2022

FINANCIAL STATEMENTS

Contents

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 that of investment holding and the provision of full corporate and financial support to its subsidiaries. The principal activities of the Company's subsidiaries are disclosed in Note 10 to the financial statements.

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

RESULTS

	Group RM'000	Company RM'000
(Loss)/Profit for the financial year, net of tax	(44,431)	4,301
Attributable to:		
Owners of the Company	(35,291)	4,301
Non-controlling interests	(9,140)	-
	(44,431)	4,301

DIVIDENDS

Since the end of the previous financial year, a first and final single tier dividend of 0.15 sen per ordinary share totalling RM1,393,788 in respect of the financial year ended 31 December 2021 was paid on 18 August 2022.

At the forthcoming Annual General Meeting, a first and final single tier dividend of 0.10 sen per ordinary share in respect of the financial year ended 31 December 2022 will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2023.

RESERVES AND PROVISIONS

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

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and had satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts.

At the date of this report, the Directors are not aware of any circumstances which would render the amount written off for bad debts or the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

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; and

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

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

CHANGE OF CIRCUMSTANCES

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

ITEMS OF MATERIAL AND UNUSUAL NATURE

In the opinion of the Directors,

(i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; 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 and of the Company for the financial year in which this report is made.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company had increased its issued share capital from RM381,376,645 to RM461,376,645 by way of rights issue of 1,600,000,000 new ordinary shares at RM0.05 each ("Rights Shares") pursuant to the Rights Issue as detailed in Note 39(a) to the financial statements.

ISSUE OF SHARES AND DEBENTURES (CONTINUED)

The Rights Shares rank equally in all respects with the existing ordinary shares of the Company, save and except that the Rights Shares shall not entitled to any dividends, rights, allotments and/or any other forms of distribution which may be declared, made or paid to shareholders, the entitlement date of which was prior to the date of allotment and issuance of Rights Shares on 31 October 2022.

No new ordinary share of the Company was granted or vested to the eligible persons pursuant to the SGS as detailed in Note 20 to the financial statements 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 during the financial year and during the period from the end of the financial year to the date of this report are:

Dato' Ahmad Sebi Bakar	
Anton Syazi Dato' Ahmad Sebi	
Lee Su Nie	
Puan Sri Datin Masri Khaw Abdullah	
Aryati Sasya Dato' Ahmad Sebi	
Yong Teck Ming	
Rali Mohd Nor	
Chim Wai Khuan	(Appointed on 7 April 2023)
Datuk Hardew Kaur a/p Hazar Singh	(Appointed on 7 April 2023)
Kam Kin Foong	(Resigned on 7 April 2023)

DIRECTORS (CONTINUED)

The Directors of the Company's subsidiaries in office during the financial year and during the period from the end of the financial year to the date of this report are:

Dato' Ahmad Sebi Bakar
Anton Syazi Dato' Ahmad Sebi
Lee Su Nie
Tan Sri Dato' Azman Shah Haron
Puan Sri Datin Masri Khaw Abdullah
Rali Mohd Nor
Aryati Sasya Dato' Ahmad Sebi
Ahmad Kamal Ali Merican (Resigned on 17 June 2022)
Alain Cheseaux
Ann Wan Kuan
Arneda Haji Udin
Chee Chong Fatt
Chew Lee Fong
Chin Wei Li
Chuah Seong Phaik
Cheah Foo Choong
Datuk Hardew Kaur a/p Hazar Singh
Frank Michael Turrisi
Ho Ting Sai
Ir. Haji Mansor Salleh @ Md Salleh
Karen Khoo Kah Mei
Lee Buck Chye
Lee Chien Siong
Lim Hong Hoo
Md Nazirul Mubin Julkiflee
Nina Karina Azman Shah
Ng Sai Kit
Phang Deng Sheng
Phuah Peng Hock
Sng Ngiap Koon
Triandi Putranta Soewando (Resigned on 17 June 2022)
Wong Kwai Yim, Woo
Wong Tze Leng
Yap Chee Kong
Yong Choon Vooi

REMUNERATION COMMITTEE

The Remuneration Committee is responsible for setting the remuneration policy framework for directors and senior management. The Remuneration Committee ensures that the Directors are fairly remunerated or rewarded for the contributions or individual roles and level of responsibilities. Additionally, the Remuneration Committee is responsible for determining the overall remuneration policy framework applied to the Group, including the quantum of variable remuneration and the method of delivery.

The members of the Remuneration Committee at the end of the financial year ended 31 December 2022 are as follows:

- Rali Mohd Nor (Chair, Independent Non-Executive Director)
- Aryati Sasya Dato' Ahmad Sebi (Member, Non-Independent Non-Executive Director)
- Kam Kin Foong (Member, Independent Non-Executive Director) (Resigned on 7 April 2023)
- Datuk Hardew Kaur a/p Hazar Singh (Member, Independent Non-Executive Director) (Appointed on 7 April 2023)

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings required to be kept by the Company under Section 59 of the Companies Act 2016 in Malaysia, the interests of the Directors in office at the end of the financial year in the shares of Advance Synergy Berhad ("ASB") and its related corporations during the financial year ended 31 December 2022 are as follows:

	Number of ordinary shares			
	At 1.1.2022	**Bought**	**Sold**	**At 31.12.2022**
The Company				
Direct Interests				
Dato' Ahmad Sebi Bakar #	76,810,009	671,179,215	-	747,989,224
Aryati Sasya Dato' Ahmad Sebi	22,308,000	44,616,000	-	66,924,000
Deemed Interests				
Dato' Ahmad Sebi Bakar #	[*1]139,391,853	[*1]278,783,706	-	[*1]418,175,559
Anton Syazi Dato' Ahmad Sebi	[*2]30,467,000	[*2]60,934,000	-	[*2]91,401,000
Lee Su Nie	[*3]365,000	[*3]730,000	-	[*3]1,095,000
Puan Sri Datin Masri Khaw Abdullah	[*4]12,000,000	[*4]24,000,000	[*4](26,000,000)	[*4]10,000,000

DIRECTORS' INTERESTS (CONTINUED)

	Number of ordinary shares			
	At 1.1.2022	Bought	Sold	At 31.12.2022
Subsidiary				
Captii Limited ("Captii")				
Direct Interests				
Anton Syazi Dato' Ahmad Sebi	517,600	-	-	517,600
Lee Su Nie	20,000	-	-	20,000
Deemed Interests				
Kam Kin Foong	*5 55,000	-	-	*5 55,000
Segi Koleksi Sdn. Bhd. ("SKSB")				
Deemed Interests				
Dato' Ahmad Sebi Bakar	*6 105,000	*6 1,481,013	-	*6 1,586,013
Anton Syazi Dato' Ahmad Sebi	*7 105,000	*7 1,481,013	-	*7 1,586,013
Aryati Sasya Dato' Ahmad Sebi	*7 105,000	*7 1,481,013	-	*7 1,586,013
Metroprime Corporation Sdn. Bhd. ("MCSB")				
Deemed Interests				
Dato' Ahmad Sebi Bakar	*8 350,000	-	-	*8 350,000
Anton Syazi Dato' Ahmad Sebi	*9 350,000	-	-	*9 350,000
Aryati Sasya Dato' Ahmad Sebi	*9 350,000	-	-	*9 350,000
Temasya House Sdn.Bhd.				
Deemed Interests				
Anton Syazi Dato' Ahmad Sebi	*10 150,000	-	-	*10 150,000
Aryati Sasya Dato' Ahmad Sebi	*10 150,000	-	-	*10 150,000

DIRECTORS' INTERESTS (CONTINUED)

	Number of ordinary shares			
	At 1.1.2022	Bought	Sold	At 31.12.2022
Subsidiary (Continued)				
Yap Ah Shak House Sdn. Bhd.				
Deemed Interests				
Anton Syazi Dato' Ahmad Sebi	*10 15,000	-	-	*10 15,000
Aryati Sasya Dato' Ahmad Sebi	*10 15,000	-	-	*10 15,000
Primo Espresso Sdn. Bhd.				
Deemed Interests				
Anton Syazi Dato' Ahmad Sebi	*10 600,000	-	-	*10 600,000
Aryati Sasya Dato' Ahmad Sebi	*10 600,000	-	-	*10 600,000
Osteria Gamberoni Sdn. Bhd.				
Deemed Interests				
Anton Syazi Dato' Ahmad Sebi	*10 345,000	-	-	*10 345,000
Aryati Sasya Dato' Ahmad Sebi	*10 345,000	-	-	*10 345,000

	Number of ordinary shares			
	At 13.1.2022	Bought	Sold	At 31.12.2022
Jiwa Baru. Sdn. Bhd. ("JBSB")				
Deemend Interests				
Anton Syazi Dato' Ahmad Sebi	*11 40	*11 800,000	-	*11 800,040
Aryati Sasya Dato' Ahmad Sebi	*11 40	*11 800,000	-	*11 800,040

DIRECTORS' INTERESTS (CONTINUED)

	Number of ordinary shares			
	At 1.1.2022	Bought	Sold	At 31.12.2022
Subsidiary (Continued)				
Acrylic Synergy Sdn. Bhd.				
Direct Interests				
Anton Syazi Dato' Ahmad Sebi	1	-	-	1

	Number of ordinary shares of CHF500.00 each			
	At 1.1.2022	Bought	Sold	At 31.12.2022
Posthotel Arosa AG ("Arosa")				
Deemed Interests				
Anton Syazi Dato' Ahmad Sebi	*[10]3,150	-	-	*[10]3,150
Aryati Sasya Dato' Ahmad Sebi	*[10]3,150	-	-	*[10]3,150

	Number of ordinary shares of GBP1.00 each			
	At 1.1.2022	Bought	Sold	At 31.12.2022
57-59 Philbeach Gardens Limited ("PGL")				
Deemed Interests				
Anton Syazi Dato' Ahmad Sebi	*[12]100	-	-	*[12]100
Aryati Sasya Dato' Ahmad Sebi	*[12]100	-	-	*[12]100
Beaver Hotels Limited ("BHL")				
Deemed Interests				
Anton Syazi Dato' Ahmad Sebi	*[13]1,100	-	-	*[13]1,100
Aryati Sasya Dato' Ahmad Sebi	*[13]1,100	-	-	*[13]1,100

DIRECTORS' INTERESTS (CONTINUED)

By virtue of his interest in ASB, Dato' Ahmad Sebi Bakar is also deemed to be interested in the shares of all investee companies (including subsidiaries) to the extent that ASB has an interest.

*1 By virtue of his interest in Bright Existence Sdn. Bhd. ("BESB") and Suasana Dinamik Sdn. Bhd. ("SDSB"), Dato' Ahmad Sebi Bakar is also deemed to be interested in the ordinary shares of ASB to the extent that BESB and SDSB have an interest.

*2 By virtue of his interest in Eighth Review (M) Sdn. Bhd. ("ERSB"), Mr Anton Syazi Dato' Ahmad Sebi is also deemed to be interested in the ordinary shares of ASB to the extent that ERSB has an interest.

*3 This is her spouse's interest in the ordinary shares of ASB which shall be treated as her interest in the ordinary shares of ASB pursuant to Section 59(11)(c) of the Companies Act 2016 in Malaysia.

*4 By virtue of her interest in ASH Holdings Sdn. Bhd. ("ASH"), Puan Sri Datin Masri Khaw Abdullah is also deemed to be interested in the ordinary shares of ASB to the extent that ASH has an interest.

*5 This is her spouse's interest in the ordinary shares of Captii which shall be treated as her interest in the ordinary shares of Captii pursuant to Section 59(11)(c) of the Companies Act 2016 in Malaysia.

*6 This is the interest of his children (Ms Aryati Sasya Dato' Ahmad Sebi and Mr Anton Syazi Dato' Ahmad Sebi) in SKSB which shall be treated as his interest in the ordinary shares of SKSB pursuant to Section 59(11)(c) of the Companies Act 2016 in Malaysia.

*7 By virtue of their interest in Pacific Existence Sdn. Bhd. ("PESB"), Ms Aryati Sasya Dato' Ahmad Sebi and Mr Anton Syazi Dato' Ahmad Sebi are also deemed to be interested in the shares to the extent that PESB has an interest in SKSB.

*8 By virtue of his interest in SKSB pursuant to Section 8 of the Companies Act 2016 in Malaysia, Dato' Ahmad Sebi Bakar is also deemed to be interested in the shares to the extent that SKSB has an interest in MCSB.

*9 By virtue of their interest in SKSB via PESB, Ms Aryati Sasya Dato' Ahmad Sebi and Mr Anton Syazi Dato' Ahmad Sebi are also deemed to be interested in the shares to the extent that SKSB has an interest in MCSB.

DIRECTORS' INTERESTS (CONTINUED)

*10 By virtue of their interest in Kibar Konsep Sdn. Bhd. ("KKSB"), Ms Aryati Sasya Dato' Ahmad Sebi and Mr Anton Syazi Dato' Ahmad Sebi are also deemed to be interested in the shares to the extent that KKSB has an interest in Temasya House Sdn. Bhd., Yap Ah Shak House Sdn. Bhd., Primo Espresso Sdn. Bhd., Osteria Gamberoni Sdn. Bhd. and Arosa.

*11 JBSB was incorporated or 13 January 2022. By virtual of their interest in Campbell House Sdn. Bhd. ("CHSB"), Ms Aryati Sasya Dato' Ahmad Sebi and Mr Anton Syazi Dato' Ahmad Sebi are also deemed to be interested in the shares to the extent that CHSB has an interest in JBSB.

*12 By virtue of their interest in Arosa via KKSB, Ms Aryati Sasya Dato' Ahmad Sebi and Mr Anton Syazi Dato' Ahmad Sebi are also deemed to be interested in the shares to the extent that Arosa has an interest in PGL.

*13 By virtue of their interest in PGL via Arosa, Ms Aryati Sasya Dato' Ahmad Sebi and Mr Anton Syazi Dato' Ahmad Sebi are also deemed to be interested in the shares to the extent that PGL has an interest in BHL.

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

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 benefits included in the aggregate amount of emoluments received or due and receivable by the Directors as shown below) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest other than any deemed benefit which may arise from transactions as disclosed in Note 34 to the financial statements.

DIRECTORS' BENEFITS (CONTINUED)

The Directors' benefits of the Group and of the Company are as follows:

	Group RM'000	Company RM'000
Directors of the Company		
Executive directors		
- Other emoluments	1,725	1,677
Non-executive directors		
- Fees	347	347
- Other emoluments	467	90
	814	437
	2,539	2,114

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

INDEMNITY TO DIRECTORS AND OFFICERS

During the financial year, the total amount of indemnity insurance coverage and insurance premium paid for the Directors and officers of the Company were RM30.00 million and RM44,957 respectively.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 10 to the financial statements.

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

SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE FINANCIAL YEAR

Details of the significant events during and subsequent to the financial year are disclosed in Note 39 to the financial statements.

AUDITORS

The auditors, Messrs Baker Tilly Monteiro Heng PLT, have expressed their willingness to continue in office.

The auditors' remuneration of the Group and the Company during the financial year are RM1.0 million and RM0.1 million respectively.

The Company has agreed to indemnify the auditors of the Company as permitted under Section 289 of the Companies Act 2016 in Malaysia.

This report was approved and signed on behalf of the Board of Directors in accordance with a resolution of the Directors.

ANTON SYAZI DATO' AHMAD SEBI
Director

LEE SU NIE
Director

Selangor

Date: 7 April 2023

Statements of Financial Position

as at 31 December 2022

		Group		Company	
		2022	**2021**	**2022**	**2021**
	Note	**RM'000**	**RM'000**	**RM'000**	**RM'000**
ASSETS					
Non-current assets					
Property, plant and equipment	5	250,182	243,305	56	62
Right-of-use assets	6	66,511	41,416	3,880	4,455
Investment properties	7	16,100	18,630	-	-
Intangible assets	8	81,183	89,949	-	-
Investment in subsidiaries	10	-	-	632,587	617,425
Investment in associates	11	3,971	3,858	-	-
Investment in a joint venture	12	-	-	-	-
Investment securities	13	92,200	106,306	-	-
Deferred tax assets	14	4,627	5,189	-	-
Inventories	15	4,635	4,634	-	-
Total non-current assets		519,409	513,287	636,523	621,942
Current assets					
Inventories	15	35,989	37,295	-	-
Trade and other receivables	16	92,464	78,912	111	6,249
Other assets	17	13,965	10,298	-	-
Current tax assets		2,287	2,662	-	-
Investment securities	13	2,532	4,189	424	530
Financial assets held for trading	18	22	-	-	-
Cash and bank balances and short term deposits	19	175,103	126,693	74,709	1,319
Total current assets		322,362	260,049	75,244	8,098
TOTAL ASSETS		841,771	773,336	711,767	630,040

as at 31 December 2022 (continued)

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	20	461,377	381,377	461,377	381,377
Other reserves	21	25,288	28,346	-	-
Retained earnings	21	7,240	43,626	16,594	13,687
Shareholders' funds		493,905	453,349	477,971	395,064
Non-controlling interests	10(e)	77,468	83,837	-	-
Total equity		571,373	537,186	477,971	395,064
Non-current liabilities					
Borrowings	22	90,116	61,631	-	-
Lease liabilities	23	38,539	45,069	3,492	4,030
Deferred tax liabilities	14	3,925	4,358	-	-
Provision for retirement benefit obligations	24	1,294	1,413	-	-
Trade and other payables	25	8,526	8,945	-	-
Total non-current liabilities		142,400	121,416	3,492	4,030
Current liabilities					
Borrowings	22	48,799	43,719	-	-
Lease liabilities	23	5,812	7,058	537	519
Current tax liabilities		1,186	1,697	2	2
Trade and other payables	25	67,114	58,230	229,765	230,425
Other liabilities	17	5,087	4,030	-	-
Total current liabilities		127,998	114,734	230,304	230,946
Total liabilities		270,398	236,150	233,796	234,976
TOTAL EQUITY AND LIABILITIES		841,771	773,336	711,767	630,040

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
	Note	RM'000	RM'000	RM'000	RM'000
Revenue	26	243,102	116,285	18,349	13,556
Cost of sales	27	(173,590)	(70,964)	-	-
Gross profit		69,512	45,321	18,349	13,556
Other operating income		7,792	43,181	23	15
Distribution costs		(5,539)	(4,996)	-	-
Administrative expenses		(51,253)	(38,628)	(6,350)	(4,144)
Net reversal/(impairment losses) on financial instruments and contract assets		-	(108)	3,186	(2,287)
Other operating expenses		(55,171)	(35,426)	(8,357)	(2,159)
Operating (loss)/profit	28	(34,659)	9,344	6,851	4,981
Finance costs	29	(6,714)	(7,368)	(2,502)	(1,935)
Share of results of associates		113	101	-	-
(Loss)/Profit before tax		(41,260)	2,077	4,349	3,046
Income tax expense	30	(3,171)	(3,486)	(48)	(56)
(Loss)/Profit for the financial year		(44,431)	(1,409)	4,301	2,990
Other comprehensive income, net of tax					
Items that will not be reclassified subsequently to profit or loss:					
Fair value (loss)/gain on equity instruments designated at fair value through other comprehensive income		(81)	2,825	-	-
Revaluation of land and buildings, net of deferred tax		(433)	1,687	-	-
		(514)	4,512	-	-

		Group		Company	
		2022	2021	2022	2021
	Note	RM'000	RM'000	RM'000	RM'000
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translation of foreign operations		52	(1,003)	-	-
Other comprehensive income for the financial year		(462)	3,509	-	-
Total comprehensive (loss)/income for the financial year		(44,893)	2,100	4,301	2,990
(Loss)/Profit attributable to:					
Owners of the Company		(35,291)	(11,269)	4,301	2,990
Non-controlling interests		(9,140)	9,860	-	-
		(44,431)	(1,409)	4,301	2,990
Total comprehensive (loss)/income attributable to:					
Owners of the Company		(38,212)	(7,629)	4,301	2,990
Non-controlling interests		(6,681)	9,729	-	-
		(44,893)	2,100	4,301	2,990
Loss per ordinary share attributable to ordinary equity holders of the Company (sen)					
-Basic	31	(2.94)	(1.21)		
-Diluted	31	(2.94)	(1.21)		

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	Revaluation Reserve RM'000	Foreign Currency Translation Reserve RM'000	Fair Value Reserve RM'000	Retained Earnings RM'000	Total RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
At 1 January 2022	381,377	17,164	11,894	(712)	43,626	453,349	83,837	537,186
Loss for the financial year	-	-	-	-	(35,291)	(35,291)	(9,140)	(44,431)
Fair value of equity instruments through other comprehensive income	-	-	-	(81)	-	(81)	-	(81)
Crystalisation of revaluation reserve	-	(137)	-	-	137	-	-	-
Revaluation of land and buildings net of deferred tax	-	(433)	-	-	-	(433)	-	(433)
Exchange differences on translation of foreign operations	-	-	(2,407)	-	-	(2,407)	2,459	52
Total comprehensive loss for the financial year	-	(570)	(2,407)	(81)	(35,154)	(38,212)	(6,681)	(44,893)
Transactions with owners:								
Dividends paid (Note 32)	-	-	-	-	(1,394)	(1,394)	-	(1,394)
Dividends paid to non-controlling interests of a subsidiary	-	-	-	-	-	-	(1,758)	(1,758)
Issuance of ordinary shares	80,000	-	-	-	-	80,000	-	80,000
Non-controlling interests arising from acquisition of new subsidiaries	-	-	-	-	-	-	2,281	2,281
Acquisition of a subsidiary	-	-	-	-	162	162	(211)	(49)
Total transactions with owners	80,000	-	-	-	(1,232)	78,768	312	79,080
At 31 December 2022	461,377	16,594	9,487	(793)	7,240	493,905	77,468	571,373

for the financial year ended 31 December 2022 (continued)

Group	Share Capital RM'000	Revaluation Reserve RM'000	Foreign Currency Translation Reserve RM'000	Fair Value Reserve RM'000	Retained Earnings RM'000	Total RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
At 1 January 2021								
- as previously reported	381,377	15,614	12,793	(3,537)	42,827	449,074	67,659	516,733
- prior year adjustments	-	-	(27)	-	3,671	3,644	2,607	6,251
At 1 January 2021	381,377	15,614	12,766	(3,537)	46,498	452,718	70,266	522,984
(Loss)/Profit for the financial year	-	-	-	-	(11,269)	(11,269)	9,860	(1,409)
Fair value of equity instruments through other comprehensive income	-	-	-	2,825	-	2,825	-	2,825
Crystalisation of revaluation reserve	-	(137)	-	-	137	-	-	-
Revaluation gain on land and buildings net of deferred tax	-	1,687	-	-	-	1,687	-	1,687
Exchange differences on translation of foreign operations	-	-	(872)	-	-	(872)	(131)	(1,003)
Total comprehensive income/(loss) for the financial year	-	1,550	(872)	2,825	(11,132)	(7,629)	9,729	2,100
Transactions with owners:								
Dividends paid (Note 32)	-	-	-	-	(1,394)	(1,394)	-	(1,394)
Dividends paid to non-controlling interests of a subsidiary	-	-	-	-	-	-	(1,004)	(1,004)
Non-controlling interest arising from acquisition of a subsidiary (Note 10(c))	-	-	-	-	-	-	16,574	16,574
Changes in ownership interests in a subsidiary	-	-	-	-	9,654	9,654	(11,728)	(2,074)
Total transactions with owners	-	-	-	-	8,260	8,260	3,842	12,102
At 31 December 2021	381,377	17,164	11,894	(712)	43,626	453,349	83,837	537,186

Company	Share Capital RM'000	Retained Earnings RM'000	Total RM'000
At 1 January 2021	381,377	12,091	393,468
Total comprehensive income for the financial year	-	2,990	2,990
Transaction with owners:			
Dividends paid (Note 32)	-	(1,394)	(1,394)
Total transactions with owners	-	(1,394)	(1,394)
At 31 December 2021	381,377	13,687	395,064
Total comprehensive income for the financial year	-	4,301	4,301
Transaction with owners:			
Dividends paid (Note 32)	-	(1,394)	(1,394)
Issuance of ordinary shares	80,000	-	80,000
Total transactions with owners	80,000	(1,394)	78,606
At 31 December 2022	461,377	16,594	477,971

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

Statements of Cash Flows

for the financial year ended 31 December 2022

		Group		Company	
		2022	2021 (Restated)	2022	2021
	Note	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES:					
(Loss)/Profit before tax		(41,260)	2,077	4,349	3,046
Adjustments for:					
Amortisation of intangible assets		784	915	-	-
Depreciation of property, plant and equipment		8,014	7,123	18	20
Depreciation of right-of-use assets		7,174	7,235	575	575
Dividends from quoted investment securities		(119)	(73)	-	-
Effect of modication to lease terms		(92)	(279)	-	-
Fair value change in:					
- investment in associates		-	(15,760)	-	-
- investment properties		(250)	(860)	-	-
- quoted investment securities		1,075	2,650	119	516
- unquoted investment securities		11,608	(6,702)	-	-
Gain on negative goodwill		-	(4,998)	-	-
(Gain)/Loss on disposal of:					
- property, plant and equipment		(22)	-	-	-
- unquoted investment securities		-	430	-	-
- quoted investment securities		128	(237)	(1)	(11)
- hotel management services contracts		-	(7,000)	-	-
- investment properties		(167)	-	-	-
Increase/(decrease) in impairment loss on:					
- goodwill		8,962	2,788	-	-
- investment in subsidiaries		-	-	7,212	1,044
- trade and other receivables		-	108	(3,186)	2,287

	Note	Group 2022 RM'000	Group 2021 (Restated) RM'000	Company 2022 RM'000	Company 2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUED):					
Adjustments for (Continued):					
Interest expenses		6,714	7,368	2,502	1,935
Interest income		(1,648)	(1,343)	(336)	(22)
Net unrealised gain on foreign exchange		1,791	(345)	-	-
Property, plant and equipment written off		443	3	-	-
Provision for retirement benefits plan obligations		127	146	-	-
Reversal of provision			-	-	-
Share of results in associates		(113)	(101)	-	-
Operating profit/(loss) before working capital changes		3,149	(6,855)	11,252	9,390
Changes in working capital:					
Inventories		1,306	3,296	-	-
Receivables		(18,445)	(14,935)	17,752	(6,179)
Financial assets at fair value through profit or loss		(22)	8	-	-
Payables		8,982	8,714	(661)	(4,905)
Net cash (used in)/generated from operations		(5,030)	(9,772)	28,343	(1,694)
Retirement benefits paid		(52)	(119)	-	-
Tax paid		(3,177)	(7,062)	(48)	(56)
Net cash (used in)/generated from operating activities		(8,259)	(16,953)	28,295	(1,750)

		Group		Company	
		2022	2021 (Restated)	2022	2021
	Note	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM INVESTING ACTIVITIES:					
Acquisition of intangibles assets		(1,078)	(578)	-	-
Acquisition of quoted investment securities		(156)	(3,707)	(32)	-
Acquisition of unquoted investment securities		(160)	(924)	-	-
Acquisition of additional interest in subsidiaries		(51)	-	(30,802)	-
Addition of investment properties		-	(1,876)	-	-
Dividend income received		119	9,073	-	-
Interest received		1,648	1,343	336	22
Withdrawal of pledged deposits		829	3,734	-	-
Proceeds from disposal of unquoted investment securities		7,855	1,291	-	-
Proceeds from disposal of quoted investments securities		658	1,974	20	51
Proceeds from disposal of property, plant and equipment		24	-	-	-
Proceeds from disposal of hotel management services contracts		800	5,000	-	-
Proceeds from disposal of investment property		2,947	-	-	-
Purchase of right-of-use assets	(a)	(7,573)	-	-	-
Purchase of property, plant and equipment	(b)	(19,508)	(18,169)	(12)	(3)
Net cash (used in)/generated from investing activities		(13,646)	(2,839)	(30,490)	70

	Note	Group 2022 RM'000	Group 2021 (Restated) RM'000	Company 2022 RM'000	Company 2021 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES:	(c)				
Dividends paid		(1,394)	(1,394)	(1,394)	(1,394)
Dividends paid to non-controlling interests of a subsidiary		(1,758)	(1,004)	-	-
Drawdown of term loans		5,727	22,780	-	-
Interest paid		(6,714)	(7,368)	(2,502)	(1,935)
Payments of lease liabilities		(9,260)	(6,539)	(519)	(501)
Proceeds from issuance of ordinary shares		80,000	-	80,000	-
Drawdown of revolving credit		1,400	25,600	-	-
Net cash generated from/(used in) financing activities		68,001	32,075	75,585	(3,830)
Effects of exchange rate changes		352	(3,242)	-	-
NET CHANGE IN CASH AND CASH EQUIVALENTS		46,448	9,041	73,390	(5,510)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR					
As previously reported		97,146	87,620	1,319	6,829
Effect of exchange rate changes		3,029	485	-	-
		100,175	88,105	1,319	6,829
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	19	146,623	97,146	74,709	1,319

(a) Purchase of right-of-use assets

	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Purchase of right-of-use asset	32,973	-	-	-
Financed by term loans	(25,400)	-	-	-
Cash payments on purchase of right-of-use asset	7,573	-	-	-

(b) Purchase of property, plant and equipment

	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Cash payments on purchase of property, plant and equipment	19,508	18,169	12	3

(c) Reconciliation of liabilities arising from financial liabilities

	At 1 January RM'000	Cash flows RM'000	Lease modific- ation RM'000	Addition RM'000	Exchange differ- ence RM'000	At 31 December RM'000
2022						
Revolving credit	38,600	1,400	-	-	-	40,000
Term loans	66,512	31,127	-	-	1,276	98,915
Lease liabilities	52,127	(9,260)	(2,243)	1,703	2,024	44,351
	157,239	23,267	(2,243)	1,703	3,300	183,266
2021						
Revolving credit	13,000	25,600	-	-	-	38,600
Term loans	44,104	22,780	-	-	(372)	66,512
Lease liabilities	56,845	(6,539)	(1,019)	460	2,380	52,127
	113,949	41,841	(1,019)	460	2,008	157,239

(d) During the financial year, the Group and the Company had total cash outflows for leases of RM10,335,000 and RM530,000 (2021:RM7,041,000 and RM507,000) respectively.

