022	**RM'000**	**RM'000**	**RM'000**
Summarised statement of financial position			
Non-current assets	**150,111**	**30,235**	**180,346**
Current assets	**24,087**	**100**	**24,187**
Non-current liabilities	**(49,614)**	**-**	**(49,614)**
Current liabilities	**(69,582)**	**(20)**	**(69,602)**
Preference shares	**(2,000)**	**-**	**(2,000)**
Net assets	**53,002**	**30,315**	**83,317**
Group's share in equity (%)	**21.36%**	**30.00%**	
Group's share of net assets	**11,321**	**9,095**	**20,416**
Goodwill	**904**	**-**	**904**
Carrying amount in the statement of financial position	**12,225**	**9,095**	**21,320**

	PCSB
2021	**RM'000**
Non-current assets	19,266
Current assets	133
Current liabilities	(20)
Net assets	19,379
Group's share in equity (%)	29.7%
Group's share of net assets, representing carrying amount in the statement of financial position	5,755

17. INVESTMENTS IN ASSOCIATES (continued)

(c) Financial information (continued):

Group **2022**	**EDUC8** **RM'000**	**PCSB** **RM'000**	**Total** **RM'000**
Summarised statement of comprehensive income			
Profit for the year	**15,543**	**11,863**	**27,406**
Other comprehensive loss for the year	**-**	**(727)**	**(727)**
Total comprehensive income for the year	**15,543**	**11,136**	**26,679**
Included in the total comprehensive income are:			
Revenue	**37,798**	**-**	**37,798**
Taxation	**(11)**	**-**	**(11)**
Group's share of results			
Group's share of results	**3,320**	**3,559**	**6,879**
Group's loss on dilution of equity interests	**(142)**	**-**	**(142)**
Group's share of other comprehensive loss	**-**	**(219)**	**(219)**
Group's share of total comprehensive income	**3,178**	**3,340**	**6,518**

2021

Summarised statement of comprehensive income from date of investment, 21 December 2021 to 31 December 2021	**PCSB** **RM'000**
Profit for the period	870
Other comprehensive loss for the period	(1,528)
Total comprehensive loss for the period	(658)
Included in the total comprehensive income are:	
Revenue	17
Taxation	(4)
Group's share of results	
Group's share of results	259
Gain on bargain purchase arising on acquisition	5,950
Group's share of other comprehensive loss	(454)
Group's share of total comprehensive income	5,755

18. INVESTMENTS IN JOINT VENTURES

	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
At cost				
Unquoted shares				
- in Malaysia	**30,138**	30,138	**30,138**	30,138
- outside Malaysia	**4,058**	4,058	**4,058**	4,058
Cost of investment	**34,196**	34,196	**34,196**	34,196
Advances to joint ventures	**33,827**	32,476	**33,827**	32,476
Share of post-acquisition reserves, net of dividend	**(11,196)**	(8,607)	**-**	-
Accumulated impairment losses	**-**	-	**(2,278)**	(2,278)
Exchange differences	**(100)**	(203)	**-**	-
	56,727	57,862	**65,745**	64,394

(a) Details of the joint ventures are as follows:

Name of company	Principal place of business/ Place of incorporation	Effective percentage of ownership 2022 %	Effective percentage of ownership 2021 %	Nature of relationship
OHG Services Sdn. Bhd.	Malaysia	**50**	50	Construct, manage and operate a hotel +
Ormond Group Pte. Ltd. *	Singapore	**50**	50	Dormant
TP International Pty Ltd ATF TP Hotel (Flinders) Trust *	Australia	**50**	50	Trustee for TP Hotel (Flinders) Trust +
TP Hotel (Flinders) Trust *^	Australia	**40.005**	40.005	Property investments holding +
Tune Plato Ventures Sdn. Bhd.	Malaysia	**50**	50	Investment holding +
Held through Tune Plato Ventures Sdn. Bhd.:				
- LSA Ventures Sdn. Bhd.	Malaysia	**50**	50	Investment holding +
Ormond Lifestyle Services Sdn. Bhd.	Malaysia	**50**	50	Operate restaurant, food caterer and food specialist businesses +

18. INVESTMENTS IN JOINT VENTURES (continued)

(a) Details of the joint ventures are as follows (continued):

Name of company	Principal place of business/ Place of incorporation	Effective percentage of ownership 2022 %	2021 %	Nature of relationship
Held through Ormond Lifestyle Services Sdn. Bhd.:				
- Prompt Business Sdn. Bhd. *	Malaysia	30	30	In Member's Voluntary Liquidation
- Asiana Ventures Sdn. Bhd.	Malaysia	25.5	25.5	Investment holding +
- OLS Catering Services Sdn. Bhd. (formerly known as Alchemist Management Services Sdn. Bhd.)	Malaysia	20	20	Food and beverage management +

* *Not audited by member firms of BDO PLT.*

^ *TP Hotel (Flinders) Trust ("TP Flinders") is a 40.005% equity interest owned joint venture between the Company and other parties. The purpose of setting up of the joint venture is to undertake the development of hotel properties in Flinders' road, Australia. TP Flinders has been treated as a joint venture as all the substantive matters concerning the development of the hotel properties requires unanimous approval by all shareholders.*

\+ *The activity contributes to the hospitality business segment of the Group.*

(b) The Group's interests in the joint ventures are accounted for using the equity method in the consolidated financial statements. All entities prepared their financial statements in accordance with International Financial Reporting Standards. The financial statements of the joint ventures are prepared as of the same reporting date of the Company. The functional currency of TP International Pty Ltd ATF TP Hotel (Flinders) Trust and TP Hotel (Flinders) Trust is Australian Dollars, whereas for Ormond Group Pte. Ltd. is Singapore Dollars. The functional currency of all other entities is Ringgit Malaysia.

(c) Advances to joint ventures are unsecured, non-interest bearing and settlement is neither planned nor likely to occur in the foreseeable future. The advances represent long term investments, hence, capital in nature. As a result, in substance, the advances form part of the Group's interest in joint ventures.

(d) As at 31 December 2022, the carrying amount of the Group's and Company's investment in OHG Services Sdn. Bhd. ("OHGS") amounted to RM19,630,000 (2021: RM20,725,000) and RM24,081,000 (2021: RM24,081,000) respectively. OHGS had reported losses, which indicated that the carrying amount of the investment in OHGS may be impaired.

18. INVESTMENTS IN JOINT VENTURES (continued)

(d) (continued)

The Directors and management have assessed the recoverable amount using the discounted cash flows projections based on the VIU method. Cash flows are projected based on developments in the market and the expected future performance. The cash flows have been assessed for a period of eleven (11) years as management has taken into consideration the remaining concession period of eleven (11) years and the longer gestation period of the business that will have an impact on profitability.

Assumptions	
Year 1	
- Average room rate	RM220
- Occupancy room rate	80%
Year 2 to Year 11	
- Average room rate	RM220 to RM287
- Occupancy room rate	90% to 95%
Inflationary adjustments on other operating costs (Year 1 to Year 11)	3% to 5%
Discount rate	10%

Based on the above impairment assessment, the recoverable amount of the joint venture based on VIU exceeds the carrying amount of investment in the joint venture, therefore, no impairment loss is required.

In the previous financial year, the Company recognised an impairment loss of RM2,278,000 in profit or loss in relation to investment in Tune Plato Ventures Sdn Bhd ("TPV") due to continuing losses and depleting shareholders' funds. The recoverable amount of the cost of investment in TPV was based on its FVLCD. The net assets of TPV was used as a proxy for its recoverable amount based on FVLCD, which was categorised as Level 3 in the fair value hierarchy.

