



Laporan Tahunan 2023 Annual Report

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# corporate information

## DIRECTORS

Dato' Lim Kian Onn (Executive Chairman)  
En Mahadzir bin Azizan  
Mr Oh Teik Khim  
Datin Sri Azlin binti Arshad  
Mr Gareth Lim Tze Xiang (Chief Executive Officer)  
En Akil Hassan bin Kalimullah  
Dato' Seri Kalimullah bin Masheerul Hassan  
(Alternate Director to En Akil Hassan bin Kalimullah)

## BOARD AUDIT & RISK MANAGEMENT COMMITTEE

Mr Oh Teik Khim (Chairman)  
En Mahadzir bin Azizan  
Datin Sri Azlin binti Arshad

## NOMINATION AND REMUNERATION COMMITTEE

Datin Sri Azlin binti Arshad (Chairman)  
En Mahadzir bin Azizan  
Mr Oh Teik Khim

## SECRETARIES

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

## AUDITORS

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

## SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn Bhd  
Unit 32-01, Level 32, Tower A  
Vertical Business Suite, Avenue 3, Bangsar South  
No. 8, Jalan Kerinchi  
59200 Kuala Lumpur  
Tel : 03-2783 9299  
Fax : 03-2783 9222  
Email : [is.enquiry@my.tricorglobal.com](mailto:is.enquiry@my.tricorglobal.com)

## REGISTERED OFFICE

2nd Floor, West Wing, Bangunan ECM Libra  
8 Jalan Damansara Endah  
Damansara Heights  
50490 Kuala Lumpur  
Tel : 03-2632 9800  
Fax : 03-2096 1188  
Email : [secretarialdl@ecmlibra.com](mailto:secretarialdl@ecmlibra.com)

## BUSINESS ADDRESS

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

## WEBSITE

[www.ecmlibra.com](http://www.ecmlibra.com)

## LISTING

Main Market of Bursa Malaysia Securities Berhad

# directors' profile

## Dato' Lim Kian Onn

### Executive Chairman/Non-Independent

Dato' Lim Kian Onn, a Malaysian, male, aged 67, is a member of the Institute of Chartered Accountants in England & Wales and the Malaysian Institute of Accountants. He served his articleship with KMG Thomson McLintock in London and was a consultant with Andersen Consulting from 1981 to 1984. Between 1984 and 1993, Dato' Lim was with Hong Leong Group, Malaysia as an Executive Director in the stockbroking arm responsible for corporate finance, research and institutional sales. Dato' Lim founded the Libra Capital Group in 1994 and co-founded the ECM Libra Group in 2002.

Dato' Lim was appointed to the Board of Directors ("Board") of ECM Libra Group Berhad ("ECMLG" or "Company") on 16 June 2006. Dato' Lim is currently the Executive Chairman of ECMLG, appointed as such from 1 February 2024. Dato' Lim attended all four Board meetings held during the financial year ended 31 December 2023.

Dato' Lim is also the non-executive Chairman of Plato Capital Limited, a company listed on the Stock Exchange of Singapore and a trustee of ECM Libra Foundation. Dato' Lim has substantial interest in ECMLG and is the father of Mr Gareth Lim Tze Xiang who is also a director and Chief Executive Officer of ECMLG. Dato' Lim has no conflict of interest with ECMLG, no conviction for any offences within the past five years and has not been imposed with any public sanction or penalty by any relevant regulatory bodies during the financial year ended 31 December 2023.

## En Mahadzir bin Azizan

### Non-Independent Non-Executive

En Mahadzir bin Azizan, a Malaysian, male, aged 75, is a Barrister-At-Law from Lincoln's Inn, London, United Kingdom and was called to the English Bar in 1978.

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

En Mahadzir was appointed to the Board of ECMLG on 16 June 2006. He attended all four Board meetings held during the financial year ended 31 December 2023. He is a member of the Board Audit & Risk Management Committee and Nomination and Remuneration Committee of ECMLG.

En Mahadzir is also a director of Securities Industry Dispute Resolution Center. He has no family relationship with any director or major shareholder of ECMLG, no conflict of interest with ECMLG and has no conviction for any offences within the past five years. He has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2023.

# directors' profile continued

## Oh Teik Khim

### Independent Non-Executive

Mr Oh Teik Khim, a Malaysian, male, aged 69, is an Associate of the Institute of Chartered Accountants in England and Wales. He has more than thirty years of experience in finance and general management. He had been the Chief Operating Officer/Chief Financial Officer and Executive Director of Plato Capital Limited ("Plato"), a company listed on the Stock Exchange of Singapore, since 2001 and 2003 respectively before he retired in September 2019. Prior to joining Plato, Mr Oh served in various senior positions in the Hong Leong Group Malaysia.

Mr Oh was appointed to the Board of ECMLG on 2 July 2020. He is the Chairman of the Board Audit & Risk Management Committee and a member of the Nomination and Remuneration Committee of ECMLG. He attended all four Board meetings held during the financial year ended 31 December 2023.

Mr Oh has no directorship in any other public companies and listed issuers. He has no family relationship with any director or major shareholder of ECMLG, no conflict of interest with ECMLG and has no conviction for any offences within the past five years. He has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2023.

## Datin Sri Azlin binti Arshad

### Independent Non-Executive

Datin Sri Azlin binti Arshad, a Malaysian, female, aged 51, holds a Bachelor Degree in Accounting & Finance (Hons.) from University of Glamorgan (now known as University of South Wales), South Wales, the United Kingdom.

Datin Sri Azlin started her career in Corporate Finance department of the then Amanah Merchant Bank Berhad (now known as Alliance Investment Bank Berhad) and subsequently the then Aseambankers Malaysia Berhad (now known as Maybank Investment Bank Berhad). She left Maybank Investment Bank Berhad in 2009 to join ECM Libra Investment Bank Berhad as Head of Corporate Finance & Director, Investment Banking, and subsequently assumed the post of Deputy Chief Executive Officer in December 2010 till December 2012. She was then appointed as the Group Chief Executive Officer of ECM Libra Financial Group Berhad (now known as ECMLG), a position she held till 31 July 2015.

Datin Sri Azlin has subsequently served in various senior positions including as Chief Operating Officer, NJOI, Customer Division of Astro Malaysia Holdings Berhad and Vice President, Industrial Development Division of Johor Corporation. Datin Sri Azlin was also the Senior Vice President of PayTV and Commercial Director, and Acting Head of Astro Awani, of Astro Malaysia Holdings Berhad. Datin Sri Azlin joined Prudential BSN Takaful Berhad in February 2022 as Chief Marketing Officer, a position she held till 22 April 2024. Datin Sri Azlin was previously the Deputy Chairman of Syarikat Takaful Keluarga Malaysia Berhad and a Director of QSR Holdings Berhad and Nestle (Malaysia) Berhad.

Datin Sri Azlin was appointed to the Board of ECMLG on 23 May 2023. She is the Chairwoman of the Nomination and Remuneration Committee and a member of the Board Audit & Risk Management Committee of ECMLG. Datin Sri Azlin attended all two Board meetings held since her appointment during the financial year ended 31 December 2023.

Datin Sri Azlin has no directorship in any other public companies and listed issuers. She has no family relationship with any director or major shareholder of ECMLG, no conflict of interest with ECMLG and has no conviction for any offences within the past five years. She has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2023.

# directors' profile continued

## Mr Gareth Lim Tze Xiang

### Chief Executive Officer/Non-Independent

Mr Gareth Lim Tze Xiang, a Malaysian, male, aged 41, holds a Bachelor of Arts Degree in Economics from St. Catharine's College at the University of Cambridge.

Mr Gareth Lim was appointed to the Board of ECMLG on 4 July 2016. On 1 June 2020, he was appointed as Chief Executive Officer of ECMLG and re-designated as Executive Director of the Company. He attended all four Board meetings held during the financial year ended 31 December 2023.

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

Mr Gareth Lim is also an alternate director of Plato Capital Limited, a company listed on the Stock Exchange of Singapore. He is the son of Dato' Lim Kian Onn who is the Executive Chairman and a major shareholder of ECMLG. He has no conflict of interest with ECMLG, no conviction for any offences within the past five years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2023.

## En Akil Hassan bin Kalimullah

### Non-Independent Non-Executive

En Akil Hassan bin Kalimullah, a Malaysian, male, aged 35, holds a Bachelor of Science in Mathematics from University of Melbourne.

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

En Akil Hassan was appointed as Non-Executive Director of ECMLG on 1 January 2024. Prior to his appointment, he was the Alternate Director to Dato' Seri Kalimullah bin Masheerul Hassan in ECMLG from 10 December 2019 till 31 December 2023. En Akil Hassan is the son of Dato' Seri Kalimullah bin Masheerul Hassan who is currently his Alternate Director and a substantial shareholder of ECMLG. En Akil Hassan has no directorship in any other public companies and listed issuers, no conflict of interest with ECMLG and has no conviction for any offences within the past five years. He has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2023.

# directors' profile continued

## Dato' Seri Kalimullah bin Masheerul Hassan

(Alternate Director to En Akil Hassan bin Kalimullah)

Non-Independent Non-Executive

Dato' Seri Kalimullah bin Masheerul Hassan, a Malaysian, male, aged 66, began a career in journalism in 1979 before becoming a businessman in 1995. Since then, he has held positions in various Malaysian listed corporations. Dato' Seri Kalimullah was also tapped by the Government to serve on various Government agencies and boards, including as Chairman of the national news agency, Bernama, Deputy Chairman of the New Straits Times Press (M) Bhd, while continuing as Chief Executive Officer and Executive Chairman of ECM Libra Berhad, which he co-founded with two partners in 2002. He also served as a member of the National Unity Advisory Panel, the Multimedia Development Corporation (MdEC), the National Information Technology and various public-listed companies. He is now focusing on charity works undertaken by the ECM Libra Foundation which was set up and funded by him and his two partners, Dato' Chua Ming Huat and Dato' Lim Kian Onn.

Dato' Seri Kalimullah was appointed as Alternate Director to his son, En Akil Hassan bin Kalimullah, on 1 January 2024. Dato' Seri Kalimullah was previously the Chairman of the Board of ECMLG, a position he held from 16 June 2006 till 31 December 2023, before his retirement took place on 1 January 2024. Dato' Seri Kalimullah attended all four Board meetings held during the financial year ended 31 December 2023.

Dato' Seri Kalimullah is Chairman of the ECM Libra Foundation Board of Trustees and a trustee of UTAR Education Foundation. Dato' Seri Kalimullah is a substantial shareholder of ECMLG and has no family relationship with the other major shareholders of ECMLG and has no conflict of interest with ECMLG. He has never had any conviction for any offences and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2023.



# key senior management's profile

## Mr Gareth Lim Tze Xiang

### Chief Executive Officer

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

## Navinderjeet Singh a/l Naranjan Singh

### Chief Financial Officer

Mr Navinderjeet Singh a/l Naranjan Singh, a Malaysian, male, aged 36, holds a Postgraduate Diploma in Finance from Massey University, New Zealand and a Degree in Bachelor of Commerce in Accounting & Finance from University of Auckland, New Zealand. Mr Navinderjeet is a member of the Chartered Accountants Australia and New Zealand.

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

Mr Navinderjeet sits on the board of Plato Capital Limited, a company listed on the Stock Exchange of Singapore. He has no family relationship with any director or major shareholder of ECMLG, no conflict of interest with ECMLG and has no conviction for any offences within the past five years. He has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2023.

# board audit & risk management committee report

## Constitution

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

## Composition

The members of the BARMC during the financial year ended 31 December 2023 ("FY2023") were:

- Chairman : Mr Oh Teik Khim  
(Independent Non-Executive Director)  
(Re-designated from member to Chairman on 22 May 2023)
- Datuk Kamarudin bin Md Ali (former Chairman)  
(Independent Non-Executive Director)  
(Ceased as member and Chairman following his retirement by rotation as director at the conclusion of the 18th Annual General Meeting of the Company held on 22 May 2023)
- Members : En Mahadzir bin Azizan  
(Non-Independent Non-Executive Director)
- Datin Sri Azlin binti Arshad  
(Independent Non-Executive Director)  
(Appointed as member on 23 May 2023)

The BARMC comprises three (3) members who are Non-Executive Directors, with a majority being independent. The BARMC Chairman, Mr Oh Teik Khim is an Associate of the Institute of Chartered Accountants in England and Wales. Accordingly, the composition of the BARMC meets the requirements of paragraph 15.09(1) and (2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

## Functions, Duties and Responsibilities of the BARMC

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

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

The TOR of the BARMC is reviewed on an annual basis and made available on the Company's website at [www.ecmlibra.com](http://www.ecmlibra.com) under the dedicated Investor Relations section.

## Meetings

The BARMC meets at least four (4) times in each financial year and additional meetings may be called at any time as and when necessary. During the FY2023, four (4) BARMC meetings were held and the details of the attendance of BARMC members are as follows:

Members	No. of meetings attended
Mr Oh Teik Khim	4/4
En Mahadzir bin Azizan	4/4
Datin Sri Azlin binti Arshad (Appointed as member on 23 May 2023)	2/2
Datuk Kamarudin bin Md Ali (Ceased as member and Chairman on 22 May 2023)	2/2

# board audit & risk management committee report continued

## Meetings (continued)

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

## Summary of Activities

During the FY2023, the BARMC carried out the following activities:

### 1. Financial Reporting

The BARMC reviewed the interim financial statements and year-end financial statements of the Company and the Group ("Financial Statements") before presenting them to the Board for approval and subsequent release to Bursa Securities. During the review of the Financial Statements, the BARMC ensured true and fair reporting, reliability of the financial information presented in the Financial Statements, as well as compliance with the requirements of the Companies Act 2016, Malaysian Financial Reporting Standards, International Financial Reporting Standards and Main Market Listing Requirements of Bursa Securities.

### 2. External Audit

The BARMC discussed the audit results for the year-end financial statements of the Company and the Group for the financial year ended 31 December 2022 ("FY2022") with the external auditors, Messrs BDO PLT ("BDO"). The BARMC also reviewed and deliberated with BDO on the key audit matters set out in the independent auditors' report of the financial statements for the FY2022.

The BARMC assessed BDO's performance, suitability and independence for their re-appointment as external auditors for FY2023 by taking into consideration the feedback provided by management and the criteria set out in the External Auditors Assessment Policy. These criteria include, amongst others, the adequacy of resources of BDO to undertake their audit, the level and quality of service provided by BDO, the level of appropriateness of BDO's fees to support their service quality, communication between BDO and management, as well as the competence, knowledge, experience and independence of advice provided by the engagement partner. Other than the aforementioned, the BARMC also considered information presented in the Transparency Report of BDO, i.e. audit quality measures of BDO to uphold their audit quality and in managing risks and also audit quality indicators which provide indicators of the audit quality of BDO. Based on the assessment results, the BARMC was satisfied that BDO met the criteria for re-appointment as external auditors of the Company for FY2023. The BARMC accordingly recommended their re-appointment as external auditors to the Board for consideration and subsequently for the same to be recommended to the shareholders for approval at the Eighteenth Annual General Meeting of the Company held on 22 May 2023. The said re-appointment of BDO as external auditors of the Company was subsequently approved by the shareholders at the meeting held thereat.

The BARMC deliberated with BDO on their scope of work and audit plan for the audit of the year-end financial statements of the Company and the Group for FY2023 ("Audit for FY2023") covering, among others, areas of audit emphasis, timeline for completion, deliverables, key dates, proposed audit fee and scope of audit. BDO confirmed to the BARMC that they are independent in accordance with the independence requirements set out in the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants, and had complied with the relevant ethical requirements for the Audit for FY2023. Following deliberation, the BARMC approved the audit plan and recommended the proposed audit fees of BDO to the Board for approval.

The BARMC received updates from BDO regarding the new and amended financial reporting standards, including the Lease Liability in Sale and Leaseback (Amendments to the Malaysian Financial Reporting Standard 16 Leases), as well as the effective dates of implementation and the implications of the said financial reporting standards on the financial reporting of the Group.

During the FY2023, the BARMC had private sessions with BDO on 27 February 2023 and 23 November 2023, without the presence of the other Directors and management. The BARMC is able to meet freely with BDO on a regular and confidential basis.

# board audit & risk management committee report continued

## Summary of Activities (continued)

### 3. Internal Audit

The BARMC reviewed and approved the internal audit plan for the FY2023 proposed by Messrs Crowe Governance Sdn Bhd (“Crowe Governance”), an independent outsourced internal auditors. In addition to that, the BARMC reviewed and approved an internal audit plan for ad-hoc audit based on a special request. During the review of the internal audit plans, the BARMC ensured the adequacy of the scope and coverage of internal audits on the activities and operations of the Group prior to approving the said plans. The BARMC also assessed if adequate time and resources were allocated by Crowe Governance to perform the audit effectively.

The BARMC reviewed the internal audit reports presented by Crowe Governance. These reports include audit findings, recommendations for improvement to be implemented, results of assessment on the adequacy and effectiveness of internal controls, and management’s corresponding responses. The BARMC ensured actions taken by management to address the audit findings were satisfactory and within the agreed timeline.

The BARMC had a private session with Crowe Governance on 27 February 2023 without the presence of the other Directors and management.

### 4. Related Party Transactions

The BARMC reviewed related party transactions entered into by the Group and instances of conflict of interest, if any, that arose or may arise within the Group on a quarterly basis to ensure that these transactions were carried out in the normal course of business and at arms’ length.

The BARMC also reviewed the renewal of tenancies for the Group’s rental of office space in Bangunan ECM Libra, as the tenancies were considered related party transactions. The BARMC noted that the rental rates and the terms and conditions of these tenancies were no less favorable than those offered to other tenants at Bangunan ECM Libra. The BARMC opined that the renewal of tenancies was at arm’s length and not detrimental to the interests of the minority shareholders of the Company. In view of the aforesaid, the BARMC recommended the renewal of tenancies for approval by the Board.

### 5. Risk Management

The BARMC oversees the establishment of a robust risk management framework. During the FY2023, the BARMC reviewed the risk management reports on a quarterly basis. The said reports covered assessments and management of various risks, including but not limited to, regulatory compliance, operational, financial, legal, cyber and corruption risks that could impact the day-to-day business operations and activities of the Group. During the review of the risk management reports and deliberations with management, the BARMC ensured that there were adequate internal control measures and mitigating factors in place to effectively manage the risks encountered by the Group.

### 6. Whistleblowing, Corruption and Bribery

The BARMC reviewed the report from the Group Head of People/Compliance Officer regarding complaints received against any personnel within the Group related to suspected wrongdoing, bribery and corrupt activities. The BARMC noted that no complaints were reported in the FY2023. The BARMC ensured that there were controls in place to prevent and detect wrongdoing, bribery, and corrupt activities within the Group.

### 7. Other Duties

- (i) The BARMC reviewed the Board Audit & Risk Management Committee Report and Statement on Risk Management & Internal Control to ensure adherence to the relevant reporting requirements prior to its recommendation to the Board for approval for inclusion in the Annual Report of the Company.
- (ii) The BARMC reviewed and updated its TOR to ensure compliance with the Main Market Listing Requirements of Bursa Securities and in line with the relevant practices set out in the Malaysian Code on Corporate Governance. The BARMC recommended its updated TOR to the Board for approval.
- (iii) The BARMC reviewed the External Auditors Assessment Policy, which sets out the guidelines and procedures for the assessment of external auditors. The BARMC agreed that no updates were required for the said policy as it remained relevant, appropriate and fit for its purpose. The BARMC recommended the same to the Board for concurrence.

# board audit & risk management committee report continued

## Summary of Activities (continued)

### 7. Other Duties (continued)

- (iv) The BARMC reviewed the Anti-Bribery and Corruption Policy and the Gift and Hospitality Policy and agreed that no changes or updates were required. The BARMC recommended the same to the Board for concurrence.
- (v) The BARMC reviewed and recommended the updated Whistle Blowing Policy to the Board for approval.

The BARMC members conducted annual assessment on the performance of individual members and the BARMC as a whole for the FY2023. The results of the assessments were tabled to the BARMC for notation and subsequently to the Nomination and Remuneration Committee ("NRC") and the Board for review. Both the NRC and the Board were satisfied that the BARMC and its members had discharged their functions, duties and responsibilities effectively and in accordance with the TOR of the BARMC.

### Internal Audit Function

The internal audit function of the Group has been outsourced to Crowe Governance, an independent internal audit service provider that reports directly to the BARMC.

During the FY2023, Crowe Governance conducted an internal review of the Company's sustainability reporting process and assessed its compliance with reference to Bursa Malaysia Sustainability Reporting Guide. The review was conducted in accordance with the internal audit plan for the FY2023 approved by the BARMC. The scope of the internal review covered primary components, including sustainability governance and framework, scope and basis of scope, materiality assessment and management approach, measurement methodologies for indicators and performance targets.

Crowe Governance also conducted audit on sales, billing, collection and credit control for Epsom College in Malaysia ("Epsom College") as per the internal audit plan approved by the BARMC. Epsom College operates under Epsom College Malaysia Sdn Bhd, which is a wholly-owned subsidiary of Educ8 Group Sdn Bhd ("Educ8"), whilst Educ8 is an associate company of ECM Libra Group Berhad.

In discharging their role, Crowe Governance:

- walked through the primary components with respective personnel and business processes with respective process owners to understand the process and identified key controls via interviews, observations and verification to supporting source documentation.
- performed a system of controls evaluation on the relevant primary components where applicable to identify controls in place and potential lapses or areas for improvement and categorizing into people, process and policy.
- performed a system of controls evaluation on high-risk areas within business processes (identified business risks, benchmark the existing control system and identified design inadequacies, implementation lapses and process improvements).
- reviewed the overall control environment where there were significant amounts of implementation lapses.
- reported to the BARMC on the outcomes of the audits and the assessment of adequacy and effectiveness of the internal controls implemented.

The above mentioned enabled the BARMC to execute its oversight function and form an informed opinion on the adequacy and effectiveness of measures undertaken by management to assure the Group's systems of internal control are in place for achieving the Group's objectives, ensuring compliance and safeguarding the assets and the interests of stakeholders of the Group.

The cost incurred for the internal audit function for the FY2023 amounted to RM17,776.

This Report was approved by the Board on 22 April 2024.

# corporate governance overview statement

The Board of Directors (“Board”) of ECM Libra Group Berhad (“ECMLG” or “Company”) is committed to manage the Company and its subsidiaries (“ECMLG Group” or “Group”) in line with the corporate governance practices as set out in the Malaysian Code on Corporate Governance (“Code”). The Board believes that corporate accountability complements business practices that will facilitate the achievement of the Company’s goals and objectives. In preparing this statement, the Board is pleased to report that the Company has applied the principles and complied with the practices as set out the Code, except as otherwise stated. The detailed application of each practice as set out the Code during the financial year ended 31 December 2023 is disclosed in the Corporate Governance Report, which is available on the Company’s website, [www.ecmlibra.com](http://www.ecmlibra.com), at the dedicated section on Investor Relations.

## PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS

### I. Board Responsibilities

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

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

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

As at the financial year ended 31 December 2023, the Board Committees comprised:

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

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

To ensure there is check and balance as well as objective review by the Board, the Chairman of the Board does not sit on the Board Committees and does not involve in the meetings of the Board Committees. During the financial year ended 31 December 2023, the Chairman of the Board was not invited to and did not attend any of the Board Committee meetings.