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

Notes to the Financial Statements

31 December 2022

1. GENERAL INFORMATION

The principal activities of the Company during the financial year are that of investment holding and the provision of full corporate and financial support to its subsidiaries. The principal activities of the Company's subsidiaries are disclosed in Note 10 to the financial statements. There have been no significant changes in the nature of these principal activities during the financial year.

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities").

The registered office of the Company is located at Ground Floor, Synergy 9, 9 Jalan Kajibumi U1/70, Temasya Glenmarie, 40150 Shah Alam, Selangor.

The principal place of business of the Company is located at Synergy 9, 9 Jalan Kajibumi U1/70, Temasya Glenmarie, 40150 Shah Alam, Selangor.

The financial statements were approved and authorised for issue by the Board of Directors in accordance with a resolution of the directors on 7 April 2023.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

2. BASIS OF PREPARATION (CONTINUED)

2.2 Adoption of amendments/improvements to MFRSs and change in accounting policy

(a) Adoption of amendments/improvements to MFRSs

The Group and the Company have adopted the following amendments/improvements to MFRSs for the current financial year:

Amendments/Improvements to MFRSs	
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards
MFRS 3	Business Combinations
MFRS 9	Financial Instruments
MFRS 116	Property, Plant and Equipment
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets
MFRS 141	Agriculture

The adoption of the above amendments/improvements to MFRSs did not have any significant effect on the financial statements of the Group and of the Company and did not result in significant changes to the Group's and the Company's existing accounting policies.

(b) Change in accounting policy

IFRS Interpretations Committee ("IFRIC") Agenda Decision on IAS 7 Statement of Cash Flows ("Agenda Decision")

In April 2022, IFRIC concluded that restrictions on the use of a demand deposit arising from a contract with a third party do not result in the deposit being classified as non cash and cash equivalents, unless those restrictions change the nature of the deposit in a way that it would no longer meet the definition of cash in IAS 7. Therefore, the demand deposit shall be included as a component of 'cash and cash equivalents' in the statement of cash flows if it meets the definition of cash in IAS 7.

2. BASIS OF PREPARATION (CONTINUED)

2.2 Adoption of amendments/improvements to MFRSs and change in accounting policy (Continued)

(b) **Change in accounting policy (Continued)**

In previous financial years, cash and bank balances with restricted use were not included as a component of 'cash and cash equivalents' in the Group's consolidated statement of cash flows. Upon the adoption of the Agenda Decision, the Group reassessed its cash and bank balances according to the guidance set out therein and concluded that certain cash and bank balances qualify as cash and cash equivalents. Accordingly, the Group has reclassified these cash and bank balances as cash and cash equivalents and has applied this classification retrospectively.

The effects of the adoption of the Agenda Decision on the consolidated statement of cash flows are as follows:

	As previously reported (RM'000)	Adjustments (RM'000)	As restated (RM'000)
Condensed Consolidated Statement of Cash Flows			
Financial year ended 31 December 2021			
Net cash flows used in investing activies	(2,852)	13	(2,839)
Cash and cash equivalents at 1 January 2021	86,959	661	87,620
Cash and cash equivalents at 31 December 2021	96,472	674	97,146

The adoption of the Agenda Decision did not have any financial impact on the consolidated statement of financial position as at 31 December 2022 and consolidated statement of comprehensive income for the financial year then ended.

2. BASIS OF PREPARATION (CONTINUED)

2.3 New MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective

The Group and the Company have not adopted the following new MFRS, and amendments/improvements to MFRSs that have been issued, but yet to be effective:

		Effective for financial periods beginning on or after
New MFRS		
MFRS 17	Insurance Contracts	1 January 2023
Amendments/Improvements to MFRSs		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2023#
MFRS 3	Business Combinations	1 January 2023#
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2023#
MFRS 7	Financial Instruments: Disclosures	1 January 2023#
MFRS 9	Financial Instruments	1 January 2023#
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 15	Revenue from Contracts with Customers	1 January 2023#
MFRS 16	Leases	1 January 2024
MFRS 17	Insurance Contracts	1 January 2023
MFRS 101	Presentation of Financial Statements	1 January 2023/ 1 January 2023#/ 1 January 2024
MFRS 107	Statement of Cash Flows	1 January 2023#
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2023
MFRS 112	Income Taxes	1 January 2023
MFRS 116	Property, Plant and Equipment	1 January 2023#
MFRS 119	Employee Benefits	1 January 2023#
MFRS 128	Investments in Associates and Joint Ventures	Deferred/ 1 January 2023#
MFRS 132	Financial Instruments: Presentation	1 January 2023#
MFRS 136	Impairment of Assets	1 January 2023#
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2023#
MFRS 138	Intangible Assets	1 January 2023#
MFRS 140	Investment Property	1 January 2023#

Amendments as to the consequence of effective of MFRS 17 Insurance Contracts

2. BASIS OF PREPARATION (CONTINUED)

2.3 New MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective (Continued)

2.3.1 The Group and the Company plan to adopt the above applicable new MFRSs and amendments/improvements to MFRSs when they become effective. A brief discussion on the above significant new MFRSs and amendments/improvements to MFRSs are summarised below.

Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures

These amendments address an acknowledged inconsistency between the requirements in MFRS 10 and those in MFRS 128, in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business, as defined in MFRS 3. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business.

Amendments to MFRS 16 Leases

The amendments clarify how an entity should subsequently measure the leaseback liability that arise in a sale and leaseback transaction. Although MFRS 16 includes requirements on how to account for a sale and leaseback at the date the transaction takes place, it has not specified how to measure the sale and leaseback transaction when reporting after that date.

The amendments add subsequent measurement requirements for the right-of-use assets and lease liability arising from a sale and leaseback transaction by clarifying that a seller-lessee in a sale and leaseback transaction shall apply paragraphs 29 to 35 to the right-of-use asset arising from the leaseback and paragraphs 36 to 46 to the lease liability arising from the leaseback. The amendments will not change the accounting for leases other than those arising in a sale and leaseback transaction.

2. BASIS OF PREPARATION (CONTINUED)

2.3 New MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective (Continued)

2.3.1 The Group and the Company plan to adopt the above applicable new MFRSs and amendments/improvements to MFRSs when they become effective. A brief discussion on the above significant new MFRSs and amendments/improvements to MFRSs are summarised below. (Continued)

Amendments to MFRS 101 Presentation of Financial Statements

The amendments include specifying that an entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period; clarifying that classification of liability is unaffected by the likelihood of the entity to exercise its right to defer settlement of the liability for at least twelve months after the reporting period; clarifying how lending conditions affect classification of a liability; and clarifying requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.

In another amendments, an entity is required to disclose its material accounting policy information rather than significant accounting policies. The amendments, amongst others, also include examples of circumstances in which an entity is likely to consider an accounting policy information to be material to its financial statements. To support this amendments, MFRS Practice Statement 2 was also amended to provide guidance on how to apply the concept of materiality to accounting policy information disclosures. The guidance and examples provided in the MFRS Practice Statement 2 highlight the need to focus on entity-specific information and demonstrate how the four-step materiality process can address standardised (or boilerplate) information and duplication of requirements of MFRSs in the accounting policy information disclosures.

The latest amendments to MFRS 101 clarify how conditions with which an entity must comply within 12 months after the reporting period affect the classification of a liability. As such, the amendments specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the amendments require an entity to disclose information about these covenants in the notes to the financial statements.

2. BASIS OF PREPARATION (CONTINUED)

2.3 New MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective (Continued)

2.3.1 The Group and the Company plan to adopt the above applicable new MFRSs and amendments/improvements to MFRSs when they become effective. A brief discussion on the above significant new MFRSs and amendments/improvements to MFRSs are summarised below. (Continued)

Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors

The amendments revise the definition of accounting estimates to clarify how an entity should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important because the changes in accounting estimates are applied prospectively to transactions, other events, or conditions from the date of that change, but changes in accounting policies are generally also applied retrospectively to past transactions and other past events.

Amendments to MFRS 112 Income Taxes

The amendments specify how an entity should account for deferred tax on transactions such as leases and decommissioning obligation.

In specified circumstances, MFRS 112 exempts an entity from recognising deferred tax when it recognises assets or liabilities for the first time. There had been some uncertainties about whether the exemption from recognising deferred tax applied to transactions such as leases and decommissioning obligations — transactions for which an entity recognises both an asset and a liability. The amendments clarify that the exemption does not apply and that entity is required to recognise deferred tax on such transactions.

The Group and the Company are currently assessing the impact of initial application of the above applicable amendments/improvements to MFRSs. Nevertheless, the Group and the Company expect that the initial application is unlikely to have material financial impacts to the current period and prior period financial statements of the Group and of the Company.

2. BASIS OF PREPARATION (CONTINUED)

2.4 Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which they operate ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency, and has been rounded to the nearest thousand, unless otherwise stated.

2.5 Basis of measurement

The financial statements of the Group and of the Company have been prepared on the historical cost basis, except as otherwise disclosed in Note 3 to the financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Unless otherwise stated, the following accounting policies have been applied consistently to all the financial years presented in the financial statements of the Group and of the Company.

3.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. The financial statements of the subsidiaries, associates, and joint venture used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

(a) Subsidiaries and business combination

Subsidiaries are entities (including structured entities) over which the Group is exposed, or has rights, to variable returns from its involvement with the acquirees and has the ability to affect those returns through its power over the acquirees.

The financial statements of subsidiaries are included in the consolidated financial statements from the date the Group obtains control of the acquirees until the date the Group loses control of the acquirees.

The Group applies the acquisition method to account for business combinations from the acquisition date.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation (Continued)

(a) Subsidiaries and business combination (Continued)

For a new acquisition, goodwill is initially measured at cost, being the excess of the following:

- the fair value of the consideration transferred, calculated as the sum of the acquisition-date fair value of assets transferred (including contingent consideration), the liabilities incurred to former owners of the acquiree and the equity instruments issued by the Group. Any amounts that relate to pre-existing relationships or other arrangements before or during the negotiations for the business combination, that are not part of the exchange for the acquiree, will be excluded from the business combination accounting and be accounted for separately; plus
- the recognised amount of any non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date (the choice of measurement basis is made on an acquisition-by-acquisition basis); plus
- if the business combination is achieved in stages, the acquisition-date fair value of the previously held equity interest in the acquiree; less
- the net fair value of the identifiable assets acquired and the liabilities (including contingent liabilities) assumed at the acquisition date.

The accounting policy for goodwill is set out in Note 3.8(a) to the financial statements.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

If the business combination is achieved in stages, the Group remeasures the previously held equity interest in the acquiree to its acquisition-date fair value, and recognises the resulting gain or loss, if any, in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss or transferred directly to retained earnings on the same basis as would be required if the acquirer had disposed directly of the previously held equity interest.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation (Continued)

(a) Subsidiaries and business combination (Continued)

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the business combination occurs, the Group uses provisional fair value amounts for the items for which the accounting is incomplete. The provisional amounts are adjusted to reflect new information obtained about facts and circumstances that existed as of the acquisition date, including additional assets or liabilities identified in the measurement period. The measurement period for completion of the initial accounting ends as soon as the Group receives the information it was seeking about facts and circumstances or learns that more information is not obtainable, subject to the measurement period not exceeding one year from the acquisition date.

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any gain or loss arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an associate, a joint venture or a financial asset.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The difference between the Group's share of net assets before and after the change, and the fair value of the consideration received or paid, is recognised directly in equity.

(b) Non-controlling interests

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company and are presented separately in the consolidated statement of financial position within equity.

Losses attributable to the non-controlling interests are allocated to the non-controlling interests even if the losses exceed the non-controlling interests.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation (Continued)

(c) Associates

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

Investment in associates is accounted for in the consolidated financial statements using the equity method.

Under the equity method, the investment in associate is initially recognised at cost. The cost of investment includes transaction costs. Subsequently, the carrying amount is adjusted to recognise changes in the Group's share of net assets of the associate.

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. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation (Continued)

(d) Joint arrangements

Joint arrangements arise when the Group and another party or parties are bound by a contractual arrangement, and the contractual arrangement gives the Group and the other party or parties, joint control of the arrangement. Joint control exists when there is contractually agreed sharing of control of an arrangement whereby decisions about the relevant activities require the unanimous consent of the parties sharing control.

Joint arrangements are classified and accounted for as follows:

- A joint arrangement is classified as a "joint operation" when the Group has rights to the assets and obligations for the liabilities relating to the arrangement. The Group accounts for its share of its assets (including its share of any assets held jointly), its liabilities (including its share of any liabilities incurred jointly), its revenue from the sale of its share of the output arising from the joint operation, its share of the revenue from the sale of the output by the joint operation and its expenses (including its share of any expenses incurred jointly).

- A joint arrangement is classified as "joint venture" when the Group has rights to the net assets of the arrangements. The Group accounts for its interests in the joint ventures using the equity method in accordance with MFRS 128 *Investments in Associates and Joint Ventures*.

The Group has assessed the nature of its joint arrangement and determined it to be joint ventures and accounted for its interest in the joint ventures using the equity method.

(e) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity-accounted associates and joint ventures are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Separate financial statements

In the Company's statement of financial position, investments in subsidiaries, joint ventures and associates are measured at cost less any accumulated impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs. The policy for the recognition and measurement of impairment losses shall be applied on the same basis as would be required for impairment of non-financial assets as disclosed in Note 3.12(b) to the financial statements.

Contributions to subsidiaries are amounts which the Company does not expect repayment in the foreseeable future and are considered as part of the Company's investment in the subsidiaries.

3.3 Foreign currency transactions and operations

(a) Translation of foreign currency transactions

Foreign currency transactions are translated to the respective functional currencies of the Group entities using the exchange rates prevailing at the transaction dates.

At the end of each reporting date, monetary items denominated in foreign currencies are retranslated at the exchange rates prevailing at the reporting date.

Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated at the rates prevailing at the dates the fair values were determined. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated at the historical rates as at the dates of the initial transactions.

Foreign exchange differences arising on settlement or retranslation of monetary items are recognised in profit or loss except for monetary items that are designated as hedging instruments in either a cash flow hedge or a hedge of the Group's net investment of a foreign operation. When settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, exchange differences are recognised in profit or loss in the separate financial statements of the parent company or the individual financial statements of the foreign operation. In the consolidated financial statements, the exchange differences are considered to form part of a net investment in a foreign operation and are recognised initially in other comprehensive income until its disposal, at which time, the cumulative amount is reclassified to profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Foreign currency transactions and operations (Continued)

(a) Translation of foreign currency transactions (Continued)

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 other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

(b) Translation of foreign operations

The assets and liabilities of foreign operations denominated in the functional currency different from the presentation currency, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at exchange rates prevailing at the reporting date. The income and expenses of foreign operations are translated at exchange rates at the date of transactions.

Exchange differences arising on the translation are recognised in other comprehensive income. However, if the foreign operation is a non-wholly owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests.

When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in foreign exchange translation reserves related to that foreign operation is reclassified to profit or loss. For a partial disposal not involving loss of control of a subsidiary that includes a foreign operation, the proportionate share of cumulative amount in foreign exchange translation reserve is reattributed to non-controlling interests. For partial disposals of associates or joint ventures that do not result in the Group losing significant influence or joint control, the proportionate share of the cumulative amount in foreign exchange translation reserve is reclassified to profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Financial instruments

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract; it is a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured as fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with the policy applicable to the nature of the host contract.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset hosts together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

(a) **Subsequent measurement**

The Group and the Company categorise the financial instruments as follows:

(i) **Financial assets**

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

- Financial assets at amortised cost
- Financial assets at fair value through other comprehensive income with recycling of cumulative gains and losses upon derecognition
- Financial assets designated at fair value through other comprehensive income with no recycling of cumulative gains and losses upon derecognition
- Financial assets at fair value through profit or loss.

The classification depends on the entity's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

The Group and the Company reclassify financial assets when and only when their business models for managing those assets change.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Financial instruments (Continued)

(a) Subsequent measurement (Continued)

The Group and the Company categorise the financial instruments as follows: (Continued)

(i) Financial assets (Continued)

Debt instruments

Subsequent measurement of debt instruments depends on the Group's and the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group and the Company classify their debt instruments:

- **Amortised cost**

  Financial assets that are held for collection of contractual cash flows and those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. The policy for the recognition and measurement of impairment is in accordance with Note 3.12(a) to the financial statements. Gains and losses are recognised in profit or loss when the financial asset is derecognised, modified or impaired.

- **Fair value through other comprehensive income (FVOCI)**

  Financial assets that are held for collection of contractual cash flows and for selling the financial assets, and the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. For debt instruments at FVOCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. The policy for the recognition and measurement of impairment is in accordance with Note 3.12(a) to the financial statements. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Financial instruments (Continued)

(a) Subsequent measurement (Continued)

The Group and the Company categorise the financial instruments as follows: (Continued)

(i) Financial assets (Continued)

Debt instruments (Continued)

Subsequent measurement of debt instruments depends on the Group's and the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group and the Company classify their debt instruments (Continued):

- **Fair value through profit or loss (FVPL)**

  Financial assets at FVPL include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at FVOCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

  Financial assets at fair value through profit or loss are carried in the statements of financial position at fair value with net changes in fair value recognised in the profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Financial instruments (Continued)

(a) Subsequent measurement (Continued)

The Group and the Company categorise the financial instruments as follows: (Continued)

(i) Financial assets (Continued)

Equity instruments

The Group and the Company subsequently measure all equity investments at fair value. Upon initial recognition, the Group and the Company can make an irrevocable election to classify its equity investments that is not held for trading as equity instruments designated at FVOCI. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are not recycled to profit or loss. Dividends are recognised as other income in the 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 other comprehensive income. Equity instruments designated at FVOCI are not subject to impairment assessment.

(ii) Financial liabilities

The Group and the Company classify their financial liabilities in the following measurement categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading, including derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial liabilities designated into this category upon initial recognition.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Financial instruments (Continued)

(a) Subsequent measurement (Continued)

The Group and the Company categorise the financial instruments as follows: (Continued)

(ii) Financial liabilities (Continued)

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value with the gain or loss recognised in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in MFRS 9 are satisfied. The Group and the Company have not designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortised cost

Subsequent to initial recognition, other financial liabilities are measured at amortised cost using effective interest method. Gains and losses are recognised in profit or loss when the financial liabilities are derecognised and through the amortisation process.

(b) Financial guarantee contracts

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

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the liability is measured at the higher of the amount of the loss allowance determined in accordance with Section 5.5 of MFRS 9 and the amount initially recognised, when appropriate, the cumulative amount of income recognised in accordance with the principles of MFRS 15.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Financial instruments (Continued)

(c) Derecognition

A financial asset or a part of it is derecognised when, and only when:

(i) the contractual rights to receive the cash flows from the financial asset expire; or
(ii) the Group and the Company have transferred their 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; 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.

The Group and the Company evaluate if, and to what extent, they have retained the risks and rewards of ownership. When they have 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 their 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.

On derecognition of a financial asset, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Financial instruments (Continued)

(d) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is presented in the statements 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.

In accounting for a transfer of a financial asset that does not qualify for derecognition, the entity shall not offset the transferred asset and the associated liability.

3.5 Property, plant and equipment

(a) Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.12(b) to the financial statements.

Certain freehold lands and buildings are measured at fair value, based on valuations by external independent valuers, less accumulated depreciation on buildings and any impairment losses recognised after the date of revaluation. Valuations are performed with sufficient regularity to ensure that the fair value of the freehold lands and buildings does not differ materially from the carrying amount. Any accumulated depreciation as at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

A revaluation surplus is recognised in other comprehensive income and credited to the revaluation reserve. However, the increase shall be recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss. If the asset's carrying amount is decreased as a result of a revaluation, the decrease shall be recognised in profit or loss. However, the decrease shall be recognised in other comprehensive income to the extent of any credit balance existing in the revaluation reserve in respect of that asset.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5 Property, plant and equipment (Continued)

(a) Recognition and measurement (Continued)

The revaluation reserve is transferred to retained earnings as the assets are used. The amount of revaluation reserve transferred is the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost.

Cost of assets includes expenditures that are directly attributable to the acquisition of the asset and any other costs that are directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes cost of materials, direct labour, and any other direct attributable costs but excludes internal profits. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs in Note 3.17 to the financial statements.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

(b) Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the part will flow to the Group or the Company and their cost can be measured reliably. The carrying amount of the replaced part is derecognised.

All other repairs and maintenance are charged to the profit or loss as incurred.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5 Property, plant and equipment (Continued)

(c) Depreciation

Freehold land has an unlimited useful life and therefore is not depreciated. Assets under construction included in property, plant and equipment are not depreciated as these assets are not yet available for use.

All other property, plant and equipment are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives.

Hotel properties (buildings)	50 years
Buildings	2%-5%
Plant and machinery	10%-20%
Motor vehicles	20%
Furniture, fittings and equipment	10%-25%
Renovation	10%-20%
Computer equipment and software	20%-33.33%
Crockeries, glassware, cutleries, linen and kitchen utensils	10%
Telecommunications, research and development equipment	20%-33.33%

The residual values, useful lives and depreciation methods are reviewed at the end of each reporting period and adjusted as appropriate.

Fully depreciated assets are retained in the accounts until the assets are no longer in use.

(d) Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognised in profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Leases

(a) Definition of lease

At inception of a contract, the Group and the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group and the Company assesses whether:

- the contract involves the use of an identified asset;
- the Group and the Company have the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group and the Company have the right to direct the use of the asset.

(b) Lessee accounting

At the lease commencement date, the Group and the Company recognise a right-of-use asset and a lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets.

The Group and the Company present right-of-use assets and lease liabilities as separate lines in the statements of financial position.

Right-of-use asset

The right-of-use asset is initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Leases (Continued)

(b) Lessee accounting (Continued)

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any accumulated impairment losses, and adjust for any remeasurement of the lease liabilities. The right-of-use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. If the Group and the Company expect to exercise a purchase option, the right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts from the commencement date of the underlying asset. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.12(b) to the financial statements.

Lease liability

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

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

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option, if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Leases (Continued)

(b) Lessee accounting (Continued)

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

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

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

Variable lease payments that do not depend on an index or a rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line “other expenses” in the statements of comprehensive income.

The Group and the Company have elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Leases (Continued)

(b) Lessee accounting (Continued)

Short-term leases and leases of low value assets

The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low value assets. The Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(c) Lessor accounting

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases that do not meet this criterion are classified as operating leases.

When the Group is an intermediate lessor, they account for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. If a head lease is a short-term lease to which the Group applies the exemption described in Note 3.6(b) to the financial statements, then it classifies the sub-lease as an operating lease.

If an entity in the Group is a lessor in a finance lease, it derecognises the underlying asset and recognises a lease receivable at an amount equal to the net investment in the lease. Finance income is recognised in profit or loss based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the finance lease.

If an entity in the Group is a lessor in an operating lease, the underlying asset is not derecognised but is presented in the statements of financial position according to the nature of the asset. Lease income from operating leases is recognised in profit or loss on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.7 Investment properties

Investment properties are properties held to earn rental income or for capital appreciation or both.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Fair value is arrived at by reference to market evidence of transaction prices for similar properties and is performed by registered independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the properties being valued.

Gains and losses arising from changes in the fair values of investment properties are recognised in profit or loss for the period in which they arise.

An investment property is derecognised on its disposal or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gains and losses arising from derecognition of the asset are recognised in the profit or loss.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property carried at fair value to the owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of the change in use. For a transfer from owner-occupied property to an investment property, any difference arising on the date of the change in use between the carrying amount of the item immediately prior to the transfer and its fair value is recognised directly in equity as a revaluation of property, plant and equipment.

3.8 Goodwill and other intangible assets

(a) Goodwill

Goodwill arising from business combinations 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. After initially recognition, goodwill is measured at cost less any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.12(b) to the financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.8 Goodwill and other intangible assets (Continued)

(a) Goodwill (Continued)

In respect of equity-accounted associates and joint venture, goodwill is included in the carrying amount of the investment and is not tested for impairment individually. Instead, the entire carrying amount of the investment is tested for impairment as a single asset when there is objective evidence of impairment.

(b) Intellectual property

The intellectual property consists of the acquisition costs of the exclusive rights and titles relating to mobile software.

The intellectual property is amortised on a straight-line basis over the period of 5 years during which their economic benefits are expected to be consumed. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.12(b) to the financial statements.

(c) Deferred development costs

An intangible asset arising from development is recognised when the following criteria are met:

- it is technically feasible to complete the intangible asset so that it will be available for use or sale;
- the Group and the Company intend to complete the intangible asset and use or sell it;
- there is an ability to use or sell the asset;
- it can be demonstrated how the intangible asset will generate future economic benefits;
- adequate resources to complete the development and to use or sell the intangible asset are available; and
- the expenditures attributable to the intangible asset during its development can be reliably measured.

Other development costs that do not meet these criteria are recognised in profit or loss as incurred. Development costs previously recognised as an expense are not recognised as an intangible asset in a subsequent period.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.8 Goodwill and other intangible assets (Continued)

(c) Deferred development costs (Continued)

Deferred development costs are measured at cost less accumulated amortisation and accumulated impairment losses. Deferred development costs mainly comprises staff costs, operating expenses and depreciation expenses for the development of the Group's proprietary mobile software and has an average remaining amortisation period of 2 years which their economic benefits are expected to be consumed. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.12(b) to the financial statements.

(d) Licenses

Licenses acquired are recognised at fair value at the acquisition date, which have finite useful lives, are measured at cost less any accumulated amortisation and any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.12(b) to the financial statements.

3.9 Inventories

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

Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- raw materials: purchase costs on a first-in first-out basis.
- finished goods and work-in-progress: costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. These costs are assigned on a weighted average cost basis.

Property under development

Cost includes:

- leasehold rights for land;
- amounts paid to contractors for construction;
- borrowing costs, planning and design costs, costs for site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.9 Inventories (Continued)

Property under development (Continued)

The cost of inventory recognised in profit or loss is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative sale value of the property sold.

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

3.10 Contract assets/(liabilities)

Contract asset is the right to consideration in exchange for goods or services transferred to the customers when that right is conditioned on something other than the passage of time (for example, the Company's future performance). The policy for the recognition and measurement of impairment losses is in accordance with Note 3.12(a) to the financial statements.

Contract liability is the obligation to transfer goods or services to customers for which the Group and the Company have received the consideration or have billed.

3.11 Cash and cash equivalents

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

3.12 Impairment of assets

(a) Impairment of financial assets and contract assets

Financial assets measured at amortised cost, financial assets measured at fair value through other comprehensive income (FVOCI), contract assets, a loan commitment and financial guarantee contracts will be subject to the impairment requirement in MFRS 9 which is related to the accounting for expected credit losses on the financial assets. Expected credit losses are the weighted average of credit losses with the respective risks of a default occurring as the weights.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.12 Impairment of assets (Continued)

(a) Impairment of financial assets and contract assets (Continued)

The Group and the Company measure loss allowance at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12-month expected credit losses:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

For trade receivables and contract assets, the Group applies the simplified approach permitted by MFRS 9 to measure the loss allowance at an amount equal to lifetime expected credit losses.

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

The Group and the Company assume that the credit risk on a financial asset has increased significantly if it is more than 30 to 90 days past due.

The Group and the Company consider a financial asset to be in default when:

- the borrower is unable to pay its credit obligations to the Group and the Company in full, without taking into account any credit enhancements held by the Group and the Company; or
- the contractual payment of the financial asset is more than 90 days past due unless the Group and the Company have reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.12 Impairment of assets (Continued)

(a) Impairment of financial assets and contract assets (Continued)

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of lifetime expected credit losses that represent the expected credit losses that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

Expected credit losses are a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

Expected credit losses are discounted at the effective interest rate of the financial assets.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events:

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.12 Impairment of assets (Continued)

(a) Impairment of financial assets and contract assets (Continued)

- significant financial difficulty of the counterparty;
- a breach of contract, such as a default of past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; and
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

The amount of impairment losses (or reversal) shall be recognised in profit or loss, as an impairment gain or loss. For financial assets measured at FVOCI, the loss allowance shall be recognised in other comprehensive income and shall not reduce the carrying amount of the financial asset in the statements of financial position.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or source of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's and the Company's procedure for recovery of amounts due.

(b) Impairment of non-financial assets

The carrying amounts of non-financial assets (except for inventories, contract assets, deferred tax assets, assets arising from employee benefits) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the Group and the Company make an estimate of the asset's recoverable amount.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.12 Impairment of assets (Continued)

(b) Impairment of non-financial assets (Continued)

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of non-financial assets or cash-generating units (“CGUs”). Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a CGU or a group of CGUs that are expected to benefit from the synergies of business combination.