(e) Financial information:

The following table summarises the financial information of the Group's joint ventures, adjusted for any differences in accounting policies and reconciles the information to the carrying amount of the Group's interest in joint ventures:

2022 Group	Ormond Group Pte. Ltd.	OHG Services Sdn. Bhd.	Ormond Lifestyle Services Sdn. Bhd. Group	TP International Pty Ltd	TP Hotel (Flinders) Trust	Tune Plato Ventures Sdn. Bhd. Group	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Summarised statement of financial position							
Non-current assets	-	47,178	19,335	-	67,733	7,446	141,692
Current assets	32	7,925	1,943	118	1,871	5	11,894
Non-current liabilities	-	(26,693)	(125)	-	(83,859)	-	(110,677)
Current liabilities	(109)	(2,600)	(1,631)	(969)	(950)	(15)	(6,274)
Non-controlling interests	-	-	(17,439)	-	-	-	(17,439)
Net (liabilities)/assets	(77)	25,810	2,083	(851)	(15,205)	7,436	19,196

18. INVESTMENTS IN JOINT VENTURES (continued)

(e) Financial information (continued):

2022 Group	Ormond Group Pte. Ltd. RM'000	OHG Services Sdn. Bhd. RM'000	Ormond Lifestyle Services Sdn. Bhd. Group RM'000	TP International Pty Ltd RM'000	TP Hotel (Flinders) Trust RM'000	Tune Plato Ventures Sdn. Bhd. Group RM'000	Total RM'000
Share of net assets of the Group	**(39)**	**12,905**	**1,042**	**(426)**	**(6,084)**	**3,718**	**11,116**
Advances owing by joint venture companies	**-**	**-**	**-**	**278**	**33,549**	**-**	**33,827**
Carrying amount of fair valuation on net assets (i)	**-**	**6,725**	**-**	**-**	**1,538**	**-**	**8,263**
Goodwill	**-**	**-**	**-**	**100**	**3,421**	**-**	**3,521**
Carrying amount in the statement of financial position	**(39)**	**19,630**	**1,042**	**(48)**	**32,424**	**3,718**	**56,727**

2021 Group	Ormond Group Pte. Ltd. RM'000	OHG Services Sdn. Bhd. RM'000	Ormond Lifestyle Services Sdn. Bhd. Group RM'000	TP International Pty Ltd RM'000	TP Hotel (Flinders) Trust RM'000	Tune Plato Ventures Sdn. Bhd. Group RM'000	Total RM'000
Summarised statement of financial position							
Non-current assets	-	51,944	19,490	-	68,692	7,446	147,572
Current assets	-	4,364	1,409	25	1,367	27	7,192
Non-current liabilities	-	(25,839)	(88)	-	(80,505)	-	(106,432)
Current liabilities	(63)	(3,682)	(938)	(723)	(1,903)	(15)	(7,324)
Non-controlling interests	-	-	(17,485)	-	-	-	(17,485)
Net assets	(63)	26,787	2,388	(698)	(12,349)	7,458	23,523
Share of net assets of the Group	(32)	13,394	1,194	(349)	(4,940)	3,729	12,996
Advances owing by joint venture companies	57	-	-	213	32,206	-	32,476
Carrying amount of fair valuation on net assets (i)	-	7,331	-	-	1,538	-	8,869
Goodwill	-	-	-	100	3,421	-	3,521
Carrying amount in the statement of financial position	25	20,725	1,194	(36)	32,225	3,729	57,862

18. INVESTMENTS IN JOINT VENTURES (continued)

(e) Financial information (continued):

(i) Included in the carrying amount of fair valuation on net assets is the fair value of an identified intangible asset, which is prepaid lease of RM6,725,000 (2021: RM7,331,000) and freehold land of RM1,538,000 (2021: RM1,538,000). The prepaid lease relates to a concession agreement and is amortised on a straight-line basis over the remaining concession period, commencing from the date of acquisition on 16 May 2018 to 31 January 2034. The amortisation charge for the financial year ended 31 December 2022 is RM606,000 (2021: RM606,000). Freehold land is not depreciated.

2022 Group	Ormond Group Pte. Ltd.	OHG Services Sdn. Bhd.	Ormond Lifestyle Services Sdn. Bhd. Group	TP International Pty Ltd	TP Hotel (Flinders) Trust	Tune Plato Ventures Sdn. Bhd. Group	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Included in the assets and liabilities are:							
Cash and cash equivalents	-	5,077	1,185	100	1,527	2	7,891
Current financial liabilities (excluding trade and other payables and provisions)	-	(641)	(119)	-	-	-	(760)
Non-current financial liabilities (excluding trade and other payables and provisions)	-	(26,693)	(125)	-	-	-	(26,818)
Summarised statement of comprehensive income							
(Loss)/Profit, representing total comprehensive (loss)/income for the year	(11)	(977)	295	(165)	(3,028)	(22)	(3,908)
Included in the total comprehensive (loss)/ income are:							
Revenue	-	16,456	4,054	-	-	-	20,510
Depreciation and amortisation	-	(4,873)	327	-	(1)	-	(4,547)
Interest income	-	36	2	-	24	-	62
Interest expense	-	(1,418)	-	-	-	-	(1,418)
Taxation	-	(312)	(159)	-	-	-	(471)
Group's share of results							
Group's share of profit or loss	(6)	(1,096)	148	(83)	(1,241)	(11)	(2,289)
Dividend income from a joint venture	-	-	300	-	-	-	300

18. INVESTMENTS IN JOINT VENTURES (continued)

(e) Financial information (continued):

2021 Group	Ormond Group Pte. Ltd. RM'000	OHG Services Sdn. Bhd. RM'000	Ormond Lifestyle Services Sdn. Bhd. Group RM'000	TP International Pty Ltd RM'000	TP Hotel (Flinders) Trust RM'000	Tune Plato Ventures Sdn. Bhd. Group RM'000	Total RM'000
Included in the assets and liabilities are:							
Cash and cash equivalents	-	2,998	890	11	1,204	24	5,127
Current financial liabilities (excluding trade and other payables and provisions)	-	(2,511)	(38)	-	-	-	(2,549)
Non-current financial liabilities (excluding trade and other payables and provisions)	-	(25,839)	(88)	-	-	-	(25,927)
Summarised statement of comprehensive income							
Loss, representing total comprehensive loss for the year	(22)	(3,855)	(223)	(105)	(3,112)	(212)	(7,529)
Included in the total comprehensive loss are:							
Revenue	-	8,950	2,121	-	-	-	11,071
Depreciation and amortisation	-	(5,019)	(405)	-	(1)	-	(5,425)
Interest income	-	-	-	-	306	-	306
Interest expense	-	(1,402)	(11)	-	-	-	(1,413)
Taxation	-	846	190	-	-	-	1,036
Group's share of results							
Group's share of profit or loss	(11)	(2,535)	(111)	(52)	(1,245)	(106)	(4,060)
Dividend income from a joint venture	-	-	2,336	-	-	-	2,336

19. OTHER INVESTMENTS

Non-current	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
At fair value through other comprehensive income:				
Unquoted investment in Malaysia	**-**	2,470	**-**	2,470

20. TRADE AND OTHER RECEIVABLES

	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Current				
Trade receivables	**1,420**	618	**-**	-
Amounts due from related parties	**210**	-	**-**	-
Less: Impairment losses	**-**	(67)	**-**	-
	1,630	551	**-**	-
Amounts due from related parties	**60**	70	**-**	-
Amount due from a subsidiary	**-**	-	**4,000**	-
Interest receivable	**4**	3	**-**	2
Deposits	**1,084**	1,011	**86**	97
Other receivables	**855**	64	**416**	48
Prepayments	**572**	454	**50**	91
	4,250	2,153	**4,552**	238
Less: Impairment losses	**(33)**	-	**(4,033)**	-
	4,172	2,153	**519**	238

(a) Trade receivables are unsecured, interest free and are on 30 days terms (2021: 30 days). Other credit terms are assessed and approved on a case-by-case basis. They are recognised at their original invoice amounts which, represent their fair values on initial recognition.

The Group has no significant concentration of credit risk that may arise from exposures to a single debtor or to group of debtors.

20. TRADE AND OTHER RECEIVABLES (continued)

(b) The information about the credit risk and impairment losses for trade receivables of the Group and of the Company using the provision matrix are as follows:

	Group	
	2022	2021
	RM'000	RM'000
Current*	**1,133**	327
1 to 30 days past due*	**394**	159
31 to 60 days past due*	**68**	42
61 to 90 days past due*	**35**	6
91 to 120 days past due*	**-**	17
More than 121 days past due	**-**	67
	497	291
Less: Impairment losses (credit impaired)	**-**	(67)
	1,630	551

* No expected credit losses were recognised arising from trade receivables as the amount is negligible.

Credit impaired refers to receivables who have defaulted on payments and are in significant financial difficulties as at the end of the reporting period.

Movement in impairment losses of trade receivables are as follows:

	Group	
	2022	2021
	RM'000	RM'000
At 1 January	**67**	67
Written off	**(67)**	-
At 31 December	**-**	67

(c) The amounts due from related parties represent advances and payments on behalf, which are unsecured, interest-free and repayable within twelve (12) months.

No expected credit losses were recognised arising from amounts due from related parties as the amount is negligible.

(d) Movement in impairment losses of other receivables and amount due from a subsidiary are as follows:

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
At 1 January	**-**	23	**-**	-
Charge for the year	**33**	-	**4,033**	-
Reversal of impairment loss	**-**	(23)	**-**	-
At 31 December	**33**	-	**4,033**	-

21. CONTRACT BALANCES

	Group 2022 RM'000	Group 2021 RM'000
Contract assets from hotel operations	**364**	83
Contract liabilities from hotel operations	**(422)**	(282)

(a) Contract assets are initially recognised by the Group for revenue earned from hotel operations as receipt of consideration is payable upon check-out by the room guests. Upon check-out by room guests, amount recognised as contract assets are reclassified to trade receivables.

Contract liabilities are initially recognised when a customer pays consideration, or is contractually required to pay consideration, before the Group recognises the related revenue.