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

# corporate governance overview statement

## continued

### PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

#### I. Board Responsibilities (continued)

To ensure efficient management of the ECMLG Group, the Board meets quarterly and additionally as and when required, with a formal schedule of matters specifically reserved for its deliberation and decision. During the financial year ended 31 December 2023, four (4) Board meetings were held, and all the Directors who held office during the financial year had complied with the requirements for Board meeting attendance as set out in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ["Listing Requirements of Bursa Securities"]. The attendance record of each Director is as follows:

Directors	No. of meetings attended
Dato' Seri Kalimullah bin Masheerul Hassan (prior to his retirement as Chairman of the Board and appointment as Alternate Director to En Akil Hassan bin Kalimullah on 1 January 2024)	4/4
Dato' Lim Kian Onn	4/4
En Mahadzir bin Azizan	4/4
Mr Oh Teik Khim	4/4
Datin Sri Azlin binti Arshad (Appointed on 23 May 2023)	2/2
Gareth Lim Tze Xiang	4/4
Datuk Kamarudin bin Md Ali (Retired by rotation at the conclusion of the Eighteenth Annual General Meeting ("18th AGM") of the Company held on 22 May 2023)	2/2

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

The Board members are provided with notice setting out the meeting agenda, along with comprehensive Board papers, at least five (5) days prior to the Board meeting. Board papers serve as the primary source of information for Directors before the meeting and senior management is obligated to provide sufficient, accurate and relevant supporting information in the Board papers. The Chairman with the assistance of the Company Secretaries ensures the integrity of the information provided by senior management and the timeliness of the Board papers. The Board discourages any late provision of Board papers, particularly if they involve complex matters.

Upon conclusion of the meeting, the minutes of the meeting are circulated in a timely manner to the Board members before the next meeting. The Board ensures that the meeting proceedings, including instances of Board members abstaining from deliberation or voting on a particular matter, any dissenting views expressed by Board members, and decisions made by the Board, are accurately reflected in the minutes of the meeting before they are confirmed by the Board as correct records of the proceedings held thereat.

All the members of the Board have access to the advice and support of suitably qualified and competent Company Secretaries. The Company Secretaries play important advisory roles and serve as sources of information and advice to the Board on any issues related to procedural and statutory requirements that may affect the Company and the Group. The Company Secretaries keep the Board updated on any material changes in law and regulatory developments and advising the Board on the required actions to ensure compliance with regulatory requirements for both the Company and the Group.



# corporate governance overview statement

## continued

### PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

#### I. Board Responsibilities (continued)

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

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

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

Director	Course Name
Dato' Seri Kalimullah bin Masheerul Hassan	Developing a Transfer Pricing Policy for Intra-Group Services – Key Factors to Consider
Dato' Lim Kian Onn	Joint Ventures, Shareholders Agreement and Conflict of Interest Situations
En Mahadzir bin Azizan	Bursa Malaysia's Enhanced Sustainability Reporting Framework with Climate Change Reporting
Oh Teik Khim	Revised 2023 Budget: New Government, New Plans
	EY-Parthenon Board and C-suite series - Session 8: Defining a Winning Strategy for Southeast Asia's Conglomerates
	Malaysia's Withholding Tax
	Bursa Malaysia's Enhanced Conflict of Interest Disclosure Requirements
	Budget 2024 - Unleash the TIGER
Datin Sri Azlin binti Arshad	Measurements of Success
	Pre-session engagement with Audrey Richard
	2023 Senior Leaders Group Training for Business Plan
	Takaful Leader Communication
	2023 Digital Sales & Marketing Forum - Review, Renew & Rejuvenate Together
	Check-in session (Hothouse)
	Sustainability 101
	Special Learning Program on cruise for Do4Life Qualifiers
	Group Code of Business Conduct – All Employee Declaration for 2022
Prudential Contingent Worker Management Framework	



# corporate governance overview statement

## continued

### PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

#### I. Board Responsibilities (continued)

Director	Course Name
Datin Sri Azlin binti Arshad	Engagement session with Industry for Financial Inclusion Framework 2023 with Bank Negara Malaysia
	DEEN Product Workshop
	Google Analytics Training
	Partnership Distribution Council
	Next Prudential Leadership Conference
	Planning for Victory Workshop
	Future Finance Kuala Lumpur 2023 Conference
	Mental Health First Aider Certification
	Health Pillar Workshop – North Star
	Takaful Convention 2023
	Customer Workshop - North Star
	Anti-Money Laundering 2023
	Conflict of Interest 2023
	Fraud Awareness 2023
	Speak Out 2023
	2023 Group Privacy Training
	2023 Corporate Communications
Anti-Bribery & Corruption 2023	
Masterclass + Visioning Workshop	
Mr Gareth Lim Tze Xiang	International Hotel Technology Forum 2023
	International Hospitality Investment Forum
	Education Summit
	Hotel Investment Conference Asia Pacific
En Akil Hassan bin Kalimullah (Alternate Director to Dato' Seri Kalimullah bin Masheerul Hassan prior to his appointment as Non-Executive Director on 1 January 2024)	Scaling Up Summit Malaysia 2023
	Think Crucial

The Board members have also devoted time to non-structured continuing professional development by reading articles relating to topics relevant to the Group's businesses.

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

# corporate governance overview statement

## continued

### **PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS** (continued)

#### **I. Board Responsibilities** (continued)

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

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

The Group has implemented a Code of Business Conduct & Ethics to be observed by all the employees of the Group, including the Board. The Code of Business Conduct & Ethics is published on the Group's intranet and is accessible to all the employees. In addition, the Board has established the Anti-Bribery and Corruption Policy and the Gift and Hospitality Policy, which outline the responsibilities of the Directors and employees in observing and upholding the Group's zero tolerance stance on bribery and corruption. All the Directors and employees are required to abide by the said policies, which are accessible on the Group's intranet and the Company's website.

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

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

The Board receives periodic updates from the Chief Executive Officer at the Board meetings on key sustainability issues relevant to the Group and its business, including climate-related risks and opportunities.

The NRC assesses the performance of the Board, among other factors, in addressing the Group's material sustainability risks and opportunities as part of the annual assessment of the Board's effectiveness. For the senior management, elements of EES metrics are included as key performance indicators in their performance appraisals. These EES metrics include hotels' ratings, customers' feedback and regulatory compliance.

The Board approves the sustainability statement, which is included in the Company's yearly Annual Report. The Annual Reports, which are available on the Company's website, enable both internal and external stakeholders to stay informed about the Group's sustainability strategies, priorities, targets, and performance against these targets.

# corporate governance overview statement

## continued

### PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

#### II. Board Composition

The Board aims to maintain a diversity of expertise, skills, competency, personalities and attributes among the Directors so as to provide a comprehensive range of perspectives and experiences, resulting in improved decision making. The Board members shall be persons of high calibre and integrity and are able to devote sufficient time to discharge their duties.

The Board supports the policy of non-discrimination based on gender, ethnicity and age for its members. Specific targets related to gender, ethnicity and age diversity would only be established as and when deemed necessary and in the best interest of the Company. The Board recognises the contribution that women could bring to the Board and took cognizance of the requirement to have at least one (1) female Director, as mandated by a new requirement under the Listing Requirement of Bursa Securities effective from 1 June 2023 ("New Requirement"). As at 31 December 2023, the Board comprised five (5) male members and one (1) female member, who were aged between 41 and 74, of which 50% were Bumiputera and 50% were Chinese.

There is a clear division of responsibilities between the Chairman of the Board and the Chief Executive Officer, with independent oversight by the Independent Directors to ensure a balance of authority and power within the Board. The wide spectrum of knowledge, skills and experience among the Board members adds strength to the leadership, which is necessary for the effective stewardship of the Group.

The Board recognises the importance and contribution of its Independent Directors. They represent objectivity, impartiality and independent judgment within the Board, providing adequate checks and balances to safeguard the interests of the Company's shareholders. The Independent Directors bring vast and varied management exposure, expertise and broad business and commercial experiences to the Board.

The Board reviews the tenure of service of Directors and is of the view that a Director's independence should not be determined solely based on the tenure of service, as continued directorship brings considerable stability to the Board, and the Company has benefited from Directors who have gained valuable insight into the Group over time. The ability and effectiveness of an Independent Director is dependent on his/her calibre, qualification, experience, integrity and objectivity in discharging his/her responsibilities in good faith in the best interest of the Company and to safeguard the interests of the shareholders of the Company. Considering various factors, the Board aims to strike an appropriate balance between tenure of service, continuity of experience and the merit of refreshing the Board. In 2015, the Board approved and adopted a policy on the tenure of Independent Directors, setting a cap of twelve (12) years for the tenure of Independent Directors ("Policy on Tenure of Independent Directors"). Upon completion of twelve (12) years, such Directors may be re-designated as Non-Independent Directors. The Policy on Tenure of Independent Directors is in line with the Listing Requirements of Bursa Securities, which impose a limit on the tenure of an independent director to not more than a cumulative of twelve (12) years in a listed issuer and its group of companies. In line with Practice 5.3 of the Code, if the Board intends to retain an Independent Director who has served in the same capacity beyond nine (9) years, the Board will provide justification and seek annual shareholders' approval through a two-tier voting process as described in the Guidance to Practice 5.3 of the Code.

During the financial year under review, the following changes took place in the composition of the Board:

- Datuk Kamarudin bin Md Ali retired by rotation at the conclusion of the 18th AGM held on 22 May 2023;
- En Mahadzir bin Azizan was re-designated as Non-Independent Non-Executive Director at the conclusion of the 18th AGM held on 22 May 2023; and
- Datin Sri Azlin binti Arshad was appointed as Independent Non-Executive Director on 23 May 2023.

Subsequently, the changes in the composition of the Board are as below:

- Dato' Seri Kalimullah bin Masheerul Hassan retired as Non-Executive Chairman and was appointed as Alternate Director to En Akil Hassan bin Kalimullah on 1 January 2024;
- En Akil Hassan bin Kalimullah ceased as Alternate Director to Dato' Seri Kalimullah bin Masheerul Hassan and was appointed as Non-Independent Non-Executive Director on 1 January 2024; and
- Dato' Lim Kian Onn was appointed and re-designated as Executive Chairman on 1 February 2024.

# corporate governance overview statement

## continued

### **PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS** (continued)

#### **II. Board Composition** (continued)

The Board currently comprises six (6) Directors, two (2) of whom are independent. The Directors hold non-executive positions, except for Dato' Lim Kian Onn and Mr Gareth Lim Tze Xiang who serve as Executive Chairman and Chief Executive Officer respectively. With the appointment of Datin Sri Azlin binti Arshad to the Board on 23 May 2023, the Board now consists of one (1) female Director and the Company has complied with the New Requirement. The approval granted by the shareholders at the Seventeenth Annual General Meeting held on 9 June 2022 through a two-tier voting process as described in the Guidance to Practice 5.3 of the Code for En Mahadzir bin Azizan, who had served as an Independent Non-Executive Director of the Company for a cumulative term of sixteen (16) years, to continue to serve in the same capacity was lapsed the conclusion of the 18th AGM held on 22 May 2023. He was then re-designated as Non-Independent Non-Executive Director.

The Board has exercised its judgement that the current composition of the Board with six (6) members, two (2) of whom are Independent Directors fairly reflects the investment in the Company by all the shareholders and is appropriate to protect the interest of all the shareholders. The Independent Directors provide the necessary and adequate check and balance to the Board's decision-making process. They are independent from influence of management of the Company and are able to exercise their own judgement and to act freely from any conflict of interest. There are no potential areas of conflicts that may have impaired the independence of the Independent Directors. Directors engage in healthy discussions whereby they are freely to express and debate their views to allow diverse perspectives to be considered. Directors abstain from deliberation and decision making on matters which they have a conflict of interest. The Board operates in such a manner to ensure the Directors exercise independent judgement and the decisions made by the Board are in the best interests of the Company and shareholders. Additionally, grievances of shareholders may be directed to the Chairman of the BARMC, who is an Independent Director. The Board is cognisant of the recommendation in the Code for the Board to comprise a majority of independent directors, and will continuously assess the composition and size of the Board to meet the Group's needs.

The Board Nomination Committee ("BNC") and the Board Remuneration Committee ("BRC") were established on 27 September 2006. On 26 February 2020, the BNC and the BRC merged into a single Board Committee and was renamed the NRC. The Board believed that this merger would improve the efficiency and effectiveness of the Board in discharging its duties and responsibilities. The NRC assumed the roles and responsibilities of the BNC and the BRC and will discharge its functions efficiently and effectively according to its terms of reference approved by the Board.

The NRC currently comprises three (3) members, all of whom are Non-Executive Directors, with two (2) being independent. The NRC is chaired by an Independent Director. During the financial year ended 31 December 2023, the NRC comprised the following members:

- Datin Sri Azlin binti Arshad (Appointed as member and Chairman on 23 May 2023)
- En Mahadzir bin Azizan (former Chairman and was re-designated as member upon his re-designation as Non-Independent Non-Executive Director at the conclusion of the 18th AGM held on 22 May 2023)
- Mr Oh Teik Khim
- Datuk Kamarudin bin Md Ali (Ceased as member following his retirement by rotation at the conclusion of the 18th AGM held on 22 May 2023)

The NRC meets at least once in each financial year, and additional meetings may be called as and when necessary. The Chairman of the NRC reports to the Board on the proceedings after each meeting, covering all matters within its duties and responsibilities. The minutes of the NRC meeting are tabled to the Board for notation.

The Chairman of the NRC leads the recruitment of candidates for Board members and key senior management, and also oversees the annual assessment of the effectiveness of the Board and Board Committees, as well as the performance of individual Directors.

# corporate governance overview statement

## continued

### **PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS** (continued)

#### **II. Board Composition** (continued)

A summary of the main activities undertaken by the NRC in the discharge of its duties with regard to nomination matters during the financial year ended 31 December 2023 is as follows:

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

The Board has adopted the Directors' Fit and Proper Policy, which is available on the Company's website, [www.ecmlibra.com](http://www.ecmlibra.com), at the dedicated section on Investor Relations. The Directors' Fit and Proper Policy outlines the fit and proper criteria for the appointment and re-appointment of Directors to the Boards of ECMLG Group. It serves as a guide to the NRC and the Board in their review and assessment of individuals who are to be appointed to the Board, as well as Directors who are seeking re-election. The Directors' Fit and Proper Policy is subject to periodic review and is updated as necessary to ensure its relevance, appropriateness and effectiveness for its intended purpose.

The responsibilities of the NRC with regard to nomination matters, inter alia, as guided by key terms of reference are as follows:

1. Assessing and recommending new nominees to the Board, re-appointment of retiring Directors as well as Directors to fill seats on the Board Committees;
2. Assessing the effectiveness of the Board and the Board Committees;
3. Reviewing the required mix of skills, experience and other qualities that Directors should bring to the Board;
4. Assessing the independence of Independent Directors based on the criteria established by the NRC in line with the Listing Requirements of Bursa Securities, the Policy on Tenure of Independent Directors and recommendations outlined in Exhibit 8 of the Corporate Governance Guide: Towards Boardroom Excellence (2nd Edition) issued by Bursa Securities;
5. Assessing and recommending to the Board the appointment of Executive Director and Chief Executive Officer, overseeing the succession for Board members and Chief Executive Officer, and evaluating the performance of Executive Director, Chief Executive Officer and other key senior management of the Group; and
6. Facilitating board induction by providing annual report and board induction manual, and overseeing continuing education programmes to be provided to Board members in areas that would strengthen their contribution to the Board.

The terms of reference of the NRC is published on the Company's website and is reviewed at least once a year and updated as necessary to reflect changes in regulations and the Company's circumstances that may affect the responsibilities of the NRC.

The annual assessment of the effectiveness of the Board and the Board Committees is conducted via Evaluation Form, which includes questions related to the structure, operations, roles and responsibilities of the Board and Board Committees, as well as the role and responsibilities of the Chairman of the Board and the Board Committees of the Company. Each member of the NRC completes the Evaluation Form, which is then retained by the Company Secretaries. The findings from the Evaluation Form are compiled and tabled to the NRC for discussion. Subsequently, relevant reports containing the views and recommendations of the NRC are prepared and presented to the Board for consideration. The effectiveness of the Board and Board Committees is assessed in areas such as composition, mix of skills and experience, meeting administration and process, quality of decision making, contribution and commitment.

# corporate governance overview statement

## continued

### **PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS** (continued)

#### **II. Board Composition** (continued)

In the annual assessment of individual Directors by the NRC, the qualifications, skills and experience of each Director are reviewed to ensure the Board has an appropriate mix of skills and core competencies to discharge its duties and responsibilities and to meet the business needs of the Group. The NRC evaluates the performance, contribution, fitness, propriety, calibre and personality of each Director by completing the Directors'/Key Senior Management Officers' Evaluation Form, which includes structured questions related to the aforementioned assessments to ensure each Director is fit and proper to continue serving as a Director of the Company. The NRC considers various factors when assessing the performance, contribution, fitness, propriety, calibre and personality of individual Directors, including their competency, capabilities, probity, personal integrity, reputation, participation and contribution in the Board and Board Committees, level of time commitment and other relevant factors. The level of time commitment of individual Directors to fulfill their responsibilities is evaluated based on their attendance record at the Board and Board Committee meetings held during the financial year, the number of directorships in public listed companies held by them and their participation in continuing training programme and/or non-structured continuing professional development through reading articles relevant to the Group's business. The NRC then deliberates on the outcome of the annual assessment of individual Directors and reports the findings with their views and recommendations to the Board for consideration.

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

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

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



# corporate governance overview statement

## continued

### **PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS** (continued)

#### **II. Board Composition** (continued)

The NRC assesses the performance of the Executive Director, Chief Executive Officer and other key senior management of the Group based on their contribution, commitment and achievement of targets against the key performance indicators.

For the financial year under review, the NRC assessed the performance of the Board and the Board Committees and reviewed the qualifications, skills, experience, performance, contribution, fitness, propriety, calibre and personality of individual Directors, and was satisfied that expectations had been met. The NRC assessed the independence of Independent Directors based on the criteria set in the annual assessment of their independence and was satisfied with the results of the assessment. During the financial year, the NRC considered the skills, experience, performance, contribution, probity and integrity and level of time commitment of Mr Oh Teik Khim, the Director who was subject to retirement by rotation at the 18th AGM, and assessed that he had met the fit and proper criteria for re-election as Director as set out in the Directors' Fit and Proper Policy. He was deemed a fit and proper person to be re-elected as Director of the Company. The NRC accordingly recommended to the Board for the re-election of Mr Oh Teik Khim as Director at the 18th AGM. The NRC evaluated the performance of the Executive Director/Chief Executive Officer for the financial year under review and ascertained that he was fit and proper to manage the business of the Group. The Board concurred with the NRC on the results of the assessments conducted as mentioned above.

During the financial year, there was an appointment of a female Director, Datin Sri Azlin binti Arshad and the selection of the candidate was facilitated through recommendation of an existing Director. Datin Sri Azlin binti Arshad had also been recommended for her appointment as member of the BARMC and Chairman of the NRC. The NRC considered qualifications, skills, experience, capabilities, personal integrity, financial integrity, probity, relevant past performance and independence of Datin Sri Azlin binti Arshad. The NRC assessed that Datin Sri Azlin binti Arshad had met the fit and proper criteria for appointment as Independent Director in accordance with the Directors' Fit and Proper Policy. Datin Sri Azlin binti Arshad was then recommended by the NRC to the Board for approval for her appointment as Independent Director, member of the BARMC and Chairman of the NRC.

#### **III. Remuneration**

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

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

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

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

# corporate governance overview statement

## continued

### PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

#### III. Remuneration (continued)

The details of the remuneration received or receivable by the Directors of ECMLG from the Group and the Company for the financial year ended 31 December 2023 are set out below:

	Group					Company				
	Salaries RM'000	Bonus RM'000	Director fees RM'000	Other emoluments <sup>1</sup> RM'000	Total RM'000	Salaries RM'000	Bonus RM'000	Director fees RM'000	Other emoluments <sup>1</sup> RM'000	Total RM'000
<b>Executive Director</b>										
Mr Gareth Lim Tze Xiang	960	268	-	149	1,377	456	268	-	88	812
<b>Non-Executive Directors</b>										
Dato' Seri Kalimullah bin Masheerul Hassan	-	-	50	4	54	-	-	50	4	54
Dato' Lim Kian Onn	-	-	30	4	34	-	-	30	4	34
En Mahadzir bin Azizan	-	-	48	9	57	-	-	48	9	57
Mr Oh Teik Khim	-	-	51	9	60	-	-	51	9	60
Datin Sri Azlin binti Arshad	-	-	29	4	33	-	-	29	4	33
Datuk Kamarudin bin Md Ali	-	-	20	5	25	-	-	20	5	25
	-	-	228	35	263	-	-	228	35	263
<b>Total Directors' Remuneration</b>	<b>960</b>	<b>268</b>	<b>228</b>	<b>184</b>	<b>1,640</b>	<b>456</b>	<b>268</b>	<b>228</b>	<b>123</b>	<b>1,075</b>

Note:

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

The remuneration of the senior management of ECMLG Group (not including Executive Director) for the financial year ended 31 December 2023 is set out below:

Range of Remuneration	Senior Management
RM650,001 to RM700,000	1
<b>Total</b>	<b>1</b>



# corporate governance overview statement

## continued

### **PRINCIPAL B: EFFECTIVE AUDIT AND RISK MANAGEMENT**

#### **I. Audit Committee**

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

The Board, through the BARMC, maintains an appropriate and transparent relationship with the external auditors. At the 18th AGM of the Company held on 22 May 2023, the shareholders approved the re-appointment of Messrs BDO PLT ("BDO") as the external auditors of the Company for the financial year ended 31 December 2023. The tenure of BDO's appointment shall lapse at the conclusion of the forthcoming 19th Annual General Meeting. Prior to appointment of BDO was recommended to the Board and subsequently to the shareholders for approval at the 18th AGM, the BARMC assessed the suitability, objectivity and independence of BDO by considering the criteria outlined in the External Auditors Assessment Policy. The BARMC took cognizance that the assessment of appointment or re-appointment of external auditors should also consider information presented in the Annual Transparency Report of the audit firms. Based on the results of the assessment and feedback provided by the management, the BARMC was satisfied that BDO had met the criteria for re-appointment as external auditors of the Company for the financial year ended 31 December 2023. The BARMC accordingly recommended their re-appointment as external auditors to the Board for consideration and subsequently for the same to be recommended to the shareholders for approval at the 18th AGM. BDO confirmed to the BARMC that they had complied with the relevant ethical requirements, including those pertaining to independence in the audit of the financial statements of ECMLG and the Group for the financial year ended 31 December 2023.

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

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

#### **II. Risk Management and Internal Control Framework**

The Statement on Risk Management and Internal Control, as set out on pages 26 to 28 of the Annual Report, provides an overview of the management of risks and the state of internal controls within the Group. It outlines the features of the risk management and internal control framework and the adequacy and effectiveness of this framework.

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

The internal audit personnel are not related to any of the Directors of the Company and do not have any conflicts of interest with ECMLG.

# corporate governance overview statement

## continued

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

#### **I. Engagement with Stakeholders**

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

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

#### **II. Conduct of General Meetings**

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

Shareholders are encouraged to attend the annual general meeting, to communicate with the Board, to participate in the question-and-answer session and to vote on all resolutions set out in the notice of meeting. Shareholders who are unable to attend the annual general meeting are encouraged to appoint proxy/proxies (not more than two (2) proxies) to attend, speak and vote on their behalf.