The recoverable amount of an asset or a CGU is the higher of its fair value less costs of disposal and its value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. In determining the fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Where the carrying amount of an asset exceeds its recoverable amount, the carrying amount of asset is reduced to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss, except for assets that were previously revalued with the revaluation surplus recognised in other comprehensive income. In the latter case, the impairment is recognised in other comprehensive income up to the amount of any previous revaluation, if any.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.12 Impairment of assets (Continued)

(b) Impairment of non-financial assets (Continued)

Impairment losses in respect of goodwill are not reversed. For other assets, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. An impairment loss is reversed only if there has been a change in the estimates used to determine the assets recoverable amount since the last impairment loss was recognised. Reversal of impairment loss is restricted by the asset's carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

3.13 Share capital

Ordinary shares

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

3.14 Employee benefits

(a) Short-term employee benefits

Short-term employee benefit obligations in respect of wages, salaries, social security contributions, annual bonuses, paid annual leave, sick leave and non-monetary benefits are recognised as an expense in the financial year where the employees have rendered their services to the Group and the Company.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.14 Employee benefits (Continued)

(b) Defined contribution plans

As required by law, the Group and the Company contribute to the Employees Provident Fund ("EPF"), the national defined contribution plan. Such contributions are recognised as an expense in the profit or loss in the period in which the employees render their services.

(c) Defined benefit plans

The Group operates defined benefit pension plans (funded) and provides a post-employment healthcare benefit (unfunded) plan to employees as provided in the employment agreements between the companies in the Group and their employees.

The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related defined benefit obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability) and the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in other comprehensive income. Remeasurements are not reclassified to profit or loss in subsequent periods.

The net interest is calculated by applying the discount to the net balance of the defined benefit obligation and fair value of plan assets.

The Group recognises the following costs in profit or loss:

- Service costs comprising current service costs, past service costs, gains and losses on curtailments and non-routine settlements
- Net interest expense or income

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.15 Provisions

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources 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 that are determined based on the expected future cash flows to settle the obligation are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provisions due to passage of time is recognised as finance costs.

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 resources will be required to settle the obligation, the provision is reversed.

3.16 Revenue and other income

The Group and the Company recognise revenue that depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group and the Company expect to be entitled in exchange for those goods or services.

Revenue recognition of the Group and the Company are applied for each contract with a customer or a combination of contracts with the same customer.

The Group and the Company measure revenue from the sale of good or service at its transaction price, being the amount of consideration to which the Group and the Company expect to be entitled in exchange for transferring promised good or service to a customer, excluding amounts collected on behalf of third parties, adjusted for the effects of any variable consideration, constraining estimates of variable consideration, significant financing components, non-cash consideration and consideration payable to the customer. If the transaction price includes variable consideration, the Group and the Company use the expected value method by estimating the sum of probability-weighted amounts in a range or possible consideration amounts, or the most likely outcome method, depending on which method the Group and the Company expect to better predict the amount of consideration to which it is entitled.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.16 Revenue and other income (Continued)

Revenue from contracts with the customers is recognised by reference to each distinct performance obligation in the contract with the customer, i.e. when or as a performance obligation in the contract with the customer is satisfied. A performance obligation is satisfied when or as the customer obtains control of the good or service underlying the particular performance obligation, which the performance obligation may be satisfied at a point in time or over time.

(a) Revenue from contracts with customers

Revenue from contracts with customers is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer net of sales and service tax, returns, rebates and discounts. The Group recognises revenue at a point in time when (or as) it transfers control over a product or service to the customer. An asset is transferred when (or as) the customer obtains control of the asset.

Distinct goods or services created over time — For long-term service contracts and projects for developing an asset such as system sales, the customer value is created over time during the contract period and it is accounted for as a single performance obligation that is satisfied over time. This is because the customer simultaneously receives and consumes the benefits of the entity's performance in processing each transaction as and when each transaction is processed; the performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced; or the performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date. The revenue is recognised over time by using the input method. For the input method, the revenue is recognised on the basis of the efforts or inputs to the satisfaction of a performance obligation such as costs incurred, relative to the total expected inputs to the satisfaction of that performance obligation.

The credit terms offered by the Group range from 30 to 90 days (2021: 30 to 90 days).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.16 Revenue and other income (Continued)

(b) Property development

The Group develops and sells residential and commercial properties. Contracts with customers may include multiple distinct promises to customers and therefore accounted for as separate performance obligations. If the contract with customer contains more than one performance obligation, when the stand-alone selling price are not directly observable, they are estimated based on the expected cost plus margin approach.

Revenue from residential and commercial properties are recognised as and when the control of the asset is transferred to the customer. Based on the terms of the contract and the laws that apply to the contract, control of the asset is transferred over time as the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. The progress towards complete satisfaction of a performance obligation is determined by the proportion of property development costs incurred for work performed to date bear to the estimated total property development costs (an input method).

The consideration is due based on the scheduled payments in the contract, therefore, no element of financing is deemed present. When a particular milestone is reached in excess of the scheduled payments, a contract asset will be recognised for the excess of revenue recognised to date under the input method over the progress billings to-date and include deposits or advances received from customers. When the progress billings to-date and include deposits or advances received from customers exceeds revenue recognised to date then the Group recognise a contract liability for the difference.

Consistent with market practice, the Group collects deposit from customers for sale of properties. A contract liability is recognised for the customer deposits as the Group has obligations to transfer the goods or services to the customer in respect of deposits received. Customer deposits would be recognised as revenue upon transfer of goods or services to the customer.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.16 Revenue and other income (Continued)

(b) Property development (Continued)

For residential properties, as part of the statutory requirements, the Group's obligations to repair and made good of any defect, shrinkage or other faults in the building or in the common property which have become apparent within a period of 24 months after the customer takes vacant possession of the building are recognised as a provision.

(c) Interest income

Interest income is recognised using the effective interest method.

(d) Dividend income

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

(e) Rental income

Rental income from investment property is recognised on a straight-line basis over the term of the lease. Lease incentive granted is recognised as an integral part of the total rental income, over the term of the lease.

3.17 Borrowing costs

Borrowing costs are interests and other costs that the Group incurs in connection with the borrowing of funds.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.17 Borrowing costs (Continued)

The Group begins capitalising borrowing costs when the Group has incurred the expenditures for the asset, incurred related borrowing costs and undertaken activities that are necessary to prepare the asset for its intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

3.18 Taxes

Income tax expense in profit or loss comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

(a) **Current tax**

Current tax is the expected taxes payable or receivable on the taxable income or loss for the financial year, using the tax rates that have been enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

(b) **Deferred tax**

Deferred tax is recognised using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the statements of financial position. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unutilised tax losses and unused tax credits, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is not recognised if the temporary differences arise from the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.18 Taxes (Continued)

(b) Deferred tax (Continued)

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, associates and interests in joint venture, except where the Group is able to control the reversal timing of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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 the benefit of part or all of that deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed 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 utilised.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates 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.

Deferred tax assets and deferred tax liabilities are offset if there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on the same taxable entity, or on different tax entities, but they intend to settle their income tax recoverable and income tax payable on a net basis or their tax assets and liabilities will be realised simultaneously.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.19 Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

3.20 Operating segment

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Group Managing Director of the Group, who is responsible for allocating resources and assessing the performance of the operating segments, has been identified as the chief operating decision-maker that makes strategic decisions.

3.21 Fair value measurements

The fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as 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 measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For a non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.21 Fair value measurements (Continued)

When measuring the fair value of an asset or a liability, the Group and the Company use observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group and the Company can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

There were no transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances.

3.22 Contingencies

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

Contingent liability is also referred to as a present obligation that arises from past events but is not recognised because:

(a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
(b) the amount of the obligation cannot be measured with sufficient reliability.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.23 Contract costs

(a) Recognition and measurement

Contract costs include costs of obtaining and fulfilling a contract.

The incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer which they would not have incurred if the contract had not been obtained. The incremental costs of obtaining a contract with a customer are recognised as part of contract costs when the Group expects those costs are recoverable.

The costs incurred in fulfilling a contract with a customer which are not within the scope of another MFRSs, such as MFRS 102 *Inventories*, MFRS 116 *Property, Plant and Equipment* or MFRS 138 *Intangible Assets*, are recognised as part of contract costs when all of the following criteria are met:

(i) the costs relate directly to a contract or to an anticipated contract that can be specifically identified;
(ii) the costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
(iii) the costs are expected to be recovered.

(b) Amortisation

The costs of obtaining and fulfilling a contract are amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. The amortisation shall be updated subsequently to reflect any significant change to the expected timing of transfer to the customer of the goods or services to which the asset relates in accordance with MFRS 108 *Accounting Policies, Changes in Accounting Estimate and Errors.*

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.23 Contract costs (Continued)

(c) Impairment

Impairment loss are recognised in profit or loss to the extent that the carrying amount of the contract cost exceeds:

(i) the remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the asset relates; less
(ii) the costs that relate directly to providing those goods or services and that have not been recognised as expenses.

Before an impairment loss is recognised for contract costs, the Group shall recognise any impairment loss for assets related to the contract that are recognised in accordance with another MFRSs, such as MFRS 102, MFRS 116 and MFRS 138. The Group shall include the resulting carrying amount of the contract costs in the carrying amount of the cash-generating unit to which it belongs for the purpose of applying MFRS 136 *Impairment of Assets* to that cash-generating unit.

An impairment loss is reversed when the impairment conditions no longer exist or have improved. Such reversal is recognised in profit or loss.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting period. It also requires directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current events and actions, actual results may differ.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

The areas involving a higher degree of judgement or complexity that have the most significant effect on the Group's and the Company's financial statements, or areas where assumptions and estimates that have a significant risk of resulting in a material adjustment to the Group's and the Company's financial statements within the next financial year are disclosed as follows:

4.1 Impairment of goodwill on consolidation

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of CGU to which the goodwill is allocated. Estimating a value-in-use amount requires management to make an estimation of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Further details of the key assumptions applied in the impairment assessment of goodwill are disclosed in Note 9 to the financial statements.

The carrying amounts of the Group’s goodwill key assumptions used to determine the recoverable amount for different cash-generating units, including sensitivity analysis, are disclosed in Note 9 to the financial statements.

4.2 Impairment of right-of-use assets

The Group assesses impairment of non-financial assets whenever the events or changes in circumstances indicate that the carrying among of an asset exceeds its recoverable amount. Recoverable amount is measured at its value-in-use which is the net present value of the projected future cash flows derived from the asset discounted at an appropriate discount rate. Significant judgement is required in determining the discount rates applied in the recoverable amount calculation and assumptions supporting the underlying cash flow projections, including forecast growth rate and profit margin. Cash flows that are projected based on those inputs or assumptions may have a significant effect on the Group’s financial positions and results if the actual cash flows are less than the expected.

The carrying amounts of the Group’s right-of-use assets are disclosed in Note 6 to the financial statements.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

4.3 Valuation of investment properties

The Group has investment properties carried at fair value. Valuation of these assets is based on valuation performed by independent professional property valuers. The valuation method adopted by the valuers was comparison method for similar assets and comparison of current prices in an active market for similar properties in the same location and condition and where necessary, adjusting for location, size, tenure, title restrictions, neighbourhood, and other relevant factors. Significant judgement is made in determining the appropriate valuation methods and the key assumptions used in the valuations. Any changes in these assumptions will have an impact on the carrying amounts of the investment properties.

The carrying amounts of the Group's investment properties are disclosed in Note 7 to the financial statements.

4.4 Fair value of unquoted investments

If the financial asset is not traded in an active market or if the quoted price is not readily and regularly available, the fair value is established by using valuation techniques that are appropriate in 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. The fair value measurement requires the selection among a range of different valuation methodologies, making estimates about expected future cash flows and discounted rates. The models are tested for validity by calibrating to prices from any observable current market transactions in the same instrument when available. Where cost is used as an estimate of fair value, significant judgement is required where management considers various indicators where cost might not be representative of fair value.

The carrying amount of the Group's fair value of unquoted investments are disclosed in Notes 13 to the financial statements.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

4.5 Impairment in investment in a subsidiary

The Company determines whether there is any indication of impairment in investment in a subsidiary. If any of such indication exists, the Company makes an estimate of the recoverable amount of the investment in a subsidiary.

The recoverable amount of investment in a subsidiary was determined based on value-in-use which involves exercise of significant judgement on the discount rates applied and the assumption supporting the underlying cash flow projections which include future revenue, gross profit margin and operating expenses.

The carrying amount of the Company's investment in subsidiaries are disclosed in Notes 10 to the financial statements.

5. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land	Buildings	Hotel properties -Freehold lands	Hotel properties -Buildings	Plant and machinery	Furniture, fittings and equipment	Renovation	Motor vehicles	Computer equipment and software	Crockeries, glassware, cutleries, linen and kitchen utensils	Telecom-munications and research and development equipment	Construction work-in-progress	Total
2022	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Cost/Valuation													
At 1 January 2022	407	62,826	88,713	41,309	8,566	34,552	40,943	2,311	12,841	2,902	32,690	2,005	330,065
Additions	-	583	-	-	503	1,384	15,377	-	151	284	623	603	19,508
Disposals	-	-	-	-	-	(6)	-	(133)	(11)	-	(58)	-	(208)
Written off	-	-	-	-	(41)	(878)	(228)	-	(83)	-	(886)	-	(2,116)
Reclassification	-	-	-	-	-	(154)	2,761	561	1	-	-	(2,608)	561
Revaluation	-	-	(482)	-	-	-	-	-	-	-	-	-	(482)
Exchange differences	-	95	(2,476)	(632)	-	(337)	(1,049)	(3)	15	-	319	-	(4,068)
At 31 December 2022	407	63,504	85,755	40,677	9,028	34,561	57,804	2,736	12,914	3,186	32,688	-	343,260
Representing:													
Cost	407	63,504	-	-	9,028	34,561	57,804	2,736	12,914	3,186	32,688	-	216,828
Valuation	-	-	85,755	40,677	-	-	-	-	-	-	-	-	126,432
Total	407	63,504	85,755	40,677	9,028	34,561	57,804	2,736	12,914	3,186	32,688	-	343,260

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Freehold land	Buildings	Hotel properties -Freehold lands	Hotel properties -Buildings	Plant and machinery	Furniture, fittings and equipment	Renovation	Motor vehicles	Computer equipment and software	Crockeries, glassware, cutleries, linen and kitchen utensils	Telecom-munications and research and development equipment	Construction work-in-progress	Total
2022	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Accumulated Depreciation													
At 1 January 2022	-	2,991	-	-	6,676	28,823	6,156	2,247	6,835	1,545	21,754	-	77,027
Depreciation for the financial year	-	1,273	-	1,277	323	1,219	1,112	64	1,196	352	1,198	-	8,014
Disposals	-	-	-	-	-	(4)	-	(133)	(11)	-	(58)	-	(206)
Written off	-	-	-	-	(41)	(747)	(48)	-	(88)	-	(554)	-	(1,478)
Reclassification	-	7	-	-	-	(47)	32	561	8	-	-	-	561
Exchange differences	-	50	-	-	-	(314)	9	(3)	24	-	(122)	-	(356)
At 31 December 2022	-	4,321	-	1,277	6,958	28,930	7,261	2,736	7,964	1,897	22,218	-	83,562
Accumulated Impairment Loss													
At 1 January 2022	-	-	-	-	-	352	1,225	-	-	-	8,156	-	9,733
Written off	-	-	-	-	-	-	-	-	-	-	(195)	-	(195)
Exchange differences	-	-	-	-	-	-	-	-	-	-	(22)	-	(22)
At 31 December 2022	-	-	-	-	-	352	1,225	-	-	-	7,939	-	9,516
Carrying Amount at 31 December 2022	407	59,183	85,755	39,400	2,070	5,279	49,318	-	4,950	1,289	2,531	-	250,182
Representing:													
Cost	407	59,183	-	-	2,070	5,279	49,318	-	4,950	1,289	2,531	-	125,027
Valuation	-	-	85,755	39,400	-	-	-	-	-	-	-	-	125,155
Total	407	59,183	85,755	39,400	2,070	5,279	49,318	-	4,950	1,289	2,531	-	250,182

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Freehold land	Buildings	Hotel properties -Freehold lands	Hotel properties -Buildings	Plant and machinery	Furniture, fittings and equipment	Renovation	Motor vehicles	Computer equipment and software	Crockeries, glassware, cutleries, linen and kitchen utensils	Telecom-munications and research and development equipment	Construction work-in-progress	Total
2021	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Cost/Valuation													
At 1 January 2021	407	33,654	86,849	37,075	7,790	33,287	26,673	2,307	11,720	2,602	32,417	5,821	280,602
Additions	-	-	-	-	100	1,466	13,491	-	1,259	202	482	1,169	18,169
Disposals	-	-	-	-	-	(42)	-	-	(18)	-	-	-	(60)
Written off	-	-	-	-	(33)	(536)	(91)	-	(125)	-	(282)	-	(1,067)
Reclassification	-	29,041	-	3,862	709	265	-	-	-	98	2	(4,985)	28,992
Revaluation	-	-	742	100	-	-	-	-	-	-	-	-	842
Exchange differences	-	131	1,122	272	-	112	870	4	5	-	71	-	2,587
At 31 December 2021	407	62,826	88,713	41,309	8,566	34,552	40,943	2,311	12,841	2,902	32,690	2,005	330,065
Representing:													
Cost	407	62,826	-	-	8,566	34,552	40,943	2,311	12,841	2,902	32,690	2,005	200,043
Valuation	-	-	88,713	41,309	-	-	-	-	-	-	-	-	130,022
Total	407	62,826	88,713	41,309	8,566	34,552	40,943	2,311	12,841	2,902	32,690	2,005	330,065

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Freehold land	Buildings	Hotel properties -Freehold lands	Hotel properties -Buildings	Plant and machinery	Furniture, fittings and equipment	Renovation	Motor vehicles	Computer equipment and software	Crockeries, glassware, cutleries, linen and kitchen utensils	Telecom-munications and research and development equipment	Construction work-in-progress	Total
2021	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Accumulated Depreciation													
At 1 January 2021	-	2,240	-	-	6,468	28,282	5,004	2,131	5,859	1,233	20,744	-	71,961
Depreciation for the financial year	-	687	-	1,242	240	989	1,108	113	1,103	312	1,329	-	7,123
Disposals	-	-	-	-	-	(19)	-	-	(11)	-	-	-	(30)
Written off	-	-	-	-	(32)	(533)	(91)	-	(124)	-	(281)	-	(1,061)
Reclassification	-	3	-	-	-	(6)	(1)	-	-	-	2	-	(2)
Revaluation	-	-	-	(1,242)	-	-	-	-	-	-	-	-	(1,242)
Exchange differences	-	61	-	-	-	110	136	3	8	-	(40)	-	278
At 31 December 2021	-	2,991	-	-	6,676	28,823	6,156	2,247	6,835	1,545	21,754	-	77,027
Accumulated Impairment Loss													
At 1 January 2021	-	-	-	-	-	355	1,225	-	-	-	8,043	-	9,623
Written off	-	-	-	-	-	(3)	-	-	-	-	-	-	(3)
Exchange differences	-	-	-	-	-	-	-	-	-	-	113	-	113
At 31 December 2021	-	-	-	-	-	352	1,225	-	-	-	8,156	-	9,733
Carrying Amount at 31 December 2021	407	59,835	88,713	41,309	1,890	5,377	33,562	64	6,006	1,357	2,780	2,005	243,305
Representing:													
Cost	407	59,835	-	-	1,890	5,377	33,562	64	6,006	1,357	2,780	2,005	113,283
Valuation	-	-	88,713	41,309	-	-	-	-	-	-	-	-	130,022
Total	407	59,835	88,713	41,309	1,890	5,377	33,562	64	6,006	1,357	2,780	2,005	243,305

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company 2022	Computer equipment RM'000	Furniture, fittings and equipment RM'000	Renovations RM'000	Total RM'000
Cost				
At 1 January 2022	84	104	46	234
Additions	1	11	-	12
At 31 December 2022	85	115	46	246
Accumulated Depreciation				
At 1 January 2022	68	99	5	172
Depreciation for the financial year	12	2	4	18
At 31 December 2022	80	101	9	190
Carrying Amount at 31 December 2022	5	14	37	56
Company				
2021				
Cost				
At 1 January 2021	143	193	46	382
Additions	1	2	-	3
Written off	(60)	(91)	-	(151)
At 31 December 2021	84	104	46	234
Accumulated Depreciation				
At 1 January 2021	116	183	1	300
Depreciation for the financial year	12	4	4	20
Written off	(60)	(88)	-	(148)
At 31 December 2021	68	99	5	172
Accumulated Impairment loss				
At 1 January 2021	-	3	-	3
Written off	-	(3)	-	(3)
At 31 December 2021	-	-	-	-
Carrying Amount at 31 December 2021	16	5	41	62

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(a) Included in property, plant and equipment of the Group are assets pledged to the licensed banks to secure credit facilities granted to the Company and its subsidiaries as disclosed in Note 22 to the financial statements with the following carrying amounts:

	Group	
	2022	2021
	RM'000	RM'000
Hotel properties	77,909	82,052
Buildings	90,981	58,160
	168,890	140,212

(b) Had the revalued assets been carried at cost less accumulated depreciation, the carrying amounts would have been as follows:

Group	Cost	Accumulated depreciation	Carrying amount
2022	**RM'000**	**RM'000**	**RM'000**
Hotel properties			
- lands	20,234	-	20,234
- buildings	31,562	(11,148)	20,414
	51,796	(11,148)	40,648
2021			
Hotel properties			
- lands	20,234	-	20,234
- buildings	31,620	(10,829)	20,791
	51,854	(10,829)	41,025

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(c) Fair value information

Fair values of revalued properties are categorised as follows:

Group	Level 3
2022	**RM'000**
Hotel properties	
- lands	85,755
- buildings	40,677
	126,432
2021	
Hotel properties	
- lands	88,713
- buildings	41,309
	130,022

Valuation techniques and significant other observable inputs

Hotel property 1

Valuation technique for recurring fair value measurements	Comparison with market evidence of recent transaction prices for similar properties
Significant unobservable inputs	Price per square feet: RM73 (2021:RM73)
Relationship of unobservable inputs to fair value	The higher the price per square feet, the higher the fair value

Hotel property 2

Valuation technique for recurring fair value measurements	Comparison with market evidence of recent transaction prices for similar properties
Significant unobservable inputs	Price per square feet: RM694 (2021:RM694)
Relationship of unobservable inputs to fair value	The higher the price per square feet, the higher the fair value

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(c) Fair value information (Continued)

Valuation processes applied by the Group

The Group's finance department reporting to the senior accounts manager evaluates the valuation of land and buildings required for financial reporting purposes including Level 3 fair value.

The fair value of revalued properties has been determined based on the valuation report dated in December 2021 carried out by Suleiman & Co, a firm of independent professional valuer, with recognised and relevant qualification and recent experience in the location and assets being valued. The valuation method used was Comparison Method that makes reference to recent transactions and sales evidences involving other similar properties in the vicinity. Sales prices of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input to this valuation approach is the price per square feet of comparable properties.

Policy on transfer between levels

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

Transfer between levels of fair value hierarchy

There is no transfer between levels of fair values hierarchy during the financial year.

Highest and best use

In estimating the fair value of the land and buildings, the highest and best use of the land and buildings is their current use.

6. RIGHT-OF-USE ASSETS

Group	Leasehold land RM'000	Buildings RM'000	Hotel properties RM'000	Motor Vehicle RM'000	Total RM'000
2022					
Cost					
At 1 January 2022	-	10,177	49,458	561	60,196
Additions	24,000	11,155	-	-	35,155
Reclassified to property, plant and equipment	-	-	-	(561)	(561)
Derecognition	-	(4,758)	-	-	(4,758)
Exchange difference	-	128	(701)	-	(573)
At 31 December 2022	24,000	16,702	48,757	-	89,459
Accumulated Depreciation					
At 1 January 2022	-	2,995	15,224	561	18,780
Depreciation for the financial year	279	1,821	5,074	-	7,174
Reclassified to property, plant and equipment	-	-	-	(561)	(561)
Derecognition	-	(2,336)	-	-	(2,336)
Exchange difference	-	106	(215)	-	(109)
At 31 December 2022	279	2,586	20,083	-	22,948
Carrying Amount at 31 December 2022	23,721	14,116	28,674	-	66,511

6. RIGHT-OF-USE ASSETS (CONTINUED)

Group	Leasehold land RM'000	Buildings RM'000	Hotel properties RM'000	Motor Vehicle RM'000	Total RM'000
2021					
Cost					
At 1 January 2021	-	11,378	47,537	561	59,476
Additions	-	592	-	-	592
Effect of modification to lease terms	-	(1,487)	-	-	(1,487)
Exchange difference	-	(306)	1,921	-	1,615
At 31 December 2021	-	10,177	49,458	561	60,196
Accumulated Depreciation					
At 1 January 2021	-	1,910	9,854	559	12,323
Depreciation for the financial year	-	2,198	5,035	2	- 7,235
Effect of modification to lease terms	-	(851)	-	-	(851)
Exchange difference	-	(262)	335	-	73
At 31 December 2021	-	2,995	15,224	561	18,780
Carrying Amount at 31 December 2021	-	7,182	34,234	-	41,416

6. RIGHT-OF-USE ASSETS (CONTINUED)

	Building RM'000
Company	
2022	
Cost	
At 1 January 2022/31 December 2022	5,174
Accumulated Depreciation	
At 1 January 2022	719
Depreciation for the financial year	575
At 31 December 2022	1,294
Carrying Amount at 31 December 2022	3,880
2021	
Cost	
At 1 January 2021/31 December 2021	5,174
Accumulated Depreciation	
At 1 January 2021	144
Depreciation for the financial year	575
At 31 December 2021	719
Carrying Amount at 31 December 2021	4,455

Lease terms

The Group and the Company's lease buildings, hotel properties and motor vehicle with lease terms are as follows:

Buildings	over the lease period from 4 to 36 years
Hotel properties	over the lease period from 10 to 16 years
Motor vehicle	over 5 years
Leasehold land	over 43 years

7. INVESTMENT PROPERTIES

	Group 2022 RM'000	Group 2021 RM'000
At fair value:		
At 1 January	18,630	44,935
Additions	-	1,876
Reclassified to property, plant and equipment	-	(29,041)
Disposal of investment property	(2,780)	-
Fair value change	250	860
At 31 December	16,100	18,630

Strata title of the shop office 1 has not been issued by Department of Director General of Lands and Mines in Malaysia as at 31 December 2022.

Details of the Group's investment properties are as follows:

Descriptions	***Location***	***Existing use***
Shop office 1	Lot 3A-5-1, 5th Floor, Block 3A, Plaza Sentral, Kuala Lumpur, Malaysia	Generate rental Income
Shop office 2	167 Jalan Kenari 23A, Bandar Puchong Jaya, 47100 Puchong, Selangor, Malaysia	Generate rental income
Residential house 1	No.9, Jalan SS3/39, 47300 Petaling Jaya, Selangor, Malaysia	Vacant
Residential house 2	17, Jalan CH 5C, Canary Residensi, Taman Cheras Hartamas, Cheras, Selangor, Malaysia	Generate rental income
Commercial bungalow	16, Jalan Othman, 46000 Petaling Jaya, Malaysia	Generate rental income
Residential condominium	39-5, Residensi Pantai Sentral 2, Secoya Residences, Jalan Pantai Murni 7, Kuala Lumpur, Malaysia	Generate rental income

7. INVESTMENT PROPERTIES (CONTINUED)

The following amounts are recognised in the profit or loss:

	Group	
	2022 RM'000	2021 RM'000
Rental income	239	255
Direct operating expenses arising from investment properties that generate rental income	(171)	(213)

Included in investment properties of the Group are assets pledged to the licensed banks to secure credit facilities granted to the Company and its subsidiaries as disclosed in Note 22 to the financial statements with the following carrying amounts:

	Group	
	2022 RM'000	2021 RM'000
Land and buildings	13,601	16,131

Valuation processes applied by the Group

The Group's finance department reporting to the senior accounts manager evaluates the valuation of land and buildings required for financial reporting purposes including Level 3 fair value.

The fair value of the shop office 1 was measured based on the highest and best use method to reflect the actual market state and circumstances as of the end of the reporting year. The fair value was based on a valuation made by C H Williams Talhar & Wong, a firm of independent professional valuers, which hold a recognised and relevant professional qualification with sufficient recent experience in the location and category of the investment property being valued. There has been no change to the valuation technique during the year. Management determined that the highest and best use of the assets is the current use and that it would provide maximum value to market participants principally through its use in combination with other assets.

7. INVESTMENT PROPERTIES (CONTINUED)

Valuation processes applied by the Group (Continued)

The fair value of the shop office 2, commercial bungalow, residential houses 1 and 2 and residential condominium were measured based on the sales comparison prices of comparable buildings in close proximity adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable buildings. The fair value was based on a valuation made by SMY Valuers & Consultants Sdn. Bhd., a firm of independent professional valuers, which hold a recognised and relevant professional qualification with sufficient recent experience in the location and category of the investment property being valued. The shop office 3 was disposed off during the financial year.