(b) Set out below is the amount of revenue recognised from:

	Group 2022 RM'000	Group 2021 RM'000
Amounts included in contract liabilities at the beginning of the year	**282**	131

(c) Revenue of RM422,000 (2021: RM282,000) is expected to be recognised within the next twelve (12) months in the future in respect of unsatisfied contract liabilities as at the end of the reporting period.

(d) No expected credit losses was recognised arising from contract assets as the amount is negligible.

22. LOANS, ADVANCES AND FINANCING

	Group 2022 RM'000	Group 2021 RM'000
Term loans, representing gross loans, advances and financing	**-**	5,967

(a) In the previous financial year, the loans, advances and financing to a customer was due within one (1) year and the interest charge on the term loan was at a fixed interest rate of 8.5% to 9.5% per annum. The loans, advances and financing of the Group were secured by unquoted and quoted equity instruments of third parties.

(b) No expected credit losses was recognised arising from loans, advance and financing in the previous financial year as the amount was negligible.

23. CASH AND BANK BALANCES AND DEPOSITS WITH FINANCIAL INSTITUTIONS

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Cash and bank balances	**5,055**	8,771	**1,159**	5,790
Deposit placements with licensed financial institutions maturing within three (3) months	**6,724**	8,934	**-**	6,236
	11,779	17,705	**1,159**	12,026
Weighted average effective interest rate (%)	**2.51%**	1.76%	**-**	1.77%
Remaining maturity period (days)	**12**	4	**-**	4

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the end of each reporting period:

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Cash and bank balances	**5,055**	8,771	**1,159**	5,790
Deposit placements with licensed financial institutions maturing within three (3) months	**6,724**	8,934	**-**	6,236
Less: Monies held in Debt Service Reserve Accounts ("DSRA")	**(477)**	(477)	**-**	-
	11,302	17,228	**1,159**	12,026

The Group is required to maintain a deposit in the DSRA account with the lender equivalent to three (3) months interest payment payable at all times as part of the conditions of the revolving credit facility, as disclosed in Note 24(b)(iii) to the financial statements.

No expected credit losses were recognised arising from the deposits with licensed banks and cash and bank balances because of the probability of default by these licensed banks were negligible.

24. LOANS AND BORROWINGS

	Group 2022 RM'000	Group 2021 RM'000
Current		
Secured term loan	**1,050**	612
Secured revolving credit	**20,208**	20,208
	21,258	20,820
Non-current		
Secured term loan	**17,165**	18,197
Total		
Secured term loan	**18,215**	18,809
Secured revolving credit	**20,208**	20,208
	38,423	39,017

As at the reporting date, the weighted average effective rates for loans and borrowings, were as follows:

	Group 2022 RM'000	Group 2021 RM'000
Term loan - floating rates	**5.12%**	4.72%
Revolving credit - floating rates	**4.52%**	4.26%

The remaining maturities of the loans and borrowings as at the end of each reporting period are as follows:

	Group 2022 RM'000	Group 2021 RM'000
On demand or within one (1) year	**21,258**	20,820
More than one (1) year and less than two (2) years	**2,394**	1,044
More than two (2) years and less than five (5) years	**7,182**	7,182
More than five (5) years	**7,589**	9,971
	38,423	39,017

24. LOANS AND BORROWINGS (continued)

(a) Term loan

The term loan of the Group is secured by:

(i) a first party legal charge over a hotel property, Tune Hotel Penang;

(ii) a first party deed of assignment on all rights and title, interest and benefits of a hotel property, Tune Hotel Kota Kinabalu;

(iii) a specific debenture over Tune Hotel Penang and Tune Hotel Kota Kinabalu (collectively to be referred to as "the Properties") together with present and future fixtures and fittings on the Properties; and

(iv) a corporate guarantee from the Company.

(b) Revolving credit

The revolving credit of the Group is secured by:

(i) a first party specific debenture over hotel properties, Tune Hotel Danga Bay, The Chow Kit, an Ormond Hotel and Momo's Kuala Lumpur with an open air car park (collectively to be referred to as "the Properties 2");

(ii) a first party legal charge over the Properties 2;

(iii) charge and assignment of Debt Service Reserve Account and the credit balances therein;

(iv) an assignment over insurance assigning all of its rights, titles, interests and benefits in and under the insurance proceed in relation to the Properties 2; and

(v) a corporate guarantee from the Company.

(c) Reconciliation of liabilities arising from financing activities

Group	Revolving credit RM'000	Term loan RM'000	Total RM'000
At 1 January 2021	20,212	18,953	39,165
Repayment	-	(150)	(150)
Transaction cost	(4)	6	2
At 31 December 2021/1 January 2022	**20,208**	**18,809**	**39,017**
Repayment	**-**	**(600)**	**(600)**
Transaction cost	**-**	**6**	**6**
At 31 December 2022	**20,208**	**18,215**	**38,423**

25. TRADE AND OTHER PAYABLES

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Trade payables	**612**	375	**-**	-
Advance deposits	**47**	46	**-**	-
Accrued liabilities	**1,408**	866	**556**	262
Other payables	**1,095**	748	**87**	108
Amounts due to related parties	**324**	101	**-**	-
	3,486	2,136	**643**	370

(a) Trade payables of the Group are non-interest bearing and the normal credit terms granted to the Group range from 30 to 60 days (2021: 30 to 60 days).

(b) The amounts due to related parties are non-trade in nature and are unsecured, non-interest bearing and payable within the next twelve (12) months.

26. SHARE CAPITAL

	Number of shares	Amount	Number of shares	Amount
Group and Company	2022	2022	2021	2021
	units '000	RM'000	units '000	RM'000
Issued and fully paid-up:				
Ordinary shares with no par value				
At 1 January/31 December	**479,926**	**107,546**	479,926	107,546

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one (1) vote per share at meetings of the Company. All ordinary shares rank equally with regards to the Company's residual assets.

27. RESERVES

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Fair value reserve	**(12,134)**	(11,768)	**(11,992)**	(11,768)
Foreign currency translation reserve	**(639)**	(23)	**-**	-
	(12,773)	(11,791)	**(11,992)**	(11,768)

(a) Fair value reserve of the Group and of the Company represents unrealised gain/losses arising from changes in the fair value of financial assets recognised through other comprehensive income. During the current financial year, an amount of RM1,434,000 and RM1,292,000 has been transferred to retained earnings of the Group and of the Company respectively.

27. RESERVES (continued)

(b) Foreign currency translation reserve of the Group is used to record foreign currency exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the presentation currency of the Group. It is also used to record the exchange differences arising from monetary items which form part of the net investment in foreign operations of the Group, whereby the monetary item is denominated in either the functional currency of the reporting entity or the foreign operations.

28. FINANCIAL GUARANTEES

The Company has financial guarantee contracts of RM59,000,000 (2021: RM59,000,000) in respect of financial guarantees given to financial institutions for banking facilities granted to subsidiaries.

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at higher of the amount of the loss allowance; and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of MFRS 15.

Financial guarantees have not been recognised since the fair value was not material on initial recognition. As at the end of the reporting period, there was no indication that any subsidiary would default on repayment.

Maturity profile of financial guarantee contracts of the Company at the end of each reporting period based on contractual undiscounted repayment obligations is repayable upon any default by the subsidiaries in respect of the guaranteed bank facilities.

The maximum credit risk exposure of the financial guarantees issued is limited to the credit amount utilised of RM38,423,000 (2021: RM39,017,000). The financial guarantees have low credit risk at the end of the year as the financial guarantee is unlikely to be called by the financial institutions.

29. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) Related parties and relationships

The related parties of, and their relationships (other than those disclosed in Note 20 and Note 25 to the financial statements) with the Group and the Company are as follows:

Related parties	Relationships
Key management personnel	All Directors of the Company and members of management committee who make critical decisions in relation to the strategic direction of the Group and of the Company.
Related parties of key management personnel (deemed as related to the Group)	Close family members and dependents of key management personnel and entities that are controlled or significantly influenced by, or for which significant voting power in such entities reside with, directly or indirectly, by key management personnel or their close family members.

29. SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

(b) Significant related party transactions and balances

Related party transactions have been entered into in the normal course of business under normal trade terms. The significant related party transactions of the Group and of the Company other than those disclosed elsewhere in the financial statements are as follows:

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Income/(expenses):				
Administration income received from a subsidiary	**-**	-	**65**	120
Lease expenses charged by a related party	**(514)**	(514)	**(204)**	(204)

(c) Compensation of Directors and key management personnel

The remuneration of Directors, who are the key management personnels of the Group, for the financial year were as follows:

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Fees and meeting allowances	**271**	262	**271**	262
Short-term employee benefits	**1,114**	403	**610**	75
Defined contribution plan	**134**	48	**73**	9
	1,519	713	**954**	346

The key management personnel also received remuneration of RM568,385 (2021: RM388,620) from joint ventures of the Group.