The Company held its 18th AGM on 22 May 2023 at a venue accessible by public transportation. The notice of the 18th AGM was issued on 19 April 2023, at least twenty-eight (28) days before the date of the 18th AGM. The resolutions tabled at the 18th AGM were voted by way of poll. The shareholders and proxies were briefed on the voting procedures by the poll administrator prior to the poll voting and an independent scrutineer was appointed to validate the votes cast. The poll results were announced by the Chairman at the meeting and made public via Bursa Securities. Within thirty (30) business days after the conclusion of the 18th AGM, the minutes of the 18th AGM detailing the meeting proceedings, matters discussed at the general meeting, and poll results for the resolutions tabled, were made available to the shareholders on the website of the Company at the dedicated section on Investor Relations.

This Statement was approved by the Board on 22 April 2024.

# statement on risk management and internal control

## Responsibility

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

## Key Processes

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

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

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

1. Identifying the full spectrum of risks, including potential risks; segregating controllable risks from uncontrollable risks, and identifying causes for the risk occurrences;
2. Assessing risk severity and probability, and combining estimates of severity and probability in the context of existing control measures;
3. Comparing the risk exposures to the entity’s risk appetite and identifying those risk exposures deemed unacceptable;
4. Identifying risk mitigation actions; instituting on-going reviews of risk and controlling its effectiveness as the business and environment changes, with tighter monitoring in areas of greatest change and risk, and assessing the quality and appropriateness of mitigation actions; and
5. Providing timely exception and periodic reports to facilitate informed risk management decisions.

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

# statement on risk management and internal control continued

## Key Processes (continued)

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

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

- a management structure with clearly defined lines of responsibility and appropriate levels of delegation to govern the Group's business activities, consistent with the Group's overall business objectives and risk appetite, and subject to adequate risk management and internal controls;
- clear definitions of limits of authority covering, inter alia, day-to-day operations, credit limits, investment and capital expenditure. The limits of authority have been approved by the Board and implemented to ensure compliance with control procedures and limits;
- key functions such as finance, credit control, human resources and legal matters are centrally controlled. Internal control measures such as segregation of duties, independent checks, segmented system access controls and multi-tier authorisation processes are implemented to ensure that these key functions operate within the control environment;
- the management determines the applicability of risk monitoring and reporting procedures and is responsible for identifying and evaluating significant risks applicable to their areas of business and operation, together with designing and operating suitable internal controls. Each business and support unit undertakes periodic self-assessment to identify and assess the effectiveness of the controls put in place for all material activities, processes and systems to manage the identified risks. The undertaking of self-assessment serves as an early warning tool to drive appropriate management action before the risks materialise into losses;
- policies and procedures with embedded internal controls are documented in a series of Policies and Procedures that are subject to periodic review for updates regarding changes in operational processes or regulatory requirements. The business and support units in the Group are guided by the Policies and Procedures in performing their duties to ensure compliance with internal controls and relevant laws and regulations;
- corporate values, which emphasize ethical behaviour and quality services, are formalised into a Code of Conduct as outlined in the Group's Employee Handbook and the Board Charter. The Code of Conduct provides guidance to the Directors and employees of the Group on the expected moral and ethical behaviour in carrying out their duties; and
- updates relating to regulatory requirements/guidelines from Bursa Malaysia Securities Berhad, Securities Commission Malaysia and other regulatory bodies are circulated to the relevant employees of the Group in a timely manner to ensure compliance of the Group's activities with the relevant regulatory requirements.

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

The Group's Anti-Bribery and Corruption Policy and Gift and Hospitality Policy are in place as control measures to ensure that Directors and all employees are well aware of their responsibilities regarding observing and upholding the Group's zero-tolerance position on bribery and corruption and abiding by the said policies. The Anti-Bribery and Corruption Policy and Gift and Hospitality Policy are available on the intranet and website of the Company and accessible to all employees of the Group.

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

# statement on risk management and internal control continued

## **Key Processes** (continued)

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

## **Conclusion**

The Board confirms that there is an on-going process that has been in place throughout the financial year ended 31 December 2023 for identifying, evaluating and managing significant risks faced by the Group. The Board has reviewed the adequacy and effectiveness of the risk management and internal control system within the Group for the financial year with the support of the Chief Financial Officer and Internal Auditors. From the review, no significant control weaknesses that have resulted in any material loss to the Group were identified during the financial year under review. The Board has received assurance from the Chief Executive Officer and Chief Financial Officer that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Group.

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

This Statement was approved by the Board on 22 April 2024.

# chairman's statement

Dear Shareholders,

The financial year ended 31 December 2023 ("FY2023") saw a strong set of financial results for ECM Libra Group Berhad (the "Company" and together with its subsidiaries, the "Group") and its portfolio of assets. Driven largely by the disposal of the Group's holdings in TYK Capital Sdn Bhd ("TYKC") alongside strong demand and revenues across its portfolio of hotels, the Group registered a profit of RM24.99 million in FY2023 as compared to a loss of RM2.63 million in the previous financial year ended 31 December 2022 ("FY2022").

## Hospitality

The Group acquired the 100-key Tune Hotel Liverpool in the United Kingdom in November 2023 and ended FY2023 with a wholly-owned hospitality portfolio of 1,597-key. The Group's hospitality assets saw an average occupancy rate of 73% across FY2023 with average room rates increased by 15% relative to FY2022. Coupled with improved ancillary revenues, this resulted in the Group's hospitality assets generating RM36.58 million in revenue, marking a significant 49% increase compared to FY2022. Alongside stringent cost control measures, the hospitality portfolio achieved EBITDA of RM10.52 million for FY2023.

Notably, The Chow Kit - an Ormond Hotel continues to win awards for its exceptional guest service and was honoured again as Malaysia's Best Boutique Hotel 2023 by the World Travel Awards. Every Malaysian asset placed in the top 10% of TripAdvisor rankings of their respective cities.

## Education

The Group holds a 21.36% stake in EDUC8 Group Sdn Bhd ("EDUC8"), which in turns owns and operates one of Asia's leading K12 boarding schools - Epsom College in Malaysia ("Epsom Malaysia"). Through its holdings in EDUC8, the Group registered a lower share of profits of RM1.81 million in FY2023 compared to RM3.32 million in FY2022. This decrease is primarily attributed to the absence of a one-off write-back of impairment of buildings that occurred in FY2022. If the one-off write-back in FY2022 is excluded, Epsom Malaysia saw an increase in profit from RM1.48 million in FY2022 to RM8.49 million in FY2023.

## Others

As announced on 8 May 2023 and 26 June 2023, the disposal of the Group's entire investment in TYKC by an associate company ("Disposal") was completed, recording a profit of RM26.23 million from the Disposal for the Group.

## Corporate Social Responsibility

The ECM Libra Foundation (the "Foundation"), funded by the founding partners, Dato' Seri Kalimullah bin Masheerul Hassan and Dato' Lim Kian Onn, has maintained its commitment to the social aspects of sustainability for the Group since its inception in 2004.

The Foundation co-sponsored the Malaysia Teacher Prize 2023 organised by Pemimpin GSL. This annual award aims to highlight outstanding teachers in Malaysia and enhance the teaching profession by providing a platform for teachers to share sustainable and effective practices and to recognise the impact of their efforts on the students and community.

For the ninth consecutive year, the Foundation, through University Tunku Abdul Rahman, continued its English and Malay tuition programs conducted for primary schools in six (formerly five) new villages in Kampar. These programs focus on improving students' spoken, written and reading skills in English and Bahasa Malaysia, as well as boosting their confidence in speaking. The success of these tuition programs was evident at the graduation ceremony held in November 2023, where 282 students showcased their newly acquired language skills on stage.

# chairman's statement

## continued

### **Corporate Social Responsibility** (continued)

Additionally, the Foundation sponsored a physical youth camp under the SPARK program, conducted by Leaderonomics, which lasted for six days and five nights in Si Rusa, Negeri Sembilan. One of the camp's primary goals is to provide a strong foundation for participants, empowering them to maximize their potential and make a positive impact in their communities. At the conclusion of the camp, participants emerged with a heightened sense of self-awareness, bolstered self-confidence, and a rich, cross-cultural network of friends to support them in achieving their goals.

Furthermore, the Foundation sponsored GoodKids' Training of Trainers ("TOT") program, aimed at conducting TOT sessions for secondary school counsellors (Guru Bimbingan dan Kaunseling) utilising the Academy Mental Health Awareness modules. Furthermore, the GoodKids Academy introduced its mental health awareness program and self-discovery worksheets to PPR Lembah Subang, benefiting a group of 30 students.

In collaboration with Havan Clothing's program for children in shelter homes, the Foundation funded a one-year EQ program targeted at young children residing in six shelter homes. The program seeks to uplift underprivileged children by helping them recognize their strengths, cultivate resilience, and unlock their potential, paving the way for a future where challenges do not impede their success.

The Foundation also collaborated with several non-governmental organisations to support the Orang Asli community, some of which are:

- Light of Shalom, Melaka: sponsored tuition for Orang Asli secondary students.
- YWCA: sponsored vocational training for young Orang Asli women in baking, fashion design and hairdressing.
- National Society of St. Vincent de Paul: built 11 houses for the Orang Asli people in Kampung Jong, Pahang.
- Global Peace Foundation Malaysia: initiated a mobile school program for the Orang Asli in Pahang, which is now in its third year. The program aims to enhance the functional literacy and numeracy skills of children while fostering a healthy social and emotional development. It also empowers and upskills community-appointed teachers through adequate support and training to effectively conduct mobile school lessons. Further, it seeks to improve parent-teacher engagement for collaborative learning efforts.
- In June 2023, Global Peace Foundation Malaysia launched the Enuma Digital Learning program in Bandar Muadzam Shah. The program seeks to launch a self-learning initiative for Orang Asli children in the Muadzam area, with a special focus on serving those in remote villages. Twenty-five tablets equipped with the Sekolah Enuma app subscriptions for two years were provided to enhance literacy and numeracy among pre-school and out-of-school children.
- The Youth Empowerment Program targeted Orang Asli youths, involving thirty students of 16-year-olds. The program strives to offer leadership and soft skills development to individuals with limited opportunities and exposure, fostering their self-esteem and personal growth. Twelve leadership workshops, each spanning three days and two nights were organized.

For 2023, the Foundation continued to sponsor Teach For Malaysia in their efforts to recruit and train Fellows that are posted to remote and rural government schools to help uplift these schools. Through its grants for schools, the Foundation supported SMK Bawong, a remote Orang Asli school, by funding recreational facilities. It also enabled SMK Agama Kedah to participate in the World Robotics and National Championship by sponsoring their robotics training.



# chairman's statement

## continued

### **Corporate Social Responsibility** (continued)

One of the Foundation's key engagements in FY2023 was with Penang Science Cluster in initiating the Tech Start Engineering Program. The program, an extension of the Mechatronics Program, serves various objectives, including

- Developing vocational and technical skills in selected secondary schools in Penang by offering weekly electrical and electronic engineering classes to students irrespective of their socioeconomic background.
- Preparing the students for industrial skills certification in the electrical and electronic fields, thereby enhancing their employability upon leaving school. This initiative aims to prevent students from exiting the education system without the necessary skills while addressing the industry's shortage of skilled workers.

At the tertiary education level, the Foundation continues to help B40 school leavers in their quest to obtain a university degree through student loans and scholarships so that they can lift their families out of poverty. The Foundation contributed to a fund for 2 full scholarships for a law degree for the next 13 years for qualified students from B40 families at the International Islamic University as well as funded RM1.00 million for the upgrade of one hostel for boarding facilities for students in this university.

### **Appreciation**

On behalf of the Board of Directors ("Board"), I wish to extend our sincere appreciation and gratitude to Dato' Seri Kalimullah bin Masheerul Hassan and Datuk Kamarudin bin Md Ali; who have retired from the Board in FY2023 for their dedicated service and invaluable counsel to the Board and management of the Group.

I also extend my utmost gratitude to our staff for their unwavering commitment, dedication, and ongoing support throughout FY2023. I would also like to express my heartfelt appreciation to our shareholders for their confidence and trust in our leadership of the Group. We remain steadfast in our commitment to delivering value to our shareholders.

Last but not least, we are also thankful to our partners, vendors and financiers for their resolute support, which has, in turn, enabled the continued growth of the Group.

**Dato' Lim Kian Onn**  
Executive Chairman



# management discussion and analysis

## OVERVIEW OF THE GROUP'S BUSINESS AND OPERATIONS

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

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

Following the acquisition of Tune Hotel Liverpool, United Kingdom during the financial year ended 31 December 2023 ("FY2023"), the Group currently owns and operates seven (7) hotels: Tune Hotel Georgetown Penang, Tune Hotel Kota Kinabalu, Tune Hotel KLIA Aeropolis, Tune Hotel Danga Bay Johor, The Chow Kit - an Ormond Hotel, Momo's Kuala Lumpur and Tune Hotel Liverpool. Additionally, the Group holds a 50% equity interest in OHG Services Sdn Bhd and Ormond Lifestyle Services Sdn Bhd, which hold the concession to manage and operate Tune Hotel KLIA2 and operate food and beverage operations at Tune Hotel KLIA2, respectively. The Ormond, Momo's and Tune brands collectively cater to short-stay business, leisure and weekend travel.

Investment holding encompasses general investments and corporate-related activities undertaken by the Company, which includes investments in education, manufacturing and property-related businesses. The Group also provides structured lending and financial-related services.

## MATERIAL DISPOSAL AND ACQUISITIONS IN FY2023

- (a) The Company's 30%-owned associate company, Positive Carry Sdn Bhd had disposed of all the 24,000,000 ordinary shares owned in TYK Capital Sdn Bhd pursuant to the terms of the sale and purchase agreement ("SPA") dated 5 May 2023 ("Disposal"). Following the completion of SPA on 26 June 2023, the Group no longer holds an effective equity interest in TYK Capital Sdn Bhd and as a result, the Group has ceased its investment in manufacturing businesses.
- (b) On 8 September 2023, ECM Libra Desaru Sdn Bhd, an indirect wholly-owned subsidiary, had entered into a conditional share sale agreement with Desaru Development Holdings One Sdn Bhd for the proposed acquisition of 2 ordinary shares and 1,195,916 redeemable convertible preference shares, representing 100% equity interest in Desaru Beachfront 2 Sdn Bhd ("DB2SB"), which owns a piece of leasehold land in Johor for cash consideration of RM17.05 million. Following the completion of the proposed acquisition of DB2SB on 16 November 2023, DB2SB became an indirect wholly-owned subsidiary of the Company on the even date.
- (c) On 8 September 2023, ECM Libra Beachfront Sdn Bhd, a wholly-owned subsidiary, had entered into a conditional sale and purchase agreement with Desaru Beach Parks Sdn Bhd for the proposed acquisition of a piece of leasehold land in Johor ("DBPSB Land") for cash consideration of RM19.81 million ("Proposed Acquisition of DBPSB Land"). As at the date of this report, the Proposed Acquisition of DBPSB Land is still on-going.
- (d) On 23 November 2023, ECM Libra (Liverpool) Ltd, a wholly-owned subsidiary and ECML (Liverpool) OpCo Ltd, an indirect wholly-owned subsidiary, had entered into a business purchase agreement ("BPA") with Castle Street Liverpool LLP and CSL Opco Limited for the acquisition of:
  - (i) a leasehold property known as 3-19, Queen Buildings, Castle Street, Liverpool L2 4XE, United Kingdom; and
  - (ii) an additional leasehold property known as ground floor shop and basement, 17 Castle Street, Liverpool L2 4SX, United Kingdom,

together with assets, letting business and the business of operating the trade of the Tune Hotel Liverpool, United Kingdom for a total cash consideration of GBP4.50 million (equivalent to approximately RM26.43 million). The acquisition of Tune Hotel Liverpool, United Kingdom was completed in accordance with the BPA on 23 November 2023.

# management discussion and analysis

## continued

### REVIEW OF FINANCIAL RESULTS

The Group is encouraged by the financial and operational performance of its hospitality assets in light of the recovery in regional travel during FY2023. This has resulted in the Group recording higher revenue of RM37.03 million, marking an improvement of RM12.20 million (49%) from RM24.83 million in the preceding financial year ended 31 December 2022 ("FY2022").

The Group's profitability also improved, turnaround from a loss of RM2.63 million in FY2022 to a profit of RM24.99 million in FY2023. This improvement was mainly due to the share of profit from the Disposal by Positive Carry Sdn Bhd.

The breakdown of the Group's revenue and net profit/(loss) by segments is as follows:

	FY2023		FY2022	
	Revenue RM'000	Net profit/ (loss) RM'000	Revenue RM'000	Net profit/ (loss) RM'000
Hospitality	36,581	(393)	24,568	(6,446)
Investment holding	354	25,369	111	3,753
Structured financing	90	15	154	65
<b>Total</b>	<b>37,025</b>	<b>24,991</b>	24,833	(2,628)

#### Hospitality

Our hospitality assets continued to grow steadily in FY2023, experiencing month-to-month improvements in occupancy. Taken in tandem with improved ancillary revenues at the properties, this resulted in the hospitality segment generating revenue of RM36.58 million in FY2023 (FY2022: RM24.57 million), marking a significant 49% increase over the previous fiscal year.

In terms of profitability, the hospitality segment posted a lower loss of RM0.39 million in FY2023 compared to a loss of RM6.45 million in the preceding year. This reflects the segment's improved top-line performance and continuous focus on aggressive cost controls without compromising guest experience. Notably, the hospitality segment achieved positive EBITDA of RM10.52 million in FY2023.

#### Investment holding

The investment holding segment posted a profit of RM25.37 million in FY2023, marking an increase of RM21.62 million from RM3.75 million a year ago. The significant increase was mainly due to a higher share of profit from associates and joint ventures, totaling RM28.04 million in FY2023 (FY2022: RM6.88 million), primarily resulting from the Disposal by Positive Carry Sdn Bhd.

#### Structured financing

The structured financing segment recorded a lower segment profit of RM0.02 million in FY2023, marking a decrease of 71% from RM0.07 million in FY2022, primarily due to lower interest income. The Group did not extend any loans to any party in its ordinary course of business as a licensed money lender in FY2023.

# management discussion and analysis

## continued

### REVIEW OF FINANCIAL CONDITION

#### Liquidity and Capital Resources

As at 31 December 2023, the Group's shareholders' funds amounted to RM190.04 million (FY2022: RM163.03 million), translating to RM0.40 per ordinary share (FY2022: RM0.34 per ordinary share). The increase is primarily attributed to the higher profit achieved in FY2023 of RM24.99 million (FY2022: loss of RM2.63 million), mainly resulting from the share of profit from the Disposal by Positive Carry Sdn Bhd.

Cash and bank balances and deposits with licensed financial institutions totaled RM12.11 million in FY2023 (FY2022: RM11.78 million). As at 31 December 2023, the cash and bank balances are forecasted to be adequate to cover operational and funding commitments for the financial year ending 31 December 2024 barring any unforeseen material repercussions.

#### Assets

As at 31 December 2023, the total assets of the Group stood at RM247.76 million, representing an increase of RM39.53 million from RM208.23 million a year ago. This increase is primarily attributed to the dividend income of RM36.00 million received from Positive Carry Sdn Bhd following the Disposal. These funds were utilised to partially finance the acquisition of DB2SB and Tune Hotel Liverpool, United Kingdom, as well as to pay the deposit of RM4.11 million for the Proposed Acquisition of DBPSB Land ("Acquisitions").

#### Liabilities

As at 31 December 2023, the total liabilities of the Group increased from RM45.20 million to RM57.72 million, primarily due to the drawdown of a RM10.00 million revolving credit facility to partially fund the abovementioned Acquisitions by the Group.

#### Capital Commitments

Details of the capital commitments of the Group are shown in Note 27 to the financial statements.

#### Dividend

In view of the uncertain market conditions, no dividend payment is contemplated for the FY2023.

### ANTICIPATED RISKS

#### Competition Risk

The hospitality segment is highly competitive, with numerous local and international players vying for market share. Additionally, the Group faces competition from alternative accommodation providers such as Airbnb. Consequently, competition risk poses a concern for the Group's business, necessitating continuous evaluation and monitoring of our competitive position in the market.

To maintain competitive, the Group will reinforce its position as one of the major brands in the budget and value-for-money segment through Tune Hotels. We will leverage the awards and accolades received across our three (3) brands to support this effort. Furthermore, continuous investment in staff training and development, along with regular reviews of internal processes, will be undertaken to achieve maximum efficiency and cost savings while maintaining our quality of service.

#### Labor Shortage

Labor shortages continue to be a concern affecting all industries, especially the hospitality and food and beverage segments. This may result in increased costs for the Group's business as the Group needs to invest in hiring and retaining good talent.

### MOVING FORWARD

Looking ahead, the hospitality assets are anticipated to sustain elevated demand throughout 2024, riding on the back of the resurgent and growing hospitality sector and the Government of Malaysia's efforts to promote inbound tourism. The Group will continue to explore opportunities to expand its hospitality business - both within Malaysia and internationally.

# sustainability statement

## ABOUT THIS STATEMENT

This Sustainability Statement of ECM Libra Group Berhad (“Company”) and its subsidiaries (collectively referred to as “Group” or “We”) covers the reporting period from 1 January 2023 to 31 December 2023 (“FY2023”) and focuses on the Group’s primary business operations as a hospitality services provider in Malaysia. The reporting period of the Sustainability Statement aligns with the financial reporting period of the Group.

## SCOPE

The list of entities included in the Sustainability Statement, reflecting changes to the organisation’s structure and ownership, is equivalent to those disclosed in Note 16 to the Company’s financial statements for FY2023.

## BOARD STATEMENT

The Board of Directors (“Board”) is pleased to demonstrate our commitment towards creating long-term sustainable value and fostering business growth for all internal and external stakeholders. The Board oversees the overall climate-related direction of the Group and is committed to conducting business responsibly to enhance the quality of our society while pursuing business sustainability. The Board has considered sustainability issues in its business and strategies, identifying material economic, environmental and social (“EES”) factors and has overseen the management and monitoring of the material EES factors.

## SUSTAINABILITY GOVERNANCE STRUCTURE

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

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

## FRAMEWORK AND ASSURANCE

The Sustainability Statement has been guided and prepared by referencing the Global Reporting Initiative (“GRI”) sustainability standards and the requirements of the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad (“Bursa”). The GRI Standards were chosen as GRI represents the global best practices for reporting on an organisation’s sustainability impacts. This Sustainability Statement for FY2023 has not been subjected to any specific review by our internal auditors or external assurance by independent parties.