Valuation techniques and significant other observable inputs

Shop office 1

Valuation technique for recurring fair value measurements:	Comparison with market evidence of recent transaction prices for similar properties
Significant observable inputs:	Price per square foot of RM819 (2021: RM819)
Sensitivity on management's estimates — 10% variation from estimate:	Impact-lower by RM660,000 (2021: RM660,000); higher by RM660,000 (2021: RM660,000)

Shop office 2

Valuation technique for recurring fair value measurements:	Comparison with market evidence of recent transaction prices for similar properties
Significant observable inputs:	Price per square foot of RM418 (2021: RM418)
Sensitivity on management's estimates — 10% variation from estimate:	Impact-lower by RM250,000 (2021: RM250,000); higher by RM250,000 (2021: RM250,000)

7. INVESTMENT PROPERTIES (CONTINUED)

Valuation techniques and significant other observable inputs (Continued)

Shop office 3

Valuation technique for recurring fair value measurements:	Comparison with market evidence of recent transaction prices for similar properties
Significant observable inputs:	Price per square foot of NIL (2021: RM527)
Sensitivity on management's estimates — 10% variation from estimate:	Impact-lower by NIL (2021: RM278,000);higher by NIL (2021: RM278,000)

Residential house 1

Valuation technique for recurring fair value measurements:	Comparison with market evidence of recent transaction prices for similar properties
Significant observable inputs:	Price per square foot of RM1,008 (2021 :RM1,008)
Sensitivity on management's estimates — 10% variation from estimate:	Impact-lower by RM275,000 (2021: RM275,000); higher by RM275,000 (2021: RM275,000)

Residential house 2

Valuation technique for recurring fair value measurements:	Comparison with market evidence of recent transaction prices for similar properties
Significant observable inputs:	Price per square foot of RM470 (2021: RM470)
Sensitivity on management's estimates — 10% variation from estimate:	Impact-lower by RM150,000 (2021: RM150,000);higher by RM150,000 (2021: RM150,000)

7. INVESTMENT PROPERTIES (CONTINUED)

Valuation techniques and significant other observable inputs (Continued)

Commercial bungalow

Valuation technique for recurring fair value measurements:	Comparison with market evidence of recent transaction prices for similar properties
Significant observable inputs:	Price per square foot of RM299 (2021: RM256)
Sensitivity on management's estimates — 10% variation from estimate:	Impact-lower by RM175,000 (2021: RM150,000); higher by RM175,000 (2021: RM150,000)

Residential condominium

Valuation technique for recurring fair value measurements:	Comparison with market evidence of recent transaction prices for similar properties
Significant observable inputs:	Price per square foot of RM952 (2021: RM952)
Sensitivity on management's estimates — 10% variation from estimate:	Impact lower by RM100,000 (2021: RM100,000); higher by RM100,000 (2021: RM100,000)

Fair value information

Fair value of investment properties is categorised as level 3.

Policy on transfer between levels

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

Transfer between levels of fair value hierarchy

There is no transfer between levels of fair values hierarchy during the financial year.

8. INTANGIBLE ASSETS

Group 2022	Goodwill on consolidation RM'000 (Note 9)	Intellectual property RM'000 (Note a)	Deferred development costs (completed) RM'000 (Note b)	Deferred development costs (under development) RM'000	Licenses RM'000 (Note c)	Total RM'000
Cost						
At 1 January 2022	99,016	52	28,072	738	844	128,722
Additions	-	-	-	1,078	-	1,078
Reclassification	-	-	545	(545)	-	-
Exchange differences	-	-	(1,773)	(46)	-	(1,819)
At 31 December 2022	99,016	52	26,844	1,225	844	127,981
Accumulated Amortisation and Impairment						
At 1 January 2022	11,397	52	26,481	-	843	38,773
Amortisation for the financial year	-	-	784	-	-	784
Impairment for the financial year	8,962	-	-	-	-	8,962
Exchange differences	-	-	(1,721)	-	-	(1,721)
At 31 December 2022	20,359	52	25,544	-	843	46,798
Carrying Amount at 31 December 2022	78,657	-	1,300	1,225	1	81,183

8. INTANGIBLE ASSETS (CONTINUED)

Group 2021	Goodwill on consolidation RM'000 (Note 9)	Intellectual property RM'000 (Note a)	Deferred development costs (completed) RM'000 (Note b)	Deferred development costs (under development) RM'000	Licenses RM'000 (Note c)	Total RM'000
Cost						
At 1 January 2021	98,576	52	29,380	456	844	129,308
Additions	440	-	-	578	-	1,018
Capitalisation of development equipment	-	-	-	12	-	12
Reclassification	-	-	305	(305)	-	-
Exchange differences	-	-	(1,613)	(3)	-	(1,616)
At 31 December 2021	99,016	52	28,072	738	844	128,722
Accumulated Amortisation and Impairment						
At 1 January 2021	8,609	52	27,120	-	843	36,624
Amortisation for the financial year	-	-	915	-	-	915
Impairment for the financial year	2,788	-	-	-	-	2,788
Exchange differences	-	-	(1,554)	-	-	(1,554)
At 31 December 2021	11,397	52	26,481	-	843	38,773
Carrying Amount at 31 December 2021	87,619	-	1,591	738	1	89,949

8. INTANGIBLE ASSETS (CONTINUED)

(a) Intellectual property

Intellectual property comprises rights and titles relating to mobile software.

(b) Deferred development costs

The deferred development costs mainly comprises staff costs, operating expenses and depreciation expenses for the development of the Captii Group's proprietary mobile software and has an average remaining amortisation period of 2 years (2021: 2 years).

(c) Licenses

The licenses comprise compliance and testing costs of bus models and have an average amortisation period of 5 years (2021: 5 years).

9. GOODWILL ON CONSOLIDATION

Management reviews the business performance based on the type of products and services of the strategic business units which represent its reportable operating segments. For the purpose of impairment testing, goodwill acquired through business combinations is allocated to the following Group's CGUs which are also reportable operating segments, which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes.

The carrying amounts of goodwill allocated to the Group's CGUs are as follows:

	Group	
	2022	**2021**
	RM'000	**RM'000**
Information and communications technology - CGU 1	74,722	83,684
Travel and tours - CGU 2	3,659	3,659
Others	276	276
	78,657	87,619

9. GOODWILL ON CONSOLIDATION (CONTINUED)

CGU 1

The recoverable amount of the CGU was determined based on its value-in-use. Cash flow projections used in the value-in-use calculations were based on financial budgets and forecasts approved by management covering a five-year period using a discount rate of 14.5% (2021: 13.8%). The forecasted growth rate used to extrapolate cash flow projections beyond the five-year period is 2.0% (2021: 2.0%).

The discount rate applied to the cash flow projections is pre-tax and reflects management's estimate of the risks specific to the CGU at the date of assessment. Management determined the forecasted growth rate and budgeted gross margin based on past performance and its expectations of market developments.

As at 31 December 2022, the Group estimated that the carrying amount of CGU 1 was higher than its recoverable amount and impairment loss of RM 9.0 million (2021: RMNIL) was recognised. The impairment loss was fully allocated to goodwill and is recorded in statement of comprehensive income of the Group.

The value in use was determined by management using the discounted cash flow valuation technique. The key assumptions used for value in use calculations are as stated above.

CGU 2

The recoverable amount of the CGUs was determined based on its value-in-use. Cash flow projections used in the value-in-use calculations were based on financial budgets and forecasts approved by management covering a five-year period using a discount rate of 9.04% (2021: 10.27%). The forecasted growth rate used to extrapolate cash flow projections beyond the five-year period is 3% (2021: 3%).

The discount rate applied to the cash flow projections is pre-tax and reflects management's estimate of the risks specific to the CGUs at the date of assessment. Management determined the forecasted growth rate and budgeted gross margin based on past performance and its expectations of market developments.

Based on the sensitivity analysis performed, management believes that no reasonably possible change in key assumptions would cause the carrying values of the CGU 2 to exceed its recoverable amounts.

9. GOODWILL ON CONSOLIDATION (CONTINUED)

CGU 2 (Continued)

The value in use was determined by management using the discounted cash flow valuation technique. The key assumptions used for value in use calculations are as stated above.

Other

Based on the sensitivity analysis performed, management believes that no reasonably possible change in key assumptions would cause the carrying values of the CGU to exceed its recoverable amounts.

In the previous financial year, the Group estimated that the carrying amount of the unit was higher than its recoverable amount and impairment loss of RM0.44 million was recognised as a result of the impact arising from COVID-19 pandemic. The impairment loss was fully allocated to goodwill and is recorded in statement of comprehensive income of the Group.

10. INVESTMENT IN SUBSIDIARIES

	Company	
	2022 RM'000	2021 RM'000
Unquoted shares - at cost	901,860	829,595
Less: Impairment loss	(271,234)	(221,743)
	630,626	607,852
Loans that are part of net investments		
At cost	3,792	53,683
Less: Impairment loss	(1,831)	(44,110)
	632,587	617,425

Loans that are part of net investments represent amount owing by a subsidiary which is non-trade in nature, unsecured and non-interest bearing. The settlement of the amount is neither planned nor likely to occur in the foreseeable future as it is the intention of the Company to treat these amounts as a long-term source of capital to the subsidiary. As the amount is, in substance, a part of the Company's net investment in the subsidiary, it is stated at cost less accumulated impairment loss, if any.

10. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(a) The details of the subsidiaries are as follows :

Name of Company	Principal place of Business / Country of Incorporation	Effective Equity Interest 2022 %	2021 %	Principal Activities
Direct subsidiaries				
Advance Synergy Capital Sdn. Bhd. ^	Malaysia	100	100	Investment holding and provision of management services
Advance Synergy Properties Sdn. Bhd.	Malaysia	100	100	Investment holding
Advance Synergy Realty Sdn. Bhd. *	Malaysia	100	100	Property development and investment
Alam Samudera Corporation Sdn. Bhd.	Malaysia	100	100	Investment holding
Alangka-Suka Hotels & Resorts Sdn. Bhd.	Malaysia	100	100	Investment holding
Ausborn Sawmill Sdn. Bhd. *	Malaysia	100	100	Inactive
Calmford Incorporated #	British Virgin Islands	100	100	Investment holding
Datakey Sdn. Bhd.	Malaysia	100	100	To carry out computer facilities management activities, computer consultancy and other management consultancy activities
Diversified Gain Sdn. Bhd.	Malaysia	100	100	Investment holding
Excellent Arch Sdn. Bhd.	Malaysia	100	100	Investment holding
Excellent Display Sdn. Bhd.	Malaysia	100	100	Property investment, management and rental of properties
iSynergy Sdn. Bhd.	Malaysia	100	100	Inactive
Nagapura Management Corporation Sdn. Bhd.	Malaysia	100	100	Investment holding
Sadong Development Sdn. Bhd.	Malaysia	100	100	Property development
Segi Koleksi Sdn. Bhd.	Malaysia	70	70	Investment holding
Strategic Research & Consultancy Sdn. Bhd.	Malaysia	100	100	Investment holding company
Synergy Gold Incorporated #	British Virgin Islands	100	100	Inactive
Synergy Petroleum Incorporated #	British Virgin Islands	100	100	Investment holding
Worldwide Matrix Sdn. Bhd.	Malaysia	100	100	Investment holding

10 INVESTMENT IN SUBSIDIARIES (CONTINUED)

(a) The details of the subsidiaries are as follows (Continued):

Name of Company	Principal place of Business / Country of Incorporation	Effective Equity Interest 2022 %	Effective Equity Interest 2021 %	Principal Activities
Indirect subsidiaries held through Advance Synergy Capital Sdn. Bhd.				
AESBI Power Systems Sdn. Bhd.	Malaysia	100	100	Property investment and management services
Aviva Master Coach Technology Sdn. Bhd.	Malaysia	71	71	Designing, building and fabrication of coaches
Paydee Sdn. Bhd.	Malaysia	100	100	Provision of payment card issuing and acquiring services
Paydee Capital Sdn. Bhd. *(formerly known as ASC Credit Sdn. Bhd.)*	Malaysia	100	100	Provision of credit and leasing
Paydee Nura Sdn. Bhd.	Malaysia	100	-	Provision of credit and other financial service activities
Paydee Ventures Sdn. Bhd. *(formerly known as ASC Equities Sdn. Bhd.)*	Malaysia	100	100	Investment holding and venture capital business
Triton-K Sdn. Bhd.	Malaysia	100	100	Provision of management services
Indirect subsidiary held through Aviva Master Coach Technology Sdn. Bhd.				
Quality Bus & Coach Pty. Ltd. #	Australia	71	71	Designing, building and fabrication of coaches and coach certification and testing
Indirect subsidiary held through Quality Bus & Coach Pty. Ltd.				
Motorcoach Australia Pty. Ltd *(formerly known as Autobus Australia Pty. Ltd.)* #	Australia	71	71	Designing, building and fabrication of coaches and coach certification and testing
Indirect subsidiaries held through Alangka-Suka Hotels & Resorts Sdn. Bhd.				
Alangka-Suka International Limited #	British Virgin Islands	100	100	Investment holding
Alor Setar Holiday Villa Sdn. Bhd.	Malaysia	100	100	Inactive
Antara Holiday Villas Sdn. Bhd.	Malaysia	100	100	Hotel management services
Asbina Hotel & Property Sdn. Bhd.	Malaysia	100	100	Inactive
Cherating Holiday Villa Berhad	Malaysia	100	100	Operates Holiday Villa Beach Resort & Spa Cherating
Grand Hotel Sudan Limited #	British Virgin Islands	100	100	Inactive

10. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(a) The details of the subsidiaries are as follows (Continued):

Name of Company	Principal place of Business / Country of Incorporation	Effective Equity Interest 2022 %	2021 %	Principal Activities
Indirect subsidiaries held through Alangka-Suka Hotels & Resorts Sdn. Bhd. (Continued)				
Holiday Villa Assets Sdn. Bhd.	Malaysia	100	100	Investment holding
Holiday Villa Travel & Tours Sdn. Bhd.	Malaysia	100	100	Hiring of limousines
Holiday Villas International Limited #	British Virgin Islands	100	100	Investment holding
Langkawi Holiday Villa Sdn. Bhd.	Malaysia	100	100	Operates Holiday Villa Beach Resort & Spa Langkawi
Mayor Hotels Sdn. Bhd.	Malaysia	100	100	Inactive
P.T. Diwangkara Holiday Villa Bali *	Republic of Indonesia	100	94.81	Hotel management services
Super Leisure Sdn. Bhd.	Malaysia	100	100	Investment holding
Indirect subsidiaries held through Alangka-Suka International Limited				
Asbina Shenzhen Limited #	British Virgin Islands	90	90	Dormant
Holiday Villa Makkah Limited #	British Virgin Islands	100	100	Inactive
Interwell Management Limited #	England and Wales	-	100	Dissolved via strike off on 10 May 2022
Larkswood Assets Limited #	British Virgin Islands	100	100	Investment holding
Indirect subsidiary held through Asbina Hotel & Property Sdn. Bhd.				
Asbina Hotel & Property (Cambodia) Pte. Ltd. #	Kingdom of Cambodia	100	100	Inactive
Indirect subsidiary held through Holiday Villa Assets Sdn. Bhd.				
Posthotel Arosa AG *	Switzerland	65	65	Investment holding
Indirect subsidiary held through Posthotel Arosa AG				
57-59 Philbeach Gardens Limited #	England and Wales	65	65	Investment holding
Indirect subsidiary held through 57-59 Philbeach Gardens Limited				
Beaver Hotels Limited #	England and Wales	65	65	Inactive

10. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(a) The details of the subsidiaries are as follows (Continued):

Name of Company	Principal place of Business / Country of Incorporation	Effective Equity Interest 2022 %	Effective Equity Interest 2021 %	Principal Activities
Indirect subsidiaries held through Holiday Villas International Limited				
Holiday Villa China International Limited #	British Virgin Islands	100	100	Investment holding
Holiday Villa Middle East Limited #	British Virgin Islands	100	100	Inactive
Holiday Villa (UK) Ltd. *	England and Wales	100	100	Inactive
Indirect subsidiaries held through Holiday Villa China International Limited				
Changshu Holiday Villa Hotel Management Co. Ltd. *	People's Republic of China	100	100	Hotel management services
Holiday Villa Hong Kong Company Limited #	Hong Kong	100	100	Investment holding
Indirect subsidiary held through Holiday Villa Hong Kong Company Limited				
上海豪立纬酒店有限公司 (Shanghai Holiday Villa Hotel Co. Ltd.) *	People's Republic of China	100	100	Operate Holiday Villa Hotel & Residence Shanghai Jiading P.R.C.
Indirect subsidiary held through Advance Synergy Properties Sdn. Bhd.				
Synergy Realty Incorporated #	British Virgin Islands	100	100	Investment holding
Indirect subsidiary held through Segi Koleksi Sdn. Bhd.				
Metroprime Corporation Sdn. Bhd.	Malaysia	70	70	Managing and operating The Language House and provision of educational products and services
Indirect subsidiary held through Synergy Realty Incorporated				
Builderworks Pty. Ltd. *	Australia	100	100	Deregistered on 5 March 2022
Indirect subsidiaries held through Calmford Incorporated				
Home Cinema Studio Pty. Ltd. *	Australia	100	100	Deregistered on 1 June 2022
Indirect subsidiary held through Alam Samudera Corporation Sdn. Bhd.				
Synergy Tours (Borneo) Sdn. Bhd.	Malaysia	100	100	Tour operator

10. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(a) The details of the subsidiaries are as follows (Continued):

Name of Company	Principal place of Business / Country of Incorporation	Effective Equity Interest 2022 %	Effective Equity Interest 2021 %	Principal Activities
Indirect subsidiary held through Diversified Gain Sdn. Bhd.				
Orient Escape Travel Sdn. Bhd.	Malaysia	100	100	Travel and tour agent and the provision of travel related services
Indirect subsidiaries held through Orient Escape Travel Sdn. Bhd.				
Motorsports Adventure Sdn. Bhd.	Malaysia	100	100	Inactive
Orient Escape Travel (Penang) Sdn. Bhd.	Malaysia	100	100	Inactive
Qurex Sdn. Bhd.	Malaysia	100	100	Money services business
Synergy Tours Sdn. Bhd.	Malaysia	100	100	Tour operator
Indirect subsidiary held through Excellent Arch Sdn. Bhd.				
Advance Synergy Furniture Sdn. Bhd.	Malaysia	100	100	In liquidation
Indirect subsidiary held through Excellent Display Sdn. Bhd.				
Dama TCM Sdn. Bhd.	Malaysia	100	100	Inactive
Indirect subsidiary held through Dama TCM Sdn. Bhd.				
Medical Palace Sdn. Bhd.	Malaysia	100	100	Dormant
Indirect subsidiaries held through Nagapura Management Corporation Sdn. Bhd.				
Acrylic Synergy Sdn. Bhd.	Malaysia	81	81	Inactive
Syarikat Fit and Weld Engineering (M) Sdn. Bhd.	Malaysia	70	70	In liquidation
Xgo Technik Sdn. Bhd.	Malaysia	100	100	Provision of management services
Indirect subsidiaries held through Advance Synergy Realty Sdn. Bhd.				
Harta Sinergi Sdn. Bhd.	Malaysia	100	100	Investment holding
Jiwa Baru Sdn. Bhd.	Malaysia	60	-	Property investment, management and rental of properties and investment holding

10. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(a) The details of the subsidiaries are as follows (Continued):

Name of Company	Principal place of Business / Country of Incorporation	Effective Equity Interest 2022 %	Effective Equity Interest 2021 %	Principal Activities
Indirect subsidiaries held through Advance Synergy Realty Sdn. Bhd. (Continued)				
Osteria Gamberoni Sdn. Bhd.	Malaysia	70	70	Operates and manages food and beverage business and its related business
Primo Espresso Sdn. Bhd. *	Malaysia	70	70	Operates and manages food and beverage business and its related business
Temasya House Sdn. Bhd.	Malaysia	70	70	Property management and rental of property and related services
Yap Ah Shak House Sdn. Bhd.	Malaysia	70	70	Operation and management of serviced office, property management, rental of property and other related businesses / services
Indirect subsidiary held through Sadong Development Sdn. Bhd.				
Hotel Golden Dragon Sdn. Bhd.	Malaysia	95	95	Inactive
Indirect subsidiary held through Hotel Golden Dragon Sdn. Bhd.				
Simpang Tiga Realty Sdn. Bhd.	Malaysia	95	95	Inactive
Indirect subsidiary held through Worldwide Matrix Sdn. Bhd.				
Captii Limited *^	Singapore	58.30	58.30	Investment holding and the provision of management services
Indirect subsidiaries held through Captii Limited				
Captii Ventures Pte. Ltd. *	Singapore	58.30	58.30	Undertake investment in technology companies
Postpay Asia Sdn. Bhd. *	Malaysia	58.30	58.30	Investment holding
Unified Assets Sdn. Bhd. *	Malaysia	58.30	58.30	Investment holding
Unified Communications (OHQ) Sdn. Bhd. *	Malaysia	58.30	58.30	Provisions of management and operational headquarters (“OHQ”) services to its related companies
Unified Communications (OSS) Sdn. Bhd. *	Malaysia	58.30	58.30	Investment holding

10. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(a) The details of the subsidiaries are as follows (Continued):

Name of Company	Principal place of Business / Country of Incorporation	Effective Equity Interest 2022 %	Effective Equity Interest 2021 %	Principal Activities
Indirect subsidiaries held through Captii Limited (Continued)				
Unified Communications Pte. Ltd. *	Singapore	58.30	58.30	Distribution of telecommunications products, the design and development of telecommunications solutions, project management, and maintenance and support services for the telecommunications industry
Unified Communications Sdn. Bhd. *	Malaysia	58.30	58.30	Research and development, software engineering, system integration, project management, and maintenance and support services for the telecommunications industry
Indirect subsidiary held through Captii Ventures Pte. Ltd.				
OOPA Pte. Ltd.	Singapore	37.64	37.64	Investment holding
Indirect subsidiary held through Unified Communications (OSS) Sdn. Bhd.				
GlobeOSS Sdn. Bhd. *	Malaysia	29.73	29.73	Provision of global roaming quality of service management solutions
Indirect subsidiary held through GlobeOSS Sdn. Bhd.				
GlobeOSS Pte. Ltd. *	Singapore	29.73	29.73	Dormant
Indirect subsidiary held through GlobeOSS Pte. Ltd.				
GlobeOSS (Brunei) Sdn. Bhd. *	Brunei Darussalam	29.73	29.73	Provision of global roaming quality of service management solutions
Indirect subsidiaries held through Unified Communications Pte. Ltd.				
Adzentrum Sdn. Bhd. *	Malaysia	58.30	58.30	Dormant
Unified Communications (Private) Limited *	Pakistan	58.30	58.30	Provision of telecommunications products, technology and customised solutions to telecommunications operators, service providers and enterprises
Indirect subsidiaries held through Unified Communications Sdn. Bhd.				
Ahead Mobile Sdn. Bhd. *	Malaysia	58.30	58.30	Software engineering, system integration, project management, and maintenance and support services for the telecommunications industry
Unified Communications (Tech) Pte. Ltd. *	Singapore	58.30	58.30	Distribution of information technology and telecommunications products

10. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(a) The details of the subsidiaries are as follows (Continued):

Name of Company	Principal place of Business / Country of Incorporation	Effective Equity Interest 2022 %	2021 %	Principal Activities
Indirect subsidiaries held through Postpay Asia Sdn. Bhd.				
Postpay Sdn. Bhd. *	Malaysia	58.30	58.30	Providing money lending services, credit profiling, pay-later solutions, and/or other incidental/relevant businesses to any telecommunications operators, service providers, enterprises, or entities of any descriptions
Postpay Technology Sdn. Bhd. *	Malaysia	58.30	58.30	Provision of telecommunications products, technology and customised solutions to telecommunications operators, service providers and enterprises

* *Audited by auditors other than Baker Tilly Monteiro Heng PLT.*

\# *Not required to be audited in their countries of incorporation. The financial statements have been reviewed for consolidation purposes.*

^ *Shares have been charged to financial institutions for credit facilities granted.*

(b) Certain shares of subsidiaries in the Group has been charged to financial institutions for credit facilities granted to the Group as disclosed in Note 22 to the financial statements.

(c) Acquisition of subsidiaries

(i) On 10 November 2021, Dama TCM Sdn. Bhd. ("Dama TCM"), an indirect wholly-owned subsidiary of the Company, acquired 1 ordinary share representing the remaining 50% equity interest in Medical Palace Sdn. Bhd. ("MPSB") not already owned by Dama TCM for a total cash consideration of RM1. On the same date, MPSB became a wholly-owned indirect subsidiary company of the Company.

(ii) On 7 December 2021, as disclosed in Note 11(b) to the financial statement, the Group's subsidiary company, Captii Ventures Pte. Ltd. ("CVPL") acquired an additional 21.4% equity interest in OOPA Pte. Ltd. ("OOPA"), resulting in OOPA becoming a subsidiary of the Group.

10. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(c) Acquisition of subsidiaries (Continued)

(ii) Details of the acquisition were as follows:

	At acquisition date RM'000
Consideration paid $^{\alpha}$	3,285
Fair value of the group's previously held interest in an associate	13,687
Fair value of non-controlling interest	16,574
Less:	
Fair value of net assets acquired $^{\beta}$	(38,544)
Negative goodwill arising on step-up of interest in an associate to subsidiary	(4,998)

$^{\alpha}$ This relates to a receivable of RM3.3 million which was de-recognised as part of consideration for the acquisition of a subsidiary. This had arisen following the favourable conclusion of the litigation pursued by OOPA Pte Ltd.

$^{\beta}$ The fair values of the identifiable assets and liabilities of OOPA as at acquisition date were as follows:

	At acquisition date RM'000
Other financial asset at FVTPL	38,587
Trade and other payables	(43)
Total identifiable net assets at fair value	38,544

(d) Incorporation of Jiwa Baru Sdn Bhd

On 13 January 2022, Jiwa Baru Sdn Bhd ("JBSB") was incorporated with an issued share capital of RM100. JBSB is 60%-owned by Advance Synergy Realty Sdn Bhd, a direct wholly-owned subsidiary of the Company.

On 8 June 2022, the total issued share capital of JBSB increased to RM2,000,100. There is no change to the effective ownership of the Company in this subsidiary.

10. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(e) The Group's subsidiaries that have material non-controlling interest ("NCI") are as follows:

2022	Captii Limited RM'000	Posthotel Arosa AG RM'000	Aviva Master Coach Technology Sdn. Bhd. RM'000	Other individually immaterial subsidiaries RM'000	Total RM'000
NCI percentange of ownership interest and voting interest	41.7%	35%	29%		
Carrying amount of NCI	77,637	24,543	(15,247)	(9,465)	77,468
(Loss)/Profit allocated to NCI	(4,680)	27	(471)	(4,016)	(9,140)

Summarised financial information before intra-group elimination

Summarised statements of financial position	Captii Limited RM'000	Posthotel Arosa AG RM'000	Aviva Master Coach Technology Sdn. Bhd. RM'000
As at 31 December			
Non-current assets	115,762	1	278
Current assets	91,258	73,894	33,412
Non-current liabilities	(576)	-	-
Current liabilities	(20,265)	(3,771)	(86,265)
Net assets/(liabilities)	186,179	70,124	(52,575)
Summarised statements of comprehensive income			
Financial year ended 31 December			
Revenue	74,412	-	13,881
(Loss)/Profit for the financial year	(10,376)	78	(1,825)
Total comprehensive (loss)/income	(16,736)	775	(1,825)
Summarised cash flow information			
Financial year ended 31 December			
Cash flows (used in)/from operating activities	(3,290)	(3,194)	1,100
Cash flows from/(used in) investing activities	6,468	-	(2)
Cash flows used in financing activities	(1,936)	-	(1,811)
Net increase/(decrease) in cash and cash equivalents	1,242	(3,194)	(713)
Dividends paid to NCI	1,758	-	-

10. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(e) The Group's subsidiaries that have material NCI are as follows (Continued):

	Captii Limited RM'000	Posthotel Arosa AG RM'000	Aviva Master Coach Technology Sdn. Bhd. RM'000	Other individually immaterial subsidiaries RM'000	Total RM'000
2021					
NCI percentange of ownership interest and voting interest	41.7%	35%	29%		
Carrying amount of NCI	80,770	23,395	(10,827)	(9,501)	83,837
Profit/(Loss) allocated to NCI	13,020	(298)	(1,391)	(1,471)	9,860
Summarised financial information before intra-group elimination					
Summarised statements of financial position					
As at 31 December					
Non-current assets	136,322	1	2,935		
Current assets	83,638	70,383	32,650		
Non-current liabilities	(1,288)	-	(1,720)		
Current liabilities	(24,979)	(3,541)	(77,211)		
Net assets/(liabilities)	193,693	66,843	(43,346)		
Summarised statements of comprehensive income					
Financial year ended 31 December					
Revenue	73,630	-	4,932		
Profit/(Loss) for the financial year	29,343	(851)	(6,081)		
Total comprehensive income/(loss)	27,610	(851)	(6,081)		
Summarised cash flow information					
Financial year ended 31 December					
Cash flows from/(used in) operating activities	9,528	(5,269)	(1,855)		
Cash flows used in investing activities	(1,123)	-	(99)		
Cash flows (used in)/from financing activities	(4,935)	-	2,339		
Net increase/(decrease) in cash and cash equivalents	3,470	(5,269)	385		
Dividends paid to NCI	1,004	-	-		

11. INVESTMENT IN ASSOCIATES

	Group 2022 RM'000	Group 2021 RM'000
Unquoted shares, at cost	6,538	6,538
Impairment loss	(320)	(320)
	6,218	6,218
Share of post-acquisition reserve, net of dividends received	(2,247)	(2,360)
	3,971	3,858

(a) The details of the associates are as follows:

Name of Company	Principal place of Business / Country of Incorporation	Effective Equity Interest 2022 %	Effective Equity Interest 2021 %	Principal Activities
Indirect associate held through Advance Synergy Capital Sdn. Bhd.				
SIBB Berhad *	Malaysia	20	20	Investment dealings
Indirect associate held through Langkawi Holiday Villa Sdn. Bhd.				
MOOD Perfumes Sdn. Bhd. #	Malaysia	30	30	Inactive
Indirect associate held through Super Leisure Sdn. Bhd.				
Smile Integrated Solution Sdn. Bhd.	Malaysia	49	49	Sells and maintains hotel property management system software
Indirect associate held through Synergy Tours Sdn. Bhd.				
P.T. Panorama Synergy Indonesia *	Republic of Indonesia	49	49	Inactive
Indirect associate held through Strategic Research & Consultancy Sdn. Bhd.				
Kopistop Sdn. Bhd. *	Malaysia	40	40	Investment holding and the business of food and beverage

* *Audited by another firm of auditors other than Baker Tilly Monteiro Heng PLT.*

The Group has discontinued recognising its share of losses as the share of accumulated losses of the associate has exceeded the Group's investment in that associate.