30. SEGMENTAL REPORTING

The Group's reportable operating segments are identified based on business units which are engaged in providing different services and products, as follows:

(a) Investment holding - general investments and corporate related activities.

(b) Structured financing - structured lending and financial services related activities.

(c) Hospitality - management and operations of hotels and restaurant and investment in hospitality related business through joint ventures.

All revenue from external customers and non-current assets other than financial instruments, investments in joint ventures and associates and deferred tax assets are from Malaysia.

There is no single customer with revenue equal or more than 10% of the Group revenue.

30. SEGMENTAL REPORTING (continued)

2022 Group	Investment holding RM'000	Structured financing RM'000	Hospitality RM'000	Total RM'000
Revenue	111	154	24,568	24,833
Other income	48	1	671	720
Changes in inventories	-	-	78	78
Purchase of inventories	-	-	(2,235)	(2,235)
Net loss on impairment of financial assets	(33)	-	-	(33)
Operating expenses	(3,098)	(74)	(24,480)	(27,652)
(Loss)/profit from operations	(2,972)	81	(1,398)	(4,289)
Finance costs	(1)	-	(2,103)	(2,104)
Investments in associates and and joint ventures, net of tax				
- loss on dilution of equity interest	(142)	-	-	(142)
- share of results	6,879	-	(2,289)	4,590
Profit/(loss) before tax	3,764	81	(5,790)	(1,945)
Taxation	(11)	(16)	(656)	(683)
Profit/(loss) after tax	3,753	65	(6,446)	(2,628)
Total assets	79,966	5,144	123,123	208,233
Total liabilities	652	7	44,541	45,200
Other information				
Included in the profit/(loss) after tax are:				
- Interest income	111	154	25	290
- Depreciation and amortisation	(278)	-	(3,875)	(4,153)
Investments in associates	21,320	-	-	21,320
Investments in joint ventures	-	-	56,727	56,727
Capital expenditure	5	-	527	532

30. SEGMENTAL REPORTING (continued)

2021 Group	Investment holding RM'000	Structured financing RM'000	Hospitality RM'000	Total RM'000
Revenue	243	553	12,518	13,314
Other income	23	8	1,045	1,076
Changes in inventories	-	-	5	5
Purchase of inventories	-	-	(1,540)	(1,540)
Net reversal on impairment of financial assets	-	-	23	23
Operating expenses	(1,791)	(140)	(18,302)	(20,233)
(Loss)/profit from operations	(1,525)	421	(6,251)	(7,355)
Finance costs	(11)	-	(1,954)	(1,965)
Share of results of an associate/ joint ventures, net of tax	6,209	-	(4,060)	2,149
Profit/(loss) before tax	4,673	421	(12,265)	(7,171)
Taxation	(36)	(103)	1,575	1,436
Profit/(loss) after tax	4,637	318	(10,690)	(5,735)
Total assets	78,863	8,090	123,089	210,042
Total liabilities	466	16	44,351	44,833
Other information				
Included in the profit/(loss) after tax are:				
- Interest income	184	553	6	743
- Depreciation and amortisation	(385)	-	(4,018)	(4,403)
Investments in associates	5,755	-	-	5,755
Investments in joint ventures	-	-	57,862	57,862
Capital expenditure	16	-	316	332

31. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

(i) Financial assets measured at amortised cost ("FA")
(ii) Financial assets at fair value through other comprehensive income ("FVOCI"); and
(iii) Financial liabilities measured at amortised cost ("FL").

Group 2022	Carrying amount RM'000	FA RM'000	FVOCI RM'000	FL RM'000
Financial assets				
Cash and bank balances and deposits with licensed financial institutions	**11,779**	**11,779**	**-**	**-**
Trade and other receivables excluding prepayments	**3,600**	**3,600**	**-**	**-**
	15,379	**15,379**	**-**	**-**
Financial liabilities				
Trade and other payables	**(3,486)**	**-**	**-**	**(3,486)**
Loans and borrowings	**(38,423)**	**-**	**-**	**(38,423)**
Lease liabilities	**(2,861)**	**-**	**-**	**(2,861)**
	(44,770)	**-**	**-**	**(44,770)**
2021				
Financial assets				
Cash and bank balances and deposits with licensed financial institutions	17,705	17,705	-	-
Other investments	2,470	-	2,470	-
Loans, advances and financing	5,967	5,967	-	-
Trade and other receivables excluding prepayments	1,699	1,699	-	-
	27,841	25,371	2,470	-
Financial liabilities				
Trade and other payables	(2,136)	-	-	(2,136)
Loans and borrowings	(39,017)	-	-	(39,017)
Lease liabilities	(3,376)	-	-	(3,376)
	(44,529)	-	-	(44,529)

31. FINANCIAL INSTRUMENTS (continued)

(a) Categories of financial instruments (continued)

Company 2022	Carrying amount RM'000	FA RM'000	FVOCI RM'000	FL RM'000
Financial assets				
Cash and bank balances and deposits with financial institutions	**1,159**	**1,159**	**-**	**-**
Trade and other receivables excluding prepayments	**469**	**469**	**-**	**-**
	1,628	**1,628**	**-**	**-**
Financial liability				
Trade and other payables	**(643)**	**-**	**-**	**(643)**
2021				
Financial assets				
Cash and bank balances and deposits with financial institutions	12,026	12,026	-	-
Other investments	2,470	-	2,470	-
Trade and other receivables excluding prepayments	147	147	-	-
	14,643	12,173	2,470	-
Financial liabilities				
Trade and other payables	(370)	-	-	(370)
Lease liabilities	(83)	-	-	(83)
	(453)	-	-	(453)

(b) Determination of fair value

The carrying amounts of cash and cash equivalents, loans, advances and financing, trade and other receivables, loans and borrowings and payables reasonably approximate their fair values due to the relatively short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

For financial assets measured at fair value, where available, quoted and observable market prices in an active market or dealer price quotations are used to measure fair value. These include listed equity securities, prices quoted by independent data providers and independent broker quotations.

Where such quoted and observable market prices are not available, fair values are determined using appropriate valuation techniques, which include the use of market comparison method performed by external independent valuer or net assets of the investees, which are used as a proxy for their fair value.

The valuation techniques used incorporate assumptions regarding the discount rate, estimates of future cash flows and other factors, as applicable. Changes in these assumptions could materially affect the fair value derived. The Group and the Company generally use widely recognised valuation techniques with market observable inputs, if available, for the determination of fair value, which require minimal management judgment and estimation, due to the low complexity of the financial assets held.

31. FINANCIAL INSTRUMENTS (continued)

(b) Determination of fair value (continued)

The comparison method seeks to determine the value of property by comparing and adopting as a yardstick, recent transactions and prices involving other similar properties in the vicinity. Due consideration is given for such factors including property type, location, plot size and permitted/licensed uses of the property. The comparison method of valuation entails separate valuations of the land and buildings to arrive at the market value of the subject property. The yardstick applied by the Group and the Company is the price per square foot.

The significant unobservable input is the adjustment of the price per square foot for factors specific to the properties of the joint ventures and subsidiaries within the Group and the Company. The extent and direction of this adjustment depends on the number and characteristics of the observable market transactions in similar properties that are used as the starting point for valuation. Although this input is a subjective judgment, management considers that the overall valuation would not be materially affected by reasonably possible alternative assumptions.

Fair value measurement

The following table shows the Group's and the Company's financial instruments which are measured at fair value at the reporting date analysed by the various levels within the fair value hierarchy:

Group and Company	**Level 1**	**Level 2**	**Level 3**	**Total**
2021	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Financial assets				
Financial assets at fair value through other comprehensive income				
- Unquoted investments	-	-	2,470	2,470

Transfers between Level 1 and Level 2 fair values

There were no transfers between Level 1 and Level 2 of the fair value hierarchy during the financial year (2021: no transfer in either directions).

Level 3 fair value

The following table shows a reconciliation of Level 3 fair values:

Group and Company	**2022**	**2021**
	RM'000	**RM'000**
Unquoted investments		
At 1 January	**2,470**	15,285
Addition/(Disposal)	**801**	(7,200)
Fair value loss recognised in other comprehensive income	**(224)**	(5,615)
Reclassified to investments in associates	**(3,047)**	-
At 31 December	**-**	2,470

The fair value of unquoted equity investments in the previous year have been estimated based on the net assets of the investees, which were used as a proxy for their fair value.

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to a variety of financial risks, which include credit risk, market risk and liquidity risk.

The Board of Directors is responsible for managing the Group's and the Company's financial risks and has appointed the Board of Audit and Risk Management Committee ("BARMC") to oversee the effectiveness of the Group's and the Company's risk management policies and processes.

The Group's and the Company's overall risk management is carried out through internal control processes and is being separately set out below to reflect the substantial component of the Group's and the Company's financial risks.