# sustainability statement continued

## STAKEHOLDERS' ENGAGEMENT

To foster long-term business growth, the Group acknowledges the importance of its stakeholders to its continued success and business sustainability. The Group believes it is essential to understand and be responsive to the stakeholders' concerns and expectations. We strive to enhance stakeholders' engagement through various communication channels, briefly described below:

Stakeholder	Mode of communication	Potential issues	Our Response
Local community	<ul style="list-style-type: none"> <li>- Corporate Social Responsibility ("CSR") activities and sponsorship programs</li> </ul>	<ul style="list-style-type: none"> <li>- Corporate governance practices</li> </ul>	<ul style="list-style-type: none"> <li>- Creating meaningful impact through CSR programs that benefit the communities and environment.</li> </ul>
Customers	<ul style="list-style-type: none"> <li>- Face to face interaction</li> <li>- Customer feedback surveys</li> <li>- Corporate website and social media channels</li> </ul>	<ul style="list-style-type: none"> <li>- Product and service quality</li> <li>- Data privacy and security</li> </ul>	<ul style="list-style-type: none"> <li>- Provide prompt action and attention to customer feedback surveys.</li> <li>- Face to face or virtual interaction.</li> <li>- Personal Data Protection Act policy in place to protect customer data and privacy.</li> </ul>
Management	<ul style="list-style-type: none"> <li>- Management meetings</li> <li>- Corporate events</li> </ul>	<ul style="list-style-type: none"> <li>- Financial sustainability</li> <li>- Corporate governance and strategies</li> </ul>	<ul style="list-style-type: none"> <li>- Budget and forecast with variance analysis provided during monthly management meeting</li> <li>- Reports on ongoing or planned corporate actions as and when required</li> <li>- Monthly business performance meetings</li> <li>- Key performance indicators review and corrective actions taken</li> </ul>
Employees	<ul style="list-style-type: none"> <li>- Internal emails</li> <li>- Employee appraisal</li> <li>- Townhalls</li> <li>- Staff trainings</li> </ul>	<ul style="list-style-type: none"> <li>- Workplace environment</li> <li>- Employees' life-long learning</li> </ul>	<ul style="list-style-type: none"> <li>- Provide leadership development programs</li> <li>- Provide various training and skills enhancement opportunities</li> </ul>
Investors	<ul style="list-style-type: none"> <li>- Annual General Meeting</li> <li>- Corporate website and social media channels</li> <li>- Corporate announcements</li> <li>- News releases/ announcements</li> <li>- Annual report</li> </ul>	<ul style="list-style-type: none"> <li>- Financial sustainability</li> <li>- Corporate governance practices</li> </ul>	<ul style="list-style-type: none"> <li>- Timely announcement of financial results</li> <li>- Announcement on ongoing or planned corporate actions as and when required</li> </ul>
Government and Regulators	<ul style="list-style-type: none"> <li>- Regular consultation</li> <li>- Statutory reporting</li> </ul>	<ul style="list-style-type: none"> <li>- Compliance with laws and regulations</li> <li>- Ethical business practices</li> </ul>	<ul style="list-style-type: none"> <li>- Advice from professionals such as solicitors, auditors, tax agents and other consultant</li> <li>- Announce or report relevant information in a timely manner</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>- Meetings and discussions</li> </ul>	<ul style="list-style-type: none"> <li>- Agreeable contracts and terms</li> <li>- Supply chain management</li> </ul>	<ul style="list-style-type: none"> <li>- Ensure consistent communication with suppliers on contracts</li> <li>- Established standard operating procedures to ensure timely disbursement of payments</li> </ul>

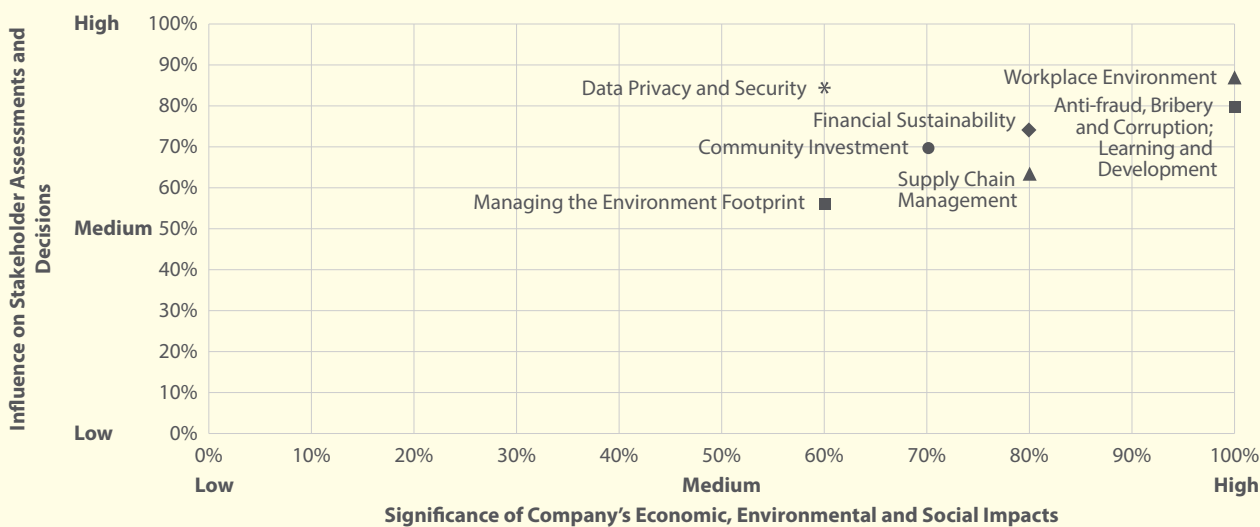
# sustainability statement continued

## MATERIAL ASSESSMENT

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

1. **Identify** - We conducted an internal review and analysis of sustainability issues based on current and emerging risks and opportunities, along with a list of the common set of prescribed sustainability matters and indicators that are deemed material for all listed issuers issued by Bursa.
2. **Rate** - Similar sustainability issues across the Company and its subsidiaries were grouped together, resulting in the identification of a total of 8 sustainability factors.
3. **Prioritise** - We engaged our internal and external stakeholder groups and distributed a materiality assessment survey for them to rank the 8 material factors based on their importance to our stakeholders as well as our business operations. The results of this assessment were plotted onto a materiality matrix as shown in Figure 1, graded from medium to high importance.
4. **Validate** - The Board reviews and approves the Sustainability Statement annually as part of the Annual Report.

Figure 1: Materiality matrix



# sustainability statement continued

## MATERIAL ASSESSMENT (continued)

### Material Aspects and Indicators

Material ESS Factors	GRI Standard	Relevant Policies
Financial Sustainability	GRI 201: Economic Performance 2016	- Accounting Policies
Managing the Environment Footprint	GRI 302: Energy 2016 GRI 303: Water and Effluents 2018	- Energy Conservation Policy
Workplace Environment	GRI 405: Diversity and Equal Opportunity 2016 GRI 403: Occupational Health and Safety 2018	- Remuneration Policy for Directors and Key Senior Management Officers - Occupational Safety and Health standard operating procedures
Learning and Development	GRI 404: Training and Education 2016	- Standard Operating Procedures - Learning & Development
Supply Chain Management	GRI 204 Procurement Practices 2016	- Procurement Policy
Anti-fraud, Bribery and Corruption	GRI 205: Anti - corruption 2016	- Anti-Bribery & Corruption Policy - Employees' Code of Conduct - Whistle-Blowing Policy - Gift & Hospitality Policy - Directors' Code of Conduct and Ethics
Data Privacy and Security	GRI 418: Customer Privacy 2016	- Personal Data Protection Act - Employees' Code of Conduct
Community Investment	GRI 413: Local communities 2016	- CSR Initiatives

## ECONOMIC

### Financial Sustainability

The Group is pleased to report a notable upturn in the financial and operational performance of its investment portfolio and hospitality segment in FY2023. Despite the challenging operating environment, the Group's total revenue recorded in FY2023 was RM37.03 million, representing a 49% year-on-year increase. The Group posted a net profit of RM24.99 million in FY2023, marking a significant improvement compared to a loss of RM2.63 million in the previous financial year ended 31 December 2022 ("FY2022").

For more details on financial performance for FY2023, please refer to the Management Discussion and Analysis on pages 32 to 34 of this Annual Report 2023 and the Group's financial statements on pages 46 to 106 of this Annual Report 2023.

## ENVIRONMENTAL

### Managing the environmental footprint

The Group is concerned about environmental issues such as pollution and climate change, recognising their significant impact on the quality of life for everyone. With a steadfast commitment to minimising our environmental footprint, we embrace responsible approaches to resource usage across all aspects of our operations.

We have implemented a range of initiatives to reduce energy and water consumption. We regularly monitor our energy and water usage on a monthly basis to assess and eliminate any unnecessary waste, thereby enhancing overall efficiency. For instance, we actively promote the 3R concept – Reduce, Reuse and Recycle – to minimise wastage in our operations.

Furthermore, we also actively promote responsible energy consumption and efficient practices among both our hotel staff and guests. This includes actions such as turning off appliances and lights when not in use, opting for towel reuse and refilling water bottles. These initiatives are aimed not only at minimising our environmental footprint but also at cultivating a sustainable ethos within our hospitality operations.

# sustainability statement continued

## ENVIRONMENTAL (continued)

### Managing the environmental footprint (continued)

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

Figure 2: Energy and water consumption

	FY2023	FY2022
Electricity consumption	4,255.42 Megawatt	3,478.94 Megawatt
Water consumption	102.60 Megalitres	76.68 Megalitres

For the financial year under review, the Group recorded a 22% increase in electricity consumption and a 34% increase in water consumption, attributed to higher occupancies across the Group's hospitality assets. As we anticipate heightened business activities across our properties, we are committed to exploring various approaches to enhance energy and water efficiency. Our aim is to implement strategies that will reduce the intensity of energy and water usage within our operations.

## SOCIAL

### Workplace environment

Employees are the primary drivers of an organisation, propelling sustainable business growth. The Group is committed to offering equal employment opportunities to all, regardless of race, ethnicity, gender or age group. We strictly adhere to non-discrimination principle in our employment practices and actively pursue workforce diversity.

As at 31 December 2023, the Group employs a total of 167 employees (FY2022: 153 employees), with the majority being permanent, full-time employees; there were no part-time employees.

In terms of talent attraction and retention, the Group practices fair and equitable employment opportunities based on qualifications, work experiences, skills and competencies. For existing employees, we conduct annual reviews of remuneration and staff benefits, considering job performance, market rates and conditions, to foster a productive and motivated workforce. The Group is also committed to protecting and respecting the human rights of employees in accordance with the relevant laws and regulations, while ensuring their safety and well-being.

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

Additionally, we firmly believe that our employees are our greatest asset. Therefore, the Group advocates for a workplace culture that places emphasis on Occupational Safety and Health ("OSH") in daily operations. This is achieved through a combination of risk assessments, identification of occupational hazards, safety training, development and communication of OSH policies, as well as effective implementation of OSH standard operating procedures.

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

### Learning and development

The Group recognises that enhancing employees' skills is crucial for achieving sustainability and growth within organisations. We are dedicated to fostering a strong culture of learning and continuously improving employees' skills through both on-the-job and off-the-job training programs. Additionally, the Group encourages employees to pursue continuous professional development to acquire further qualifications.

In FY2023, total employee participation in training programs reached 1,670 training hours (FY2022: 469 training hours), averaging 10 hours per employee (FY2022: 3 hours per employee). The Group will continue to encourage employees to attend training sessions.



# sustainability statement continued

## **SOCIAL** (continued)

### **Supply chain management**

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

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

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

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

## **CORPORATE GOVERNANCE**

The Group is committed to sustainable growth by integrating strong corporate governance and risk management practices, as outlined in our Corporate Governance Overview Statement, on pages 13 to 25 of this Annual Report 2023.

We strive to adhere to all legal and regulatory requirements and licensing conditions to ensure the continuity of licenses and approvals granted for our businesses. Through compliance checklists, we track and monitor our reporting obligations and ensure continued compliance with the relevant requirements.

### **Anti-fraud, bribery and corruption**

The Group is committed to conducting our business free from any and all forms of corruption, striving to uphold the highest level of ethical standards at all times and in all aspects of our business by adhering to all the relevant laws, regulations and industry best practices. We have adopted the Employees' Code of Conduct, Whistle-Blowing Policy, Anti-Bribery and Corruption Policy, and Gift and Hospitality Policy, which articulate the Group's zero-tolerance approach against all forms of bribery, corruption and misconduct in its business dealings.

Furthermore, the Group has conducted training courses on anti-bribery and corruption in accordance with Section 17A of the Malaysian Anti-Corruption Act 2009, aimed at equipping all our employees with the necessary knowledge and establishing guiding principles for managing bribery and corruption risks.

### **Data privacy and security**

The Group endeavors to enhance customer satisfaction by providing excellent service to our guests and promptly addressing their feedback. Our unwavering focus on guest experience has led us to incorporate guest satisfaction measurements by collecting feedback through surveys on TrustYou, a guest review platform that dynamically evaluates guest satisfaction. This platform combines internal and external ratings data with an assessment of our hotels' performance relative to competitors in each market segment.

We ensure that feedback from our guests always receives the priority it deserves and empower our staff to address issues as they arise in order to delight our guests and foster brand loyalty. Thus, all the guest feedbacks are handled appropriately by our staff, who have been trained in problem resolution.

The Group is committed to ensuring the confidentiality of data of our customers and employees in compliance with the Malaysia Personal Data Protection Act, 2010. We highly respect personal data privacy and will not disclose this data without consent, except when required by the law.

### **Community investment**

Investing in the community enables us not only to promote a just future but also to create shared value by aligning business goals with community well-being. This contributes to economic resilience and sustainable communities while gaining public support for our business.

The Group actively promotes philanthropic activities through ECM Libra Foundation, funded by the founding partners. ECM Libra Foundation has been dedicated to uplifting underserved and underprivileged Malaysians since its inception in 2004.

# sustainability statement continued

## PERFORMANCE DATA TABLE

Indicator	Measurement Unit	2023
<b>Bursa (Diversity)</b>		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Management Under 30	Percentage	0.00
Management Between 30-50	Percentage	100.00
Management Above 50	Percentage	0.00
Executive Under 30	Percentage	41.29
Executive Between 30-50	Percentage	52.29
Executive Above 50	Percentage	6.42
Non-executive/Technical Staff Under 30	Percentage	74.00
Non-executive/Technical Staff Between 30-50	Percentage	24.00
Non-executive/Technical Staff Above 50	Percentage	2.00
General Workers Under 30	Percentage	0.00
General Workers Between 30-50	Percentage	0.00
General Workers Above 50	Percentage	0.00
Gender Group by Employee Category		
Management Male	Percentage	50.00
Management Female	Percentage	50.00
Executive Male	Percentage	55.05
Executive Female	Percentage	44.95
Non-executive/Technical Staff Male	Percentage	60.00
Non-executive/Technical Staff Female	Percentage	40.00
General Workers Male	Percentage	0.00
General Workers Female	Percentage	0.00
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	85.71
Female	Percentage	14.29
Under 30	Percentage	0.00
Between 30-50	Percentage	28.57
Above 50	Percentage	71.43
<b>Bursa (Anti-corruption)</b>		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Management	Percentage	100.00
Executive	Percentage	100.00
Non-executive/Technical Staff	Percentage	100.00
General Workers	Percentage	0.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0

# sustainability statement continued

## PERFORMANCE DATA TABLE

Indicator	Measurement Unit	2023
<b>Bursa (Community/Society)</b>		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	7,495,518.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	90
<b>Bursa (Energy management)</b>		
Bursa C4(a) Total energy consumption	Megawatt	4,255.42
<b>Bursa (Health and safety)</b>		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	51
<b>Bursa (Labour practices and standards)</b>		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	280
Executive	Hours	1,390
Non-executive/Technical Staff	Hours	0
General Workers	Hours	0
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	0.00
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	2
Executive	Number	34
Non-executive/Technical Staff	Number	41
General Workers	Number	0
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
<b>Bursa (Supply chain management)</b>		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	93.00
<b>Bursa (Data privacy and security)</b>		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
<b>Bursa (Water)</b>		
Bursa C9(a) Total volume of water used	Megalitres	102.600000

# directors' responsibility statement for the audited financial statements

The Directors are required by the Companies Act 2016 to prepare financial statements for each financial year to give a true and fair view of the state of affairs of the Group and of the Company as at the end of the financial year and of the results and cashflows for the year then ended. The Directors are satisfied that in preparing the financial statements of the Group and of the Company for the financial year ended 31 December 2023, the Group and the Company have adopted and applied consistently appropriate accounting policies, supported by reasonable and prudent judgments and estimates. The Directors also consider that all applicable approved accounting standards in Malaysia have been followed and the financial statements have been prepared on a going concern basis and in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

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

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

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# financial statements

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# directors' report

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2023.

## Principal activities

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

## Results

	Group RM'000	Company RM'000
Profit for the financial year attributable to owners of the Company	<b>24,991</b>	<b>29,779</b>

Other than as disclosed in Note 25 to the financial statements, there were no other material transfers to or from reserves or provisions during the financial year.

In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

## Dividend

No dividend has been paid, declared or proposed by the Company since the end of the previous financial year. The Directors do not recommend the payment of any dividend for the current financial year ended 31 December 2023.

## Issue of shares and debentures

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

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

## Options granted over unissued shares

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

## Directors

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

Dato' Lim Kian Onn

En Mahadzir bin Azizan

Mr Gareth Lim Tze Xiang

Mr Oh Teik Khim

Datin Sri Azlin binti Arshad (*appointed on 23 May 2023*)

En Akil Hassan bin Kalimullah (*appointed on 1 January 2024*)

Dato' Seri Kalimullah bin Masheerul Hassan - alternate Director to En Akil Hassan bin Kalimullah (*appointed on 1 January 2024*)

Datuk Kamarudin bin Md Ali (*retired on 22 May 2023*)

Dato' Seri Kalimullah bin Masheerul Hassan (*retired on 1 January 2024*)

En Akil Hassan bin Kalimullah - alternate Director to Dato' Seri Kalimullah bin Masheerul Hassan (*ceased on 1 January 2024*)

# directors' report continued

## Directors of the subsidiaries

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

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

## Directors' benefits

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by the Directors or the fixed salary of a full time employee of the Company or of its related corporations as disclosed in Note 8 to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest except for Dato' Seri Kalimullah bin Masheerul Hassan and Dato' Lim Kian Onn who may be deemed to derive a benefit by virtue of those transactions and agreements for the provision of tenancies as disclosed in Note 28 to the financial statements, made by the Company and its related corporations with Dato' Seri Kalimullah bin Masheerul Hassan and Dato' Lim Kian Onn and corporations in which Dato' Seri Kalimullah bin Masheerul Hassan and Dato' Lim Kian Onn are deemed to have interests.

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

## Indemnities to Directors, officers and auditors

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

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

## Directors' remuneration

The Directors' remuneration of the Group and of the Company for the financial year ended 31 December 2023 are as follows:

	<b>Group</b>	<b>Company</b>
	<b>RM'000</b>	<b>RM'000</b>
Salaries and bonuses	<b>1,228</b>	<b>724</b>
Director fees	<b>228</b>	<b>228</b>
Other emoluments	<b>184</b>	<b>123</b>
	<b>1,640</b>	<b>1,075</b>



# directors' report continued

## Directors' interests

The Directors holding office at the end of the financial year who had beneficial interests in the ordinary shares of the Company and/or its related corporations during the financial year ended 31 December 2023, as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act, 2016, are as follows:

	Number of ordinary shares			
	As at 1.1.2023	Acquired	Sold	As at 31.12.2023
<b>Direct interest in the Company</b>				
Dato' Seri Kalimullah bin Masheerul Hassan	70,562,815	-	-	70,562,815
Dato' Lim Kian Onn	66,296,278	-	-	66,296,278
<b>Indirect interest in the Company</b>				
Dato' Lim Kian Onn	134,843,286	-	-	134,843,286

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

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

## Other statutory information

- (a) Before the statements of comprehensive income and statements of financial position of the Group and the Company were made out, the Directors took reasonable steps:
- to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that there are no known bad debts to be written off and that adequate allowance had been made for doubtful debts; and
  - to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances which would render:
- it necessary to write off any bad debts or render the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and
  - the values attributed to the current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the Directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements of the Group and of the Company misleading.

# directors' report continued

## Other statutory information (continued)

- (e) At the date of this report, there does not exist:
- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
  - (ii) any contingent liability in respect of the Group and of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the Directors:
- (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve (12) months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due; and
  - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

## Significant event subsequent to the end of the reporting period

On 23 November 2023, the Company has proposed to undertake a private placement of up to 47,992,500 new ordinary shares in the Company ("ECMLG Shares"), representing up to approximately 10% of the existing total number of issued ECMLG Shares ("Placement Shares") ("Proposed Private Placement"). The Company further announced on 30 November 2023 that Bursa Malaysia Securities Berhad ("Bursa Securities") had, vide its letter dated 29 November 2023, approved the listing and quotation of up to 47,992,500 Placement Shares to be issued pursuant to the Proposed Private Placement, subject to the conditions set out in the letter from Bursa Securities.

On 5 January 2024, the Company announced that the issue price for the first tranche of the Proposed Private Placement had been fixed at RM0.2053 per Placement Share. On 10 January 2024, the Company completed the first tranche of the Proposed Private Placement with 15,368,000 Placement Shares issued and listed on the Main Market of Bursa Securities.

## Auditor and auditors' remuneration

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

Auditors' remuneration of the Group and of the Company for the financial year ended 31 December 2023 are as follows:

	<b>Group</b>	<b>Company</b>
	<b>RM'000</b>	<b>RM'000</b>
Statutory audit	<b>112</b>	<b>38</b>
Non-statutory audit	<b>5</b>	<b>5</b>
	<b>117</b>	<b>43</b>

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

Gareth Lim Tze Xiang  
Director

Akil Hassan bin Kalimullah  
Director

Kuala Lumpur, Malaysia  
22 April 2024

# statement by directors

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

We, Gareth Lim Tze Xiang and Akil Hassan bin Kalimullah, being two of the Directors of ECM Libra Group Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 54 to 106 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and of their financial performance and cash flows for the financial year then ended.

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

Gareth Lim Tze Xiang

Akil Hassan bin Kalimullah

Kuala Lumpur, Malaysia  
22 April 2024

# statutory declaration

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

I, Navinderjeet Singh A/L Naranjan Singh, being the officer primarily responsible for the financial management of ECM Libra Group Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 54 to 106 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by  
the abovenamed at Kuala Lumpur in the  
Federal Territory this 22 April 2024

Navinderjeet Singh A/L Naranjan Singh

Before me,

Mardhiyyah Abdul Wahab  
Commissioner for Oaths

22 April 2024

# independent auditors' report

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

## Report on the audit of the financial statements

### Opinion

We have audited the financial statements of ECM Libra Group Berhad, which comprise the statements of financial position as at 31 December 2023 of the Group and of the Company, and the statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 54 to 106.

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

### Basis for Opinion

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

#### *Independence and Other Ethical Responsibilities*

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

### Key Audit Matters

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

#### **1. Impairment assessment of the carrying amount of investment in a joint venture, OHG Services Sdn. Bhd. ("OHGS").**

As at 31 December 2023, carrying amount of the investment of the Group and of the Company in OHGS amounted to RM19.49 million and RM24.08 million respectively as disclosed in Note 18(d) to the financial statements.

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

Our audit procedures included the following:

- (a) tested the significant input underpinning the VIU calculations such as occupancy rates, average room rates and operating costs to the hotel properties' historical results;
- (b) verified pre-tax discount rate used by management for the cash-generating unit ("CGU") by comparing to market rate, weighted average cost of capital of the Group and relevant risk factors;
- (c) performed sensitivity analysis of our own to stress test the key assumptions in the impairment model; and
- (d) Considered whether the relevant disclosures were appropriate in the financial statements.