11. INVESTMENT IN ASSOCIATES (CONTINUED)

(b) On 6 September 2020, the Group announced that a writ of summons and statement of claim ("Writ") had been issued by its associated company, OOPA Pte Ltd ("OOPA") against (i) Mr Bui Sy Phong; (ii) Telio Pte Ltd (as a nominal defendant), a Singapore incorporated company of which Mr Bui was a sole shareholder. Under the Writ, OOPA claimed against Mr Bui, for inter alia, the following:

(i) 100% of the shares in Telio and/or such associated company of Telio (or such percentage or number of shares as determined by the High Court of Singapore);

(ii) An order that Mr Bui compensates OOPA in equity for breaches of director's duties owed by him to OOPA; and

(iii) An account of profits received pursuant to the breaches of director's duties owed by him to OOPA.

In 2019, management wrote down the investment value to NIL in accordance with MFRS 9. In previous reporting years, management was of the view that it is probable that the outcome of the Writ is favourable to OOPA, which may potentially increase the fair value of OOPA, and hence represent a contingent asset to OOPA. As MFRS 137 Provisions, Contingent Liabilities and Contingent Assets does not permit the recognition of contingent assets, management did not recognise the said fair value of OOPA in previous reporting years.

On 17 June 2021, the Group announced that the High Court had on 16 June 2021 issued a judgment in favour of OOPA in relation to Suit No 885 of 2019 filed by OOPA against Mr. Bui.

On 18 June 2021, the Group announced that Mr. Bui had on 17 June 2021 filed an appeal against the decision of the High Court to the Appellate Division of the High Court of Singapore.

On 26 October 2021, the Group announced that through a deed of settlement entered into between OOPA, Mr. Bui and Telio on 25 October 2021, the parties had come to a full and final settlement of all claims in connection with, relating to, or arising out of the subject matter of the Suit.

On 7 December 2021, the Group announced that the completion of the deed had taken place, and Mr. Bui had formally withdrawn his appeal.

Subsequent to the completion of the above, the Group assessed that it had acquired a controlling stake in OOPA, making OOPA a subsidiary of the Group.

11. INVESTMENT IN ASSOCIATES (CONTINUED)

(c) The following table summarises the information of the Group's material associates, adjusted for any differences in accounting policies and reconciles the information to the carrying amount of the Group's interest in the associates:

Group 2022	SIBB Berhad RM'000
Assets and liabilities:	
Non-current assets	13,530
Current assets	5,833
Current liabilities	(40)
Net assets	19,323
Results:	
Total comprehensive income	574
Included in the total comprehensive income is:	
Revenue	250

	SIBB Berhad RM'000	Other individually immaterial associates RM'000	Total RM'000
Reconciliation of net assets to carrying amount			
Group's share of net assets	3,865	106	3,971
Carrying amount in the statements of financial position	3,865	106	3,971
Group's share of results			
Group's share of profit or loss	115	(2)	113

11. INVESTMENT IN ASSOCIATES (CONTINUED)

(c) The following table summarises the information of the Group's material associates, adjusted for any differences in accounting policies and reconciles the information to the carrying amount of the Group's interest in the associates (Continued):

Group 2021	**SIBB Berhad RM'000**
Assets and liabilities:	
Non-current assets	13,257
Current assets	5,541
Current liabilities	(48)
Net assets	18,750
Results:	
Total comprehensive income	553
Included in the total comprehensive income is:	
Revenue	779
Dividend received	9,000

	SIBB Berhad RM'000	**Other individually immaterial associates RM'000**	**Total RM'000**
Reconciliation of net assets to carrying amount			
Group's share of net assets	3,750	108	3,858
Carrying amount in the statements of financial position	3,750	108	3,858
Group's share of results			
Group's share of profit or loss	111	(10)	101

11. INVESTMENT IN ASSOCIATES (CONTINUED)

(c) The following table summarises the information of the Group's material associates, adjusted for any differences in accounting policies and reconciles the information to the carrying amount of the Group's interest in the associates (Continued):

The summarised financial information of the associates is as follows:

	Group	
	2022	2021
	RM'000	RM'000
Results		
Revenue	677	818
Loss for the financial year	(37)	(74)
Assets and Liabilities		
Total assets	27,776	26,855
Total liabilities	5,621	5,625

(d) The Group has not recognised its share of losses of associates amounting to RM 0.003 million (2021: RM0.003 million) because the Group's cumulative share of losses has exceeded its interest in that associate and the Group has no obligation in respect of these losses. The Group's cumulative accumulated losses not recognised were RM0.09 million (2021: RM0.09 million).

12. INVESTMENT IN A JOINT VENTURE

	Group	
	2022	2021
	RM'000	RM'000
Carrying amount:		
Unquoted shares at cost	1,927	1,927
Allowances for impairment	(767)	(767)
Share of post-acquisition reserve, net of dividends received	(1,160)	(1,160)
	-	-

12. INVESTMENT IN A JOINT VENTURE (CONTINUED)

The details of the joint venture are as follows:

Name of Company	Principal place of Business / Country of Incorporation	Effective Equity Interest 2022 %	Effective Equity Interest 2021 %	Principal Activities
Indirect joint venture held through Unified Communications Pte. Ltd.				
Unified Telecom Private Limited *	India	29.15	29.15	Provision of telecommunications products, services and customised solutions

* *Audited by another firm of auditors other than Baker Tilly Monteiro Heng PLT.*

The statutory reporting year end of the joint venture is 31 March. The unaudited management financial statements for the period from 1 January 2022 to 31 December 2022 of the joint venture have been used for equity accounting since it is not significant to the Group. The financial statement of the joint venture is not material to the Group.

13. INVESTMENT SECURITIES

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Non-Current:				
Financial asset:				
Designated at fair value through other comprehensive income				
At fair value				
Quoted securities				
Equity instruments				
- in Malaysia	8,282	8,363	-	-
Unquoted securities				
Equity instruments				
- in Malaysia	253	253	-	-
- outside Malaysia	1,704	1,704	-	-
	1,957	1,957	-	-

13. INVESTMENT SECURITIES (CONTINUED)

	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Non-Current (Continued):				
Designated at fair value through profit or loss				
At fair value				
Unquoted securities				
Convertible preference shares				
- in Malaysia	509	6,152	-	-
- outside Malaysia	59,998	64,387	-	-
Convertible loan notes				
- outside Malaysia	21,454	25,447	-	-
	81,961	95,986	-	-
Total non-current investment securities	92,200	106,306	-	-
Current:				
Financial assets at fair value through profit or loss:				
At fair value				
Quoted securities				
Equity instruments				
- in Malaysia	817	987	424	530
- outside Malaysia	1,715	3,202	-	-
Total current investment securities	2,532	4,189	424	530
Total investment securities	94,732	110,495	424	530

13. INVESTMENT SECURITIES (CONTINUED)

Fair value information

Fair value of investment securities is categorised as follows:

	2022 RM'000	2021 RM'000
Level 1		
Quoted securities	10,814	12,552
Level 3		
Unquoted securities	83,918	97,943
	94,732	110,495

Valuation processes, technique and significant other observable input applied by the Group

The Group adopted the following valuation methodologies in estimating the fair values of the investments:

(a) Cost approach: This is applied to estimated fair value of companies in very preliminary development stages where revenue forecasts are difficult to estimate with any degree of certainty and assumes the book value or cost of an asset approximates its fair value. Adjustments, such as impairment allowance, are made to assets on a case-by-case basis if this assumption does not hold true.

(b) Option Pricing Model ("OPM"): The OPM, which applies the Black-Scholes formula for option pricing, is a generally accepted valuation methodology used in estimating fair values of early-stage companies, in particular those with different classes of shares. In applying the OPM to determine the fair value of an investee, management considers terms such as level of seniority among the securities, dividend policy, conversion ratios, and cash allocations of the various stockholders' agreements with the investee that would affect the distributions to each class of equity upon a liquidity event. In addition, the method implicitly considers the effect of the liquidation preference as of the future liquidation date, not as of the valuation date.

(c) Implied Enterprise Value ("Implied EV"): The implied EV model estimates the enterprise value based on an adjusted implied EV/Revenue multiple and applies the OPM model based on Black-Scholes model, to allocate the estimated enterprise value to various classes of shares.

13. INVESTMENT SECURITIES (CONTINUED)

Fair value information (Continued)

The Group adopted the following valuation methodologies in estimating the fair values of the investments (Continued):

The key assumptions used in applying the OPM and implied EV models which are unobservable inputs, were as follows:

Unobservable inputs	***2022***	***2021***	***Sensitivity of inputs to fair value***
Risk free rates (range)	2.4% — 4.7%	0.3%—3.3%	Increase (decrease) of the inputs would result in decrease (increase) in fair values
Asset volatility (range)	31% — 100%	22%—92%	
Expected terms (years)	0.25 to 3	1.4 to 5	

The Group has the policy to regularly assess and evaluate the appropriate valuation methodologies in ascertaining the fair value of the investments.

14. DEFERRED TAX (ASSETS)/LIABILITIES

(a) Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The amounts of deferred tax assets and liabilities, after appropriate offsetting, are as follows:

	Group		**Company**	
	2022	**2021**	**2022**	**2021**
	RM'000	**RM'000**	**RM'000**	**RM'000**
At 1 January	(831)	(824)	-	-
Recognised in profit or loss (Note 30)	569	(443)	-	-
Recognised in equity	(440)	436	-	-
At 31 December	(702)	(831)	-	-
Presented after appropriate offsetting:				
Deferred tax assets, net	(4,627)	(5,189)	-	-
Deferred tax liabilities, net	3,925	4,358	-	-
	(702)	(831)	-	-

14. DEFERRED TAX (ASSETS)/LIABILITIES (CONTINUED)

(b) The component and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows:

Deferred tax liabilities

	Property, Plant and Equipment RM'000	Others RM'000	Total RM'000
Group			
At 1 January 2021	3,956	61	4,017
Recognised in profit or loss	(76)	-	(76)
Recognised in equity	436	(19)	417
At 31 December 2021	4,316	42	4,358
Recognised in profit or loss	(48)	-	(48)
Recognised in equity	(385)	-	(385)
At 31 December 2022	3,883	42	3,925

Deferred tax assets

	Unutilised tax losses and unabsorbed capital allowances RM'000	Others RM'000	Total RM'000
Group			
At 1 January 2021	4,617	224	4,841
Recognised in profit or loss	231	136	367
Recognised in equity	-	(19)	(19)
At 31 December 2021	4,848	341	5,189
Recognised in profit or loss	(336)	(281)	(617)
Recognised in equity	-	55	55
At 31 December 2022	4,512	115	4,627

14. DEFERRED TAX (ASSETS)/LIABILITIES (CONTINUED)

(c) The amount of temporary differences for which no deferred tax assets have been recognised are as follows:

	Group	
	2022 RM'000	2021 RM'000
Unutilised tax losses	230,268	229,517
Unabsorbed capital allowances	7,208	6,956
Right-of-use assets	3,245	2,829
	240,721	239,302

The unused tax losses are available indefinitely for offset against future taxable profits of the Group except for certain unused tax losses which will expire in the following financial years:

	Group	
	2022 RM'000	2021 RM'000
Unused tax losses arising from local subsidiaries		
2028	149,877	149,877
2029	14,546	14,546
2030	14,754	14,754
2031	13,474	13,474
2032	8,740	-
	201,391	192,651

15. INVENTORIES

	Group	
	2022 RM'000	2021 RM'000
Non-current		
At cost:		
Leasehold land held for development	4,635	4,634

15. INVENTORIES (CONTINUED)

	Group 2022 RM'000	Group 2021 RM'000
Current		
At cost:		
Raw materials	-	43
Work-in-progress	519	390
Finished goods	16	13
Food and beverages	698	808
Operating supplies	3,075	5,897
Completed properties and properties under development	31,681	30,144
	35,989	37,295
	40,624	41,929

The cost of inventories of the Group recognised as an expense in cost of sales during the financial year was RM15.21 million (2021: RM11.42 million).

Completed properties and properties under development:

	Group 2022 RM'000	Group 2021 RM'000
Non-current assets		
Leasehold land held for development	4,635	4,634
Current assets		
Leasehold land held under development	3,714	3,714
Development costs	15,622	14,116
Completed properties	12,345	12,314
	31,681	30,144
	36,316	34,778

Certain leasehold land held for development and completed properties with carrying amount of RM5.00 million (2021: RM5.00 million) has been charged to financial institutions for credit facilities granted to a subsidiary as disclosed in Note 22 to the financial statements.

16. TRADE AND OTHER RECEIVABLES

		Group		Company	
		2022	2021	2022	2021
	Note	RM'000	RM'000	RM'000	RM'000
Trade					
Trade receivables		56,949	44,229	-	-
Less : Impairment losses					
Trade receivables		(3,491)	(3,491)	-	-
	(a)	53,458	40,738	-	-
Non-Trade					
Other receivables	(a)	28,861	30,145	185	1,901
Deposits		13,954	11,889	5	5
Amounts owing by associates	(b)	2,354	2,303	-	-
Amounts owing by subsidiaries	(c)	-	-	75	7,683
		45,169	44,337	265	9,589
Less : Impairment losses					
Other receivables	(a)	(4,055)	(4,055)	(154)	(154)
Amounts owing by associates	(b)	(2,108)	(2,108)	-	-
Amounts owing by subsidiaries	(c)	-	-	-	(3,186)
		(6,163)	(6,163)	(154)	(3,340)
		39,006	38,174	111	6,249
Total trade and other receivables		92,464	78,912	111	6,249

16. TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) Trade and other receivables

Trade receivables are unsecured, non-interest bearing and normal credit terms offered by the Group range from 30 to 90 days (2021 30 to 90 days). Other credit terms are assessed and approved on a case by case basis.

Trade receivables that are individually determined to be credit impaired at the reporting date relate to receivables that have defaulted on payments.

The information about the credit exposures are disclosed in the Note 37(b)(i) to the financial statements.

(b) Amount owing by associates

The amount owing by associates are unsecured, interest-free and are repayable on demand by cash.

(c) Amount owing by subsidiaries

The amount owing by subsidiaries are unsecured, interest-free and are repayable on demand by cash.

17. OTHER ASSETS/(LIABILITIES)

	Group	
	2022	**2021**
	RM'000	**RM'000**
Other assets		
Contract assets		
Contract assets relating to property development contracts	1,045	1,718
Contract assets relating to information technology contracts	5,850	1,047
	6,895	2,765

17. OTHER ASSETS/(LIABILITIES) (CONTINUED)

	Group	
	2022	2021
Other assets (Continued)	**RM'000**	**RM'000**
Contract costs		
Costs incurred to obtain or fulfil a contract relating to information technology	3,539	3,632
Prepayments	3,531	3,901
	13,965	10,298
Other liabilities		
Contract liabilities		
Contract liabilities relating to information technology contracts	(1,573)	(2,183)
Contract liabilities relating to travel & tour sales	(3,410)	(1,828)
Contract liabilities relating to education	(104)	(19)
	(5,087)	(4,030)

The movement in contract costs are as follows:

	Group	
	2022	**2021**
	RM'000	**RM'000**
At 1 January	3,632	4,205
Additions	9,038	5,950
Recognised as cost for performance obligation satisfied	(9,138)	(6,524)
Exchange differences	7	1
At 31 December	3,539	3,632

17. OTHER ASSETS/(LIABILITIES) (CONTINUED)

Significant changes in contract balances

	2022		2021	
	Contract assets Increase/ (Decrease) RM'000	Contract liabilities Increase/ (Decrease) RM'000	Contract assets Increase/ (Decrease) RM'000	Contract liabilities Increase/ (Decrease) RM'000
Revenue recognised that was included in contract liability at the beginning of the financial year	-	7,271	-	4,534
Increase due to consideration received from customers, but revenue not recognised	-	(8,328)	-	(4,030)
Increase due to revenue recognised for unbilled goods or services transferred to customers	10,011	-	7,728	-
Transfer from contract assets recognised at the beginning of the period to receivables	(5,881)	-	(13,543)	-

18. FINANCIAL ASSETS HELD FOR TRADING

	Group	
	2022 RM'000	2021 RM'000
Financial assets held for trading designated at fair value through profit or loss:		
Foreign currencies held for sale	22	-

19. CASH AND BANK BALANCES AND SHORT TERM DEPOSITS

For the purpose of the statements of cash flows, cash and cash equivalents comprise of the following:

		Group		Company	
		2022	2021	2022	2021
	Note	RM'000	RM'000 (Restated)	RM'000	RM'000
Cash and bank balances		55,103	67,285	3,709	619
Short term deposits	(a)	120,000	59,408	71,000	700
As reported in the statements of financial position		175,103	126,693	74,709	1,319
Bank overdrafts (Note 22)		-	(238)	-	-
		175,103	126,455	74,709	1,319
Less:					
Deposits pledged to licensed banks	(b)	(19,854)	(18,970)	-	-
Deposit placed with lease payable as security deposit for lease payments	(c)	(8,626)	(10,339)	-	-
Cash and cash equivalents included in the statements of cash flows		146,623	97,146	74,709	1,319

Included in the short term deposits of the Group are:

(a) short term deposits are made for varying period of between 7 days to 12 months (2021: 4 days to 12 months).

(b) an amount of RM19.85 million (2021: RM18.97 million) charged to licensed banks as security for banking facilities granted to certain subsidiaries as disclosed in Note 22 to the financial statements;

(c) an amount of RM8.63 million (2021: RM10.34 million) pledged as security deposits on lease payments as disclosed in Note 23 to the financial statements.

The weighted average effective interest rate of the short term deposits is disclosed in Note 37(b)(iii) to the financial statements.

20. SHARE CAPITAL

	2022		2021	
	Number of Shares '000	Amount RM'000	Number of Shares '000	Amount RM'000
Issued and fully paid (no par value):				
Ordinary shares				
At 1 January	929,195	381,377	929,195	381,377
Issued of Rights Shares pursuant to Rights Issue	1,600,000	80,000	-	-
At 31 December	2,529,195	461,377	929,195	381,377

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 regard to the Company's residual interest.

During the financial year, the Company had increased its issued share capital from RM381,376,645 to RM461,376,645 by way of rights issue of 1,600,000,000 new ordinary shares at RM0.05 each ("Rights Shares") pursuant to the Rights Issue as detailed in Note 39(a) to the financial statements.

The Rights Shares rank equally in all respects with the existing ordinary shares of the Company, save and except that the Rights Shares shall not entitled to any dividends, rights, allotments and/or any other forms of distribution which may be declared, made or paid to shareholders, the entitlement date of which was prior to the date of allotment and issuance of Rights Shares on 31 October 2022.

The Company's share grant scheme ("SGS") was approved by the shareholders on 29 July 2022 and administered by the SGS Committee which was appointed by the Board on 10 November 2022 in accordance with the SGS By-Laws. The SGS shall continue to be in force for a period of five (5) years from 17 November 2022 (Effective Date) to 16 November 2027 and may be extended or renewed (as the case may be) for a further period of five (5) years or such shorter period, at the sole and absolute discretion of the Board upon the recommendation by the SGS Committee, provided always that the aforesaid initial SGS period and such extension of the SGS period made pursuant to the SGS By-Laws shall not in aggregate exceed a duration of ten (10) years from the Effective Date.

20. SHARE CAPITAL (CONTINUED)

The salient features of the SGS include amongst the others, the following:

(i) the maximum number of shares which may be made available under the SGS ("SGS Shares") shall not in aggregate exceed ten percent (10%) of the total number of issued shares of the Company (excluding treasury shares, if any) at any point in time during the SGS period ("Maximum SGS Shares");

(ii) the aggregate maximum number of SGS Shares that may be allocated to any Eligible Person as defined in the SGS By-Laws shall be determined by the SGS Committee provided that the number of SGS Shares allocated to any Eligible Persons who, either singly or collectively through persons connected with the Eligible Persons, holds twenty percent (20%) or more of the total number of issued shares of the Company (excluding treasury shares, if any), shall not exceed ten percent (10%) of the Maximum SGS Shares;

(iii) the aggregate number of SGS Shares that may be offered and/or allocated under the SGS to the Eligible Person shall be at the sole and absolute discretion of the SGS Committee after taking into consideration inter alia, the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad or other applicable regulatory requirements relating to employees' and/or directors' share issuance scheme and after taking into consideration factor which may include the Eligible Person' position, job performance, seniority, duration of service, potential for future development and contribution to the success and development of the Group; and

(iv) the SGS Shares comprised in the grant of SGS Shares made in writing by the SGS Committee to an Eligible Person in accordance with the SGS By-Laws ("Grant") shall be vested to the grantee on the vesting date(s) after fulfilling the vesting conditions in accordance with the SGS By-Laws. For the avoidance of doubt, the vesting of each Grant may be staggered in several tranches at such times and on such terms as determined by the SGS Committee. The SGS Shares comprised in the Grant shall vest in multiple of and no less than a hundred (100) Shares.

No SGS Shares has been granted or vested by the Company to any Eligible Persons during the financial year.

21. RESERVES

		Group		Company	
		2022	2021	2022	2021
	Note	RM'000	RM'000	RM'000	RM'000
Non-distributable					
Fair value reserve	(a)	(793)	(712)	-	-
Foreign currency translation reserve	(b)	9,487	11,894	-	-
Revaluation reserve	(c)	16,594	17,164	-	-
		25,288	28,346	-	-
Retained earnings		7,240	43,626	16,594	13,687
		32,528	71,972	16,594	13,687

(a) Fair Value Reserve

The fair value reserve includes the cumulative net change in the fair value through other comprehensive income investment held until the investment is derecognised.

(b) Foreign Currency Translation Reserve

The foreign currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency as well as the foreign currency differences arising from monetary items which form part of the Group's net investment in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation or another currency.

(c) Revaluation Reserve

The revaluation reserve represents the surplus on the revaluation of hotel properties of the Group.

22. BORROWINGS

	Note	Group 2022 RM'000	Group 2021 RM'000
Non-current liabilities			
Term loans		90,116	61,631
Current liabilities			
Bank overdrafts		-	238
Revolving credit		40,000	38,600
Term loans		8,799	4,881
		48,799	43,719
		138,915	105,350
Total liabilities			
Bank overdrafts	(a)	-	238
Revolving credit	(b)	40,000	38,600
Term loans	(c)	98,915	66,512
		138,915	105,350

(a) Bank Overdrafts

	Group 2022 RM'000	Group 2021 RM'000
Bank overdrafts:		
- secured	-	238

The bank overdrafts were secured by way of:

(i) a pledge of short term deposits;

(ii) fixed and floating charges over the assets of certain subsidiaries as disclosed in Notes 7, 15 and 19 to the financial statements; and

(iii) a guarantee and an indemnity from the Company and its subsidiaries.

The weighted average effective interest rate of the revolving credit is disclosed in Note 37(b)(iii) to the financial statements.

22. BORROWINGS (CONTINUED)

(b) Revolving Credit

The revolving credit is secured by way of:

(i) a pledge of short term deposits;

(ii) fixed charges over certain hotel properties and buildings of the Group as disclosed in Note 5 to the financial statements;

(iii) certain shares of subsidiaries at carrying amounts of RM72.22 million (2021: RM72.22 million) as disclosed in Note 10(b) to the financial statements; and

(iv) a guarantee and an indemnity from the Company.

The weighted average effective interest rate of the revolving credit is disclosed in Note 37(b)(iii) to the financial statements.

(c) Term Loans

	Group	
	2022 RM'000	2021 RM'000
Term loans		
- secured	98,915	66,512
Represented by:		
Current		
- not later than one (1) year	8,799	4,881
Non-current		
- later than one (1) year but not later five five (5) years	26,891	20,816
- later than five (5) years	63,225	40,815
	90,116	61,631
	98,915	66,512

22. BORROWINGS (CONTINUED)

(c) Term Loans (Continued)

The term loans are secured by way of:

(i) fixed charges over certain hotel and other properties of the Group as disclosed in Notes 5(a) and 7 to the financial statements;

(ii) the entire issued and paid up share capital of certain subsidiaries;

(iii) certain shares of subsidiaries at carrying amounts of RM72.22 million (2021: RM72.22 million) as disclosed in Note10(b) to the financial statements;

(iv) fixed and floating charges over the assets of certain subsidiaries as disclosed in Notes 15 and 19(a) to the financial statements; and

(v) a corporate guarantee by the Company and its subsidiaries.

The weighted average effective interest rate of the term loans is disclosed in Note 37(b)(iii) to the financial statements.

23. LEASE LIABILITIES

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Minimum lease payments:				
- not later than one (1) year	8,757	9,851	683	683
- later than one (1) year but not later than five (5) years	25,129	34,117	2,730	2,730
- later than five (5) years	21,646	22,179	1,193	1,877
	55,532	66,147	4,606	5,290
Less: Future lease interest	(11,181)	(14,020)	(577)	(741)
Present value of lease liabilities	44,351	52,127	4,029	4,549

23. LEASE LIABILITIES (CONTINUED)

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Represented by:				
Current				
- not later than one (1) year	5,812	7,058	537	519
Non-current				
- later than one (1) year but not later than five (5) years	20,082	23,562	2,350	2,269
- later than five (5) years	18,457	21,507	1,142	1,761
	38,539	45,069	3,492	4,030
	44,351	52,127	4,029	4,549

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date. The lease payments are discounted using the Group's incremental borrowing rate of 3.6% to 5.5% (2021: 3.6% to 5.5%) and Company's incremental borrowing rate of 3.6% (2021: 3.6%).

The Group determines the lease term of a lease as the non-cancellable period of the lease, together with periods covered by an option to extend or to terminate the lease if the Group is reasonably certain to exercise the relevant options. Management has considered the relevant facts and circumstances that create an economic incentive for the Group to either exercise the option to extend the lease, or to exercise the option to terminate the lease. Any differences in expectations from the original estimates would impact the carrying amounts of the lease liabilities of the Group.

The Group has recognised the lease payments associated with short term leases and low value assets on a straight-line basis over the lease terms and recognised as rental expenses as disclosed in Note 28 to the financial statements.

24. PROVISION FOR RETIREMENT BENEFIT OBLIGATIONS

The Group operates unfunded defined retirement benefit plans for some of its employees.

The total amount recognised in the statements of financial position are as follows:

	Group	
	2022	**2021**
	RM'000	**RM'000**
Present value of unfunded defined benefits obligations	1,294	1,413

The following table shows a reconciliation from the opening balance to the closing balance for the retirement benefit plan:

	Group	
	2022	**2021**
	RM'000	**RM'000**
At 1 January	1,413	1,386
Include in the profit or loss:		
- Current service cost	72	93
- Interest expenses	55	57
- Benefit payments	-	(4)
- Measurement (actuarial gain)	(194)	-
	(67)	146
Others:		
Paid during the financial year	(52)	(119)
At 31 December	1,294	1,413

24. PROVISION FOR RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

The principal actuarial assumptions used are as follows:

	Group	
	2022	2021
	%	%
Discount rate	5.0	4.1
Expected rate of salary increase	5.0	5.0

Assumptions regarding future mortality are based on published statistics and mortality tables.

Sensitivity analysis

Reasonable possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	Group	
	Defined benefit obligation	
	Increase	Decrease
2022	RM'000	RM'000
Increase/Decrease of 1% discount rate	(70)	77
Increase/Decrease of 1% expected rate of salary increase	76	(70)
2021		
Increase/Decrease of 1% discount rate	(176)	205
Increase/Decrease of 1% expected rate of salary increase	243	(209)

Although the analysis does not account to the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

25. TRADE AND OTHER PAYABLES

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Non-Current:					
Non-Trade					
Other payables		8,526	8,945	-	-
Total non-current payables		8,526	8,945	-	-
Current:					
Trade					
Trade payables	(a)	19,458	19,691	-	-
Non-Trade					
Accruals		18,150	16,983	473	365
Amount owing to associates	(b)	12	25	-	-
Amount owing to subsidiaries	(c)	-	-	229,290	230,058
Deposits received		1,193	1,937	-	-
Other payables		28,301	19,594	2	2
		47,656	38,539	229,765	230,425
Total current payables		67,114	58,230	229,765	230,425
Total trade and other payables		75,640	67,175	229,765	230,425

(a) **Trade payables**

Trade payables are non-interest bearing and the normal credit terms granted to the Group range from 30 to 90 days (2021: 30 to 90 days).

(b) **Amount owing to associates**

The amount owing to associates are unsecured, interest-free and are repayable on demand by cash.

(c) **Amount owing to subsidiaries**

The amount owing to subsidiaries are unsecured, interest-free and are repayable on demand by cash.

26. REVENUE

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Revenue from contract customers				
Travel and tours	116,319	15,448	-	-
Information and communications technology	74,412	73,630	-	-
Property development and investment	33,149	19,861	-	-
Bus-body fabrication	13,881	4,932	-	-
Financial services	4,403	1,964	-	-
Education services	200	122	-	-
Revenue from other sources				
Interest income	336	22	336	22
Rental income	211	247	-	-
Dividend income	13	34	18,013	13,534
Others	178	25	-	-
	243,102	116,285	18,349	13,556

The Group and the Company report the following major segments: investment holding, property development and investment, information and communications technology, travel and tours, financial services and others in accordance with MFRS 8 *Operating Segments*. For the purpose of disclosure, it disaggregates revenue into primary geographical markets, and timing of revenue recognition (i.e. goods transferred at a point in time or services transferred over time).