Credit risk

Credit risk is the risk of a financial loss if a customer, borrower or counterparty to a financial instrument fails to meet its contractual financial obligations.

The Group's exposure to credit risk arises principally from its operating activities (primarily trade and other receivables) and from its lending activities. The Company's exposure to credit risk arises principally from advances to subsidiaries and financial guarantees given to banks for credit facilities granted to a subsidiary.

In respect of the cash and bank balances placed with major financial institutions, the Directors believe that the possibility of non-performance by these financial institutions is remote on the basis of their financial strength.

(a) Trade receivables and contract assets

Management has a credit policy in place and the exposure to credit risk is monitored on an on-going basis. At each reporting date, the Group assesses whether any of the trade receivables and contract assets are credit impaired.

The gross carrying amounts of credit impaired trade receivables and contract assets are written off (either partially or fully) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the receivables does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables and contract assets that are written off could still be subject to enforcement activities.

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables and contract assets are represented by the carrying amounts in the statements of financial position.

The Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial instruments.

Recognition and measurement of impairment loss

Trade receivables are non-interest bearing and are on 30 days terms. Other credit terms are assessed and approved on a case-by case basis.

The Group and the Company apply a simplified approach in calculating ECLs and uses a provision matrix to calculate the ECLs for trade and other receivables, and contract assets. Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 20 to the financial statements.

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

(b) Loans, advances and financing

The Group manages credit risk arising from loans, advances and financing by undertaking credit evaluation to minimise such risk.

- Lending to individuals

  The credit granting to individuals is individually underwritten, which amongst others, includes the assessment of the historical repayment track record, the current repayment capacity of the customers, types of facilities and collaterals offered. The credit approving authority has the responsibility to ensure that credit risk is properly assessed and all crucial credit information of the customers, types of facilities and collaterals offered are included in the loan application.

- Lending to corporate customers

  Credit granting to corporate customers is individually underwritten. Credit officers identify and assess the credit risks of the corporate customers, taking into consideration their financial and business profiles, industry and economic factors, or other credit supports.

As at the end of the previous reporting period, the maximum exposure to credit risk arising from loans, advances, and financing are represented by the carrying amounts in the statements of financial position of the Group and the Company. However, the exposure to credit risk was mitigated by the collateral held against the loans, advances, and financing (Note 22(a) to the financial statements).

Recognition and measurement of impairment loss

The Group uses three categories of internal credit risk ratings for loans, advances and financing which reflect their credit risk and how the ECL allowance is determined for each of those categories. These internal credit risk ratings reflect probability-weighted outcomes, the time value of money and other reasonable and supportable assumptions based on information that is available without undue cost or effort at the reporting date about past events, current conditions and other forward looking factors.

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to loans, advances and financing, is as follows:

Group	**Stage 3** **RM'000**
Gross carrying amount as at 1 January 2021	5,738
Interest income	517
Repayments	(288)
At 31 December 2021/1 January 2022	**5,967**
Interest income	**16**
Repayments	**(5,983)**
At 31 December 2022	**-**
Allowance for ECL as at 31 December 2022 and 2021	-

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

(b) Loans, advances and financing (continued)

(i) Expected credit losses

For all loans, advances and financing that were considered individually significant, the Group assessed on a case-by-case basis at each reporting date whether there has been a significant increase in credit risk. Loans that experience a significant increase in credit risk are transferred from Stage 1 to either Stage 2 or Stage 3. The criteria that the Group uses to determine that there was objective evidence of impairment include:

- The principal or interest or both was past due for more than 90 days or 3 months; and/or

- The amount was past due or the outstanding amount has been in excess of the approved limit for 90 days or 3 months or less, whereby the facility or borrower exhibits credit quality weaknesses arising from the Group's internal credit risk assessment.

At the reporting date, all loans are classified as Stage 3 (2021: Stage 3).

(ii) The credit risk of financial assets of the Group is mitigated by the collateral held against the financial assets. At the reporting date, the value of the collateral held by the Group exceeds the carrying amount of the loans, advances and financing.

(iii) Repossessed collateral

These are assets obtained by taking possession of collateral held as security against loans, advances and financing.

Repossessed collaterals are sold as soon as practicable. Repossessed collaterals are recognised in other assets on the statements of financial position. At the reporting date, there was no repossessed collateral.

(c) Financial guarantees

The Company provides unsecured financial guarantees to commercial banks in respect of banking facilities granted to a subsidiary. The Company monitors the ability of the subsidiary to service its loan regularly.

The maximum exposure to credit risk amounted to RM38,423,000 (2021: RM39,017,000) representing the outstanding banking facilities of the subsidiary as at the end of the reporting period. The financial guarantee is provided as credit enhancements to the subsidiary's secured loan.

The analysis of financial instruments by remaining contractual maturities has been disclosed in Note 28 to the financial statements.

Recognition and measurement of impairment loss

The Company assumes that there is significant increase in credit risk when a subsidiary's financial position deteriorates significantly. The Company considers a financial guarantee to be credit impaired when the subsidiary is unlikely to repay its credit obligation to the bank in full or the subsidiary is continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default of the guaranteed loans individually using internal information available. At the reporting date, there was no allowance for impairment in respect of financial guarantees.

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market risk

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

(a) Interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of financial assets and liabilities.

The Group's exposure to interest rate risk mainly arise from variable rate loans and borrowings obtained from the banks. The Group's and the Company's short-term placements with financial institutions and loans, advances and financing are fixed rate instruments and are measured at amortised cost. Therefore, no sensitivity analysis for fixed rate instruments was prepared as the change in market interest rate at the end of the reporting period would not affect profit or loss.

The interest rate profile and sensitivity analysis of the Group's variable rate loans and borrowings, based on the carrying amounts as at the end of the reporting period was:

	Group	
	2022	**2021**
	RM'000	**RM'000**
Floating rate instruments		
Loans and borrowings	**(38,423)**	(39,017)

A 100 basis point increase in interest rates based on currently observable market environment with all other variables held constant, would have the following effect on the Group's and the Company's loss after tax and equity:

	Group	
	2022	**2021**
	RM'000	**RM'000**
Increase in loss after tax		
Floating rate borrowings	**(292)**	(297)

An equivalent decrease in interest rates shown above would result in an equivalent, but opposite impact. The projection assumes a constant financial position and that all positions run to maturity.

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market risk (continued)

(b) Foreign currency risk

The Group and the Company are exposed to foreign currency risk on investment in joint ventures and financial assets that are denominated in a currency other than RM. The currencies giving rise to this risk are primarily Australian Dollar ("AUD").

The Group and the Company do not hedge its foreign currency risk. The Group's and the Company's exposure to foreign currency risk, based on the carrying amounts as at the end of the reporting period was:

	Denominated in AUD	
Group and Company	**2022**	**2021**
	RM'000	**RM'000**
Advances owing by joint ventures	**33,827**	32,419

A 100 basis point increase of RM against the AUD at the end of the reporting period would have increased the Group's and the Company's loss after tax and equity by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group and the Company considered to be reasonably possible at the end of the reporting period with all other variables remained constant.

	Denominated in AUD	
Group and Company	**2022**	**2021**
	RM'000	**RM'000**
Increase in loss after tax	**257**	246

A 100 basis point decrease of RM against the AUD at the end of the reporting period would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remained constant.

Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as they fall due. The Group's and the Company exposure to liquidity risk arises principally from its various payables, loans and borrowings.

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk (continued)

Liquidity risk is managed on a projected cash flow basis including the maintenance of a portfolio of highly liquid assets that can be easily liquidated as buffer against any unforeseen interruption to cash flows. The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments.

Group	Carrying amount	Contractual interest/	Contractual cash flows	On demand and within one (1) year	One (1) - five (5) years	Over five (5) years
	RM'000	Discount rate	RM'000	RM'000	RM'000	RM'000
2022						
Trade and other payables	**3,486**	**Nil**	**3,486**	**3,486**	**-**	**-**
Loans and borrowings	**38,423**	**4.52% - 5.12%**	**42,581**	**22,557**	**11,961**	**8,063**
Lease liabilities	**2,861**	**5.47% - 12.25%**	**3,779**	**531**	**1,193**	**2,055**
	44,770		**49,846**	**26,574**	**13,154**	**10,118**
2021						
Trade and other payables	2,136	Nil	2,136	2,136	-	-
Loans and borrowings	39,017	4.26% - 4.72%	44,058	22,137	11,038	10,883
Lease liabilities	3,376	5.47% - 12.25%	4,485	868	1,430	2,187
	44,529		50,679	25,141	12,468	13,070
Company						
2022						
Trade and other payables	**643**	**Nil**	**643**	**643**	**-**	**-**
2021						
Trade and other payables	370	Nil	370	370	-	-
Lease liabilities	83	5.97%	85	85	-	-
	453		455	455	-	-

33. CAPITAL MANAGEMENT

The Group's and the Company's objectives when managing capital are to safeguard the Group's and the Company's ability to continue as going concern in order to provide returns to shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or buy-back shares from the open market to be held as treasury shares and cancellation of treasury shares.