# independent auditors' report continued

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

## Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

## Responsibilities of the Directors for the Financial Statements

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

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

## Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- (a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

# independent auditors' report continued

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

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

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

- (d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

## 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 16 to the financial statements.

## Other Matters

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

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

**Brendan Francis Lim Jern Zhen**  
03591/09/2025 J  
Chartered Accountant

Kuala Lumpur  
22 April 2024

# statements of profit or loss

for the financial year ended 31 December 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue	3	37,025	24,833	44,504	3,411
Other income	4	865	720	1,835	48
Changes in inventories		22	78	-	-
Purchase of inventories		(2,693)	(2,235)	-	-
Net loss on impairment of financial assets		-	(33)	(3,000)	(4,033)
Net reversal of impairment losses/(impairment losses) on other assets		1,657	-	(10,416)	(817)
Operating expenses		(34,137)	(27,652)	(3,015)	(3,598)
<b>Profit/(Loss) from operations</b>		<b>2,739</b>	<b>(4,289)</b>	<b>29,908</b>	<b>(4,989)</b>
Finance costs	5	(2,621)	(2,104)	(23)	(1)
Investments in associates and joint ventures, net of tax					
- loss on dilution of equity interest		-	(142)	-	-
- loss on impairment		(2,958)	-	-	-
- share of results		29,241	4,590	-	-
<b>Profit/(Loss) before tax</b>	6	<b>26,401</b>	<b>(1,945)</b>	<b>29,885</b>	<b>(4,990)</b>
Taxation	9	(1,410)	(683)	(106)	(11)
<b>Profit/(Loss) for the financial year</b>		<b>24,991</b>	<b>(2,628)</b>	<b>29,779</b>	<b>(5,001)</b>
<b>Attributable to owners of the Company</b>		<b>24,991</b>	<b>(2,628)</b>	<b>29,779</b>	<b>(5,001)</b>
		Sen	Sen		
<b>Basic and diluted earnings/(loss) per ordinary share attributable to owners of the Company</b>	10	<b>5.21</b>	<b>(0.55)</b>		

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

# statements of comprehensive income

for the financial year ended 31 December 2023

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Profit/(Loss) for the financial year</b>	<b>24,991</b>	(2,628)	<b>29,779</b>	(5,001)
<b>Other comprehensive income/(loss):</b>				
<b>Items that may be reclassified to profit or loss in subsequent periods, net of tax:</b>				
Exchange differences on translation of investment in foreign operations	1,345	(397)	-	-
Share of other comprehensive income/(loss) in an associate	673	(219)	-	-
	<b>2,018</b>	(616)	-	-
<b>Items that will not be reclassified to profit or loss in subsequent periods, net of tax:</b>				
Fair value changes on financial assets measured at fair value through other comprehensive income	-	1,068	-	1,068
<b>Other comprehensive income for the financial year, net of tax</b>	<b>2,018</b>	452	-	1,068
<b>Total comprehensive income/(loss) for the financial year, net of tax</b>	<b>27,009</b>	(2,176)	<b>29,779</b>	(3,933)
<b>Attributable to owners of the Company</b>	<b>27,009</b>	(2,176)	<b>29,779</b>	(3,933)

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



# statements of financial position

as at 31 December 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Assets</b>					
<b>Non-current assets</b>					
Property, plant and equipment	12	96,156	98,030	42	159
Intangible assets	13	35	81	-	-
Right-of-use assets	14	59,969	13,209	438	-
Deferred tax assets	15	889	2,157	-	-
Investments in subsidiaries	16	-	-	83,493	83,763
Investments in associates	17	14,036	21,320	9,047	9,047
Investments in joint ventures	18	53,888	56,727	58,544	65,745
		<b>224,973</b>	191,524	<b>151,564</b>	158,714
<b>Current assets</b>					
Inventories		305	283	-	-
Trade and other receivables	19	10,078	4,172	34,004	519
Contract assets	20	290	364	-	-
Tax recoverable		11	111	-	82
Cash and bank balances and deposits with licensed financial institutions	21	12,105	11,779	5,215	1,159
		<b>22,789</b>	16,709	<b>39,219</b>	1,760
<b>Total assets</b>		<b>247,762</b>	208,233	<b>190,783</b>	160,474
<b>Equity and liabilities</b>					
<b>Current liabilities</b>					
Loans and borrowings	22	32,602	21,258	-	-
Trade and other payables	23	6,210	3,486	687	643
Lease liabilities	14	685	386	192	-
Contract liabilities	20	484	422	-	-
Tax payable		47	-	41	-
		<b>40,028</b>	25,552	<b>920</b>	643
<b>Net current (liabilities)/assets</b>		<b>(17,239)</b>	(8,843)	<b>38,299</b>	1,117

# statements of financial position continued

as at 31 December 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Equity and liabilities (continued)</b>					
<b>Non-current liabilities</b>					
Loans and borrowings	22	14,777	17,165	-	-
Lease liabilities	14	2,909	2,475	255	-
Deferred tax liabilities	15	6	8	7	9
		<b>17,692</b>	19,648	<b>262</b>	9
<b>Total liabilities</b>		<b>57,720</b>	45,200	<b>1,182</b>	652
<b>Net assets</b>		<b>190,042</b>	163,033	<b>189,601</b>	159,822
<b>Equity attributable to owners of the Company</b>					
Share capital	24	107,546	107,546	107,546	107,546
Retained earnings		93,251	68,260	94,047	64,268
Reserves	25	(10,755)	(12,773)	(11,992)	(11,992)
<b>Total equity</b>		<b>190,042</b>	163,033	<b>189,601</b>	159,822
<b>Total liabilities and equity</b>		<b>247,762</b>	208,233	<b>190,783</b>	160,474

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

# statements of changes in equity

for the financial year ended 31 December 2023

Group	Share capital RM'000	Foreign currency translation reserve RM'000	Fair value reserve RM'000	Retained earnings RM'000	Total equity RM'000
<b>At 1 January 2023</b>	<b>107,546</b>	<b>(639)</b>	<b>(12,134)</b>	<b>68,260</b>	<b>163,033</b>
Gain on foreign currency translation	-	1,345	-	-	1,345
Share of other comprehensive income in an associate	-	673	-	-	673
Total other comprehensive income for the financial year	-	2,018	-	-	2,018
Profit for the financial year	-	-	-	24,991	24,991
Total comprehensive income for the financial year	-	2,018	-	24,991	27,009
<b>At 31 December 2023</b>	<b>107,546</b>	<b>1,379</b>	<b>(12,134)</b>	<b>93,251</b>	<b>190,042</b>
<b>At 1 January 2022</b>	107,546	(23)	(11,768)	69,454	165,209
Loss on foreign currency translation	-	(397)	-	-	(397)
Share of other comprehensive loss in an associate	-	(219)	-	-	(219)
Net change in fair value of an equity investment	-	-	1,068	-	1,068
Transfer of cumulative gain on disposal of investments to retained earnings	-	-	(1,434)	1,434	-
Total other comprehensive (loss)/ income for the financial year	-	(616)	(366)	1,434	452
Loss for the financial year	-	-	-	(2,628)	(2,628)
Total comprehensive loss for the financial year	-	(616)	(366)	(1,194)	(2,176)
<b>At 31 December 2022</b>	107,546	(639)	(12,134)	68,260	163,033

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

# statements of changes in equity continued

for the financial year ended 31 December 2023

Company	Share capital RM'000	Fair value reserve RM'000	Retained earnings RM'000	Total equity RM'000
<b>At 1 January 2023</b>	<b>107,546</b>	<b>(11,992)</b>	<b>64,268</b>	<b>159,822</b>
Other comprehensive income for the financial year	-	-	-	-
Profit for the financial year	-	-	<b>29,779</b>	<b>29,779</b>
Total comprehensive income for the financial year	-	-	<b>29,779</b>	<b>29,779</b>
<b>At 31 December 2023</b>	<b>107,546</b>	<b>(11,992)</b>	<b>94,047</b>	<b>189,601</b>
<b>At 1 January 2022</b>	107,546	(11,768)	67,977	163,755
Net change in fair value of an equity investment	-	1,068	-	1,068
Transfer of cumulative gain on disposal of investments to retained earnings	-	(1,292)	1,292	-
Total other comprehensive (loss)/income for the financial year	-	(224)	1,292	1,068
Loss for the financial year	-	-	(5,001)	(5,001)
Total comprehensive loss for the financial year	-	(224)	(3,709)	(3,933)
<b>At 31 December 2022</b>	107,546	(11,992)	64,268	159,822

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

# statements of cash flows

for the financial year ended 31 December 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Cash flows from operating activities</b>					
Profit/(Loss) before tax		<b>26,401</b>	(1,945)	<b>29,885</b>	(4,990)
Adjustments for:					
Amortisation of intangible assets	13	<b>46</b>	60	-	-
Depreciation of property, plant and equipment	12	<b>3,067</b>	3,066	<b>121</b>	201
Depreciation of right-of-use assets	14	<b>1,215</b>	1,027	<b>146</b>	77
Dividend income		-	-	<b>(44,150)</b>	(3,300)
Interest expense	5	<b>2,621</b>	2,104	<b>23</b>	1
Interest income		<b>(569)</b>	(290)	<b>(354)</b>	(111)
Investments in associates and joint ventures, net of tax					
- loss on dilution of equity interest		-	142	-	-
- loss on impairment		<b>2,958</b>	-	<b>10,140</b>	-
- share of results		<b>(29,241)</b>	(4,590)	-	-
Net (reversal)/loss on impairment losses of:					
- financial assets		-	33	<b>3,000</b>	4,033
- investment in a subsidiary		-	-	<b>276</b>	817
- property, plant and equipment		<b>(13)</b>	-	-	-
- right-of-use assets		<b>(1,644)</b>	-	-	-
Net unrealised foreign exchange differences		<b>159</b>	33	<b>(1,572)</b>	500
Operating profit/(loss) before changes in working capital		<b>5,000</b>	(360)	<b>(2,485)</b>	(2,772)
Decrease/(Increase) in operating assets:					
Contract assets		<b>74</b>	(281)	-	-
Inventories		<b>(22)</b>	(78)	-	-
Loans, advances and financing		-	5,738	-	-
Trade and other receivables		<b>(1,947)</b>	(2,084)	<b>(45)</b>	(316)
Increase in operating liabilities:					
Contract liabilities		<b>62</b>	140	-	-
Trade and other payables		<b>2,724</b>	1,350	<b>44</b>	273
Cash generated from/(used in) operations		<b>5,891</b>	4,425	<b>(2,486)</b>	(2,815)
Interest received		<b>564</b>	518	<b>345</b>	113
Interest paid		<b>(2,615)</b>	(2,098)	<b>(23)</b>	(1)
Tax paid		<b>(95)</b>	(64)	<b>(70)</b>	(16)
Tax refunded		<b>98</b>	-	<b>85</b>	-
Net cash from/(used in) operating activities		<b>3,843</b>	2,781	<b>(2,149)</b>	(2,719)

# statements of cash flows continued

for the financial year ended 31 December 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Cash flows from investing activities</b>					
Additional investment in joint ventures		(1,226)	(1,851)	(1,226)	(1,851)
Advances to subsidiaries		-	-	(36,572)	(4,000)
Subscription of shares in subsidiaries		-	-	(6)	-
Dividend received from:					
- a subsidiary		-	-	4,500	3,000
- an associate company		36,000	-	36,000	-
- joint venture companies		3,650	300	3,650	300
Deposit paid for proposed acquisition of right-of-use asset		(4,113)	-	-	-
Net proceeds from disposal of other investments		-	1,292	-	1,292
Purchase of additional shares in an associate		-	(6,000)	-	(6,000)
Purchase of additional shares in other investment		-	(801)	-	(801)
Purchase of property, plant and equipment	12	(1,180)	(532)	(4)	(5)
Acquisition of a business	16(j)	(27,817)	-	-	-
Purchase of right-of-use assets		(17,038)	-	-	-
Net cash (used in)/from investing activities		(11,724)	(7,592)	6,342	(8,065)
<b>Cash flows from financing activities</b>					
Drawdown of loans and borrowings		10,000	-	-	-
Repayment of term loans		(1,050)	(600)	-	-
Payment of lease liabilities - principal		(743)	(515)	(137)	(83)
Net cash from/(used in) financing activities		8,207	(1,115)	(137)	(83)
<b>Net increase/(decrease) in cash and cash equivalents</b>					
		326	(5,926)	4,056	(10,867)
<b>Cash and cash equivalents at beginning of the financial year</b>					
		11,302	17,228	1,159	12,026
<b>Cash and cash equivalents at end of the financial year</b>					
	21	11,628	11,302	5,215	1,159

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

# notes to the financial statements

for the financial year ended 31 December 2023

## 1. CORPORATE INFORMATION

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

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

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

The consolidated financial statements for the financial year ended 31 December 2023 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Company") and the Group's interests in associates and joint ventures.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 22 April 2024.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of preparation

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

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

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

As of 31 December 2023, the current liabilities of the Group exceeded its current assets by RM17,239,000.

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

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

# notes to the financial statements continued

for the financial year ended 31 December 2023

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.2 Changes in accounting policies

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

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

<b>Title</b>	<b>Effective date</b>
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 <i>Initial Application of MFRS 17 and MFRS 9 - Comparative Information</i>	1 January 2023
Amendments to MFRS 101 <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108 <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112 <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to MFRS 112 <i>International Tax Reform - Pillar Two Model Rules</i>	1 January 2023

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

### 2.3 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2024

<b>Title</b>	<b>Effective date</b>
Amendments to MFRS 16 <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 101 <i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to MFRS 107 and MFRS 7 <i>Supplier Finance Arrangements</i>	1 January 2024
Amendments to MFRS 121 <i>Lack of Exchangeability</i>	1 January 2025
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

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



# notes to the financial statements continued

for the financial year ended 31 December 2023

## 3. REVENUE

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Revenue from contract with customers:</b>				
Hotel operations	26,923	17,033	-	-
Sale of food and beverages	6,450	5,311	-	-
Management services fees	3,083	2,199	-	-
	<b>36,456</b>	24,543	-	-
<b>Revenue from other sources:</b>				
Interest income from:				
- loans, advances and financing	-	16	-	-
- deposits with licensed banks	569	274	354	111
Dividend income from a subsidiary	-	-	4,500	3,000
Dividend income from joint ventures	-	-	3,650	300
Dividend income from an associate	-	-	36,000	-
	<b>569</b>	290	<b>44,504</b>	3,411
	<b>37,025</b>	24,833	<b>44,504</b>	3,411
<b>Timing of revenue recognition</b>				
At a point in time	6,566	5,381	-	-
Over time	29,890	19,162	-	-
	<b>36,456</b>	24,543	-	-

(a) All sales are made within Malaysia.

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

Hotel revenue from room rental is recognised over time during the period of stay for the hotel guests. Revenue from food and beverage and other ancillary services are generally recognised at the point in time when the services are rendered.

There is no significant financing component in the revenue arising from sales of goods and services rendered as the sales of goods and services were made on the normal credit terms not exceeding twelve (12) months.

(c) Management services fees

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

There is no significant financing component in the revenue arising from services rendered as the services were made on the normal credit terms not exceeding twelve (12) months.

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

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

# notes to the financial statements continued

for the financial year ended 31 December 2023

## 4. OTHER INCOME

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Rental income	187	216	-	-
Miscellaneous	678	504	122	48
Unrealised gain on foreign exchange translation	-	-	1,713	-
	<b>865</b>	<b>720</b>	<b>1,835</b>	<b>48</b>

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

## 5. FINANCE COSTS

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Interest expense on:				
- lease liabilities	185	191	23	1
- revolving credits	1,288	958	-	-
- term loans	1,148	955	-	-
	<b>2,621</b>	<b>2,104</b>	<b>23</b>	<b>1</b>

# notes to the financial statements continued

for the financial year ended 31 December 2023

## 6. PROFIT/(LOSS) BEFORE TAX

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

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Auditors' remuneration					
- statutory audit		112	96	38	35
- non-statutory audit		5	5	5	5
Amortisation of intangible assets	13	46	60	-	-
Depreciation of property, plant and equipment	12	3,067	3,066	121	201
Depreciation of right-of-use assets	14	1,215	1,027	146	77
Employee benefits expense	7	12,871	10,590	1,882	1,999
Net unrealised loss/(gain) on foreign exchange translation		159	33	(1,572)	500
Net loss/(reversal) on impairment of:					
- financial assets	19	-	33	3,000	4,033
- investment in a subsidiary	16	-	-	276	817
- investment in a joint venture	18	2,958	-	10,140	-
- property, plant and equipment	12	(13)	-	-	-
- right-of-use assets	14	(1,644)	-	-	-

## 7. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Wages and salaries	10,566	8,620	1,335	1,445
Contributions to defined contribution plan	1,163	1,031	158	178
Other employee benefits	1,142	939	389	376
	12,871	10,590	1,882	1,999

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

# notes to the financial statements continued

for the financial year ended 31 December 2023

## 8. DIRECTORS' REMUNERATION

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

2023	Group					Company				
	Salaries	Bonus	Director Fees	Other emoluments <sup>1</sup>	Total	Salaries	Bonus	Director Fees	Other emoluments <sup>1</sup>	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Executive Director</b>										
Mr Gareth Lim Tze Xiang	960	268	-	149	1,377	456	268	-	88	812
<b>Non-executive Directors</b>										
Dato' Seri Kalimullah bin Masheerul Hassan	-	-	50	4	54	-	-	50	4	54
Dato' Lim Kian Onn	-	-	30	4	34	-	-	30	4	34
Datuk Kamarudin bin Md Ali	-	-	20	5	25	-	-	20	5	25
Datin Sri Azlin binti Arshad	-	-	29	4	33	-	-	29	4	33
En Mahadzir bin Azizan	-	-	48	9	57	-	-	48	9	57
Mr Oh Teik Khim	-	-	51	9	60	-	-	51	9	60
	-	-	228	35	263	-	-	228	35	263
Total Directors' remuneration	960	268	228	184	1,640	456	268	228	123	1,075

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

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

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

# notes to the financial statements continued

for the financial year ended 31 December 2023

## 9. TAXATION

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Major components of income tax expense include:					
<b>Current tax expense</b>					
Current year		143	38	108	13
Under/(Over) provision in prior years		1	(1)	-	1
		<b>144</b>	<b>37</b>	<b>108</b>	<b>14</b>
<b>Deferred tax expense</b>					
Relating to origination and reversal of temporary differences	15	1,624	572	(3)	(5)
(Over)/Under provision in prior years	15	(358)	74	1	2
		<b>1,266</b>	<b>646</b>	<b>(2)</b>	<b>(3)</b>
		<b>1,410</b>	<b>683</b>	<b>106</b>	<b>11</b>

(a) Income tax is calculated at the Malaysian statutory tax rate of 24% (2022: 24%) of the estimated taxable profit for the financial year.

(b) Reconciliation of income tax expense

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

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Profit/(Loss) before tax	26,401	(1,945)	29,885	(4,990)
Tax at Malaysian statutory rate of 24% (2022: 24%)	6,336	(467)	7,172	(1,198)
Tax effects of:				
Non-allowable expenses	2,042	1,633	3,529	1,998
Non-taxable income	-	-	(10,596)	(792)
Tax effects of share of results in associates and joint ventures	(7,018)	(1,102)	-	-
Deferred tax assets not recognised	407	546	-	-
Under/(Over) provision in prior years:				
- income tax	1	(1)	-	1
- deferred tax	(358)	74	1	2
	<b>1,410</b>	<b>683</b>	<b>106</b>	<b>11</b>

# notes to the financial statements continued

for the financial year ended 31 December 2023

## 9. TAXATION (continued)

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

	Before tax RM'000	Group tax effect RM'000	After tax RM'000
<b>2023</b>			
<b>Items that may be reclassified subsequently to profit or loss</b>			
Gain on foreign currency translations	1,345	-	1,345
Share of other comprehensive income in an associate	673	-	673
<b>2022</b>			
<b>Items that may be reclassified subsequently to profit or loss</b>			
Loss on foreign currency translations	(397)	-	(397)
Share of other comprehensive loss in an associate	(219)	-	(219)
<b>Items that may not be reclassified subsequently to profit or loss</b>			
Fair value changes on financial assets measured at fair value through other comprehensive income	1,068	-	1,068

## 10. EARNINGS/(LOSS) PER ORDINARY SHARE

### (a) Basic earnings/(loss) per ordinary share

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

	Group	
	2023	2022
Profit/(Loss) for the financial year attributable to owners of the Company (RM'000)	24,991	(2,628)
Weighted average number of ordinary shares in issue (units '000)	479,926	479,926
Basic earnings/(loss) per ordinary share (sen)	5.21	(0.55)

### (b) Diluted earnings/(loss) per ordinary share

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

## 11. DIVIDENDS

For the current financial year ended 31 December 2023, the Directors do not recommend the payment of any dividend.

# notes to the financial statements continued

for the financial year ended 31 December 2023

## 12. PROPERTY, PLANT AND EQUIPMENT

Group	Land and buildings* RM'000	Renovations RM'000	Furniture and fittings and office equipment RM'000	Computers RM'000	Motor vehicles RM'000	Work-in progress RM'000	Total RM'000
<b>Cost</b>							
At 1 January 2023	100,103	3,092	4,796	84	942	702	109,719
Additions	37	138	989	-	-	16	1,180
At 31 December 2023	100,140	3,230	5,785	84	942	718	110,899
<b>Accumulated depreciation and impairment</b>							
At 1 January 2023	7,026	752	2,930	65	831	85	11,689
Charge during the financial year	1,372	329	1,250	5	111	-	3,067
Reversal of impairment loss	(10)	-	(3)	-	-	-	(13)
At 31 December 2023	8,388	1,081	4,177	70	942	85	14,743
<b>Carrying amount</b>							
At 31 December 2023	91,752	2,149	1,608	14	-	633	96,156
<b>Cost</b>							
At 1 January 2022	100,075	3,041	4,264	79	942	651	109,052
Additions	28	51	397	5	-	51	532
Reclassified from right-of-use assets	-	-	135	-	-	-	135
At 31 December 2022	100,103	3,092	4,796	84	942	702	109,719
<b>Accumulated depreciation and impairment</b>							
At 1 January 2022	5,652	443	1,605	60	643	85	8,488
Charge during the financial year	1,374	309	1,190	5	188	-	3,066
Reclassified from right-of-use assets	-	-	135	-	-	-	135
At 31 December 2022	7,026	752	2,930	65	831	85	11,689
<b>Carrying amount</b>							
At 31 December 2022	93,077	2,340	1,866	19	111	617	98,030

\* Included in the Group's net carrying amount of land and buildings are freehold land of RM31,170,000 (2022: RM31,170,000).

# notes to the financial statements continued

for the financial year ended 31 December 2023

## 12. PROPERTY, PLANT AND EQUIPMENT (continued)

Company	Furniture and fittings and office equipment RM'000	Computers RM'000	Motor vehicles RM'000	Total RM'000
<b>Cost</b>				
At 1 January 2023	58	84	942	1,084
Additions	4	-	-	4
At 31 December 2023	62	84	942	1,088
<b>Accumulated depreciation</b>				
At 1 January 2023	28	65	832	925
Charge during the financial year	6	5	110	121
At 31 December 2023	34	70	942	1,046
<b>Carrying amount</b>				
At 31 December 2023	28	14	-	42
<b>Cost</b>				
At 1 January 2022	58	79	942	1,079
Additions	-	5	-	5
At 31 December 2022	58	84	942	1,084
<b>Accumulated depreciation</b>				
At 1 January 2022	20	60	644	724
Charge during the financial year	8	5	188	201
At 31 December 2022	28	65	832	925
<b>Carrying amount</b>				
At 31 December 2022	30	19	110	159

- (a) All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset. After initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

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

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

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

- (b) During the financial year, the Group has reversed the impairment losses on property, plant and equipment of a hotel (Tune Hotel Aeropolis) amounted to RM13,000 as the recoverable amount of the hotel based on value-in-use was higher than the carrying amount due to the recovery in its operations and financial performance. The discount rate used was 10%.