26. REVENUE (CONTINUED)

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Revenue:				
- Travel and tours	116,319	15,448	-	-
- Information and communications technology	74,412	73,630	-	-
- Property development and investment	33,149	19,891	-	-
- Financial services	4,403	1,964	-	-
- Investment holding	738	298	18,349	13,556
- Others	14,081	5,054	-	-
	243,102	116,285	18,349	13,556
Timing of revenue recognition:				
At a point in time	168,690	42,655	18,349	13,556
Over time	74,412	73,630	-	-
	243,102	116,285	18,349	13,556

The information on disaggregation of revenue into primary geographical markets is disclosed in Note 35 to the financial statements.

27. COST OF SALES

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Travel and tours	109,166	14,385	-	-
Information and communications technology	38,236	37,758	-	-
Property development and investment	12,259	10,968	-	-
Bus-body fabrication	10,876	6,532	-	-
Financial services	2,910	1,143	-	-
Education services	143	178	-	-
	173,590	70,964	-	-

28. OPERATING (LOSS)/PROFIT

Operating (loss)/profit has been arrived at:

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM'000	**RM'000**	**RM'000**	**RM'000**
After charging:				
Amortisation of intangible assets	784	915	-	-
Auditors' remuneration				
- statutory audit services:				
- current financial year	1,087	982	100	100
- over provision in prior years	(63)	(61)	-	-
- non-statutory audit services	9	9	9	9
Depreciation of property, plant and equipment	8,014	7,123	18	20
Depreciation of right-of-use assets	7,174	7,235	575	575
Directors' remuneration:				
- fees	347	556	347	315
- other emoluments	2,192	2,510	1,767	1,519
Expense relating to short-term lease	1,075	502	11	6
Impairment loss on:				
- goodwill	8,962	2,788	-	-
- investment in subsidiaries	-	-	7,212	1,044
- amount owing by subsidiaries	-	-	-	2,287
- trade and other receivables	-	108	-	-
Fair value change in:				
- quoted investment securities	1,075	2,650	119	516
- unquoted investment securities	11,608	-	-	-
Loss on disposal of:				
- quoted investment securities	128	-	-	-
- unquoted investment securities	-	430	-	-
Net loss on foreign exchange:				
- unrealised	1,791	-	-	-
Property, plant and equipment written off	443	3	-	-

28. OPERATING (LOSS)/PROFIT (CONTINUED)

Operating (loss)/profit has been arrived at (Continued):

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
After charging (Continued)				
Provision for retirement				
benefits plan	127	146	-	-
Staff cost:				
- salaries and wages	39,687	35,652	3,362	2,828
- defined contribution plan	5,622	4,916	445	439
- other employee benefits	4,756	2,846	44	23
And crediting:				
Bargain purchase	-	4,998	-	-
Gain on disposal of:				
- property, plant and equipment	22	-	-	-
- quoted investment securities	-	237	1	11
- hotel management services contracts	-	7,000	-	-
- investment property	167	-	-	-
Effect of modication to lease term	92	279	-	-
Fair value change in:				
- investment in associates	-	15,760	-	-
- investment properties	250	860	-	-
- unquoted investment securities	-	6,702	-	-
Net gain on foreign exchange:				
- realised	-	272	-	-
- unrealised	-	345	-	-
Dividend income:				
- quoted investment securities	119	73	-	-
Interest income:				
- short term deposits	1,408	1,110	336	22
- other investment	240	233	-	-
Rental income	552	402	-	-
Reversal of impairment loss				
- amount owing by subsidiaries	-	-	3,186	-

29. FINANCE COSTS

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Interest expenses				
- term loans	3,817	4,197	2,127	1,537
- lease liabilities	2,897	3,161	164	182
- bank overdrafts	-	8	-	-
- others	-	2	211	216
	6,714	7,368	2,502	1,935

30. INCOME TAX EXPENSE

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Income tax				
Current year				
- In Malaysia	2,411	2,686	48	56
- Outside Malaysia	349	1,254	-	-
Prior years	(158)	(11)	-	-
	2,602	3,929	48	56
Deferred tax (Note 14)				
Current year	617	(443)	-	-
Prior years	(48)	-	-	-
	569	(443)	-	-
	3,171	3,486	48	56

30. INCOME TAX EXPENSE (CONTINUED)

The income tax is calculated at the statutory rate of 24% (2021: 24%) of the estimated assessable profit for the year.

An indirect subsidiary of the Company in Malaysia, Postpay Technology Sdn. Bhd., had been granted pioneer status as Multimedia Super Corridor ("MSC") company under the Malaysia Promotion of Investment Act, 1986. The benefits to a company having MSC status include a five-year pioneer status tax exemption on profits generated from the MSC qualifying activities during the same period. The MSC status of Postpay Technology Sdn. Bhd. commenced from 3 January 2017 and expired on 2 January 2022.

A reconciliation of income tax expense applicable to (loss)/profit 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 are as follows:

	Group		Company	
	2022	**2021**	**2022**	**2021**
	%	%	%	%
Applicable tax rate	(24)	24	24	24
Tax effects arising from				
- Non allowable expenses	30	41	98	86
- Non taxable income	-	-	(121)	(108)
- Utilisation of previously unrecognised tax losses and capital allowances	(5)	(4)	-	-
- Deferred tax assets not recognised in the year	5	172	-	-
- Different tax rate in foreign jurisdiction	2	(65)	-	-
Average effective tax rate	8	168	1	2

31. LOSS PER ORDINARY SHARE

(a) Loss per ordinary share

Basic loss per ordinary share are based on the (loss)/profit attributable to the ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the financial year, calculated as follows:

	Group	
	2022	**2021**
	RM'000	**RM'000**
Loss attributable to ordinary equity holders of the Company	(35,291)	(11,269)
	'000 Units	**'000 Units**
Weighted average number of ordinary shares in issue	1,200,976	929,195
	Sen	**Sen**
Basic loss per share	(2.94)	(1.21)

(b) Diluted loss per ordinary share

The basic and diluted loss per share are reported to be the same for the current year and last year as the Company has no dilutive potential shares.

32. DIVIDENDS

	Company	
	2022	2021
	RM'000	RM'000
Final single tier dividend of 0.15 sen per share in respect of respect of financial year ended 31 December 2021, paid on 18 August 2022	1,394	-
Final single tier dividend of 0.15 sen per share in respect of financial year ended 31 December 2020, paid on 18 August 2021	-	1,394

In addition, the Directors have recommended a final single tier dividend of 0.10 sen per ordinary share in respect of the financial year ended 31 December 2022 and payable upon approval by shareholders at the forthcoming Annual General Meeting.

The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the next financial year ending 31 December 2023.

33. CONTINGENT LIABILITIES

	Group	
	2022	2021
	RM'000	RM'000
Litigation	6,894	6,485

On 19 November 2013, Unified Telecom Private Limited ("UTPL"), a joint venture of Unified Communications Pte Ltd ("UCPL"), filed a petition to the High Court of Delhi, New Delhi in India under Section 9 of India Arbitration and Conciliation Act, 1996 to obtain interim relief on the protection of assets currently under the custody of a former customer, a mobile telecoms network operator and service provider in India (the "Telco"), and to deny the penalty claims by the Telco against UTPL.

33. CONTINGENT LIABILITIES (CONTINUED)

The Telco had via a letter issued in July 2013 alleged that UTPL is liable for a sum of INR 11.3 crore (approximately RM6.9 million) for damages and expenditure incurred in connection with the contract during its currency.

Legal advice has been sought from reputable law firms in both India and Singapore with good credentials in handling contract litigation and dispute resolution, to review and advise on the merit of this claim by the Telco on UTPL. Based on the legal opinions obtained from the law firm concerned, management is of the view that UTPL has full rights and title to the assets and should be entitled to demand their return, and that the Telco's claim against UTPL has no legal merit. Accordingly, external legal counsels in Singapore and India have been appointed to advise and represent UCPL and UTPL to pursue legal recourse.

As announced by the Company on 16 January 2015, the hearing on the petition filed by UTPL which was originally scheduled to be heard on 23 April 2014, having been adjourned on several occasions, was dismissed by the High Court, as the Telco had initiated the arbitration proceedings before a tribunal. The High Court was of the view that the matter should be resolved through arbitration proceedings since the tribunal had already been constituted.

Since 2015, a number of procedural hearings have been held by the Arbitrator in relation to the matter. During the year, the provision of evidence by all witnesses and the subsequent cross examination of these witnesses was completed by all parties.

The arbitrator has directed final oral arguments to be heard from both parties on a date to be fixed in March 2023. The date has subsequently been fixed on 27 April 2023.

In the opinion of management, no material losses are expected to arise pertaining to the aforesaid contingent matter.

34. SIGNIFICANT RELATED PARTY DISCLOSURES

(a) Identification of related parties

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

Related parties of the Group include:

(i) subsidiaries;
(ii) associates;
(iii) joint venture;
(iv) entities in which the directors have a substantial financial interest; and
(v) key management personnel of the Group and the Company, comprising persons (including directors) having the authority and responsibility for planning, directing and controlling the activities directly or indirectly.

(b) Significant related party transactions and balances

Significant related party transactions 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				
(i) Dividends receivable from subsidiaries				
- Advance Synergy Realty Sdn. Bhd.	-	-	5,350	-
- Alangka-Suka Hotels & Resorts Sdn. Bhd.	-	-	12,000	5,000
- Worldwide Matrix Sdn. Bhd.	-	-	650	-
- Advance Synergy Capital Sdn. Bhd.	-	-	-	8,500

34. SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

(b) Significant related party transactions and balances (Continued)

Significant related party transactions other than those disclosed elsewhere in the financial statements are as follows (Continued):

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Expenses				
(i) Directors' emoluments:				
- fees	347	556	347	315
- salaries and bonuses	2,192	2,510	1,767	1,519
- benefit-in-kind	75	30	75	23

(c) Remuneration of key management personnel

The remuneration of Directors and other key management personnel during the financial year are as follows:

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Fees	347	683	347	315
Emoluments and benefits	4,753	4,827	2,071	1,776
Contributions to defined contribution plan	527	564	228	213
	5,627	6,074	2,646	2,304
Benefit-in-kind	112	67	82	30

Included in the employee benefits of the Group and Company are Executive Directors' remuneration amounting to RM1,724,786 (2021: RM1,945,158) and RM1,677,360 (2021: RM1,518,720) respectively.

35. SEGMENT INFORMATION

The Group prepared the following segment information in accordance with MFRS 8 *Operating Segments* and on the basis of internal reports on the Group's strategic business units which are regularly reviewed by the Group Managing Director in order to allocate resources to the segments and to assess their performances.

The Group's operating and reportable segments are business units engaged in providing different products or services and business units operating in different geographical locations. These businesses are managed and assessed separately as each requires a differentiated strategy focused on the specific products and services. The Group Managing Director reviews the internal management reports on a quarterly basis in order to assess their performance.

There are varying levels of integration among Investment Holding segment and Travel and Tours segment with the other segments. This integration includes rental of properties, corporate support and provision of travel-related service. Inter-segment pricing is determined on a negotiated basis.

Segment results

Segment performance is used to measure performance as Group Managing Director believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Performance is evaluated based on operating profit or loss which is measured differently from operating profit or loss in the consolidated financial statements.

Segment assets

The total segment asset is measured based on all assets (including goodwill) of a segment, as included in the internal management reports that are reviewed by the Group Managing Director. Segment total asset is used to measure the return on assets of each segment.

35. SEGMENT INFORMATION (CONTINUED)

Segment liabilities

The total segment liability is measured based on all liabilities of a segment, as included in the internal management reports that are reviewed by the Group Managing Director.

The Group's operating segments are as follows:

Investment holding	:	Investment holding and providing full corporate and financial support to the Group.
Property development & investment	:	Development of residential and commercial properties, property management and rental of property and operation and management of serviced office and other related services. Operate hotels and resorts and other related services.
Information and communications technology	:	Design and development of telecommunications software applications and systems and the provision of solutions and services for the telecommunications industry.
Travel and tours	:	Travel and tour agent and provision of travel related services.
Financial services	:	Payment card issuing and acquiring and related services and money services business.
Others	:	Businesses involving design, building and fabrication of coaches and bus maintenance and related services and owns and operates language centre and related services.

35. **SEGMENT INFORMATION (CONTINUED)**

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by operating segment:

2022	**Investment holding RM'000**	**Property development and investment RM'000**	**Information and communications technology RM'000**	**Travel and tours RM'000**	**Financial services RM'000**	**Others RM'000**	**Elimination RM'000**	**Notes**	**Total RM'000**
Revenue									
External	738	33,149	74,412	116,319	4,403	14,081	-		243,102
Inter-segment	21,333	2,241	-	184	-	-	(23,758)	(a)	-
	22,071	35,390	74,412	116,503	4,403	14,081	(23,758)		243,102
Results									
Segment results	1,154	(10,943)	(8,085)	3,068	(6,762)	(2,385)	(17,420)	(b)	(41,373)
Share of results of associates	115	(2)	-	-	-	-	-		113
Consolidated profit/ (loss) before tax	1,269	(10,945)	(8,085)	3,068	(6,762)	(2,385)	(17,420)		(41,260)
Income tax expense	(64)	(532)	(2,291)	(284)	-	-	-		(3,171)
Loss for the financial year									(44,431)
Attributable to:									
Owners of the Company									(35,291)
Non-controlling interests									(9,140)

35. **SEGMENT INFORMATION (CONTINUED)**

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by operating segment (Continued):

2022	**Investment holding RM'000**	**Property development and investment RM'000**	**Information and communications technology RM'000**	**Travel and tours RM'000**	**Financial services RM'000**	**Others RM'000**	**Elimination RM'000**	**Notes**	**Total RM'000**
Other information									
Segment assets	127,847	419,828	225,080	13,714	18,890	25,527	-		830,886
Investment in associates and a joint venture	3,866	105	-	-	-	-	-		3,971
Unallocated corporate assets									6,914
Total assets									841,771
Segment liabilities	5,321	221,199	18,462	5,206	11,062	4,038	-		265,288
Unallocated corporate liabilities									5,110
Total liabilities									270,398
Additions to non-current assets (other than financial instruments and deferred tax assets)									
- Property, plant and equipment	12	18,600	721	31	31	113	-		19,508
- Leasehold land and building	-	32,973	-	-	-	-	-		32,973
- Software development expenditure	-	-	1,078	-	-	-	-		1,078

35. **SEGMENT INFORMATION (CONTINUED)**

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by operating segment (Continued):

2022	Invest-ment holding RM'000	Property develop-ment and investment RM'000	Information and commu-nications technology RM'000	Travel and tours RM'000	Financial services RM'000	Others RM'000	Elimi-nation RM'000	Notes	Total RM'000
Other information (Continued)									
Income:									
Interest income	337	643	548	120	-	-	-		1,648
Dividend income	13	-	-	-	-	106	-		119
Fair value change in:									
-investment properties	250	-	-	-	-	-	-		250
Gain on disposal of:									
-property, plant and equipment	-	-	-	22	-	-	-		22
-investment property	167	-	-	-	-	-	-		167
Expense:									
Amortisation of intangible assets	-	-	784	-	-	-	-		784
Depreciation on property, plant and equipment	239	5,270	1,480	39	798	188	-		8,014
Depreciation on right-of-use assets	-	5,951	515	82	27	599	-		7,174
Finance cost	2,827	3,688	100	42	3	54	-		6,714

35. SEGMENT INFORMATION (CONTINUED)

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by operating segment (Continued):

2022	Investment holding RM'000	Property development and investment RM'000	Information and communications technology RM'000	Travel and tours RM'000	Financial services RM'000	Others RM'000	Elimination RM'000	Notes	Total RM'000
Other information (Continued)									
Expense (Continued):									
Fair value change in:									
-unquoted investment securities	4,978	-	6,630	-	-	-	-		11,608
-quoted investment securities	-	976	-	-	-	99	-		1,075
Loss on disposal of:									
-quoted investment securities	-	128	-	-	-	-	-		128
Impairment loss on:									
-goodwill	-	-	8,962	-	-	-	-		8,962
Property, plant and equipment written off	-	85	-	94	264	-	-		443
Staff costs:									
- salaries and wages	6,270	8,486	18,232	2,950	557	3,192	-		39,687
- defined contribution plan	822	1,606	2,429	362	77	326	-		5,622
- other employee benefits	517	1,734	1,860	216	310	119	-		4,756

35. **SEGMENT INFORMATION (CONTINUED)**

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by operating segment (Continued):

2021	**Investment holding RM'000**	**Property development and investment RM'000**	**Information and communications technology RM'000**	**Travel and tours RM'000**	**Financial services RM'000**	**Others RM'000**	**Elimination RM'000**	**Notes**	**Total RM'000**
Revenue									
External	298	19,891	73,630	15,448	1,964	5,054	-		116,285
Inter-segment	16,261	1,675	-	20	-	-	(17,956)	(a)	-
	16,559	21,566	73,630	15,468	1,964	5,054	(17,956)		116,285
Results									
Segment results	4,807	(11,762)	31,903	(947)	(5,577)	(6,588)	(9,860)	(b)	1,976
Share of results of associates	111	(10)	-	-	-	-	-		101
Consolidated profit/ (loss) before tax	4,918	(11,772)	31,903	(947)	(5,577)	(6,588)	(9,860)		2,077
Income tax expense	(70)	(805)	(2,611)	-	-	-	-		(3,486)
Loss for the financial year									(1,409)
Attributable to:									
Owners of the Company									(11,269)
Non-controlling interests									9,860

35. **SEGMENT INFORMATION (CONTINUED)**

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by operating segment (Continued):

2021	**Invest-ment holding RM'000**	**Property develop-ment and investment RM'000**	**Information and commu-nications technology RM'000**	**Travel and tours RM'000**	**Financial services RM'000**	**Others RM'000**	**Elimi-nation RM'000**	**Notes**	**Total RM'000**
Other information									
Segment assets	63,573	402,806	236,197	11,468	21,420	26,163	-		761,627
Investment in associates and a joint venture	3,750	108	-	-	-	-	-		3,858
Unallocated corporate assets									7,851
Total assets									773,336
Segment liabilities	5,900	182,687	23,186	3,450	7,238	7,634	-		230,095
Unallocated corporate liabilities									6,055
Total liabilities									236,150
Additions to non-current assets (other than financial instruments and deferred tax assets)									
- Property, plant and equipment	33	16,642	580	-	781	133	-		18,169
- Software development expenditure	-	-	578	-	-	-	-		578

35. **SEGMENT INFORMATION (CONTINUED)**

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by operating segment (Continued):

2021	**Investment holding RM'000**	**Property development and investment RM'000**	**Information and communications technology RM'000**	**Travel and tours RM'000**	**Financial services RM'000**	**Others RM'000**	**Elimination RM'000**	**Notes**	**Total RM'000**
Other information (Continued)									
Income:									
Interest income	22	695	492	134	-	-	-		1,343
Dividend income	34	19	-	-	-	20	-		73
Fair value change in:									
-investment in associates	2,058	-	13,702	-	-	-	-		15,760
-investment properties	1,064	196	(400)	-	-	-	-		860
-unquoted investment securities	563		6,139				-		6,702
Gain on bargain purchase	-	-	4,998	-	-	-	-		4,998
Gain on disposal of:									
-quoted investment securities	11	210	-	-	-	16	-		237
-hotel management services contracts	-	7,000	-	-	-	-	-		7,000

35. SEGMENT INFORMATION (CONTINUED)

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by operating segment (Continued):

2021	Investment holding RM'000	Property development and investment RM'000	Information and communications technology RM'000	Travel and tours RM'000	Financial services RM'000	Others RM'000	Elimination RM'000	Notes	Total RM'000
Other information (Continued)									
Expense:									
Amortisation of intangible assets	-	-	915	-	-	-	-		915
Depreciation on property, plant and equipment	156	4,160	1,658	75	777	297	-		7,123
Depreciation on right-of-use assets	-	5,405	491	53	-	1,286	-		7,235
Finance cost	1,667	5,244	261	13	6	177	-		7,368
Fair value change in:									
-quoted investment securities	516	1,891	-	-	-	243	-		2,650
Impairment loss on:									
-goodwill	440	2,348	-	-	-	-	-		2,788
-trade and other receivables	-	77	31	-	-	-	-		108
Property, plant and equipment written off	-	-	3	-	-	-	-		3
Loss on disposal of:									
-unquoted investment securities	430	-	-	-	-	-	-		430
Staff costs:									
- salaries and wages	5,615	6,736	18,614	1,555	398	2,734	-		35,652
- defined contribution plan	763	1,191	2,429	185	57	291	-		4,916
- other employee benefits	127	823	1,667	91	29	109	-		2,846

35. SEGMENT INFORMATION (CONTINUED)

Notes Nature of elimination to arrive at amounts reported in the consolidated financial statements:

(a) Inter-segment revenues are eliminated on consolidation; and

(b) Inter-segment expenses are eliminated on consolidation.

Geographical Information

The Group operates mainly in Malaysia, Singapore, Africa and Middle East, Europe and others. In determining the geographical segments of the Group, revenue is based on the geographical locations of customers. Segment assets and capital expenditure are based on the geographical location of the assets. The composition of each geographical segment is as follows:

Malaysia	:	Investment holding and providing full corporate and financial support to the Group, property development and investment, property management and rental of property, operation and management of serviced office and other related services, owner and operator of hotels and resorts and other related services, travel and tours and related services, money services, payment card issuing and acquiring and related services, design and development of telecommunications software applications and systems and the provision of solutions and services for the telecommunications industry, design, building and fabrication of coaches, and bus maintenance and related services and owns and operates language centre.
Singapore	:	Design and development of telecommunications software applications and systems and the provision of solutions and services for the telecommunications industry, provision of management and investment holdings.
Africa and Middle East	:	Operate and manage hotels and resorts, design and development of telecommunications software applications and systems and the provision of solutions and services for the telecommunications industry.
Europe	:	Operate and manage hotels and resorts.
Others	:	Operate and manage hotels and resorts, design and development of telecommunications software applications and systems and the provision of solutions and services for the telecommunications industry.

35. SEGMENT INFORMATION (CONTINUED)

Geographical segments

The following table provides an analysis of the Group's revenue, segment assets and additions to non-current assets (other than financial instruments and deferred tax assets) by geographical segment:

	Revenue		Non-current assets		Additions to non-current assets (other than financial instruments and deferred tax assets)	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Malaysia	231,990	98,664	284,794	307,026	37,171	5,059
Singapore	1,879	1,767	34,720	33,924	89	133
Africa & Middle East	932	3,663	-	-	-	-
Europe	-	-	87,988	76,310	16,239	13,519
Others	8,301	12,191	103,309	86,980	60	36
	243,102	116,285	510,811	504,240	53,559	18,747

Major customers

For the information and technology communications division, revenue from two customers represented RM21.1 million (2021: RM19.7 million) and RM15.3 million (2021: RM15.6 million) respectively of the Group's total revenue.

36. FAIR VALUE OF FINANCIAL INSTRUMENTS

(a) Financial instruments that are not carried at fair value and whose carrying amounts are reasonably approximated to fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Financial assets	
Trade and other receivables	16
Cash and bank balances and short term deposits	19
Financial liabilities	
Borrowings	22
Trade and other payables	25

The carrying amount of these financial assets and liabilities is reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

The carrying amount of the current portion of borrowings is reasonable approximation of fair values due to the insignificant impact of discounting.

The carrying amount of long term floating rate loans approximate their fair value as the loans to be repaid to market interest rate on or near report date.

(b) Fair value hierarchy

The following are classes of financial instruments that are carried at fair value, by valuation method. The different levels have been defined as follows:

(i) Level 1 - Unadjusted quoted prices in an active market for identical financial instruments

(ii) Level 2 - Inputs other than quoted prices included within Level 1 that are observable either directly or indirectly

(iii) Level 3 - Inputs that are not based on observable market data

36. **FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)**

(b) **Fair value hierarchy (Continued)**

The following table provides fair value measurement hierarchy of the Group's financial instruments:

		Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value					
Group		**Level 1**	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**	**Fair value**	**Carrying amount**
2022	**Note**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Financial assets											
Investment securities:	13										
- Fair value through other comprehensive income financial assets		8,282	-	1,957	10,239	-	-	-	-	10,239	10,239
- Fair value through profit or loss financial assets		2,532	-	81,961	84,493	-	-	-	-	84,493	84,493
Financial liabilities											
Borrowings:											
- Term loans	22	-	-	-	-	-	-	90,116	90,116	90,116	90,116
Group											
2021											
Financial assets											
Investment securities:	13										
- Fair value through other comprehensive income financial assets		8,363	-	1,957	10,320	-	-	-	-	10,320	10,320
- Fair value through profit or loss financial assets		4,189	-	95,986	100,175	-	-	-	-	100,175	100,175
Financial liabilities											
Borrowings:											
- Term loans	22	-	-	-	-	-	-	61,631	61,631	61,631	61,631

36. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

(b) Fair value hierarchy (Continued)

Policy on transfer between levels

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

Fair value hierarchy

Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

Financial instrument carried at fair value

The fair value of quoted investments are estimated based on their quoted market prices as at the end of the reporting period.

Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.

Level 3 fair value

Level 3 fair value is estimated using unobservable input for the financial assets with the respective valuation technique.

36. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

(b) Fair value hierarchy (Continued)

Financial instruments carried at fair value (Continued)

Valuation process applied by the Group has been disclosed on Note 13 to the financial statements.

The Group has the policy to regularly assess and evaluate the appropriate valuation methodologies in ascertaining the fair value of the investments.

Financial instruments not carried at fair value

The fair value of the term loans are determined using the discounted cash flows method based on discount rates that reflects the issuer's borrowing rate as at the end of the reporting period.

Transfer between levels of fair values hierarchy

There is no transfer between levels of fair values hierarchy during the financial year.

37. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned:

(i) fair value through profit or loss ("FVPL");
(ii) designated fair value through profit or loss ("DFVPL");
(iii) amortised cost;
(iv) fair value through other comprehensive income ("FVOCI"); and
(v) designated fair value through other comprehensive income ("DFVOCI").

37. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Categories of financial instruments (Continued)

2022	Carrying amount RM'000	Amortised cost RM'000	FVPL RM'000	DFVPL RM'000	DFVOCI RM'000
Group					
Financial assets					
Investment securities	94,732	-	2,532	81,961	10,239
Trade and other receivables	92,464	92,464	-	-	-
Financial assets held for trading	22	-	-	22	-
Cash and bank balances and short term deposits	175,103	175,103	-	-	-
	362,321	267,567	2,532	81,983	10,239
Company					
Financial assets					
Investment securities	424	-	424	-	-
Trade and other receivables	111	111	-	-	-
Cash and bank balances and short term deposits	74,709	74,709	-	-	-
	75,244	74,820	424	-	-
Group					
Financial liabilities					
Borrowings	138,915	138,915	-	-	-
Trade and other payables	75,640	75,640	-	-	-
	214,555	214,555	-	-	-
Company					
Financial liabilities					
Trade and other payables	229,765	229,765	-	-	-

37. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Categories of financial instruments (Continued)

2021	Carrying amount RM'000	Amortised cost RM'000	FVPL RM'000	DFVPL RM'000	DFVOCI RM'000
Group					
Financial assets					
Investment securities	110,495	-	4,189	95,986	10,320
Trade and other receivables	78,912	78,912	-	-	-
Cash and bank balances and short term deposits	126,693	126,693	-	-	-
	316,100	205,605	4,189	95,986	10,320
Company					
Financial assets					
Investment securities	530	-	530	-	-
Trade and other receivables	6,249	6,249	-	-	-
Cash and bank balances and short term deposits	1,319	1,319	-	-	-
	8,098	7,568	530	-	-
Group					
Financial liabilities					
Borrowings	105,350	105,350	-	-	-
Trade and other payables	67,175	67,175	-	-	-
	172,525	172,525	-	-	-
Company					
Financial liabilities					
Trade and other payables	230,425	230,425	-	-	-

37. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management

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

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(i) Credit risk

Credit risk is the risk of financial loss that may arise on outstanding financial instruments should a counter party default on its obligation. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. It is the Group's and the Company's policy to monitor the financial standing of these receivables on an ongoing basis to ensure that the Group and the Company are exposed to minimal credit risk.

Cash deposits and trade receivables may give rise to credit risk which requires the loss to be recognised if a counter party fails to perform as contracted.

Trade and other receivables

As at the end of the financial year, the Group has no significant concentration of credit risk other than an amount owing from a debtor of RM12.07 million (2021: RM12.16 million). The Group does not anticipate the carrying amounts as at the end of the financial year to be significantly different from the values that would eventually be received.

The maximum exposures to credit risk are represented by the carrying amounts of the financial assets in the statements of financial position.

37. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

(i) Credit risk (Continued)

Credit risk concentration profile

The Group determines concentrations of credit risk by industry sector profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the reporting date are as follows:

	Group			
	2022		**2021**	
	RM'000	**% of total**	**RM'000**	**% of total**
By industry sectors:				
Investment holding	7	0.0%	8	0.0%
Property development & Investment	4,435	8.3%	6,781	16.6%
Information and communications technology	27,930	52.2%	27,547	67.6%
Travel and tours	4,306	8.1%	307	0.8%
Financial services	9,008	16.9%	3,707	9.1%
Others	7,772	14.5%	2,388	5.9%
	53,458	100.0%	40,738	100.0%

The Group applies the simplified approach to trade receivables and general approach to other receivables to providing for impairment losses prescribed by MFRS 9, which permits the use of the lifetime expected credit loss provision for all trade receivables and other receivables. To measure the impairment losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The impairment losses also incorporate forward looking information. The Group also assessed the risk of loss of each customer individually based on their financial information, past trend of payments and external credit ratings, where applicable.

37. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

(i) Credit risk (Continued)

The ageing analysis of the Group's trade receivables is as follows:

	Group 2022 RM'000	Group 2021 RM'000
Neither past due nor impaired	36,659	20,859
Past due 0 to 3 months	6,652	7,765
Past due 3 to 9 months	3,879	8,437
Past due over 9 months	6,268	3,677
	16,799	19,879
Credit impaired (individually assessed)	3,491	3,491
	56,949	44,229

Receivables that are impaired

The receivables of the Group's that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

Group	Trade receivables 2022 RM'000	Trade receivables 2021 RM'000	Other receivables 2022 RM'000	Other receivables 2021 RM'000	Amount owing by subsidiaries 2022 RM'000	Amount owing by subsidiaries 2021 RM'000
At 1 January	3,491	3,383	4,055	4,055	-	-
Charge for the financial year						
- individually assessed	-	108	-	-	-	-
At 31 December	3,491	3,491	4,055	4,055	-	-

37. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

(i) Credit risk (Continued)

Receivables that are impaired (Continued)

The receivables of the Group's that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows (Continued):

	Trade receivables		Other receivables		Amount owing by subsidiaries	
	2022	**2021**	**2022**	**2021**	**2022**	**2021**
Company	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
At 1 January	-	-	154	154	3,186	19,503
Charge for the the financial year						
- individually assessed	-	-	-	-	-	2,287
Reclassified to investment in subsidiaries	-	-	-	-	-	(18,604)
Reversal of impairment loss	-	-	-	-	(3,186)	-
At 31 December	-	-	154	154	-	3,186

Other receivables and inter-company loans and advances

For other receivables, the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Group's and the Company's maximum exposure to credit risk arising from other receivables is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

37. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

(i) Credit risk (Continued)

Other receivables and inter-company loans and advances (Continued)

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information.

Regardless of the analysis above, a significant increase in credit risk is presented if a debtor is more than 30 days past due in the making of a contractual payment.

The Company provides unsecured loans and advances to its subsidiaries. The Company monitors the ability of the subsidiaries to repay the loans and advances on an individual basis.

Some intercompany loans between entities within the Group are repayable on demand. For loans that are repayable on demand, impairment losses are assessed based on the assumption that repayment of the loan is demanded at the reporting date. If the borrower does not have sufficient highly liquid resources when the loan is demanded, the Group and the Company will consider the expected manner of recovery and recovery period of the intercompany loan.

Other than the credit impaired other receivables, the Group and the Company consider those financial assets to have low credit risk.

Refer to Note 3.12(a) for the Group's and the Company's other accounting policies for impairment of financial assets.

37. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

(i) Credit risk (Continued)

Financial guarantees

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries.

The maximum exposure to credit risk amounts to RM96.22 million (2021: RM77.61 million) representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period.

As at the reporting date, there was no loss allowance for impairment as determined by the Company for the financial guarantee.

The financial guarantees have not been recognised since the fair value on initial recognition was not material as the guarantees are provided as credit enhancement to the subsidiaries' secured borrowings.

(ii) Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

The Group and the Company maintain a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

37. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

(ii) Liquidity risk (Continued)

Maturity analysis

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

			← Contractual cash flows →			
	Carrying Amount RM'000	**Contractual interest rate %**	**On demand or within 1 Year RM'000**	**Between 1 - 5 Years RM'000**	**More than 5 Years RM'000**	**Total RM'000**
2022						
Group						
Financial liabilities						
Trade and other payables	75,640	5.50	68,542	8,044	1,904	78,490
Revolving credit	40,000	5.08-5.65	40,000	-	-	40,000
Term loans	98,915	4.40-6.90	12,959	47,524	69,730	130,213
Company						
Financial liabilities						
Other payables	229,765	-	229,765	-	-	229,765
Financial guarantee contracts	-	-	96,222	-	-	96,222

37. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

(ii) Liquidity risk (Continued)

Maturity analysis (Continued)

	Carrying Amount RM'000	Contractual interest rate %	← Contractual cash flows → On demand or within 1 Year RM'000	Between 1 - 5 Years RM'000	More than 5 Years RM'000	Total RM'000
2021						
Group						
Financial liabilities						
Trade and other payables	67,175	5.50	60,015	7,315	2,975	70,305
Bank overdrafts	238	7.20	238	-	-	238
Revolving credit	38,600	3.97-4.65	38,600	-	-	38,600
Term loans	66,512	3.15-8.60	7,395	28,724	44,100	80,219
Company						
Financial liabilities						
Other payables	230,425	-	230,425	-	-	230,425
Financial guarantee contracts	-	-	77,613	-	-	77,613

37. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's income and operating cash flows are substantially independent of changes in market interest rates. Interest rate exposure arises from the Group's borrowings and is managed through the use of fixed and floating rate debts. The Group does not use derivative financial instruments to hedge its risk.

The Company manages the net exposure to interest rate risks by maintaining sufficient lines of credit to obtain acceptable lending costs and by monitoring the exposure to such risks on an ongoing basis. Management does not enter into interest rate hedging transactions since it considers that the cost of such instruments outweighs the potential risk of interest rate fluctuation.

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments based on carrying amounts as at the end of the reporting period were:

		2022		2021	
Fixed rate	**Note**	**Weighted average effective interest rate %**	**Carrying amount RM'000**	**Weighted average effective interest rate %**	**Carrying amount RM'000**
Group					
Financial assets					
Short term deposits	19	3.75	120,000	1.80	59,408
Financial liabilities					
Term loan	22(c)	-	-	8.60	845
			-		845

37. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

(iii) Interest rate risk (Continued)

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments based on carrying amounts as at the end of the reporting period were (Continued):

		2022		2021	
Fixed rate	**Note**	**Weighted average effective interest rate %**	**Carrying amount RM'000**	**Weighted average effective interest rate %**	**Carrying amount RM'000**
Company					
Financial assets					
Short term deposits	19	3.65	71,000	1.22	700
Floating rate					
Group					
Financial liabilities					
Bank overdrafts	22(a)	-	-	7.20	238
Revolving credit	22(b)	5.08-5.65	40,000	3.95-4.65	38,600
Term loans	22(c)	4.86	98,915	3.84	65,667
			138,915		104,505

Sensitivity analysis for interest rate risk

(a) **Fair value sensitivity analysis for fixed rate instruments**

The Group and the Company do not account for any fixed rate financial assets at fair value through profit or loss and equity. Therefore, a change in interest rates at the reporting date would not affect profit or loss and equity.

37. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

(iii) Interest rate risk (Continued)

Sensitivity analysis for interest rate risk (Continued)

(b) Cash flow sensitivity analysis for variable rate instruments

At the reporting date, if interest rates had been 100 basis points lower/higher, with all other variables held constant, the Group's and the Company's profit net of tax would have been RM0.65 million lower/higher and RM0.5 million higher/lower respectively, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings and higher/lower interest income from floating rate fixed deposits. The assumed movement in basis points for interest rate sensitivity analysis is based on a prudent estimate of the current market environment.

(iv) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Foreign currency risk is the risk of fluctuation in fair value or future cash flows of a financial instrument as a result of changes in foreign exchange rates. The Group's and the Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's and the Company's operating activities (when sales, purchases and borrowings that are denominated in a foreign currency) and the Group's net investments in foreign subsidiaries.

The Group and the Company ensure that the net exposure to this risk is kept to an acceptable level by buying or selling foreign currencies at spot rates where necessary to address short-term imbalances. Management does not enter into currency hedging transactions since it considers that the cost of such instruments outweighs the potential risk of exchange rate fluctuations.

37. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

(iv) Foreign currency risk (Continued)

The unhedged financial assets and liabilities of the Group that are not denominated in their functional currencies are as follows:

Group 2022	← Functional currencies → Ringgit Malaysia RM'000	US Dollar RM'000	Singapore Dollar RM'000	Total RM'000
Financial assets and liabilities not held in functional currencies				
Investment securities				
Renminbi	-	1,693	-	1,693
Trade receivables				
US Dollar	-	-	1,506	1,506
Australia Dollar	71	-	-	71
Brunei Dollar	2,349	-	-	2,349
	2,420	-	1,506	3,926
Other receivables				
US Dollar	-	-	9	9
Cash and bank balances				
Australia Dollar	23	-	-	23
Euro	132	5	-	137
Pound Sterling	30	8	-	38
Renminbi	1	-	-	1
Singapore Dollar	5	300	-	305
US Dollar	4,884	-	3,542	8,426
Others	5	-	-	5
	5,080	313	3,542	8,935
Trade payables				
US Dollar	1,560	-	534	2,094
Others	640	-	40	680
	2,200	-	574	2,774

37. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

(iv) Foreign currency risk (Continued)

The unhedged financial assets and liabilities of the Group that are not denominated in their functional currencies are as follows (Continued):

	← Functional currencies →			
Group	**Ringgit Malaysia**	**US Dollar**	**Singapore Dollar**	**Total**
2021	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Financial assets and liabilities not held in functional currencies				
Investment securities				
Renminbi	-	1,693	-	1,693
Trade receivables				
US Dollar	-	-	723	723
Euro	31	-	-	31
Others	25	-	-	25
	56	-	723	779
Other receivables				
US Dollar	-	-	9	9
Cash and bank balances				
Australia Dollar	3	-	-	3
Euro	99	5	-	104
Pound Sterling	368	50	-	418
Renminbi	1	-	-	1
Singapore Dollar	2	277	-	279
US Dollar	4,277	-	568	4,845
Others	5	-	-	5
	4,755	332	568	5,655
Trade payables				
US Dollar	1,504	-	420	1,924
Others	176	-	37	213
	1,680	-	457	2,137

37. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

(iv) Foreign currency risk (Continued)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's total profit to a reasonably possible change in the USD, RMB and GBP exchange rate against the respective functional currencies of the Group entities, with all other variables held constant.

Group		**Effect on profit for the financial year RM'000**
2022		
USD/SGD	- strengthened 10%	(450)
	- weakened 10%	450
RMB/RM	- strengthened 10%	(169)
	- weakened 10%	169
USD/RM	- strengthened 10%	(335)
	- weakened 10%	335
2021		
GBP/RM	- strengthened 10%	(37)
	- weakened 10%	37
RMB/RM	- strengthened 10%	(169)
	- weakened 10%	169
USD/RM	- strengthened 10%	(277)
	- weakened 10%	277

(v) Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

37. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

(v) Market price risk (Continued)

The Group is exposed to equity price risk arising from its investment in quoted equity instruments. Equity price risk arises from unfavourable movements in share price of quoted investments that adversely affect the valuation on equity instruments. There is a direct correlation between movements in share price of quoted equity investments and movements in stock market index. These instruments are classified as held for trading or available-for-sale financial assets. The Group does not have exposure to commodity price risk.

Sensitivity analysis for equity price risk

This analysis assumes that all other variables remain constant and the Group's equity investments moved in correlation with stock market index.

A 5 percent higher in equity prices at the end of the reporting period would have increased the Group's and the Company's equity by RM0.54 million (2021: RM0.51 million) and RM0.02 million (2021: RM0.03 million) respectively. A 5 percent lower in equity prices would have had equal but opposite effect on equity.

38. CAPITAL MANAGEMENT

The Group actively and regularly reviews and manages its capital structure with the objectives of ensuring that the Group will be able to continue as a going concern while maximising the return to stakeholders. These reviews take into consideration future capital requirements of the Group, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and strategic investment opportunities.

The capital structure of the Group consists of debt which includes borrowings (Note 22 to the financial statements), cash and cash equivalents (Statements of Cash Flows), and equity attributable to equity holders of the Company.

38. CAPITAL MANAGEMENT (CONTINUED)

The Group's overall capital management strategy remains unchanged from 2021 and this includes maintaining a healthy gearing ratio taking into consideration the objectives of the Group. As at the reporting date, the gearing ratio calculated as total borrowings divided by total equity is as follows:

	Group	
	2022 RM'000	2021 RM'000
Total borrowings	138,915	105,350
Less : Cash and cash equivalents	(146,623)	(97,146)
Subtotal	(7,708)	8,204
Total equity	571,373	537,186
Debt-to-equity ratio	*	1.5%

* Not applicable.

There were no changes in the Group's approach to capital management during the year.

39. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE FINANCIAL YEAR

The significant events during and subsequent to the financial year are as follows:

(a) On 11 March 2022, the Company announced that the Company is proposing to undertake the following proposals:

(i) proposed renounceable rights issue of up to 1,858,389,886 new ordinary shares in the Company ("Rights Shares") on the basis of two (2) Rights Shares for every one (1) existing ordinary share in the Company ("ASB Share" or "Share") held on an entitlement date to be determined later ("Rights Issue");

(ii) proposed exemption for Dato' Ahmad Sebi Bakar and the persons acting in concert with him, namely Suasana Dinamik Sdn. Bhd., Bright Existence Sdn. Bhd., Aryati Sasya Dato' Ahmad Sebi, Anton Syazi Dato' Ahmad Sebi and Eighth Review (M) Sdn. Bhd. under subparagraph 4.08(1)(b) of the Rules on Take-Overs, Mergers and Compulsory Acquisitions from the obligation to undertake a mandatory take-over offer for the remaining ASB Shares not already owned by them, upon the completion of the Proposed Rights Issue ("Exemption"); and

39. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE FINANCIAL YEAR (CONTINUED)

The significant events during and subsequent to the financial year are as follows (Continued):

(a) On 11 March 2022, the Company announced that the Company is proposing to undertake the following proposals (Continued):

(iii) proposed establishment of a share grant scheme of up to ten percent (10%) of the total number of issued shares of the Company (excluding treasury shares, if any) at any point of time during the duration of the scheme for the eligible directors of the Company and/or employees of the Company and its subsidiaries (“Group”) (excluding subsidiary(ies) listed on any stock exchange as well as its group of companies, and any dormant subsidiary(ies) of the Group) (“SGS”).

(collectively referred to as the “Proposals”).

The proceeds to be raised from the Rights Issue will be primarily used for investment in existing businesses and/or future business expansion/new strategic investment and working capital of the Group.

Bursa Securities had vide its letter dated 19 May 2022 resolved to approve the listing of and quotation for the new ASB Shares to be issued pursuant to the Rights Issue and SGS on the Main Market of Bursa Securities.

All the relevant resolutions pertaining to the Proposals were approved by the shareholders of the Company at the extraordinary general meeting held on 29 July 2022.

The application to Securities Commission for the Exemption was approved on 12 August 2022.

On 3 November 2022, the Company announced that the Rights Issue was completed on 3 November 2022 following the listing of and quotation for 1,600,000,000 Rights Shares on the Main Market of Bursa Securities.

On 17 November 2022, the Company announced that the effective date of implementation of the SGS is on 17 November 2022.

(b) The Company's direct wholly-owned subsidiary, Advance Synergy Capital Sdn. Bhd. ("ASCAP"), and its wholly-owned subsidiaries, AESBI Power Systems Sdn. Bhd. and Paydee Ventures Sdn. Bhd. (formerly known as ASC Equities Sdn. Bhd.), have initiated a capital reduction exercise following the submission of the requisite documents to the Registrar of Companies on 3 April 2023 and the reduction of the share capital of the said companies shall take effect when the Registrar of Companies issued the notice confirming the reduction of share capital under Section 119(4) of the Companies Act 2016.

Statement By Directors

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

We, **ANTON SYAZI DATO' AHMAD SEBI** and **LEE SU NIE**, being two of the directors of Advance Synergy Berhad, do hereby state that in the opinion of the directors, the accompanying financial statements set out on pages 125 to 291 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 of Directors in accordance with a resolution of the directors:

ANTON SYAZI DATO' AHMAD SEBI
Director

LEE SU NIE
Director

Selangor

Date: 7 April 2023

Statutory Declaration

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

I, **LEE SU NIE**, being the director primarily responsible for the financial management of Advance Synergy Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements set out on pages 125 to 291 are 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.

LEE SU NIE

Subscribed and solemnly declared by the abovenamed at Shah Alam, Selangor on 7 April 2023.

Before me,
SITI MARYAM KAMARUDIN
No. B498

Commissioner for Oaths
Malaysia

Independent Auditors' Report

to the Members of Advance Synergy Berhad

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Advance Synergy Berhad, which comprise the statements of financial position as at 31 December 2022 of the Group and of the Company, and the 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 125 to 291.

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

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

Group

Impairment of goodwill (Notes 4.1 and 9 to the financial statements)

The carrying amount of the goodwill relating to information and communications technology ("ICT") and travel and tours ("TT") CGUs amounted to RM74,722,000 and RM3,659,000 respectively. The recoverable amount of the CGUs was determined based on their value-in-use ("VIU"). Cash flow projections used in the VIU calculation were based on financial budgets and forecasts approved by management covering three to five-year period using a discount rate and forecasted growth rate. Significant judgements arise over the discount rates applied in the recoverable amount calculation and assumptions supporting the underlying cash flow projections, including forecasted growth rates and gross profit margins.

Our audit response:

Our audit procedures focus on evaluating the cash flow projections and the Group's projection procedures which included, among others:

- assessing the methodology adopted by the Group;
- comparing the actual results with previous cash flow projections to assess the performance of the business and historical accuracy of the projections;
- testing the mathematical accuracy of the impairment assessment;
- performing a sensitivity analysis around the key inputs that are expected to be most sensitive to the recoverable amount;
- comparing the Group's assumptions to externally derived data as well as our assessments in relation to key inputs such as discount rates, forecasted growth rates and profit margin; and
- ensuring that the assumptions used and key inputs used has been assessed by the component auditors.

Key Audit Matters (Continued)

Group (Continued)

Impairment of right-of-use assets (Notes 4.2 and 6 to the financial statements)

The Group has significant balances of right-of-use assets relating to its hotel operations. There are significant changes in the market and economic environment in which the Group operates that indicates that the right-of-use assets may be impaired. As such, there is risk the future performance of these assets may not lead to carrying values being recoverable in full. The Group has performed an impairment assessment to estimate the recoverable amount of these assets which involved significant judgement. The significant judgement is applied over the discount rate used in determining the recoverable amount calculation and assumptions supporting the underlying cash flow projections which includes forecast growth rates and profit margin.

Our audit response:

Our audit procedures included, among others:

- understanding the valuation methodology on recoverable amount on adopted by the Group in accordance to the requirements of MFRS 136 *Impairment of Assets*;
- comparing the Group's assumptions to externally derived data as well as our assessments in relation to key inputs such as discount rates, forecast growth rates and profit margin;
- testing the mathematical accuracy of the impairment assessment; and
- performing a sensitivity analysis around the key inputs that are expected to be most sensitive to the recoverable amount.

Key Audit Matters (Continued)

Group (Continued)

Valuation of investment properties (Notes 4.3 and 7 to the financial statements)

The Group has investment properties carried at fair value. Valuation of these assets is based on valuation performed by independent professional property valuers. The valuation methods adopted by the valuers include direct comparison method, being comparison of current prices in an active market for similar properties in the same location and condition and where necessary, adjusting for location, size, tenure, title restrictions, neighbourhood and other relevant factors. Judgement is made in determining the appropriate valuation methods and the key assumptions used in the valuations. Any changes in these assumptions will have an impact on the carrying amounts of the freehold land and buildings.

Our audit response:

Our audit procedures focus on evaluating the cash flow projections which included, among others:

- evaluating the competence, capabilities and objectivity of the external valuers which included consideration of their qualifications and experience;
- understanding the scope and purpose of the valuation by reading the terms of engagement to assess whether any matters that might have affected their objectivity or limited the scope of their work;
- reading the valuation reports for all significant properties and discussed with external valuers on their valuation approach and the significant judgements they made, including the selection of comparable properties and adjustments for differences in key attributes made to the transacted value of comparable properties; and
- assessing the valuation approach used and the key assumptions based on our knowledge of the properties.

Key Audit Matters (Continued)

Group (Continued)

Fair value of unquoted investment (Notes 4.4 and 13 to the financial statements)

The unquoted investments are not traded in an active market and the quoted price is not readily and regularly available. The fair value is established by using valuation techniques that are appropriate in 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. The fair value measurement requires the selection among a range of different valuation methodologies, making estimates about expected future cash flows and discounted rates.

Our audit response:

As the unquoted investments are held in a component where we are not the auditors, we performed our review of the work of the component auditors in accordance with ISA 600 *Special Considerations - Audits of Group Financial Statements* (including the Work of Component Auditors) and their audit procedures performed included, among others:

- discussing with management the basis used in determining the fair values;
- reviewing work of in-house specialist, especially in determining whether such valuation methodology is consistent with market practice;
- ensuring that the assumptions used and key inputs used has been assessed by the component auditors;
- testing the mathematical accuracy of the valuation methodology used; and
- reviewing the adequacy of the disclosures made in the financial statements in compliance with MFRS 7 *Financial Instruments.*

Key Audit Matters (Continued)

Company

Investment in a subsidiary (Note 4.5 and 10 to the financial statements)

The Company has significant balance of investment in a subsidiary, namely Advance Synergy Capital Sdn. Bhd. The Company has assessed whether there is any indication that the cost of investment in the subsidiary is impaired at the end of each reporting date. Impairment is measured by comparing the carrying amount of an asset with its recoverable amount. Recoverable amount is measured at the higher of the fair value less cost to sell for that asset and its VIU.

We focused on this area because the Company's assessment of the recoverable amount involved significant judgement. The recoverable amount of investment in the subsidiary was determined based on VIU. Cash flow projections used in the VIU calculation is based on financial budgets with business plan and forecasts approved by management covering a five-year period using a discount rate and forecasted growth rate in the recoverable amount calculation. The assumption supporting the underlying cash flow projections include future sales, gross profit margin and operating expenses.

Our audit response:

Our audit procedures focus on evaluating the cash flow projections which included, among others:

- comparing the Company's assumptions to our assessments in relation to key assumptions to assess their reasonableness of the projections;
- testing the mathematical accuracy of the impairment assessment; and
- performing a sensitivity analysis around the key assumptions.

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

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

The Directors of the Company are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

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 International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also (Continued):

- evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 10 to the financial statements.

Other Matters

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

Baker Tilly Monteiro Heng PLT
201906000600 (LLP0019411-LCA) & AF 0117
Chartered Accountants

Ng Jou Yin
No. 03460/11/2023 J
Chartered Accountant

Kuala Lumpur

Date: 7 April 2023

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OTHER INFORMATION

Contents

List of Properties

The top 10 properties of the Group as at 31 December 2022 are as follows:

Location	Description	Approx. land area	Approx. age of building (Years)	Tenure	Carrying Amount (RM'000)	Date of last revaluation / acquisition
57 & 58 Philbeach Gardens - LN69764 59 Philbeach Gardens - LN205767 57 - 59 Philbeach Gardens Earl Courts, London SW5 9ED	Land with hotel building	1,118 sq. m.	> 143	Freehold	55,412	21.02.2019
GM1126 Lot 1301, GM424 Lot 1302, GM857 Lot 1303, GM405 Lot 1305, HS(M) 1096 PT 1300 & HS(M) 1082 PT 1303 Mukim Sungai Karang Cherating Pahang Darul Makmur	Land with hotel building, recreational facilities, restaurants and apartment block	15 acres	29.5 - 35	Freehold	43,627	19.01.2022
Lot 849, Jalan Subang 7 Taman Industri Sungai Penaga 47620 Petaling Jaya Selangor Darul Ehsan	One storey warehouse with three storey office	12,015 sq. m.	24	Leasehold	32,652	01.06.2022
17, Jalan Yap Ah Shak 50300 Kuala Lumpur	Five storey commercial building	722 sq. m.	5	Freehold	28,944	30.11.2018
9, Jalan Kajibumi U1/70 Seksyen U1 Temasya Glenmarie 40150 Shah Alam Selangor Darul Ehsan	Four storey commercial building	3,314 sq. m.	5	Freehold	26,203	30.11.2018

The top 10 properties of the Group as at 31 December 2022 are as follows (continued):

Location	Description	Approx. land area	Approx. age of building (Years)	Tenure	Carrying Amount (RM'000)	Date of last revaluation / acquisition
Geran 85, Lot 2034 69, Jalan Haji Hussein 50300 Kuala Lumpur	Eighteen storey hotel building	3,214 sq. m.	47	Freehold	22,497	06.01.2020
Suite No. 3A-5-1 Level 5, Block 3A Plaza Sentral Jalan Stesen Sentral 5 Kuala Lumpur	Office Suite	749 sq. m. (floor area)	19	Freehold	6,600	31.12.2022
9, Jalan SS3/39 47300 Petaling Jaya Selangor Darul Ehsan	Double storey bangalow	669 sq. m.	55	Freehold	2,750	13.01.2023
GRN 232740, Lot 3063 Pekan Kinrara District of Petaling 167, Jalan Kenari 23A Bandar Puchong Jaya 47170 Puchong Selangor Darul Ehsan	Three and a half storey mid terrace shop office	156 sq. m.	13	Freehold	2,500	15.01.2023
B-16-8, Megan Avenue II 12 Jalan Yap Kwan Seng 50450 Kuala Lumpur	Office	364 sq. m. (floor area)	24	Freehold	1,760	10.01.2013

Statement on Directors' Interests in the Company

and related corporations as at 28 March 2023

	Ordinary shares	
	Number	**Percentage**
Direct Interest in the Company		
Dato' Ahmad Sebi Bakar *	747,989,224	29.57
Aryati Sasya Dato' Ahmad Sebi	66,924,000	2.65
Deemed Interest in the Company		
Dato' Ahmad Sebi Bakar *	①418,175,559	16.53
Anton Syazi Dato' Ahmad Sebi	②91,401,000	3.61
Lee Su Nie	③ 1,095,000	0.04
Puan Sri Datin Masri Khaw Abdullah	④10,000,000	0.40
Direct Interest in related corporation		
Captii Limited ("Captii")		
Anton Syazi Dato' Ahmad Sebi	517,600	1.62
Lee Su Nie	20,000	0.06
Arcylic Synergy Sdn Bhd		
Anton Syazi Dato' Ahmad Sebi	1	negligible
Deemed Interest in related corporation		
Captii		
Kam Kin Foong	⑤55,000	0.17
Segi Koleksi Sdn Bhd ("SKSB")		
Dato' Ahmad Sebi Bakar	⑥1,586,013	30.00
Anton Syazi Dato' Ahmad Sebi	⑦1,586,013	30.00
Aryati Sasya Dato' Ahmad Sebi	⑦1,586,013	30.00
Metroprime Corporation Sdn Bhd ("MCSB")		
Dato' Ahmad Sebi Bakar	⑧350,000	100.00
Anton Syazi Dato' Ahmad Sebi	⑨350,000	100.00
Aryati Sasya Dato' Ahmad Sebi	⑨350,000	100.00
Osteria Gamberoni Sdn Bhd ("Osteria")		
Anton Syazi Dato' Ahmad Sebi	⑩345,000	30.00
Aryati Sasya Dato' Ahmad Sebi	⑩345,000	30.00
Primo Espresso Sdn Bhd ("Primo")		
Anton Syazi Dato' Ahmad Sebi	⑩600,000	30.00
Aryati Sasya Dato' Ahmad Sebi	⑩600,000	30.00
Temasya House Sdn Bhd ("Temasya")		
Anton Syazi Dato' Ahmad Sebi	⑩150,000	30.00
Aryati Sasya Dato' Ahmad Sebi	⑩150,000	30.00
Yap Ah Shak House Sdn Bhd ("YAS")		
Anton Syazi Dato' Ahmad Sebi	⑩15,000	30.00
Aryati Sasya Dato' Ahmad Sebi	⑩15,000	30.00
Jiwa Baru Sdn Bhd ("Jiwa Baru")		
Anton Syazi Dato' Ahmad Sebi	⑪800,040	40.00
Aryati Sasya Dato' Ahmad Sebi	⑪800,040	40.00

	Ordinary shares	
	Number	Percentage
Deemed Interest in related corporation (continued)		
	Ordinary shares of CHF500.00 each	
Posthotel Arosa AG ("Arosa")		
Anton Syazi Dato' Ahmad Sebi	⑩3,150	35.00
Aryati Sasya Dato' Ahmad Sebi	⑩3,150	35.00
	Ordinary shares GBP1.00 each	
57-59 Philbeach Gardens Limited ("PGL")		
Anton Syazi Dato' Ahmad Sebi	⑫100	100.00
Aryati Sasya Dato' Ahmad Sebi	⑫100	100.00
Beaver Hotels Limited ("BHL")		
Anton Syazi Dato' Ahmad Sebi	⑬1,100	100.00
Aryati Sasya Dato' Ahmad Sebi	⑬1,100	100.00

Notes:

* By virtue of his interest in ASB, Dato' Ahmad Sebi Bakar is also deemed to be interested in the shares of all investee companies (including subsidiaries) to the extent that ASB has an interest.

① By virtue of his interest in Bright Existence Sdn Bhd ("BESB") and Suasana Dinamik Sdn Bhd ("SDSB"), Dato' Ahmad Sebi Bakar is also deemed to be interested in the ordinary shares of ASB to the extent that BESB and SDSB have an interest.

② By virtue of his interest in Eighth Review (M) Sdn Bhd ("ERSB"), Mr Anton Syazi Dato' Ahmad Sebi is also deemed to be interested in the ordinary shares of ASB to the extent that ERSB has an interest.