There has been no change in the Group's and the Company's approach to capital management in the current and previous financial years.

33. CAPITAL MANAGEMENT (continued)

The Group monitors capital using a gearing ratio, which is net debt divided by total equity plus net debt. The Group includes within its net debt, trade and other payables, loans and borrowings less cash and bank balances and short term funds. Capital includes equity attributable to the owners of the parent.

	Group	
	2022	**2021**
	RM'000	**RM'000**
Trade and other payables	**3,486**	2,136
Loans and borrowings	**38,423**	39,017
Less: Cash and bank balances and deposits with licensed financial institutions	**(11,779)**	(17,705)
	30,130	23,448
Total capital, equity attributable to the owners of the parent	**163,033**	165,209
Capital and net debt	**193,163**	188,657
Gearing ratio	**16%**	12%

Pursuant to the requirements of Practice Note No. 17/2005 of the Bursa Malaysia Securities Berhad, the Group is required to maintain a consolidated shareholders' equity of more than 25% of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM40,000,000. The Group has complied with this requirement for the financial years ended 31 December 2022 and 2021.

The Group was in compliance with financial debt covenants imposed by the financial institutions for the financial years ended 31 December 2022 and 2021.

other information

1. MATERIAL CONTRACTS

There are no material contracts including contracts relating to loans (not being contracts entered into in the ordinary course of business) which had been entered into by the Company and its subsidiaries involving the interests of Directors and major shareholders, either still subsisting at the end of the financial year ended 31 December 2022 or entered into since the end of the previous financial year.

2. AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees paid and payable by the Company and the Group to the external auditors for the financial year ended 31 December 2022 are as follows:

	Company (RM)	Group (RM)
Audit fees	35,000	96,000
Non-audit fees		
- Review of Statement on Risk Management & Internal Control	5,000	5,000
Total	40,000	101,000

3. ANALYSIS OF SHAREHOLDINGS AS AT 31 MARCH 2023

Total number of issued shares	:	479,925,823
Class of shares	:	Ordinary shares
Voting rights	:	1 vote for each share held on a poll

Distribution schedule of shareholdings:

Size of holdings	No. of shareholders	%	No. of shares	%
Less than 100	5,467	44.80	163,382	0.03
100 – 1,000	3,694	30.28	1,398,182	0.30
1,001 – 10,000	2,438	19.98	7,746,263	1.61
10,001 – 100,000	530	4.34	15,388,756	3.21
100,001 – less than 5% of issued shares	68	0.56	78,632,074	16.38
5% and above of issued shares	5	0.04	376,597,166	78.47
Total	12,202	100.00	479,925,823	100.00

3. ANALYSIS OF SHAREHOLDINGS AS AT 31 MARCH 2023 (continued)

Thirty largest shareholders:

	Name of shareholders	No. of shares	%
1.	HSBC Nominees (Tempatan) Sdn Bhd - Pledged Securities Account – Credit Suisse AG, Singapore for Tune Group Sdn Bhd	99,767,386	20.79
2.	HSBC Nominees (Asing) Sdn Bhd - exempt an for Bank Julius Baer & Co Ltd	93,534,214	19.49
3.	Kenanga Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Kalimullah bin Masheerul Hassan	70,562,815	14.70
4.	Kenanga Nominees (Asing) Sdn Bhd - Truesource Pte Ltd	56,694,973	11.81
5.	Kenanga Nominees (Tempatan) Sdn Bhd - Lim Kian Onn	56,037,778	11.68
6.	Maybank Securities Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Tan Ching Ching	15,264,100	3.18
7.	Tan Han Chuan	14,283,500	2.98
8.	Citigroup Nominees (Tempatan) Sdn Bhd - exempt an for Bank of Singapore Limited	10,258,500	2.14
9.	Plato Capital Sdn Bhd - Pledged Securities Account for Christopher Mark Anthony Lankester	4,809,221	1.00
10.	Kenanga Nominees (Asing) Sdn Bhd - Garynma MY Capital Limited	4,456,100	0.93
11.	Kenanga Nominees (Tempatan) Sdn Bhd - ECM Libra Foundation	3,699,255	0.77
12.	CGS-CIMB Nominees (Tempatan) Sdn Bhd - exempt an for CGS-CIMB Securities (Singapore) Pte Ltd	3,674,948	0.77
13.	Lim Su Tong @ Lim Chee Tong	3,636,270	0.76
14.	Yap Bing Sia	1,573,800	0.33
15.	Kenanga Nominees (Tempatan) Sdn Bhd - Quek Siow Leng	1,437,163	0.30
16.	Tassapon Bijleveld	1,180,827	0.25
17.	Liew Chin Choi	1,045,400	0.22
18.	Lai Thiam Poh	726,800	0.15
19.	Tan Swan Po @ Dolly Tan	554,933	0.12
20.	Yap Bing Sia	536,600	0.11
21.	Alliancegroup Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Yong Loy Huat	500,000	0.10
22.	RHB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Yong Loy Huat	500,000	0.10
23.	Sendjaja Widjaja	448,714	0.09
24.	Yu Sze Yung	400,000	0.08
25.	Affin Hwang Nominees (Tempatan) Sdn Bhd - DBS Vickers Secs (S) Pte Ltd for Goon Tuck Khoon	398,900	0.08
26.	Sharikat Kim Loong Sendirian Berhad	375,000	0.08

3. ANALYSIS OF SHAREHOLDINGS AS AT 31 MARCH 2023 (continued)

Thirty largest shareholders: (continued)

Name of shareholders		No. of shares	%
27.	Lim Seng Qwee	329,000	0.07
28.	Parveenjit Singh Dhillon	324,000	0.07
29.	Amsec Nominees (Tempatan) Sdn Bhd - Ambank (M) Berhad for Lim Su Tong @ Lim Chee Tong	317,600	0.07
30.	Binasudi Sendirian Berhad	317,393	0.07

Substantial shareholders as per Register of Substantial Shareholders of the Company as at 31 March 2023:

	Direct interest		Deemed interest	
Name of substantial shareholders	**No. of shares**	**%**	**No. of shares**	**%**
Dato' Seri Kalimullah bin Masheerul Hassan	70,562,815	14.70	-	-
Dato' Lim Kian Onn	66,296,278	13.81	134,843,286(1)	28.10
Truesource Pte Ltd	56,694,973	11.81	-	-
Plato Capital Limited	-	-	56,694,973(2)	11.81
Garynma MY Capital Limited	76,711,150	15.98	-	-
Garynma MY Holdings Limited	-	-	76,711,150(3)	15.98
Trident Trust Company (Singapore) Pte. Limited	-	-	76,711,150(4)	15.98
Tune Group Sdn Bhd	99,767,386	20.79	-	-
Tan Sri Anthony Francis Fernandes	-	-	99,767,386(5)	20.79
Datuk Kamarudin bin Meranun	-	-	99,767,386(5)	20.79

Notes:

(1) Deemed interest of 28.10% by virtue of his interest in Plato Capital Limited and his interest via Garynma Trust which holds all the shares in Garynma MY Holdings Limited pursuant to Section 8(4) of the Companies Act 2016 and his spouse's shareholding pursuant to Section 59(11)(c) of the Companies Act 2016.

(2) Deemed interest of 11.81% by virtue of Plato Capital Limited, being the holding company of Truesource Pte Ltd pursuant to Section 8(4) of the Companies Act 2016.

(3) Deemed interest of 15.98% by virtue of Garynma MY Holdings Limited, being the holding company of Garynma MY Capital Limited pursuant to Section 8(4) of the Companies Act 2016.

(4) Deemed interest of 15.98% by virtue of Trident Trust Company (Singapore) Pte. Limited, being the trustee of Garynma Trust which holds all the shares in Garynma MY Holdings Limited pursuant to Section 8(4) of the Companies Act 2016.

(5) Deemed interest of 20.79% by virtue of his interest in Tune Group Sdn Bhd pursuant to Section 8(4) of the Companies Act 2016.

4. DIRECTORS' INTERESTS IN THE COMPANY AND/OR ITS RELATED CORPORATIONS AS AT 31 MARCH 2023

Other than as disclosed below, none of the other Directors of the Company has any interest in the Company and/or its related corporations:

	Direct interest		Deemed interest	
Name of directors	**No. of shares**	**%**	**No. of shares**	**%**
Dato' Seri Kalimullah bin Masheerul Hassan	70,562,815	14.70	-	-
Dato' Lim Kian Onn	66,296,278	13.81	134,843,286[(1)]	28.10
Datuk Kamarudin bin Md Ali	100,000	0.02	-	-

Note:

(1) Deemed interest of 28.10% by virtue of his interest in Plato Capital Limited and his interest via Garynma Trust which holds all the shares in Garynma MY Holdings Limited pursuant to Section 8(4) of the Companies Act 2016 and his spouse's shareholding pursuant to Section 59(11)(c) of the Companies Act 2016.