# notes to the financial statements continued

for the financial year ended 31 December 2023

## 12. PROPERTY, PLANT AND EQUIPMENT (continued)

### (c) Assets charged as security

Certain property, plant and equipment of the Group have been charged as securities to banks for loans and borrowings granted to the Group as disclosed in Note 22 to the financial statements with carrying amounts as follows:

	Group	
	2023 RM'000	2022 RM'000
Land and buildings	91,733	93,067
Renovations	2,149	2,334
Furniture and fittings and office equipment	1,348	1,681
Work-in-progress	633	617
	<b>95,863</b>	<b>97,699</b>

## 13. INTANGIBLE ASSETS

Group	Goodwill RM'000	Computer Software RM'000	Total RM'000
<b>Cost</b>			
At 1 January 2023/31 December 2023	2,592	260	2,852
<b>Accumulated amortisation and impairment</b>			
At 1 January 2023	2,592	179	2,771
Charge during the financial year	-	46	46
At 31 December 2023	2,592	225	2,817
<b>Carrying amount</b>			
At 31 December 2023	-	35	35
<b>Cost</b>			
At 1 January 2022/31 December 2022	2,592	260	2,852
<b>Accumulated amortisation and impairment</b>			
At 1 January 2022	2,592	119	2,711
Charge during the financial year	-	60	60
At 31 December 2022	2,592	179	2,771
<b>Carrying amount</b>			
At 31 December 2022	-	81	81

### (a) Goodwill

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest and any previous interest held over the net identifiable assets acquired and liabilities assumed). After initial recognition, goodwill is measured at cost less accumulated impairment losses, if any.

# notes to the financial statements continued

for the financial year ended 31 December 2023

## 13. INTANGIBLE ASSETS (continued)

### (b) Computer software

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

The useful life of computer software is assessed to be finite. Computer software is amortised on a straight-line basis over the estimated economic useful lives of 3 to 5 years.

## 14. LEASES

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

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

Group	Leasehold land RM'000	Buildings RM'000	Office equipment RM'000	Office premises RM'000	Total RM'000
<b>Cost</b>					
At 1 January 2022	11,960	4,122	304	1,959	18,345
Reclassified to property, plant and equipment	-	-	(135)	-	(135)
At 31 December 2022/1 January 2023	11,960	4,122	169	1,959	18,210
Additions	17,038	-	-	1,476	18,514
Additions arising from business combination	-	27,817	-	-	27,817
Expiry of lease	-	-	(169)	(1,480)	(1,649)
At 31 December 2023	<b>28,998</b>	<b>31,939</b>	-	<b>1,955</b>	<b>62,892</b>
<b>Accumulated depreciation and impairment</b>					
At 1 January 2022	368	2,180	300	1,261	4,109
Reclassified to property, plant and equipment	-	-	(135)	-	(135)
Charge during the financial year	260	291	4	472	1,027
At 31 December 2022/1 January 2023	628	2,471	169	1,733	5,001
Charge during the financial year	283	337	46	549	1,215
Expiry of lease	-	-	(169)	(1,480)	(1,649)
Reversal of impairment loss	-	(1,598)	(46)	-	(1,644)
At 31 December 2023	<b>911</b>	<b>1,210</b>	-	<b>802</b>	<b>2,923</b>
<b>Carrying amount</b>					
At 31 December 2023	<b>28,087</b>	<b>30,729</b>	-	<b>1,153</b>	<b>59,969</b>
At 31 December 2022	11,332	1,651	-	226	13,209

# notes to the financial statements continued

for the financial year ended 31 December 2023

## 14. LEASES (continued)

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

Company	Office premises RM'000	Total RM'000
<b>Cost</b>		
At 1 January 2022/31 December 2022/1 January 2023	631	631
Additions	584	584
Expiry of lease	(631)	(631)
At 31 December 2023	<b>584</b>	<b>584</b>
<b>Accumulated depreciation</b>		
At 1 January 2022	554	554
Charge during the financial year	77	77
At 31 December 2022/1 January 2023	631	631
Charge during the financial year	146	146
Expiry of lease	(631)	(631)
At 31 December 2023	<b>146</b>	<b>146</b>
<b>Carrying amount</b>		
At 31 December 2023	<b>438</b>	<b>438</b>
At 31 December 2022	-	-

- (i) The Group and the Company leases a number of lands, buildings and office equipments in the locations, which they operate with fixed periodic rent over the lease term.
- (ii) Right-of-use assets are initially measured at cost, which comprise the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date of the leases. After initial recognition, right-of-use assets are stated at cost less accumulated depreciation, accumulated impairment losses, if any, and adjusted for any remeasurement of lease liabilities.

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

Leasehold land	48 - 99 years
Buildings	14 - 50 years
Office equipment	4 years
Office premises	3 - 5 years

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

Included in the Group's net carrying amount of leasehold land and buildings are concession fee and prepaid land lease of RM2,958,000 (2022: RM1,651,000) for the rights to inter alia, design, construct, install, operate and maintain a limited-service hotel comprising 218 rooms known as "Tune Hotel KLIA Aeropolis", located at a portion of land measuring approximately 4,406.86 square meters at Sepang, Selangor pursuant to the acquisition of concession agreement with Malaysia Airports (Properties) Sdn Bhd ("MAP") dated 2 January 2020 until 11 February 2034 ("Concession Agreement") from OMT Hotels Sdn. Bhd.

# notes to the financial statements continued

for the financial year ended 31 December 2023

## 14. LEASES (continued)

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

#### (iv) Concession Agreement (continued)

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

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

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

#### (v) Assets charged as security

As at 31 December 2023, leasehold land of the Group with a carrying amount of RM11,072,000 (2022: RM11,332,000) are subject to a first legal charge security for loans and borrowings granted to the Group as disclosed in Note 22 to the financial statements.

#### (vi) During the financial year, the Group has reversed the impairment losses on right-of-use assets of a hotel (Tune Hotel Aeropolis) amounted to RM1,644,000 as the recoverable amount of the hotel based on value-in-use was higher than the carrying amount due to the recovery in its operations and financial performance. The discount rate used was 10%.

### (b) Lease liabilities

(i) The lease liabilities are initially measured at the present value of lease payments to be made over the lease term. The lease payments are discounted using the Group's and the Company's incremental borrowing rate at the lease commencement date. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest, reduced for the lease payments made and remeasured to reflect any reassessments or lease modifications.

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

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
As at 1 January	2,861	3,376	-	83
Addition	1,476	-	584	-
Accretion of interest	185	191	23	1
Payments	(928)	(706)	(160)	(84)
As at 31 December	3,594	2,861	447	-
Current	685	386	192	-
Non-current	2,909	2,475	255	-
Total	3,594	2,861	447	-

# notes to the financial statements continued

for the financial year ended 31 December 2023

## 14. LEASES (continued)

### (b) Lease liabilities (continued)

(iii) The incremental borrowing rates of lease liabilities are as follows:

	Group		Company	
	2023	2022	2023	2022
	%	%	%	%
Buildings	5.47	5.47	-	-
Office equipment	-	12.25	-	-
Office premises	5.72 - 5.91	5.47 - 5.97	5.91	5.97

(iv) The remaining maturities as at the reporting date are as follows:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
On demand or within one (1) year	685	386	192	-
More than one (1) year but not later than two (2) years	668	200	203	-
More than two (2) years but not later than five (5) years	723	533	52	-
Later than five (5) years	1,518	1,742	-	-
	3,594	2,861	447	-

(v) The following are the amounts recognised in profit or loss:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Depreciation expenses of right-of-use assets	1,215	1,027	146	77
Interest expense on lease liabilities	185	191	23	1
Expenses relating to short-term lease	55	119	51	119
Total	1,455	1,337	220	197

The Group and the Company had total cash outflows for leases of RM983,000 (2022: RM825,000) and RM211,000 (2022: RM203,000) respectively.

# notes to the financial statements continued

for the financial year ended 31 December 2023

## 15. DEFERRED TAX ASSETS/(LIABILITIES)

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
At 1 January		2,149	2,795	(9)	(12)
Recognised in profit or loss					
- Relating to origination and reversal of temporary differences	9	(1,624)	(572)	3	5
- Under/(Over) provision of deferred tax in prior financial years	9	358	(74)	(1)	(2)
		(1,266)	(646)	2	3
At 31 December		883	2,149	(7)	(9)
Presented, after appropriate offsetting, as follows:					
Deferred tax assets		889	2,157	-	-
Deferred tax liabilities		(6)	(8)	(7)	(9)
		883	2,149	(7)	(9)

\* The amount of set-off between deferred tax assets and deferred tax liabilities was RM1,383,000 (2022: RM1,533,000) for the Group.

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

Group	Unabsorbed capital allowances RM'000	Unutilised business losses RM'000	Others RM'000	Total RM'000
<b>Deferred tax assets</b>				
At 1 January 2022	2,615	1,202	749	4,566
Recognised in profit or loss	(439)	(17)	(420)	(876)
At 31 December 2022/1 January 2023	2,176	1,185	329	3,690
Recognised in profit or loss	(1,586)	-	168	(1,418)
At 31 December 2023	590	1,185	497	2,272

Group	Property, plant and equipment RM'000
<b>Deferred tax liabilities</b>	
At 1 January 2022	(1,771)
Recognised in profit or loss	230
At 31 December 2022/1 January 2023	(1,541)
Recognised in profit or loss	152
At 31 December 2023	(1,389)

# notes to the financial statements continued

for the financial year ended 31 December 2023

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

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

Company	Property, plant and equipment RM'000
<b>Deferred tax liabilities</b>	
At 1 January 2022	(12)
Recognised in profit or loss	3
At 31 December 2022/1 January 2023	(9)
Recognised in profit or loss	2
At 31 December 2023	<b>(7)</b>

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

	Group	
	2023 RM'000	2022 RM'000
Unutilised tax losses		
- expires by 31 December 2030	1,425	1,425
- expires by 31 December 2031	2,486	2,486
- expires by 31 December 2032	2,113	2,113
- expires by 31 December 2033	1,599	-
Unabsorbed capital allowances	186	89
	<b>7,809</b>	6,113

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

## 16. INVESTMENTS IN SUBSIDIARIES

	Company	
	2023 RM'000	2022 RM'000
<b>At cost</b>	<b>103,935</b>	103,929
Less: Accumulated impairment losses	<b>(20,442)</b>	(20,166)
At 31 December	<b>83,493</b>	83,763

- (a) Investments in subsidiaries, which are eliminated on consolidation, are stated in the separate financial statements of the Company at cost less impairment losses, if any. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

# notes to the financial statements continued

for the financial year ended 31 December 2023

## 16. INVESTMENTS IN SUBSIDIARIES (continued)

(b) During the financial year, an impairment loss of RM276,000 (2022: RM817,000) has been recognised in respect of costs of investments in subsidiaries due to continuing loss making position. The recoverable amounts of the costs of investments in subsidiaries are based on their fair values less costs of disposal ("FVLCD"). The net assets of the subsidiaries are used as a proxy for their recoverable amounts based on FVLCD, which is categorised as level 3 in the fair value hierarchy.

(c) Details of the subsidiaries are as follows:

Name of company	Principal place of business/ Place of incorporation	Effective percentage of ownership		Principal activities
		2023	2022	
		%	%	
ECM Libra Partners Sdn. Bhd.	Malaysia	100	100	Provision of credit services
ECML Hotels Sdn. Bhd.	Malaysia	100	100	Business of operating hotels
Held through ECML Hotels Sdn. Bhd.:				
- ECM Libra Desaru Sdn. Bhd.	Malaysia	100	-	Investment holding
Held through ECM Libra Desaru Sdn. Bhd.:				
- Desaru Beachfront 2 Sdn. Bhd. ("DB2SB")*	Malaysia	100	-	Property investment holding
Ormond Group Sdn. Bhd.	Malaysia	100	100	Investment holding and provision of business management consultancy services
ECM Libra Sdn. Bhd.	Malaysia	100	100	Investment holding
ECM Libra Beachfront Sdn. Bhd.	Malaysia	100	-	Property investment holding
ECM Libra (Liverpool) Ltd.*	England and Wales	100	-	Property investment holding
Held through ECM Libra (Liverpool) Ltd.				
- ECML (Liverpool) OpCo Ltd.*	England and Wales	100	-	Business of operating hotels

\* Not audited by member firms of BDO PLT.

(d) On 15 May 2023, the Company had incorporated an indirect wholly-owned subsidiary known as ECM Libra Desaru Sdn. Bhd. with paid-up share capital of RM10 comprising 10 ordinary shares.



# notes to the financial statements continued

for the financial year ended 31 December 2023

## 16. INVESTMENTS IN SUBSIDIARIES (continued)

- (e) On 16 November 2023, ECM Libra Desaru Sdn. Bhd. had completed the acquisition of 2 ordinary shares and 1,195,916 redeemable convertible preference shares, representing 100% equity interest in DB2SB for cash consideration of RM17,082,000. The transaction was recognised as an asset acquisition instead of business combination as substantially all of the fair value of the gross assets acquired was concentrated in a single identifiable asset, namely a leasehold land. Following the completion, DB2SB is now a wholly-owned subsidiary of the Group.
- (f) On 29 August 2023, the Company had incorporated a wholly-owned subsidiary known as ECM Libra Beachfront Sdn. Bhd. with paid-up share capital of RM2 comprising 2 ordinary shares.
- (g) On 4 September 2023, the Company had incorporated a wholly-owned subsidiary known as ECM Libra (Liverpool) Ltd with paid-up share capital of GBP1,000 comprising 1,000 ordinary shares.
- (h) On 27 September 2023, the Company had incorporated an indirect wholly-owned subsidiary known as ECML (Liverpool) OpCo Ltd with paid-up share capital of GBP1,000 comprising 1,000 ordinary shares.
- (i) In the previous financial year, the Company had incorporated a wholly-owned subsidiary known as ECM Libra Sdn. Bhd. with paid-up share capital of RM10 comprising 10 ordinary shares.
- (j) On 23 November 2023, the Group via its subsidiaries, ECM Libra (Liverpool) Ltd and ECML (Liverpool) OpCo Ltd had completed the acquisition of properties together with assets, letting business and business of operating the trade of hotel in Liverpool, United Kingdom, which represents an integrated set of activities and assets. The acquisition is deemed as a business combination and the acquisition method was applied in accordance with MFRS 3 *Business Combination*.

The fair value and the carrying amounts of the identifiable assets acquired and liabilities assumed as at the date of acquisition were as follows:

	<b>2023</b>
	<b>RM'000</b>
Right-of-use assets	27,817
Other non-current assets*	-
Other current assets*	-
Other current liabilities*	-
<b>Total identifiable net assets/Cost of acquisition</b>	<b>27,817</b>
<b>Net cash flow arising from the acquisition</b>	
Net cash outflow arising from the acquisition	27,817

\* The other assets and liabilities acquired are negligible to the Group.

## 17. INVESTMENTS IN ASSOCIATES

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>At cost</b>				
Unquoted shares in Malaysia	<b>9,047</b>	9,047	<b>9,047</b>	9,047
Share of post-acquisition reserves	<b>4,989</b>	12,273	-	-
	<b>14,036</b>	21,320	<b>9,047</b>	9,047

# notes to the financial statements continued

for the financial year ended 31 December 2023

## 17. INVESTMENTS IN ASSOCIATES (continued)

- (a) Investments in associates are measured at cost less impairment losses, if any in the separate financial statements of the Company and accounted for using equity method in the consolidated financial statements.
- (b) Details of the associates, incorporated in Malaysia, are as follows:

Name of company	Principal place of business	Effective percentage of ownership		Nature of relationship
		2023	2022	
		%	%	
Positive Carry Sdn. Bhd. ("PoCSB")*	Malaysia	<b>30.00</b>	30.00	Investment holding. The activity contribute to investment holding business segment of the Group.
EDUC8 Group Sdn. Bhd. ("EDUC8")	Malaysia	<b>21.36</b>	21.36	Investment holding. The activity contribute to investment holding business segment of the Group.

\* Not audited by member firms of BDO PLT.

- (c) In the previous financial year, the Company subscribed for additional 3 ordinary shares in PoCSB for a total cash consideration of RM3. Following the subscription, the Company holds 30% equity interest in PoCSB. There was no material impact arising from the subscription.

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

- (d) Financial information:

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

Group	EDUC8	PoCSB	Total
2023	RM'000	RM'000	RM'000
<b>Summarised statement of financial position</b>			
Non-current assets	<b>162,964</b>	-	<b>162,964</b>
Current assets	<b>29,200</b>	<b>31</b>	<b>29,231</b>
Non-current liabilities	<b>(78,401)</b>	-	<b>(78,401)</b>
Current liabilities	<b>(50,271)</b>	<b>(38)</b>	<b>(50,309)</b>
Preference shares	<b>(2,000)</b>	-	<b>(2,000)</b>
Net assets	<b>61,492</b>	<b>(7)</b>	<b>61,485</b>
Group's share in equity (%)	<b>21.36%</b>	<b>30.00%</b>	
Group's share of net assets	<b>13,134</b>	<b>(2)</b>	<b>13,132</b>
Goodwill	<b>904</b>	-	<b>904</b>
Carrying amount in the statement of financial position	<b>14,038</b>	<b>(2)</b>	<b>14,036</b>

# notes to the financial statements continued

for the financial year ended 31 December 2023

## 17. INVESTMENTS IN ASSOCIATES (continued)

(d) Financial information: (continued)

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

<b>Group</b>	<b>EDUC8</b>	<b>PoCSB</b>	<b>Total</b>
<b>2022</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Summarised statement of financial position</b>			
Non-current assets	150,111	30,235	180,346
Current assets	24,087	100	24,187
Non-current liabilities	(49,614)	-	(49,614)
Current liabilities	(69,581)	(20)	(69,601)
Preference shares	(2,000)	-	(2,000)
<b>Net assets</b>	<b>53,003</b>	<b>30,315</b>	<b>83,318</b>
Group's share in equity (%)	21.36%	30.00%	
Group's share of net assets	11,321	9,095	20,416
Goodwill	904	-	904
<b>Carrying amount in the statement of financial position</b>	<b>12,225</b>	<b>9,095</b>	<b>21,320</b>
<b>Group</b>	<b>EDUC8</b>	<b>PoCSB</b>	<b>Total</b>
<b>2023</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Summarised statement of comprehensive income</b>			
Profit for the year	<b>8,489</b>	<b>87,432</b>	<b>95,921</b>
Other comprehensive income for the year	-	<b>2,244</b>	<b>2,244</b>
<b>Total comprehensive income for the year</b>	<b>8,489</b>	<b>89,676</b>	<b>98,165</b>
<b>Included in the total comprehensive income are:</b>			
Revenue	<b>58,416</b>	-	<b>58,416</b>
Taxation	<b>4,472</b>	-	<b>4,472</b>
<b>Group's share of results</b>			
Group's share of results	<b>1,813</b>	<b>26,230</b>	<b>28,043</b>
Group's share of other comprehensive income	-	<b>673</b>	<b>673</b>
<b>Group's share of total comprehensive income</b>	<b>1,813</b>	<b>26,903</b>	<b>28,716</b>
Dividend income from an associate	-	<b>36,000</b>	<b>36,000</b>

# notes to the financial statements continued

for the financial year ended 31 December 2023

## 17. INVESTMENTS IN ASSOCIATES (continued)

(d) Financial information: (continued)

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

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

(e) Summarised share of capital commitment of an associate not provided for in the financial statements are as follows:

	<b>2023 RM'000</b>	<b>2022 RM'000</b>
In respect of purchase of property, plant and equipment and right-of-use assets:		
- Share of capital commitment of an associate	<b>30,316</b>	-

## 18. INVESTMENTS IN JOINT VENTURES

	<b>Group</b>		<b>Company</b>	
	<b>2023 RM'000</b>	<b>2022 RM'000</b>	<b>2023 RM'000</b>	<b>2022 RM'000</b>
<b>At cost</b>				
Unquoted shares				
- in Malaysia	<b>30,138</b>	30,138	<b>30,138</b>	30,138
- outside Malaysia	<b>4,058</b>	4,058	<b>4,058</b>	4,058
Cost of investment	<b>34,196</b>	34,196	<b>34,196</b>	34,196
Advances to joint ventures	<b>36,766</b>	33,827	<b>36,766</b>	33,827
Share of post-acquisition reserves, net of dividend	<b>(13,648)</b>	(11,196)	-	-
Accumulated impairment losses	<b>(2,958)</b>	-	<b>(12,418)</b>	(2,278)
Exchange differences	<b>(468)</b>	(100)	-	-
	<b>53,888</b>	56,727	<b>58,544</b>	65,745

# notes to the financial statements continued

for the financial year ended 31 December 2023

## 18. INVESTMENTS IN JOINT VENTURES (continued)

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

Name of company	Principal place of business/ Place of incorporation	Effective percentage of ownership		Nature of relationship
		2023 %	2022 %	
OHG Services Sdn. Bhd.	Malaysia	50	50	Construct, manage and operate a hotel +
Ormond Group Pte. Ltd.	Singapore	50	50	Dormant
TP International Pty Ltd ATF TP Hotel (Flinders) Trust	Australia	50	50	Trustee for TP Hotel (Flinders) Trust +
TP Hotel (Flinders) Trust ^	Australia	40.005	40.005	Property investments holding +
Tune Plato Ventures Sdn. Bhd.	Malaysia	50	50	Investment holding +
<b>Held through Tune Plato Ventures Sdn. Bhd.:</b>				
- LSA Ventures Sdn. Bhd.	Malaysia	50	50	Investment holding +
Ormond Lifestyle Services Sdn. Bhd.	Malaysia	50	50	Operate restaurant, food caterer and food specialist businesses +
<b>Held through Ormond Lifestyle Services Sdn. Bhd.:</b>				
- Prompt Business Sdn. Bhd.*	Malaysia	30	30	In Member's Voluntary Liquidation
- Asiana Ventures Sdn. Bhd.	Malaysia	25.5	25.5	Investment holding +
- OLS Catering Services Sdn. Bhd.	Malaysia	25.5	20	Food and beverage management +
- Yatai Kitchen Sdn. Bhd.	Malaysia	40	-	Operate restaurant, food caterer and food specialist businesses +
- Aroma Sejahtera Sdn. Bhd.*	Malaysia	50	-	Restaurant operator +

\* Not audited by member firms of BDO PLT.

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

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

# notes to the financial statements continued

for the financial year ended 31 December 2023

## 18. INVESTMENTS IN JOINT VENTURES (continued)

- (b) Investments in joint ventures are stated at cost less impairment losses, if any in the separate financial statements. The Group's interests in the joint ventures are accounted for using the equity method in the consolidated financial statements. All entities prepared their financial statements in accordance with IFRS Accounting Standards. The financial statements of the joint ventures are prepared as of the same reporting date of the Company. The functional currency of TP International Pty Ltd ATF TP Hotel (Flinders) Trust and TP Hotel (Flinders) Trust is Australian Dollars, whereas for Ormond Group Pte. Ltd. is Singapore Dollars. The functional currency of all other entities is Ringgit Malaysia.
- (c) Advances to joint ventures are unsecured, non-interest bearing and settlement is neither planned nor likely to occur in the foreseeable future. The advances represent long term investments, hence, capital in nature. As a result, in substance, the advances form part of the Group's interest in joint ventures.
- (d) As at 31 December 2023, the carrying amount of the Group's and of the Company's investment in OHG Services Sdn. Bhd. amounted to RM19,494,000 (2022: RM19,630,000) and RM24,081,000 (2022: RM24,081,000) respectively.