③ This is her spouse's interest in the ordinary shares of ASB which shall be treated as her interest in the ordinary shares of ASB pursuant to Section 59(11)(c) of the Companies Act 2016 in Malaysia.

④ By virtue of her interest in ASH Holdings Sdn Bhd ("ASH"), Puan Sri Datin Masri Khaw Abdullah is also deemed to be interested in the ordinary shares of ASB to the extent that ASH has an interest.

⑤ This is her spouse's interest in the ordinary shares of Captii which shall be treated as her interest in the ordinary shares of Captii pursuant to Section 59(11)(c) of the Companies Act 2016 in Malaysia.

⑥ This is the interest of his children (Ms Aryati Sasya Dato' Ahmad Sebi and Mr Anton Syazi Dato' Ahmad Sebi) in SKSB which shall be treated as his interest in the ordinary shares of SKSB pursuant to Section 59(11)(c) of the Companies Act 2016 in Malaysia.

⑦ By virtue of their interest in Pacific Existence Sdn Bhd ("PESB"), Ms Aryati Sasya Dato' Ahmad Sebi and Mr Anton Syazi Dato' Ahmad Sebi are also deemed to be interested in the shares to the extent that PESB has an interest in SKSB.

⑧ By virtue of his interest in SKSB pursuant to Section 8 of the Companies Act 2016 in Malaysia, Dato' Ahmad Sebi Bakar is also deemed to be interested in the shares to the extent that SKSB has an interest in MCSB.

⑨ By virtue of their interest in SKSB via PESB, Ms Aryati Sasya Dato' Ahmad Sebi and Mr Anton Syazi Dato' Ahmad Sebi are also deemed to be interested in the shares to the extent that SKSB has an interest in MCSB.

⑩ By virtue of their interest in Kibar Konsep Sdn Bhd ("KKSB"), Ms Aryati Sasya Dato' Ahmad Sebi and Mr Anton Syazi Dato' Ahmad Sebi are also deemed to be interested in the shares to the extent that KKSB has an interest in Arosa, Osteria, Primo, Temasya and YAS.

⑪ By virtue of their interest in Campbell House Sdn Bhd ("CHSB"), Ms Aryati Sasya Dato' Ahmad Sebi and Mr Anton Syazi Dato' Ahmad Sebi are also deemed to be interested in the shares to the extent that CHSB has an interest in Jiwa Baru.

⑫ By virtue of their interest in Arosa via KKSB, Ms Aryati Sasya Dato' Ahmad Sebi and Mr Anton Syazi Dato' Ahmad Sebi are also deemed to be interested in the shares to the extent that Arosa has an interest in PGL.

⑬ By virtue of their interest in PGL via Arosa, Ms Aryati Sasya Dato' Ahmad Sebi and Mr Anton Syazi Dato' Ahmad Sebi are also deemed to be interested in the shares to the extent that PGL has an interest in BHL.

Statistics on Shareholdings

as at 28 March 2023

TOTAL NUMBER OF ISSUED SHARES : 2,529,194,943
ISSUED SHARE CAPITAL : RM461,376,644.99
CLASS OF SHARE : Ordinary Shares
VOTING RIGHT : 1 vote per ordinary share

ANALYSIS OF SHAREHOLDINGS

Size of shareholdings	No. of shareholders	% of shareholders	No. of shares held	% of issued shares
Less than 100 shares	376	1.42	12,062	negligible
100 - 1,000 shares	4,675	17.59	3,836,915	0.15
1,001 - 10,000 shares	11,097	41.75	56,940,872	2.25
10,001 - 100,000 shares	8,553	32.18	338,178,346	13.37
100,001 - less than 5% of issued shares	1,875	7.05	964,061,965	38.12
5% and above of issued shares	3	0.01	1,166,164,783	46.11
	26,579	100.00	2,529,194,943	100.00

LIST OF TOP 30 SHAREHOLDERS

No.	Name	No. of shares held	Percentage
1.	Dato' Ahmad Sebi Bakar	747,989,224	29.57
2.	SJ Sec Nominees (Tempatan) Sdn Bhd Suasana Dinamik Sdn Bhd	242,399,778	9.58
3.	SJ Sec Nominees (Tempatan) Sdn Bhd Bright Existence Sdn Bhd	175,775,781	6.95
4.	SJ Sec Nominees (Tempatan) Sdn Bhd Eighth Review (M) Sdn Bhd	91,401,000	3.61
5.	Aryati Sasya Dato' Ahmad Sebi	66,924,000	2.65
6.	HSBC Nominees (Asing) Sdn Bhd Exempt An for Bank Julius Baer & Co. Ltd. (Singapore Branch)	35,639,400	1.41
7.	Chew Lee Hwa	27,775,300	1.10
8.	Chuah Kim Seng	17,200,000	0.68
9.	Citigroup Nominees (Asing) Sdn Bhd Exempt An for Bank of Singapore Limited (Foreign)	12,649,500	0.50
10.	CGS-CIMB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lee Yoon Sing (MY3586)	11,300,000	0.45
11.	ASH Holdings Sdn Bhd	10,000,000	0.40

LIST OF TOP 30 SHAREHOLDERS (continued)

No.	Name	No. of shares held	Percentage
12.	Tan Chee Keong	7,975,000	0.31
13.	Choa Wei Keong	7,500,000	0.30
14.	Wong Ten An	7,100,000	0.28
15.	Chang Meei Meei	5,705,475	0.22
16.	Maybank Nominees (Tempatan) Sdn Bhd Lay Man Wan @ Lai Mun Wan	5,329,800	0.21
17.	Chian Kiang Yeah	4,500,000	0.18
18.	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yong Yoong Thiam	4,363,000	0.17
19.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Sim Ann Huat	4,100,000	0.16
20.	Ibrahim Hamzah	4,000,000	0.16
21.	Liew See Kim	3,258,700	0.13
22.	Lim Hong Liang	3,246,300	0.13
23.	Victor Chai Cheng Wah	3,200,000	0.13
24.	Yeo Koon Lian	3,050,000	0.12
25.	Malpac Capital Sdn Bhd	3,000,000	0.12
26.	Su Ming Keat	2,805,500	0.11
27.	Ng Yoke Hin	2,803,000	0.11
28.	Lim Ming Yee	2,550,000	0.10
29.	Liau Hock Kwang	2,500,000	0.10
30.	Liew Chak Foong	2,500,000	0.10
		1,518,540,758	60.04

SUBSTANTIAL SHAREHOLDERS

Name of substantial shareholders	No. of shares held		% of issued share capital	
	Direct	Deemed	Direct	Deemed
Dato' Ahmad Sebi Bakar	747,989,224	418,175,559	29.57	16.53
Suasana Dinamik Sdn Bhd	242,399,778	-	9.58	-
Bright Existence Sdn Bhd	175,775,781	-	6.95	-

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the **Ninety-Ninth ANNUAL GENERAL MEETING** ("99th AGM") of Advance Synergy Berhad will be held and conducted by way of virtual meeting entirely through live streaming and online remote voting via the Remote Participation and Voting ("RPV") Facilities from Dvote Online operated by Dvote Services Sdn Bhd at the Board Room, Ground Floor, Synergy 9, 9 Jalan Kajibumi U1/70, Temasya Glenmarie, 40150 Shah Alam, Selangor, Malaysia ("Webcast Venue") via the link at *https://www.dvote.my (Domain registration number with MYNIC: D6A434007)* on Tuesday, 27 June 2023, at 10.00 a.m. or at any adjournment thereof for the following purposes:

1. To receive the audited financial statements for the financial year ended 31 December 2022 and the Directors' and Auditors' reports thereon.	**Please refer to Explanatory Note**
2. To declare a single tier dividend of 0.10 sen per ordinary share in respect of the financial year ended 31 December 2022.	**Resolution 1**
3. To approve the payment of Directors' fees for the financial year ended 31 December 2022.	**Resolution 2**
4. To approve the payment of benefits to the Directors from 28 June 2023 until the conclusion of the next annual general meeting of the Company.	**Resolution 3**
5. To re-elect the following Directors:	
5.1 Mr Anton Syazi Dato' Ahmad Sebi	**Resolution 4**
5.2 Mr Yong Teck Ming	**Resolution 5**
5.3 Ms Aryati Sasya Dato' Ahmad Sebi	**Resolution 6**
6. To elect the following Directors:	
6.1 Mr Chim Wai Khuan	**Resolution 7**
6.2 Datuk Hardew Kaur a/p Hazar Singh	**Resolution 8**
7. To re-appoint Messrs Baker Tilly Monteiro Heng PLT as auditors of the Company and to authorise the Directors to fix their remuneration.	**Resolution 9**

SPECIAL BUSINESS

To consider and, if thought fit, pass with or without modifications the following resolution:

8. **Ordinary Resolution — Authority to allot and issue securities** **Resolution 10**

"THAT subject always to the Companies Act 2016, Constitution of the Company and/or approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby authorised and empowered pursuant to Section 75(1) and Section 76(1) of the Companies Act 2016 to allot and issue new shares or convertible securities in the Company, from time to time at such price and upon such terms and conditions, for such purpose and to such person or persons whomsoever as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares or convertible securities to be issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares (excluding any treasury shares) of the Company for the time being AND THAT the Directors be and are hereby empowered to obtain the approval for the listing of and quotation for the additional shares or convertible securities so issued from Bursa Malaysia Securities Berhad AND THAT such authority shall continue to be in force until the conclusion of the next annual general meeting of the Company."

9. To transact any other ordinary business of which due notice shall have been given.

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN that subject to the approval of the shareholders at the 99th AGM, a first and final single tier dividend of 0.10 sen per ordinary share in respect of the financial year ended 31 December 2022 will be paid on 18 August 2023 to the shareholders whose names appear in the Record of Depositors on 28 July 2023.

A depositor shall qualify for entitlement only in respect of:

a. Shares transferred to the Depositor's Securities Account before 4.30 p.m. on 28 July 2023 in respect of transfer; and

b. Shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the rules of Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD

HO TSAE FENG
Secretary

Selangor
28 April 2023

Notes:

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 2 June 2023 (General Meeting Record of Depositors) shall be entitled to attend, speak and vote at this meeting.

2. The 99th AGM will be conducted by way of virtual meeting entirely through live streaming and online remote voting via the RPV Facilities from Dvote Online operated by Dvote Services Sdn Bhd via the link at *https://www.dvote.my*. No member or proxy should be physically present at the Webcast Venue. If a member is not able to participate via the virtual meeting, the member can appoint the Chair of the meeting or such other person(s) as proxy(ies) and indicate the voting instructions in the proxy form. The appointment of proxy may be done in the manner as detailed below. Please follow the procedures in the enclosed Administrative Guide in order to register, participate and vote remotely via the RPV Facilities.

3. A member of the Company entitled to attend, speak and vote at the general meeting is entitled to appoint a proxy or proxies to exercise all or any of his/her rights to attend, speak and vote on a show of hands or by poll on any question at this meeting. A proxy need not be a member.

4. A member of the Company may appoint at least one (1) proxy but not more than two (2) proxies to attend, speak and vote in his/her stead. A member of the Company who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with shares of the Company standing to the credit of the said securities account. If a member appoints more than one (1) proxy, they must specify the proportion of the member's shareholdings to be represented by each proxy.

   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 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.

5. The instrument appointing a proxy in the case of an individual must be signed by the individual or an attorney who is authorised to act on behalf of the individual and in the case of a corporation, the instrument appointing a proxy must be sealed with the corporation's common seal or signed by an officer of the corporation or an attorney who is authorised to act on behalf of the corporation.

6. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed (or a notarially certified copy of such power or authority) shall be deposited at the Registered Office of the Company at Ground Floor, Synergy 9, 9 Jalan Kajibumi U1/70, Temasya Glenmarie, 40150 Shah Alam, Selangor, Malaysia not less than 48 hours before the time appointed for holding the meeting or any other adjournment thereof, either (a) by hand or post; or (b) electronically via email to *Dvoteservice@gmail.com.*

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the 99th 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 agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the 99th AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 99th AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes") and (ii) warrants and agrees that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) for the Purposes, the member and/or his/her proxy(ies) 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.

EXPLANATORY NOTES ON ORDINARY BUSINESS

Agenda 1 — Audited Financial Statements for financial year ended 31 December 2022

The audited financial statements for the financial year ended 31 December 2022 are laid in accordance with Section 340(1)(a) of the Companies Act 2016 for discussion only under Agenda 1. They do not require shareholders' approval and hence, will not be put for voting.

Resolution 2 — Directors' Fees
Resolution 3 — Directors' Benefits

The proposed Resolution 2, if passed, will authorise the payment of Directors' fees for the financial year ended 31 December 2022 amounting to RM347,000 [2021: RM315,000].

The proposed Resolution 3, if passed, will authorise the payment of benefits to the Directors if any from 28 June 2023 until the conclusion of the next annual general meeting of the Company as and when incurred. The Board is of the view that it is just and equitable for these benefits to be paid as and when incurred particularly after they have discharged their responsibilities and rendered their services to the Company throughout the said period.

Resolutions 4, 5 and 6 — Re-election of Directors
Resolutions 7 and 8 — Election of Directors

The Nomination Committee had assessed the effectiveness of the Board, Board Committees and individual Directors including the Directors standing for re-election and election under the relevant proposed Resolutions 4 to 8. The Nomination Committee also recommended that the said retiring Directors are suitable to be re-elected or elected as they meet the criteria of character, experience, integrity, competency and time commitment to effectively discharge their respective roles as Director of the Company. Based on the recommendation of the Nomination Committee, the Board (except for the retiring Directors who abstained from the relevant proposed resolution involving their re-election or election) supports the re-election of Mr Anton Syazi Dato' Ahmad Sebi, Mr Yong Teck Ming and Ms Aryati Sasya Dato' Ahmad Sebi, and the election of Mr Chim Wai Khuan and Datuk Hardew Kaur a/p Hazar Singh as Directors of the Company.

Details of the Directors standing for re-election under proposed Resolutions 4 to 6 are stated in Directors' profile on pages 71, 74 and 75 of this Annual Report. Their securities holdings in the Company and its subsidiaries are stated on pages 308 to 309 of this Annual Report.

EXPLANATORY NOTES ON SPECIAL BUSINESS

Resolution 10 — Authority to allot and issue securities

The proposed Resolution 10 is the renewal of the mandate obtained from the members at the last Annual General Meeting. As at the date of this Notice, the Company did not allot any shares or convertible securities pursuant to the mandate granted to the Directors at the Ninety-Eighth Annual General Meeting held on 30 June 2022 which will lapse upon conclusion of the forthcoming 99th AGM.

The proposed Resolution 10, if passed, would provide flexibility and authority to the Directors to undertake fund raising activities, including but not limited to further placement of shares or convertible securities for the purpose of funding the Company's future investment project(s), working capital and/or acquisition(s), by the issuance of shares or convertible securities in the Company to such persons at any time as the Directors may deem fit provided that the aggregate number of shares or convertible securities to be issued pursuant to the mandate does not exceed 10% of the total number of issued shares of the Company for the time being, without having to convene a general meeting. This authority, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

If there should be a decision to issue new shares or convertible securities after the general mandate is obtained, the Company will make an announcement in respect of the purpose and utilisation of proceeds arising from such issue.

Statement Accompanying Notice of Annual General Meeting

(Pursuant to Paragraph 8.27(2) of the Listing Requirements of Bursa Malaysia Securities Berhad)

Details of individuals who are standing for election as Directors

Details of the Directors standing for election under the proposed Resolutions 7 and 8 are stated in the Directors' Profile on pages 77 to 78 of this Annual Report. None of them has any securities holdings in the Company and its subsidiaries.

Administrative Guide

For the Virtual 99th Annual General Meeting

Day/Date	:	Tuesday, 27 June 2023
Time	:	10.00 a.m.
Webcast Venue	:	Board Room, Ground Floor, Synergy 9, 9 Jalan Kajibumi U1/70, Temasya Glenmarie, 40150 Shah Alam, Selangor, Malaysia.
Meeting Platform	:	Dvote Online website at *https://www.dvote.my* *(Domain registration number with MYNIC: D6A434007)*

Entitlement to participate and vote at the 99th AGM

Only members whose names appear in the Record of Depositors on 2 June 2023 shall be entitled to participate, speak and vote at this virtual meeting.

The 99th AGM will be conducted by way of virtual meeting entirely through live streaming and online remote voting via the Remote Participation and Voting ("RPV") Facilities from Dvote Online operated by Dvote Services Sdn Bhd via the link at *https://www.dvote.my*. **No member or proxy shall be allowed to be physically present at the Webcast Venue.**

Members who wish to participate in the virtual 99th AGM will have to register and attend remotely using the RPV Facilities.

If a member is not able to participate via the virtual 99th AGM but wishes to vote, the member must appoint the Chair of the meeting or such other person(s) as proxy(ies) and indicate the voting instructions in the proxy form.

The proxy form with the proxy's **email address and mobile phone number** must be deposited at the Registered Office of the Company at Ground Floor, Synergy 9, 9 Jalan Kajibumi U1/70, Temasya Glenmarie, 40150 Shah Alam, Selangor, Malaysia **not less than 48 hours** before the time appointed for holding the meeting or any other adjournment thereof either (a) by hand or post; or (b) electronically via email to *Dvoteservice@gmail.com*.

Kindly follow the steps below to ensure that you or your proxy(ies) is/are able to participate at the 99th AGM online.

If a member wishes to participate in the virtual 99th AGM personally, please do not submit any proxy form. Member will not be allowed to participate in the virtual 99th AGM together with the proxy appointed.

A member who has submitted proxy form and subsequently decide to appoint another person to be the proxy(ies) or wish to participate in the virtual 99th AGM personally, please email to *tsaefeng@asb.com.my* to revoke the earlier appointed proxy **at least 48 hours** before the time for holding the meeting or any adjournment thereof.

Members or proxies may use the [Question] box to submit question(s) in real time during the meeting. Members may also submit questions **at least 72 hours** before the meeting to *tsaefeng@asb.com.my* in relation to the agenda items for the 99th AGM. The Chair and management will respond to their best endeavours, questions submitted by members or proxies which relate to the matters in the agenda items of the 99th AGM. The outcome of the 99th AGM will be announced to the Bursa Malaysia Securities Berhad ("Bursa Securities") on the same day after the meeting is concluded and the announcement shall be available on the website of Bursa Securities and the Company. Minutes of the 99th AGM will be circulated to shareholders by posting on the Company's website no later than 30 business days after the 99th AGM.

Voting Procedure

The voting at the virtual 99th AGM will be conducted by poll in accordance with Paragraph 8.29A of Main Market Listing Requirements of Bursa Securities.

The Company has appointed Dvote Services Sdn Bhd ("Dvote") as Poll Administrator to conduct the poll by way of electronic voting or online remote voting ("e-voting").

Kindly refer to item (2) below on the Procedures for RPV Facilities for guidance on how to vote remotely from Dvote Online website at *https://www.dvote.my*.

During the virtual 99th AGM, the Chair of the Meeting will invite the Poll Administrator to brief on the e-Polling housekeeping rules. The voting session will commence as soon as the Chair of the Meeting calls for the poll to be opened and until such time when the Chair of the Meeting announces the closure of the poll.

For the purposes of the virtual 99th AGM, e-voting will be carried out via personal smart mobile phones, tablets or personal computers/laptops.

Upon the conclusion of the poll session, the Scrutineers will verify the poll results followed by the declaration by the Chair of the Meeting whether the resolutions put to vote were successfully carried or not.

Kindly follow the steps below on how to register, request for login ID and password:

1. REMOTE PARTICIPATION AND E-VOTING FACILITIES

Members are to attend, speak (in the form of real time submission of typed texts) and vote (collectively, "participate") remotely at the virtual 99th AGM using RPV Facilities provided by Dvote via its Dvote Online website at *https://www.dvote.my*. Please refer to Procedures for RPV Facilities.

2. PROCEDURES FOR RPV FACILITIES

Member(s)/proxy(ies)/corporate representative(s)/attorney(s) who wish to participate in the virtual 99th AGM remotely using the RPV Facilities are to follow the requirements and procedures as summarised below:

BEFORE MEETING DAY — USER REGISTRATION

	Procedure	Action
a.	Sign-up as a user with **Dvote Online**	Note: If you are already a user with Dvote Online, you are not required to sign-up again. You may proceed to sign-in using your email address and password. • Access the website at *https://www.dvote.my*. • Click on **[Sign up]** to register as a new user with Dvote Online. • Complete registration and upload softcopy of Malaysia Identification Card (front and back) or Passport (foreigner(s)). You will be notified via email once your user registration is accepted/rejected by Dvote Online.

Voting Procedure (continued)

2. PROCEDURES FOR RPV FACILITIES (continued)

BEFORE MEETING DAY — USER REGISTRATION (continued)

	Procedure	Action
b.	Register Meeting with **Dvote Online**	• Registration for Remote Participation will remain open from **7 June 2023** until the commencement of the polling during the virtual 99th AGM. • Login to *https://www.dvote.my* with your user ID (i.e. email address) and password. • Select event: "**Advance Synergy Berhad – 99th Annual General Meeting**" and click **[Register]**. • You will receive an email notifying on your registration for the remote participation and verification. • Once your registration has been verified against the Record of Depositors as at 2 June 2023, you will be notified via email whether your request for remote participation is approved/rejected. • If approved, you will receive an invitation email together with the meeting link to **[Join Meeting]**.

ON THE DAY OF 99TH AGM

a.	Join Meeting via Live Streaming	• Click on **[Join Meeting]** link in the invitation email and you will be directed to the live streaming room. • You are advised to log in early, at least 20 minutes, before the Meeting time.
b.	Post Questions during Live Streaming	• If you have any question(s) for the Board of Directors, you may use the **[Question]** box to transmit your question(s).
c.	Online Voting during Live Streaming	• Click on **[Vote]**, to cast your votes for each resolution(s). • Review your casted votes, confirm and submit your votes.
d.	End of remote participation	• Upon the announcement by the Chair on the closure of the 99th AGM, the live streaming room will end.

Notes to users of the RPV Facilities:

- The quality of the live streaming is highly dependent on the bandwidth and stability of the internet connection at the location of the user and the device of the user.
- Users are advised to afford themselves ample time to complete the log in process in advance of the meeting.
- In the event you encounter any issues with logging-in, connection to live streamed meeting or online voting on the meeting day, kindly call 603-22766138 and/or email to *Dvoteservice@gmail.com* for assistance.

Voting Procedure (continued)

3. APPOINTMENT OF PROXY(IES)/CORPORATE REPRESENTATIVE(S)/ATTORNEY(S)

A member who has appointed a proxy(ies)/authorised representative(s)/attorney(s) to participate in the virtual 99th AGM via RPV Facilities must request his/her proxy(ies)/authorised representative(s)/attorney(s) to register himself/herself for RPV Facilities via Dvote Online website at *https://www.dvote.my*.

No door gifts/vouchers

No door gift(s) or e-voucher(s) will be distributed to member(s)/proxy(ies) who participate in the 99th AGM.

Participation through live streaming and voting at the 99th AGM

Please note that no recording or photography of the AGM proceedings is allowed without the prior written permission of the Company.

Communication guidance

Members are reminded to monitor the Company's website or announcements from time to time for any changes to the 99th AGM arrangements.

The Company seeks the understanding and cooperation of all members to minimise the risk of community spread of COVID-19.

Enquiry

If you have any enquiry(ies) relating to the 99th AGM, Administrative Guide for the virtual 99th AGM, RPV Facilities or encounters issues with the log in, steps to connect to Live Streaming and online voting, you may send them in advance or contact the following during office hours from Monday to Friday (except for public holiday):

For Agenda of the 99th AGM related:
Email : *tsaefeng@asb.com.my*

For Pre-Registration via RPV Facilities:
DVOTE SERVICES SDN BHD
Lot 9-7, Menara Sentral Vista
No. 150, Jalan Sultan Abdul Samad
Brickfields, 50470 Kuala Lumpur

Name : Ms Sangetha / Mr Hugo
Telephone No. : 603-2276 6138
Email : *Dvoteservice@gmail.com*

Consent to the use of personal data

By registering for the Dvote Online registration facilities and/or submitting the instrument appointing a proxy(ies) and/or representative(s), the member of the Company has consented to the collection, use and disclosure of his/her personal data for purposes of processing and administration by the Company or its agents and to comply with any governing laws, listing rules, regulations and/or guidelines and agreed to the Personal Data Privacy terms set out in the Notice of the 99th AGM dated 28 April 2023 and the proxy form.

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ADVANCE SYNERGY BERHAD [Registration No. 192001000024 (1225-D)]

Proxy Form

I/We* ____

(full name in block letters)

NRIC No./Passport No./Registration No.* ____________________ or CDS Account No. ____________________

(for nominee companies only)

of ____

(full address)

Email Adress # ____________________ Contact No.# ____________________

being a member/members* of ADVANCE SYNERGY BERHAD, hereby appoint:

Full Name in block letters	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email Address #			
Mobile Phone No.#			

and / or*

Full Name in block letters	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email Address #			
Mobile Phone No.#			

You are required to fill in the contact number and email address in order to participate the 99th AGM or any adjournment thereof, otherwise, we are unable to register your proxy(ies) as the participant(s) of the meeting.

or failing him/her, THE CHAIR OF THE MEETING as my/our* proxy to vote for me/us* and on my/our* behalf at the Ninety-Ninth Annual General Meeting ("99th AGM") of the Company to be conducted by way of virtual meeting entirely through live streaming and online remote voting via the Remote Participation and Voting ("RPV") Facilities from Dvote Online operated by Dvote Services Sdn Bhd at the Board Room, Ground Floor, Synergy 9, 9 Jalan Kajibumi U1/70, Temasya Glenmarie, 40150 Shah Alam, Selangor, Malaysia ("Webcast Venue") via the link *https://www.dvote.my (Domain registration number with MYNIC: D6A434007)* on Tuesday, 27 June 2023, at 10.00 a.m. or at any adjournment thereof and thereat to vote as indicated below:

Please indicate with (✓) how you wish to cast your vote. If neither "**FOR**" nor "**AGAINST**" is indicated, the proxy will vote or abstain from voting at his/her discretion.

NO.	RESOLUTION	FOR	AGAINST
1.	Declaration of dividend.		
2.	Approval of the payment of Directors' fees.		
3.	Approval of the payment of benefits to the Directors from 28 June 2023 until the next annual general meeting of the Company.		
4.	Re-election of Mr Anton Syazi Dato' Ahmad Sebi as Director.		
5.	Re-election of Mr Yong Teck Ming as Director.		
6.	Re-election of Ms Aryati Sasya Dato' Ahmad Sebi as Director.		
7.	Election of Mr Chim Wai Khuan as Director.		
8.	Election of Datuk Hardew Kaur a/p Hazar Singh as Director.		
9.	Re-appointment of Messrs Baker Tilly Monteiro Heng PLT as auditors of the Company and authorisation for the Directors to fix their remuneration.		
10.	Authorisation for Directors to allot and issue new securities pursuant to Sections 75(1) and 76(1) of the Companies Act 2016.		

* *Strike out which is not desired.*

Dated this ______________ day of ________________________ 2023

Number of shares held	

____

Signature

Notes:

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 2 June 2023 (General Meeting Record of Depositors) shall be entitled to attend, speak and vote at this meeting.
2. The 99th AGM will be conducted by way of virtual meeting entirely through live streaming and online remote voting via the RPV Facilities from Dvote Online operated by Dvote Services Sdn Bhd via the link at *https://www.dvote.my*. No member or proxy should be physically present at the Webcast Venue. If a member is not able to participate via the virtual meeting, the member can appoint the Chair of the meeting or such other person(s) as proxy(ies) and indicate the voting instructions in the proxy form. The appointment of proxy may be done in the manner as detailed below. Please follow the procedures in the enclosed Administrative Guide in order to register, participate and vote remotely via the RPV Facilities.
3. A member of the Company entitled to attend, speak and vote at the general meeting is entitled to appoint a proxy or proxies to exercise all or any of his/her rights to attend, speak and vote on a show of hands or by poll on any question at this meeting. A proxy need not be a member.
4. A member of the Company may appoint at least one (1) proxy but not more than two (2) proxies to attend, speak and vote in his/her stead. A member of the Company who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with shares of the Company standing to the credit of the said securities account. If a member appoints more than one (1) proxy, they must specify the proportion of the member's shareholdings to be represented by each proxy.

   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 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.
5. The instrument appointing a proxy in the case of an individual must be signed by the individual or an attorney who is authorised to act on behalf of the individual and in the case of a corporation, the instrument appointing a proxy must be sealed with the corporation's common seal or signed by an officer of the corporation or an attorney who is authorised to act on behalf of the corporation.
6. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed (or a notarially certified copy of such power or authority) shall be deposited at the Registered Office of the Company at Ground Floor, Synergy 9, 9 Jalan Kajibumi U1/70, Temasya Glenmarie, 40150 Shah Alam, Selangor, Malaysia not less than 48 hours before the time appointed for holding the meeting or any other adjournment thereof, either (a) by hand or post; or (b) electronically via email to *Dvoteservice@gmail.com*.

Personal Data Privacy: *By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 28 April 2023.*

Fold this flap for sealing

Please fold here

AFFIX STAMP

THE SECRETARY

ADVANCE SYNERGY BERHAD
Ground Floor, Synergy 9
9 Jalan Kajibumi U1/70
Temasya Glenmarie
40150 Shah Alam
Selangor, Malaysia

Please fold here

ADVANCE SYNERGY BERHAD
[Registration No. 192001000024 (1225-D)]

SYNERGY 9, 9 Jalan Kajibumi U1/70, Temasya Glenmarie
40150 Shah Alam, Selangor, Malaysia