Dato' Lim Kian Onn, by virtue of his interests in the Company and pursuant to Section 8(4)(c) of the Companies Act 2016, is deemed to have interests in the shares of all the subsidiaries of the Company to the extent that the Company has an interest.

5. LIST OF PROPERTIES AS AT 31 DECEMBER 2022

Location	Description/ Existing use	Tenure	Land/ Floor area	Age of building (years)	Net book value (RM'000)	Date of revaluation
Tune Hotel Penang Lot 348 Seksyen 15, Geran 11256 Lot 426 Seksyen 15, Geran 63526 Bandar Georgetown Daerah Timor Laut Pulau Pinang	Land with building for hotel use	Freehold	2,053.44 square metres	14	19,109	13.06.2022
Tune Hotel Kota Kinabalu Unit No. G-803, F-803, S-803 & T-803, 1 Borneo, Country Lease 015607057 Locality of Kuala Menggatal District of Kota Kinabalu Sabah	Land with building for hotel use	99-year leasehold expiring on 31.12.2103	3,946.99 square metres	15	9,116	31.12.2021
Tune Hotel Danga Bay Lot 46867, Geran 358300 Bandar Johor Bahru Daerah Johor Bahru Johor	Land with building for hotel use	Freehold	4,257.00 square metres	12	13,657	10.06.2022

5. LIST OF PROPERTIES AS AT 31 DECEMBER 2022 (continued)

Location	Description/ Existing use	Tenure	Land/ Floor area	Age of building (years)	Net book value (RM'000)	Date of revaluation
The Chow Kit, an Ormond Hotel Lot 1305, Pajakan Negeri 24460 Bandar Kuala Lumpur Daerah Kuala Lumpur Wilayah Persekutuan Kuala Lumpur	Land with building for hotel use	99-year leasehold expiring on 12.2.2066	611.56 square metres	10	33,747	10.06.2022
MoMo's Kuala Lumpur Lot 20001, Geran 76084 Bandar Kuala Lumpur Daerah Kuala Lumpur Wilayah Persekutuan Kuala Lumpur	Land with building for hotel use	Freehold	383.00 square metres	10	31,206	10.06.2022
Vacant Land Lot 1590, Pajakan Negeri 10025 Bandar Kuala Lumpur Daerah Kuala Lumpur Wilayah Persekutuan Kuala Lumpur	Land for car park use	99-year leasehold expiring on 13.4.2068	348.00 square metres	NA	2,430	10.06.2022

notice of annual general meeting

NOTICE IS HEREBY GIVEN that the Eighteenth Annual General Meeting ("18th AGM") of ECM Libra Group Berhad ("Company") will be held at MAKAN at Tune Hotel KLIA2, Lot Pt 13, Jalan KLIA 2/2, 64000 KLIA, Selangor on Monday, 22 May 2023 at 2.30 p.m. in order to transact the following business:

AGENDA

AS ORDINARY BUSINESS

1. To receive the audited financial statements for the financial year ended 31 December 2022 together with the reports of the Directors and Auditors thereon. **Please refer to explanatory note 1**

2. To approve the payment of Directors' fees of RM227,500 in respect of the financial year ended 31 December 2022 to be divided among the Directors in such manner as the Directors may determine. **Ordinary Resolution 1**

3. To approve the payment of Directors' benefits (excluding Directors' fees) up to an amount of RM351,000 payable to the Non-Executive Directors for the period from 23 May 2023 until the next Annual General Meeting of the Company. **Ordinary Resolution 2**

4. To re-elect Mr Oh Teik Khim who retires by rotation pursuant to Clause 105 of the Company's Constitution and being eligible, offers himself for re-election. **Ordinary Resolution 3**

   Datuk Kamarudin bin Md Ali who retires by rotation pursuant to Clause 105 of the Company's Constitution has expressed his intention not to seek re-election as Director of the Company. Hence, he will retain office until the conclusion of the 18th AGM.

5. To re-appoint Messrs BDO PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. **Ordinary Resolution 4**

AS SPECIAL BUSINESS

To consider and, if thought fit, pass the following ordinary resolutions:

6. **PROPOSED AUTHORITY TO DIRECTORS TO ISSUE SHARES**

   "**THAT** subject always to the Companies Act 2016, the provisions of the Company's Constitution, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approval of the relevant authorities, if applicable, the Directors be and are hereby empowered pursuant to Sections 75 and 76 of the Companies Act 2016 to allot and issue shares in the Company, at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be allotted and issued pursuant to this resolution during the preceding twelve (12) months does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being and the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so issued on Bursa Securities AND THAT such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company" **Ordinary Resolution 5**

7. **PROPOSED AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES**

"**THAT** subject always to the Companies Act 2016, the provisions of the Company's Constitution, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the requirements of any other relevant authorities, the Company be and is hereby authorised to purchase such number of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities as the Directors may deem fit and expedient in the interest of the Company ("Proposed Share Buy-Back"), provided that:

(i) the maximum number of ordinary shares which may be purchased and/or held by the Company pursuant to the Proposed Share Buy-Back shall be equivalent to ten percent (10%) of the total number of issued shares of the Company for the time being quoted on Bursa Securities;

(ii) the maximum funds to be allocated by the Company pursuant to the Proposed Share Buy-Back shall not exceed the total retained profits of the Company at the time of purchase(s);

(iii) the authority conferred by this resolution shall commence upon the passing of this resolution and shall continue to be in force until:

(a) the conclusion of the next Annual General Meeting of the Company following this Annual General Meeting at which this ordinary resolution was passed, at which time it will lapse, unless by ordinary resolution passed at that general meeting, the authority is renewed, either unconditionally or subject to conditions; or

(b) the expiration of the period within which the next Annual General Meeting of the Company after that date is required by law to be held; or

(c) revoked or varied by an ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever occurs first,

AND THAT the Directors of the Company be and are hereby authorised to deal with the ordinary shares purchased by the Company pursuant to the Proposed Share Buy-Back in the following manner:

(a) cancel all the ordinary shares so purchased; or

(b) retain the ordinary shares so purchased in treasury for distribution as dividend to the shareholders of the Company and/or resale on the market of Bursa Securities and/or transfer as purchase consideration; or

(c) retain part of the ordinary shares so purchased as treasury shares and cancel the remainder; or

in any other manner as prescribed by the Companies Act 2016, rules, regulations and orders made pursuant to the Companies Act 2016 and the requirements of Bursa Securities and any other relevant authorities for the time being in force;

AND FURTHER THAT the Directors of the Company be and are hereby authorised to do all acts, deeds and things as they may consider expedient or necessary in the best interest of the Company to give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, variations and/or amendments as may be imposed by the relevant authorities and to take all such steps, and do all such acts and things as they may deem fit and expedient in the best interest of the Company." **Ordinary Resolution 6**

8. To consider any other business of which due notice shall have been given in accordance with the Companies Act 2016 and the Company's Constitution.

By Order of the Board

WONG CHOY LING (MIA 47044)
(SSM PC No. 202008004069)

CYNTHIA GLORIA LOUIS (MAICSA 7008306)
(SSM PC No. 201908003061)

CHEW MEI LING (MAICSA 7019175)
(SSM PC No. 201908003178)

Secretaries
Kuala Lumpur
19 April 2023

NOTES:

1. Only a depositor whose name appears in the Record of Depositors of the Company as at 12 May 2023 shall be regarded as a member entitled to attend, speak and vote, and appoint not more than two (2) proxies to attend, speak and vote on his/her behalf, at the 18th AGM.

2. Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.

3. Where a member appoints more than one (1) proxy to attend the 18th AGM, the member shall specify the proportion of his/her shareholdings to be represented by each proxy. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy(ies).

4. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his/her attorney duly authorised in writing or if the appointer is a corporation, either under its common seal or under the hand of a duly authorised officer or attorney of the corporation.

5. The original duly executed Form of Proxy must be deposited at the Registered Office of the Company at 2nd Floor, West Wing, Bangunan ECM Libra, 8 Jalan Damansara Endah, Damansara Heights, 50490 Kuala Lumpur not less than 48 hours before the time appointed for holding the meeting or at any adjournment thereof.

6. By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms pursuant to the Personal Data Protection Act 2010 set out below:

   By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the 18th AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company or its Share Registrar for the purpose of the processing and administration of proxies and representatives appointed for the 18th AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 18th AGM (including any adjournment thereof), and in order for the Company or its Share Registrar to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company or its Share Registrar, the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company or its Share Registrar of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

7. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of 18th AGM will be put to vote by way of poll.