The Directors and management have assessed the recoverable amount using the discounted cash flows projections based on the value-in-use ("VIU") method. Cash flows are projected based on developments in the market and the expected future performance. The cash flows have been assessed for a period of ten (10) years as management has taken into consideration the remaining concession period of ten (10) years and the longer gestation period of the business that will have an impact on profitability.

### Assumptions

#### Year 1

- Average room rate	RM220
- Occupancy room rate	90%

#### Year 2 to Year 10

- Average room rate	RM226 to RM287
- Occupancy room rate	95%

Inflationary adjustments on other operating costs (Year 1 to Year 10) 3% to 5%

Discount rate 10%

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

- (e) During the financial year, the Group and the Company recognised an impairment loss of RM2,958,000 and RM10,140,000 respectively in profit or loss in relation to investment in a joint venture due to continuing losses and depleting shareholders' funds. The recoverable amount of the cost of investment in the joint venture was based on its FVLCD. The adjusted net assets of the joint venture was used as a proxy for its recoverable amount based on FVLCD, which was categorised as Level 3 in the fair value hierarchy.

# notes to the financial statements continued

for the financial year ended 31 December 2023

## 18. INVESTMENTS IN JOINT VENTURES (continued)

(f) Financial information:

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

2023 Group	Ormond Group Pte. Ltd.	OHG Services Sdn. Bhd.	Ormond Lifestyle Services Sdn. Bhd. Group	TP International Pty Ltd	TP Hotel (Flinders) Trust	Tune Plato Ventures Sdn. Bhd. Group	Total RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Summarised statement of financial position</b>							
Non-current assets	-	43,764	19,438	-	71,064	7,446	141,712
Current assets	34	11,067	1,591	41	691	2	13,426
Non-current liabilities	-	(21,677)	(110)	-	(91,115)	-	(112,902)
Current liabilities	(143)	(6,402)	(3,152)	(1,100)	(57)	(34)	(10,888)
Non-controlling interests	-	-	(17,421)	-	-	-	(17,421)
Net (liabilities)/assets	(109)	26,752	346	(1,059)	(19,417)	7,414	13,927
Share of net assets of the Group	(55)	13,376	173	(530)	(7,768)	3,707	8,903
Advances owing by joint venture companies	-	-	-	316	36,450	-	36,766
Carrying amount of fair valuation on net assets (i)	-	6,118	-	-	1,538	-	7,656
Goodwill	-	-	-	100	463	-	563
Carrying amount in the statement of financial position	(55)	19,494	173	(114)	30,683	3,707	53,888

# notes to the financial statements continued

for the financial year ended 31 December 2023

## 18. INVESTMENTS IN JOINT VENTURES (continued)

(f) Financial information: (continued)

2022 Group	Ormond Group Pte. Ltd. RM'000	OHG Services Sdn. Bhd. RM'000	Ormond Lifestyle Services Sdn. Bhd. Group RM'000	TP International Pty Ltd RM'000	TP Hotel (Flinders) Trust RM'000	Tune Plato Ventures Sdn. Bhd. Group RM'000	Total RM'000
<b>Summarised statement of financial position</b>							
Non-current assets	-	47,178	19,335	-	67,733	7,446	141,692
Current assets	32	7,925	1,943	118	1,871	5	11,894
Non-current liabilities	-	(26,693)	(125)	-	(83,859)	-	(110,677)
Current liabilities	(109)	(2,600)	(1,631)	(969)	(950)	(15)	(6,274)
Non-controlling interests	-	-	(17,439)	-	-	-	(17,439)
Net (liabilities)/assets	(77)	25,810	2,083	(851)	(15,205)	7,436	19,196
Share of net assets of the Group	(39)	12,905	1,042	(426)	(6,084)	3,718	11,116
Advances owing by joint venture companies	-	-	-	278	33,549	-	33,827
Carrying amount of fair valuation on net assets (i)	-	6,725	-	-	1,538	-	8,263
Goodwill	-	-	-	100	3,421	-	3,521
Carrying amount in the statement of financial position	(39)	19,630	1,042	(48)	32,424	3,718	56,727

(i) Included in the carrying amount of fair valuation on net assets is the fair value of an identified intangible asset, which is prepaid lease of RM6,118,000 (2022: RM6,725,000) and freehold land of RM1,538,000 (2022: RM1,538,000). The prepaid lease relates to a concession agreement and is amortised on a straight-line basis over the remaining concession period, commencing from the date of acquisition on 16 May 2018 to 31 January 2034. The amortisation charge for the financial year ended 31 December 2023 is RM607,000 (2022: RM606,000). Freehold land is not depreciated.



# notes to the financial statements continued

for the financial year ended 31 December 2023

## 18. INVESTMENTS IN JOINT VENTURES (continued)

(f) Financial information: (continued)

2023 Group	Ormond Group Pte. Ltd. RM'000	OHG Services Sdn. Bhd. RM'000	Ormond Lifestyle Services Sdn. Bhd. Group RM'000	TP International Pty Ltd RM'000	TP Hotel (Flinders) Trust RM'000	Tune Plato Ventures Sdn. Bhd. Group RM'000	Total RM'000
<b>Included in the assets and liabilities are:</b>							
Cash and cash equivalents	-	6,785	683	24	236	2	7,730
Current financial liabilities (excluding trade and other payables and provisions)	-	(3,825)	(175)	-	-	-	(4,000)
Non-current financial liabilities (excluding trade and other payables and provisions)	-	(21,677)	(110)	-	-	-	(21,787)
<b>Summarised statement of comprehensive income</b>							
(Loss)/Profit, representing total comprehensive (loss)/income for the year	(27)	5,942	563	(160)	(3,356)	(19)	2,943
<b>Included in the total comprehensive (loss)/income are:</b>							
Revenue	-	29,914	9,243	-	-	-	39,157
Depreciation and amortisation	-	(4,762)	(307)	-	(1)	-	(5,070)
Interest income	-	136	1	-	-	-	137
Interest expense	-	(1,502)	-	-	-	-	(1,502)
Taxation	-	(116)	(220)	-	-	-	(336)
<b>Group's share of results</b>							
Group's share of profit or loss	(14)	2,364	282	(81)	(1,343)	(10)	1,198
Dividend income from joint ventures	-	2,500	1,150	-	-	-	3,650

# notes to the financial statements continued

for the financial year ended 31 December 2023

## 18. INVESTMENTS IN JOINT VENTURES (continued)

(f) Financial information: (continued)

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

# notes to the financial statements continued

for the financial year ended 31 December 2023

## 19. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Current</b>				
Trade receivables	1,721	1,420	-	-
Amounts due from related parties	353	210	-	-
	<b>2,074</b>	1,630	-	-
Amounts due from related parties	268	60	-	-
Amount due from a subsidiary	-	-	40,431	4,000
Interest receivable	9	4	9	-
Deposits	5,201	1,084	74	86
Other receivables	1,700	855	465	416
Prepayments	859	572	58	50
	<b>10,111</b>	4,205	<b>41,037</b>	4,552
Less: Impairment losses	(33)	(33)	(7,033)	(4,033)
	<b>10,078</b>	4,172	<b>34,004</b>	519

- (a) Trade and other receivables, excluding prepayments, are classified as financial assets measured at amortised cost.
- (b) Trade receivables are unsecured, interest free and are on 30 days terms (2022: 30 days). Other credit terms are assessed and approved on a case-by-case basis. They are recognised at their original invoice amounts which, represent their fair values on initial recognition.

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

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

Included in deposits of the Group is an amount of RM4,113,000 paid for the proposed acquisition of right-of-use assets as disclosed in Note 27 to the financial statements.

- (d) Recognition and measurement of impairment loss

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

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

# notes to the financial statements continued

for the financial year ended 31 December 2023

## 19. TRADE AND OTHER RECEIVABLES (continued)

### (d) Recognition and measurement of impairment loss (continued)

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

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

	Group	
	2023 RM'000	2022 RM'000
Current*	1,784	1,133
1 to 30 days past due*	205	394
31 to 60 days past due*	68	68
61 to 90 days past due*	11	35
91 to 120 days past due*	6	-
	<b>290</b>	497
	<b>2,074</b>	1,630

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

Movement in impairment losses of trade receivables are as follows:

	Group Credit impaired	
	2023 RM'000	2022 RM'000
At 1 January	-	67
Written off	-	(67)
At 31 December	-	-

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

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

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
At 1 January	33	-	4,033	-
Charge for the year	-	33	3,000	4,033
At 31 December	<b>33</b>	33	<b>7,033</b>	4,033

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

# notes to the financial statements continued

for the financial year ended 31 December 2023

## 19. TRADE AND OTHER RECEIVABLES (continued)

- (e) Information on financial risks of trade and other receivables are disclosed in Note 31 to the financial statements.

## 20. CONTRACT BALANCES

	Group	
	2023	2022
	RM'000	RM'000
Contract assets from hotel operations	290	364
Contract liabilities from hotel operations	(484)	(422)

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

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

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

	Group	
	2023	2022
	RM'000	RM'000
Amounts included in contract liabilities at the beginning of the year	422	282

- (c) Revenue of RM484,000 (2022: RM422,000) is expected to be recognised within the next twelve (12) months in the future in respect of unsatisfied contract liabilities as at the end of the reporting period.
- (d) Impairment for contract assets that does not contain a significant financing component are recognised based on the simplified approach using the lifetime expected credit losses as disclosed in Note 19(d) to the financial statements.

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

- (e) Information on financial risks of contract assets are disclosed in Note 31 to the financial statements.

# notes to the financial statements continued

for the financial year ended 31 December 2023

## 21. CASH AND BANK BALANCES AND DEPOSITS WITH LICENSED FINANCIAL INSTITUTIONS

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash and bank balances	4,799	5,055	313	1,159
Deposits with licensed financial institutions maturing within three (3) months	7,306	6,724	4,902	-
	<b>12,105</b>	11,779	<b>5,215</b>	1,159
Weighted average effective interest rate (%)	<b>2.95%</b>	2.51%	<b>3.2%</b>	-
Remaining maturity period (days)	<b>5</b>	12	<b>5</b>	-

- (a) Cash and bank balances and deposits with licensed financial institutions are classified as financial assets measured at amortised cost.
- (b) For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the end of each reporting period:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash and bank balances	4,799	5,055	313	1,159
Deposit placements with licensed financial institutions maturing within three (3) months	7,306	6,724	4,902	-
Less: Monies held in Debt Service Reserve Accounts ("DSRA")	(477)	(477)	-	-
	<b>11,628</b>	11,302	<b>5,215</b>	1,159

The Group is required to maintain a deposit in the DSRA account with the lender equivalent to three (3) months interest payment payable at all times as part of the conditions of the revolving credit facility, as disclosed in Note 22(e) to the financial statements.

- (c) No expected credit losses were recognised arising from the deposits with licensed financial institutions and cash and bank balances because of the probability of default by these licensed financial institutions were negligible.
- (d) Information on financial risks of cash and bank balances and deposits with licensed financial institutions are disclosed in Note 31 to the financial statements.

# notes to the financial statements continued

for the financial year ended 31 December 2023

## 22. LOANS AND BORROWINGS

	Group	
	2023	2022
	RM'000	RM'000
<b>Current</b>		
Secured term loan	2,394	1,050
Secured revolving credit	30,208	20,208
	<b>32,602</b>	<b>21,258</b>
<b>Non-current</b>		
Secured term loan	14,777	17,165
<b>Total</b>		
Secured term loan	17,171	18,215
Secured revolving credit	30,208	20,208
	<b>47,379</b>	<b>38,423</b>

- (a) Loans and borrowings are classified as financial liabilities measured at amortised cost.
- (b) As at the reporting date, the weighted average effective rates for loans and borrowings, were as follows:

	Group	
	2023	2022
	RM'000	RM'000
Term loan - floating rates	5.97%	5.12%
Revolving credit - floating rates	6.15%	4.52%

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

	Group	
	2023	2022
	RM'000	RM'000
On demand or within one (1) year	32,602	21,258
More than one (1) year and less than two (2) years	2,394	2,394
More than two (2) years and less than five (5) years	7,183	7,182
More than five (5) years	5,200	7,589
	<b>47,379</b>	<b>38,423</b>

- (d) Term loan

The term loan of the Group is secured by:

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

# notes to the financial statements continued

for the financial year ended 31 December 2023

## 22. LOANS AND BORROWINGS (continued)

(d) Term loan (continued)

The term loan of the Group is secured by: (continued)

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

(iv) a corporate guarantee from the Company.

(e) Revolving credit

The revolving credit of the Group is secured by:

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

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

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

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

(v) a corporate guarantee from the Company.

(f) Reconciliation of liabilities arising from financing activities

<b>Group</b>	<b>Revolving credit RM'000</b>	<b>Term loan RM'000</b>	<b>Total RM'000</b>
At 1 January 2022	20,208	18,809	39,017
Repayment	-	(600)	(600)
Transaction cost	-	6	6
At 31 December 2022/1 January 2023	20,208	18,215	38,423
Drawdown	10,000	-	10,000
Repayment	-	(1,050)	(1,050)
Transaction cost	-	6	6
At 31 December 2023	30,208	17,171	47,379

(g) Information on financial risks of loans and borrowings are disclosed in Note 31 to the financial statements.



# notes to the financial statements continued

for the financial year ended 31 December 2023

## 23. TRADE AND OTHER PAYABLES

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Trade payables	744	612	-	-
Advance deposits	304	47	-	-
Accrued liabilities	2,337	1,408	585	556
Other payables	2,593	1,095	102	87
Amounts due to related parties	232	324	-	-
	<b>6,210</b>	<b>3,486</b>	<b>687</b>	<b>643</b>

- (a) Trade and other payables are classified as financial liabilities measured at amortised cost.
- (b) Trade payables of the Group are non-interest bearing and the normal credit terms granted to the Group range from 30 to 60 days (2022: 30 to 60 days).
- (c) The amounts due to related parties are non-trade in nature and are unsecured, non-interest bearing and payable within the next twelve (12) months.
- (d) Information on financial risks of trade and other payables are disclosed in Note 31 to the financial statements.

## 24. SHARE CAPITAL

Group and Company	Number of shares	Amount	Number of shares	Amount
	2023 units '000	2023 RM'000	2022 units '000	2022 RM'000

Issued and fully paid-up:

Ordinary shares with no par value

At 1 January/31 December	<b>479,926</b>	107,546	<b>479,926</b>	107,546
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The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one (1) vote per share at meetings of the Company. All ordinary shares rank equally with regards to the Company's residual assets.

## 25. RESERVES

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Fair value reserve	(12,134)	(12,134)	(11,992)	(11,992)
Foreign currency translation reserve	1,379	(639)	-	-
	<b>(10,755)</b>	<b>(12,773)</b>	<b>(11,992)</b>	<b>(11,992)</b>

# notes to the financial statements continued

for the financial year ended 31 December 2023

## 25. RESERVES (continued)

- (a) Fair value reserve of the Group and of the Company represents unrealised gain/losses arising from changes in the fair value of financial assets recognised through other comprehensive income. In the previous financial year, an amount of RM1,434,000 and RM1,292,000 has been transferred to retained earnings of the Group and of the Company respectively.
- (b) Foreign currency translation reserve of the Group is used to record foreign currency exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the presentation currency of the Group. It is also used to record the exchange differences arising from monetary items which form part of the net investment in foreign operations of the Group, whereby the monetary item is denominated in either the functional currency of the reporting entity or the foreign operations.

## 26. FINANCIAL GUARANTEES

The Company has financial guarantee contracts of RM59,000,000 (2022: RM59,000,000) in respect of financial guarantees given to financial institutions for banking facilities granted to subsidiaries. The Company monitors the ability of the subsidiaries to service their loans regularly.

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

The Company assumes that there is significant increase in credit risk when the subsidiaries' financial position deteriorates significantly. The Company considers a financial guarantee to be credit impaired when the subsidiaries are unlikely to repay its credit obligation to the bank in full or the subsidiaries are continuously loss making and are having a deficit shareholders' fund. The Company determines the probability of default of the guaranteed loans individually using internal information available.

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

## 27. CAPITAL COMMITMENT

Capital commitments not provided for in the financial statements are as follows:

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
In respect of purchase of right-of-use assets:		
- Authorised and contracted for	<b>15,700</b>	-

# notes to the financial statements continued

for the financial year ended 31 December 2023

## 28. SIGNIFICANT RELATED PARTY TRANSACTIONS

### (a) Related parties and relationships

The related parties of, and their relationships (other than those disclosed in Note 19 and Note 23 to the financial statements) with the Group and the Company are as follows:

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

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

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

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Income/(Expense):</b>				
Administration income received from a subsidiary	-	-	60	65
Lease payments to Nobleman Holdings Sdn. Bhd., a company in which Dato' Seri Kalimullah bin Masheerul Hassan and Dato' Lim Kian Onn have interests	(530)	(514)	(210)	(204)

### (c) Compensation of Directors and key management personnel

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

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Fees and meeting allowances	263	271	263	271
Short-term employee benefits	1,228	1,114	724	610
Defined contribution plan	149	134	88	73
	<b>1,640</b>	<b>1,519</b>	<b>1,075</b>	<b>954</b>

The key management personnel also received remuneration of RM687,600 (2022: RM568,385) from joint ventures of the Group.

# notes to the financial statements continued

for the financial year ended 31 December 2023

## 29. SEGMENTAL REPORTING

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

- (a) Investment holding - general investments and corporate related activities;
- (b) Structured financing - structured lending and financial-related services; and
- (c) Hospitality - hotel ownership, management and operations of hotels and restaurant and investment in hospitality related business through joint ventures.

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

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

2023 Group	Investment holding RM'000	Structured financing RM'000	Hospitality RM'000	Total RM'000
Revenue	354	90	36,581	37,025
Other income	122	-	743	865
Changes in inventories	-	-	22	22
Purchase of inventories	-	-	(2,693)	(2,693)
Reversal of impairment losses on other assets	-	-	1,657	1,657
Operating expenses	(3,021)	(69)	(31,047)	(34,137)
(Loss)/Profit from operations	(2,545)	21	5,263	2,739
Finance costs	(23)	-	(2,598)	(2,621)
Investments in associates and joint ventures, net of tax				
- loss on impairment	-	-	(2,958)	(2,958)
- share of results	28,043	-	1,198	29,241
Profit before tax	25,475	21	905	26,401
Taxation	(106)	(6)	(1,298)	(1,410)
Profit/(Loss) after tax	25,369	15	(393)	24,991
<b>Total assets</b>	<b>74,192</b>	<b>660</b>	<b>172,910</b>	<b>247,762</b>
<b>Total liabilities</b>	<b>1,188</b>	<b>7</b>	<b>56,525</b>	<b>57,720</b>
<b>Other information</b>				
Included in the profit/(loss) after tax are:				
- Interest income	354	90	125	569
- Depreciation and amortisation	(267)	-	(4,061)	(4,328)
Investments in associates	14,036	-	-	14,036
Investments in joint ventures	-	-	53,888	53,888
Capital expenditure	4	-	46,031	46,035

# notes to the financial statements continued

for the financial year ended 31 December 2023

## 29. SEGMENTAL REPORTING (continued)

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

# notes to the financial statements continued

for the financial year ended 31 December 2023

## 30. FINANCIAL INSTRUMENTS

### (a) Categories of financial instruments

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

- (i) Financial assets measured at amortised cost ("FA")
- (ii) Financial liabilities measured at amortised cost ("FL").

Group 2023	Carrying amount RM'000	FA RM'000	FL RM'000
<b>Financial assets</b>			
Cash and bank balances and deposits with licensed financial institutions	12,105	12,105	-
Trade and other receivables excluding prepayments	9,219	9,219	-
	<b>21,324</b>	<b>21,324</b>	-
<b>Financial liabilities</b>			
Trade and other payables	(6,210)	-	(6,210)
Loans and borrowings	(47,379)	-	(47,379)
Lease liabilities	(3,594)	-	(3,594)
	<b>(57,183)</b>	-	<b>(57,183)</b>
<b>2022</b>			
<b>Financial assets</b>			
Cash and bank balances and deposits with licensed financial institutions	11,779	11,779	-
Trade and other receivables excluding prepayments	3,600	3,600	-
	15,379	15,379	-
<b>Financial liabilities</b>			
Trade and other payables	(3,486)	-	(3,486)
Loans and borrowings	(38,423)	-	(38,423)
Lease liabilities	(2,861)	-	(2,861)
	<b>(44,770)</b>	-	<b>(44,770)</b>

# notes to the financial statements continued

for the financial year ended 31 December 2023

## 30. FINANCIAL INSTRUMENTS (continued)

### (a) Categories of financial instruments

Company 2023	Carrying amount RM'000	FA RM'000	FL RM'000
<b>Financial assets</b>			
Cash and bank balances and deposits with licensed financial institutions	5,215	5,215	-
Trade and other receivables excluding prepayments	33,946	33,946	-
	<b>39,161</b>	<b>39,161</b>	-
<b>Financial liabilities</b>			
Trade and other payables	(687)	-	(687)
Lease liabilities	(447)	-	(447)
	<b>(1,821)</b>	-	<b>(2,715)</b>
<b>2022</b>			
<b>Financial assets</b>			
Cash and bank balances and deposits with licensed financial institutions	1,159	1,159	-
Trade and other receivables excluding prepayments	469	469	-
	<b>1,628</b>	<b>1,628</b>	-
<b>Financial liability</b>			
Trade and other payables	(643)	-	(643)

## 31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

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

### Credit risk

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

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

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

# notes to the financial statements continued

for the financial year ended 31 December 2023

## 31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

### Credit risk (continued)

#### (a) Trade receivables and contract assets

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

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

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

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

#### (b) Amounts due from subsidiaries

For amounts due from subsidiaries, the Directors have taken into account information that it has available internally about these subsidiaries' past, current and expected operating performance and cash flow position. The Directors monitor and assess at each reporting date for any indicator of significant increase in credit risk on the amounts due from the respective subsidiaries, by considering their performance ratio and any default in external debts.

#### (c) Financial guarantee contract

The maximum credit risk exposure of the financial guarantees issued is limited to the credit amount utilised of RM47,379,000 (2022: RM38,423,000). The financial guarantees have low credit risk at the end of the year as the financial guarantee is unlikely to be called by the financial institutions.

### Market risk

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

#### (a) Interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of financial assets and liabilities.

The Group's exposure to interest rate risk mainly arise from variable rate loans and borrowings obtained from the banks. The Group's and the Company's short-term placements with financial institutions are fixed rate instruments and are measured at amortised cost. Therefore, no sensitivity analysis for fixed rate instruments was prepared as the change in market interest rate at the end of the reporting period would not affect profit or loss.

The interest rate profile and sensitivity analysis of the Group's variable rate loans and borrowings, based on the carrying amounts as at the end of the reporting period was:

	Group	
	2023	2022
	RM'000	RM'000
<b>Floating rate instruments</b>		
Loans and borrowings	(47,379)	(38,423)



# notes to the financial statements continued

for the financial year ended 31 December 2023

## 31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

### Market risk (continued)

#### (a) Interest rate risk (continued)

A 100 basis point increase in interest rates based on currently observable market environment with all other variables held constant, would have the following effect on the Group's and the Company's profit/(loss) after tax and equity:

	Group	
	2023	2022
	RM'000	RM'000
<b>Decrease in profit after tax and equity</b>		
Floating rate borrowings	(360)	(292)

An equivalent decrease in interest rates shown above would result in an equivalent, but opposite impact. The projection assumes a constant financial position and that all positions run to maturity.

#### (b) Foreign currency risk

The Group and the Company are exposed to foreign currency risk on investment in joint ventures and financial assets that are denominated in a currency other than RM. The currencies giving rise to this risk are primarily Australian Dollar ("AUD").