8. The Annual Report 2022, statement to shareholders in relation to the proposed authority for the Company to purchase its own shares ("Share Buy-Back Statement") dated 19 April 2023 and Form of Proxy are available for viewing and downloading from the Company's website at http://ecmlibra.com/agm.asp.

Explanatory notes

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

   This agenda item is meant for discussion only as under the provision of Section 340(1)(a) of the Companies Act 2016, the audited financial statements and the reports of the Directors and Auditors do not require a formal approval of the members. Hence, this matter will not be put forward for voting.

2. **Ordinary Resolution 1 – Payment of Directors' fees**

   The payment of Directors' fees totalling RM227,500 in respect of the financial year ended 31 December 2022 will only be made if the proposed ordinary resolution 1 is approved by the members at the 18th AGM.

   Further details on the amount of fees receivable by each individual Non-Executive Director are provided in Note 8 of the audited financial statements for the financial year ended 31 December 2022.

3. **Ordinary Resolution 2 – Payment of Directors' benefits (excluding Directors' fees)**

   The current Directors' benefits (excluding Directors' fees) payable to the Non-Executive Directors comprises meeting allowance of RM1,000 per meeting, medical coverage and other claimable benefits-in-kind.

   The amount of meeting allowances payable to the Non-Executive Directors for the period from 23 May 2023 until the next Annual General Meeting of the Company is estimated based on the number of scheduled meetings for the Board of Directors ("Board") and Board Committees of the Company and the number of Non-Executive Directors to be involved in these meetings.

   The Board will seek approval of the members at the next Annual General Meeting of the Company in the event the Directors' benefits (excluding Directors' fees) as proposed is insufficient due to an increase in the number of the Board and Board Committees meetings and/or increase in the Board size and/or revision to the existing Directors' remuneration structure.

4. **Ordinary Resolution 3 – Re-election of retiring Director**

   The profile of Mr Oh Teik Khim, the Director who is standing for re-election at the 18th AGM, is set out in the Directors' profile on page 6 of the Annual Report 2022.

   The Board through the Nomination and Remuneration Committee ("NRC") had conducted annual assessment on the qualification, skills, experience, contribution, performance, fitness, propriety, calibre and personality of individual Directors (including Mr Oh Teik Khim) in respect of the financial year ended 31 December 2022 based on a set of prescribed criteria. Based on the results of the annual assessment, the performance of each individual Director is found to be satisfactory. The NRC has assessed that each individual Director is fit and proper to continue to serve as a Director of the Company. The NRC is satisfied that Mr Oh Teik Khim has fulfilled the fit and proper criteria for re-election as Director as set out in the Directors' Fit and Proper Policy as well as the criteria set out in the annual assessment of his independence as Independent Director.

   Premised on the satisfactory outcome of the assessments as mentioned above, the Board endorsed the recommendation of the NRC to seek members' approval at the 18th AGM for the re-election of Mr Oh Teik Khim as Director of the Company.

   Datuk Kamarudin bin Md Ali, having served as Independent Non-Executive Director of the Company for a cumulative term nearest to seventeen (17) years, will not be seeking re-election as Director of the Company at the 18th AGM. Hence, Datuk Kamarudin bin Md Ali will retain office until the conclusion of the 18th AGM and retire by rotation in accordance with Clause 103 of the Company's Constitution.

5. **Ordinary Resolution 4 – Re-appointment of Messrs BDO PLT as Auditors**

   The Board Audit & Risk Management Committee ("BARMC") had assessed the performance, suitability and independence of Messrs BDO PLT ("BDO") in accordance with the External Auditors Assessment Policy for their re-appointment as Auditors of the Company. Based on the results of the assessment and feedback provided by the management, the BARMC is satisfied that BDO have met the criteria for re-appointment as Auditors of the Company.

   Premised on the satisfactory outcome of the assessment as mentioned above, the Board endorsed the recommendation of the BARMC to seek members' approval at the 18th AGM for the re-appointment of BDO as Auditors of the Company.

6. **Ordinary Resolution 5 – Proposed authority to Directors to issue shares**

The proposed ordinary resolution, if passed, will give a renewed mandate to the Directors to issue shares in the Company from time to time provided that the aggregate number of shares to be issued pursuant to this resolution during the preceding twelve (12) months does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being ("Renewed Mandate"). The Renewed Mandate, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the last Annual General Meeting held on 9 June 2022 and which will lapse at the conclusion of the 18th AGM.

In circumstances where an expansion/diversification plan requires the issue of new shares, the Renewed Mandate will enable the Directors to take prompt action and to avoid delay and cost in convening general meetings to approve such issue of shares.

7. **Ordinary Resolution 6 – Proposed authority for the Company to purchase its own shares**

The proposed ordinary resolution, if passed, will give authority to the Company to purchase its own ordinary shares of up to ten percent (10%) of the total number of issued shares of the Company ("Share Buy-Back"). This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company. Further information on the Share Buy-Back is set out in the Share Buy-Back Statement dated 19 April 2023 which is available on the Company's website at http://ecmlibra.com/agm.asp.

statement accompanying notice of annual general meeting

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

1. **Details of persons who are standing for election as Director**

   No individual is seeking election as a Director at the Eighteenth Annual General Meeting ("18th AGM") of ECM Libra Group Berhad ("Company").

2. **Ordinary Resolution - Proposed authority to Directors to issue shares**

   Details of the authority to Directors to issue shares in the Company pursuant to Sections 75 and 76 of the Companies Act 2016 are stated in the explanatory notes of the Notice of 18th AGM as set out on page 133.

3. **Ordinary Resolution - Proposed authority for the Company to purchase its own shares**

   Details of the authority for the Company to purchase its own ordinary shares of up to ten percent (10%) of the total number of issued shares of the Company are stated in the explanatory notes of the Notice of 18th AGM as set out on page 133.

ECM LIBRA GROUP BERHAD
Registration No. 200501031433 (713570-K)
(Incorporated in Malaysia)

FORM OF PROXY

I/We ______________________ (NRIC/Passport/Registration No.) ______________

of ______________________________________

being a member of ECM Libra Group Berhad ("Company") hereby appoint:

Name	Address	NRIC/Passport No.	Proportion of shareholdings to be represented by proxy (%)

and (if more than one (1) proxy)

Name	Address	NRIC/Passport No.	Proportion of shareholdings to be represented by proxy (%)

or failing him/her, the Chairman of the meeting as my/our proxy(ies) to vote for me/us on my/our behalf at the Eighteenth Annual General Meeting ("18th AGM") of the Company to be held at MAKAN at Tune Hotel KLIA2, Lot Pt 13, Jalan KLIA 2/2, 64000 KLIA, Selangor on Monday, 22 May 2023 at 2.30 p.m. and at any adjournment thereof.

My/Our proxy(ies) is/are to vote as indicated below with an "X":

NO.	ORDINARY RESOLUTIONS	FOR	AGAINST
1.	To approve the payment of Directors' fees		
2.	To approve the payment of Directors' benefits (excluding Directors' fees)		
3.	To re-elect Mr Oh Teik Khim as Director		
4.	To re-appoint Messrs BDO PLT as Auditors of the Company and to authorise the Directors to fix their remuneration		
5.	To approve the proposed authority to Directors to issue shares		
6.	To approve the proposed authority for the Company to purchase its own shares		

Dated this __________ day of ____________________ 2023

Number of shares held	
CDS account no. of authorised nominee*	

** Applicable to shares held through a nominee account*

____
Signature/Common Seal of Member

Contact No.: ____________________

Please refer to next page on the notes.

Fold This Flap For Sealing

Notes:

1. Only a depositor whose name appears in the Record of Depositors of the Company as at 12 May 2023 shall be regarded as a member entitled to attend, speak and vote, and appoint not more than two (2) proxies to attend, speak and vote on his/her behalf, at the 18th AGM.
2. Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.
3. Where a member appoints more than one (1) proxy to attend the 18th AGM, the member shall specify the proportion of his/her shareholdings to be represented by each proxy. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy(ies).
4. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his/her attorney duly authorised in writing or if the appointer is a corporation, either under its common seal or under the hand of a duly authorised officer or attorney of the corporation.
5. The original duly executed Form of Proxy must be deposited at the Registered Office of the Company at 2nd Floor, West Wing, Bangunan ECM Libra, 8 Jalan Damansara Endah, Damansara Heights, 50490 Kuala Lumpur not less than 48 hours before the time appointed for holding the meeting or at any adjournment thereof.
6. By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms pursuant to the Personal Data Protection Act 2010 set out in the Notice of 18th AGM dated 19 April 2023.
7. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of 18th AGM will be put to vote by way of poll.

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AFFIX
STAMP

Company Secretary
ECM Libra Group Berhad
Registration No. 200501031433 (713570-K)
2nd Floor, West Wing, Bangunan ECM Libra
8 Jalan Damansara Endah
Damansara Heights
50490 Kuala Lumpur

1st Fold Here