The Group and the Company do not hedge its foreign currency risk. The Group's and the Company's exposure to foreign currency risk, based on the carrying amounts as at the end of the reporting period was:

Group and Company	Denominated in AUD	
	2023	2022
	RM'000	RM'000
Advances owing by joint ventures	36,766	33,827

A 100 basis point increase of RM against the AUD at the end of the reporting period would have decreased the Group's and the Company's profit after tax and equity by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group and the Company considered to be reasonably possible at the end of the reporting period with all other variables remained constant.

Group and Company	Denominated in AUD	
	2023	2022
	RM'000	RM'000
Decrease in profit after tax and equity	(279)	(257)

A 100 basis point decrease of RM against the AUD at the end of the reporting period would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remained constant.

### Liquidity risk

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

# notes to the financial statements continued

for the financial year ended 31 December 2023

## 31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

### Liquidity risk (continued)

Liquidity risk is managed on a projected cash flow basis including the maintenance of a portfolio of highly liquid assets that can be easily liquidated as buffer against any unforeseen interruption to cash flows. The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments.

Group	Carrying amount RM'000	Contractual interest/ Discount rate	Contractual cash flows RM'000	On demand and within one (1) year RM'000	One (1) - five (5) years RM'000	Over five (5) years RM'000
<b>2023</b>						
Trade and other payables	6,210	Nil	6,210	6,210	-	-
Loans and borrowings	47,379	5.97% - 6.15%	50,909	34,047	11,507	5,355
Lease liabilities	3,594	5.47% - 5.91%	4,453	865	1,837	1,751
	<b>57,183</b>		<b>61,572</b>	<b>41,122</b>	<b>13,344</b>	<b>7,106</b>
<b>2022</b>						
Trade and other payables	3,486	Nil	3,486	3,486	-	-
Loans and borrowings	38,423	4.52% - 5.12%	42,581	22,557	11,961	8,063
Lease liabilities	2,861	5.47% - 12.25%	3,779	531	1,193	2,055
	<b>44,770</b>		<b>49,846</b>	<b>26,574</b>	<b>13,154</b>	<b>10,118</b>
<b>Company</b>						
<b>2023</b>						
Trade and other payables	687	Nil	687	687	-	-
Lease liabilities	447	5.91%	478	212	266	-
<b>2022</b>						
Trade and other payables	643	Nil	643	643	-	-

Maturity profile of financial guarantee contracts of the Company at the end of each reporting period based on contractual undiscounted repayment obligations is repayable upon any default by the subsidiaries in respect of the guaranteed bank facilities of RM47,379,000 (2022: RM38,423,000).

## 32. CAPITAL MANAGEMENT

The Group's and the Company's objectives when managing capital are to safeguard the Group's and the Company's ability to continue as going concern in order to provide returns to shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or buy-back shares from the open market to be held as treasury shares and cancellation of treasury shares.

There has been no change in the Group's and the Company's approach to capital management in the current and previous financial years.

# notes to the financial statements continued

for the financial year ended 31 December 2023

## 32. CAPITAL MANAGEMENT (continued)

The Group monitors capital using a gearing ratio, which is net debt divided by total equity plus net debt. The Group includes within its net debt, trade and other payables, loans and borrowings less cash and bank balances and short term funds. Capital includes equity attributable to the owners of the parent.

	Group	
	2023	2022
	RM'000	RM'000
Trade and other payables	6,210	3,486
Loans and borrowings	47,379	38,423
Less: Cash and bank balances and deposits with licensed financial institutions	(12,105)	(11,779)
	<b>41,484</b>	30,130
Total capital, equity attributable to the owners of the parent	<b>190,042</b>	163,033
Capital and net debt	<b>231,526</b>	193,163
Gearing ratio	<b>18%</b>	16%

Pursuant to the requirements of Practice Note No. 17/2005 of the Bursa Malaysia Securities Berhad, the Group is required to maintain a consolidated shareholders' equity of more than 25% of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM40,000,000. The Group has complied with this requirement for the financial years ended 31 December 2023 and 2022.

The Group was in compliance with financial debt covenants imposed by the financial institutions for the financial years ended 31 December 2023 and 2022.

## 33. SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE REPORTING PERIOD

On 23 November 2023, the Company has proposed to undertake a private placement of up to 47,992,500 new ordinary shares in the Company ("ECMLG Shares"), representing up to approximately 10% of the existing total number of issued ECMLG Shares ("Placement Shares") ("Proposed Private Placement"). The Company further announced on 30 November 2023 that Bursa Malaysia Securities Berhad ("Bursa Securities") had, vide its letter dated 29 November 2023, approved the listing and quotation of up to 47,992,500 Placement Shares to be issued pursuant to the Proposed Private Placement, subject to the conditions set out in the letter from Bursa Securities.

On 5 January 2024, the Company announced that the issue price for the first tranche of the Proposed Private Placement had been fixed at RM0.2053 per Placement Share. On 10 January 2024, the Company completed the first tranche of the Proposed Private Placement with 15,368,000 Placement Shares issued and listed on the Main Market of Bursa Securities.

# other information

## 1. MATERIAL CONTRACTS

There are no material contracts including contracts relating to loans (not being contracts entered into in the ordinary course of business) which had been entered into by the Company and its subsidiaries involving the interests of Directors and major shareholders, either still subsisting at the end of the financial year ended 31 December 2023 or entered into since the end of the previous financial year.

## 2. AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees paid and payable by the Company and the Group to the external auditors for the financial year ended 31 December 2023 are as follows:

	Company (RM)	Group (RM)
Audit fees	38,000	112,000
Non-audit fees		
- Review of Statement on Risk Management and Internal Control	5,000	5,000
<b>Total</b>	<b>43,000</b>	<b>117,000</b>

## 3. ANALYSIS OF SHAREHOLDERS AS AT 1 APRIL 2024

Total no. of issued shares : 495,293,823  
Class of shares : Ordinary shares  
Voting rights : 1 vote for each share held on a poll

### Distribution schedule of shareholdings:

Size of holdings	No. of shareholders	%	No. of shares	%
Less than 100	5,462	45.63	163,595	0.03
100 – 1,000	3,634	30.36	1,367,552	0.28
1,001 – 10,000	2,311	19.31	7,279,115	1.47
10,001 – 100,000	493	4.12	14,649,021	2.96
100,001 – less than 5% of issued shares	65	0.54	95,237,374	19.23
5% and above of issued shares	5	0.04	376,597,166	76.03
<b>Total</b>	<b>11,970</b>	<b>100.00</b>	<b>495,293,823</b>	<b>100.00</b>

## other information continued

### 3. ANALYSIS OF SHAREHOLDERS AS AT 1 APRIL 2024 (continued)

#### Thirty largest shareholders:

Name of shareholders	No. of shares	%
1. HSBC Nominees (Tempatan) Sdn Bhd - Pledged Securities Account – Credit Suisse AG, Singapore for Tune Group Sdn Bhd	99,767,386	20.14
2. HSBC Nominees (Asing) Sdn Bhd - Exempt an for Bank Julius Baer & Co Ltd	93,534,214	18.88
3. Kenanga Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Kalimullah bin Masheerul Hassan	70,562,815	14.25
4. Kenanga Nominees (Asing) Sdn Bhd - Truesource Pte Ltd	56,694,973	11.45
5. Kenanga Nominees (Tempatan) Sdn Bhd - Lim Kian Onn	56,037,778	11.31
6. Kenanga Nominees (Tempatan) Sdn Bhd - Plato Capital Sdn Bhd for Christopher Mark Anthony Lankester	20,177,221	4.07
7. Maybank Securities Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Tan Ching Ching	15,264,100	3.08
8. Tan Han Chuan	14,283,500	2.88
9. Citigroup Nominees (Tempatan) Sdn Bhd - Exempt an for Bank of Singapore Limited	10,258,500	2.07
10. Kenanga Nominees (Tempatan) Sdn Bhd - ECM Libra Foundation	4,624,955	0.93
11. Kenanga Nominees (Asing) Sdn Bhd - Garynma MY Capital Limited	4,456,100	0.90
12. CGS International Nominees Malaysia (Tempatan) Sdn Bhd - Exempt an for CGS International Securities Singapore Pte Ltd	3,674,948	0.74
13. Lim Su Tong @ Lim Chee Tong	3,636,270	0.73
14. Yap Bing Sia	1,748,900	0.35
15. Kenanga Nominees (Tempatan) Sdn Bhd - Quek Siow Leng	1,437,163	0.29
16. Tassapon Bijleveld	1,180,827	0.24
17. Lai Thiam Poh	1,085,500	0.22
18. Yap Bing Sia	640,200	0.13
19. Liew Chin Choi	570,700	0.12
20. Tan Swan Po @ Dolly Tan	554,933	0.11
21. Alliencegroup Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Yong Loy Huat	500,000	0.10
22. RHB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Yong Loy Huat	500,000	0.10
23. Sendjaja Widjaja	448,714	0.09
24. Yu Sze Yung	400,000	0.08
25. Affin Hwang Nominees (Tempatan) Sdn Bhd - DBS Vickers Secs (S) Pte Ltd for Goon Tuck Khoon	398,900	0.08

## other information continued

### 3. ANALYSIS OF SHAREHOLDERS AS AT 1 APRIL 2024 (continued)

#### Thirty largest shareholders: (continued)

Name of shareholders	No. of shares	%
26. Kenanga Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Chin Kiam Hsung	392,300	0.08
27. Lim Chin Kheng	377,800	0.08
28. Sharikat Kim Loong Sendirian Berhad	375,000	0.08
29. Yee Keng Mun	327,679	0.07
30. Parveenjit Singh Dhillon	324,000	0.07

#### Substantial shareholders as per Register of Substantial Shareholders of the Company as at 1 April 2024:

Name of substantial shareholders	Direct interest		Deemed interest	
	No. of shares	%	No. of shares	%
Dato' Seri Kalimullah bin Masheerul Hassan	70,562,815	14.25	-	-
Dato' Lim Kian Onn	66,296,278	13.39	134,843,286 <sup>(1)</sup>	27.22
Truesource Pte Ltd	56,694,973	11.45	-	-
Plato Capital Limited	-	-	56,694,973 <sup>(2)</sup>	11.45
Garynma MY Capital Limited	76,711,150	15.49	-	-
Garynma MY Holdings Limited	-	-	76,711,150 <sup>(3)</sup>	15.49
Trident Trust Company (Singapore) Pte. Limited	-	-	76,711,150 <sup>(4)</sup>	15.49
Tune Group Sdn Bhd	99,767,386	20.14	-	-
Tan Sri Anthony Francis Fernandes	-	-	99,767,386 <sup>(5)</sup>	20.14
Datuk Kamarudin bin Meranun	-	-	99,767,386 <sup>(5)</sup>	20.14

#### Notes:

- (1) Deemed interest of 27.22% by virtue of his interest in Plato Capital Limited and his interest via Garynma Trust which holds all the shares in Garynma MY Holdings Limited pursuant to Section 8(4) of the Companies Act 2016 and his spouse's shareholding pursuant to Section 59(11)(c) of the Companies Act 2016.
- (2) Deemed interest of 11.45% by virtue of Plato Capital Limited, being the holding company of Truesource Pte Ltd pursuant to Section 8(4) of the Companies Act 2016.
- (3) Deemed interest of 15.49% by virtue of Garynma MY Holdings Limited, being the holding company of Garynma MY Capital Limited pursuant to Section 8(4) of the Companies Act 2016.
- (4) Deemed interest of 15.49% by virtue of Trident Trust Company (Singapore) Pte. Limited, being the trustee of Garynma Trust which holds all the shares in Garynma MY Holdings Limited pursuant to Section 8(4) of the Companies Act 2016.
- (5) Deemed interest of 20.14% by virtue of his interest in Tune Group Sdn Bhd pursuant to Section 8(4) of the Companies Act 2016.

## other information continued

### 4. DIRECTORS' INTERESTS IN THE COMPANY AND/OR ITS RELATED CORPORATIONS AS AT 1 APRIL 2024

Other than as disclosed below, none of the other Directors of the Company has any interest in the Company and/or its related corporations:

Name of directors	Direct interest		Deemed interest	
	No. of shares	%	No. of shares	%
Dato' Lim Kian Onn	66,296,278	13.39	134,843,286 <sup>(1)</sup>	27.22
Dato' Seri Kalimullah bin Masheerul Hassan - Alternate Director to En Akil Hassan bin Kalimullah	70,562,815	14.25	-	-

**Note:**

(1) Deemed interest of 27.22% by virtue of his interest in Plato Capital Limited and his interest via Garynma Trust which holds all the shares in Garynma MY Holdings Limited pursuant to Section 8(4) of the Companies Act 2016 and his spouse's shareholding pursuant to Section 59(1)(c) of the Companies Act 2016.

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

### 5. LIST OF PROPERTIES AS AT 31 DECEMBER 2023

Title/Location	Description/ Existing use	Tenure	Land/ Floor area	Age of building (years)	Net book value (RM'000)	Date of acquisition(A)/ revaluation(R)
<b>Tune Hotel Penang</b> Lot 348 Seksyen 15, Geran 11256 Lot 426 Seksyen 15, Geran 63526 Bandar Georgetown Daerah Timor Laut Pulau Pinang	Land with building for hotel use	Freehold	2,053.44 square metres	15	19,266	13.06.2022(R)
<b>Tune Hotel Kota Kinabalu</b> Unit No. G-803, F-803, S-803 & T-803, 1 Borneo, Country Lease 015607057 Locality of Kuala Menggatal District of Kota Kinabalu Sabah	Land with building for hotel use	99-year leasehold expiring on 31.12.2103	3,946.99 square metres	16	9,014	31.12.2021(R)
<b>Tune Hotel Danga Bay</b> Lot 46867, Geran 358300 Bandar Johor Bahru Daerah Johor Bahru Johor	Land with building for hotel use	Freehold	4,257.00 square metres	13	13,864	10.06.2022(R)

## other information continued

### 5. LIST OF PROPERTIES AS AT 31 DECEMBER 2023 (continued)

Title/Location	Description/ Existing use	Tenure	Land/ Floor area	Age of building (years)	Net book value (RM'000)	Date of acquisition(A)/ revaluation(R)
<b>Tune Hotel Liverpool</b> MS612056 and MS618502 3-19, Queen Buildings Castle Street Liverpool L2 4XE United Kingdom	Land with building for hotel use	150-year leasehold expiring on 4.4.2164	30,149.00 square metres	186	27,771	23.11.2023(A)
MS662950 Ground floor shop and basement 17 Castle Street Liverpool L2 4SX United Kingdom		148-year leasehold expiring on 25.2.2166				
<b>The Chow Kit, an Ormond Hotel</b> Lot 1305, Pajakan Negeri 24460 Bandar Kuala Lumpur Daerah Kuala Lumpur Wilayah Persekutuan Kuala Lumpur	Land with building for hotel use	99-year leasehold expiring on 12.2.2066	611.56 square metres	11	31,997	10.06.2022(R)
<b>MoMo's Kuala Lumpur</b> Lot 20001, Geran 76084 Bandar Kuala Lumpur Daerah Kuala Lumpur Wilayah Persekutuan Kuala Lumpur	Land with building for hotel use	Freehold	383.00 square metres	11	30,394	10.06.2022(R)
<b>Vacant Land</b> Lot 1590, Pajakan Negeri 10025 Bandar Kuala Lumpur Daerah Kuala Lumpur Wilayah Persekutuan Kuala Lumpur	Land for car park use	99-year leasehold expiring on 13.4.2068	348.00 square metres	NA	2,377	10.06.2022(R)
<b>Vacant Land</b> H.S.(D) 36686, PTD 8355 Mukim Pantai Timur District of Kota Tinggi Johor	Vacant land	99-year leasehold expiring on 1.11.2114	36,831.00 square metres	NA	17,016	16.11.2023(A)



## other information continued

### 6. UTILISATION OF PROCEEDS

The Company had on 23 November 2023 announced a proposal to undertake a private placement of up to 47,992,500 new ordinary shares in the Company ("Shares"), representing up to approximately 10% of the existing total number of issued Shares, to independent third party investor(s) to be identified later at an issue price to be determined later ("Placement Shares") ("Private Placement"). The Private Placement was proposed to address the shortfall in the public shareholding spread of the Company.

On 30 November 2023, the Company further announced that Bursa Malaysia Securities Berhad ("Bursa Securities") had, vide its letter dated 29 November 2023 ("Approval Letter"), resolved to approve the listing and quotation of up to 47,992,500 Placement Shares to be issued pursuant to the Private Placement, subject to the conditions set out the Approval Letter.

On 5 January 2024, the Company announced that the issue price for the first tranche of the Private Placement had been fixed at RM0.2053 per Placement Share.

On 10 January 2024, the Company completed the first tranche of the Private Placement with the successful listing and quotation of 15,368,000 Placement Shares on the Main Market of Bursa Securities ("First Tranche of the Private Placement").

As at 1 April 2024, the status of the utilisation of proceeds raised from the First Tranche of the Private Placement is as follows:

<b>Utilisation of Proceeds</b>	<b>Proceeds raised (RM'000)</b>	<b>Amount utilised as at 1 April 2024 (RM'000)</b>	<b>Balance of proceeds (RM'000)</b>	<b>Intended timeframe for utilisation</b>
Working capital for the Company and its subsidiaries' hospitality business	3,060	(1,282)	1,778	Within 12 months
Estimated expenses for the Private Placement	95	(67)	28	Immediate
<b>Total</b>	<b>3,155</b>	<b>(1,349)</b>	<b>1,806</b>	

# notice of annual general meeting

**NOTICE IS HEREBY GIVEN** that the Nineteenth Annual General Meeting (“19th AGM”) of ECM Libra Group Berhad (“Company”) will be held at MAKAN at Tune Hotel KLIA-KLIA2, Lot Pt 13, Jalan KLIA 2/2, 64000 KLIA, Selangor on Thursday, 6 June 2024 at 2.30 p.m. in order to transact the following business:

## AGENDA

### AS ORDINARY BUSINESS

1. To receive the audited financial statements for the financial year ended 31 December 2023 together with the reports of the Directors and Auditors thereon. **Please refer to explanatory note 1**
2. To approve the payment of Directors’ fees of RM227,514 in respect of the financial year ended 31 December 2023 to be divided among the Directors in such manner as the Directors may determine. **Ordinary Resolution 1**
3. To approve the payment of Directors’ benefits (excluding Directors’ fees) up to an amount of RM223,000 payable to the Non-Executive Directors for the period from 7 June 2024 until the next Annual General Meeting of the Company. **Ordinary Resolution 2**
4. To re-elect Dato’ Lim Kian Onn who retires by rotation pursuant to Clause 105 of the Company’s Constitution. **Ordinary Resolution 3**  
  
En Mahadzir bin Azizan who retires by rotation pursuant to Clause 105 of the Company’s Constitution has expressed his intention not to seek re-election as Director of the Company. Hence, he will retire upon the conclusion of the 19th AGM.
5. To re-elect the following Directors who retire pursuant to Clause 112 of the Company’s Constitution: **Ordinary Resolution 4**  
**Ordinary Resolution 5**
  - (a) Datin Sri Azlin binti Arshad; and
  - (b) En Akil Hassan bin Kalimullah.
6. To re-appoint Messrs BDO PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. **Ordinary Resolution 6**

### AS SPECIAL BUSINESS

To consider and, if thought fit, pass the following ordinary resolutions:

#### 7. **PROPOSED AUTHORITY TO DIRECTORS TO ISSUE SHARES AND PROPOSED WAIVER OF PRE-EMPTIVE RIGHTS**

“**THAT** subject always to the Companies Act 2016 (“Act”), the provisions of the Company’s Constitution, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the approval of the relevant authorities, if applicable, the Directors be and are hereby empowered pursuant to Sections 75 and 76 of the Act to allot and issue new shares in the Company, at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of new shares to be allotted and issued pursuant to this resolution during the preceding twelve (12) months does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being (excluding treasury shares) (“General Mandate”) and the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so issued on Bursa Securities AND THAT such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company;

**AND THAT** in connection with the above, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company under Section 85 of the Act; and read together with Clause 15 of the Company’s Constitution; to be offered new shares in the Company ranking equally to the existing issued shares of the Company arising from any issuance and allotment of new shares in the Company pursuant to the General Mandate.”

**Ordinary Resolution 7**

# notice of annual general meeting continued

## 8. PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES ("PROPOSED SHARE BUY-BACK RENEWAL")

"**THAT** subject always to the Companies Act 2016 ("Act"), the provisions of the Company's Constitution, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the requirements of any other relevant authorities, the Company be and is hereby authorised to purchase such number of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities as the Directors may deem fit and expedient in the interest of the Company ("Proposed Share Buy-Back"), provided that:

- (i) the maximum number of ordinary shares which may be purchased and/or held by the Company pursuant to the Proposed Share Buy-Back shall be equivalent to ten percent (10%) of the total number of issued shares of the Company for the time being quoted on Bursa Securities;
- (ii) the maximum funds to be allocated by the Company pursuant to the Proposed Share Buy-Back shall not exceed the total retained profits of the Company at the time of purchase(s);
- (iii) the authority conferred by this resolution shall commence upon the passing of this resolution and shall continue to be in force until:
  - (a) the conclusion of the next Annual General Meeting of the Company following this Annual General Meeting at which this ordinary resolution was passed, at which time it will lapse, unless by ordinary resolution passed at that general meeting, the authority is renewed, either unconditionally or subject to conditions; or
  - (b) the expiration of the period within which the next Annual General Meeting of the Company after that date is required by law to be held; or
  - (c) revoked or varied by an ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever occurs first,

**AND THAT** the Directors of the Company be and are hereby authorised to deal with the ordinary shares purchased by the Company pursuant to the Proposed Share Buy-Back in the following manner:

- (a) cancel all the ordinary shares so purchased; or
- (b) retain the ordinary shares so purchased in treasury for distribution as dividend to the shareholders of the Company and/or resale on the market of Bursa Securities and/or transfer as purchase consideration; or
- (c) retain part of the ordinary shares so purchased as treasury shares and cancel the remainder; or

in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of Bursa Securities and any other relevant authorities for the time being in force;

**AND FURTHER THAT** the Directors of the Company be and are hereby authorised to do all acts, deeds and things as they may consider expedient or necessary in the best interest of the Company to give full effect to the Proposed Share Buy-Back Renewal with full powers to assent to any conditions, modifications, variations and/or amendments as may be imposed by the relevant authorities and to take all such steps, and do all such acts and things as they may deem fit and expedient in the best interest of the Company."

**Ordinary Resolution 8**

# notice of annual general meeting continued

9. To consider any other business of which due notice shall have been given in accordance with the Companies Act 2016 and the Company's Constitution.

By Order of the Board

WONG CHOY LING (MIA 47044)  
(SSM PC No. 202008004069)

CYNTHIA GLORIA LOUIS (MAICSA 7008306)  
(SSM PC No. 201908003061)

CHEW MEI LING (MAICSA 7019175)  
(SSM PC No. 201908003178)

Secretaries  
Kuala Lumpur  
26 April 2024

## NOTES:

1. Only a depositor whose name appears in the Record of Depositors of the Company as at 29 May 2024 shall be regarded as a member entitled to attend, speak and vote, and appoint not more than two (2) proxies to attend, speak and vote on his/her behalf, at the 19th AGM.
2. Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.
3. Where a member appoints more than one (1) proxy to attend the 19th AGM, the member shall specify the proportion of his/her shareholdings to be represented by each proxy. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy(ies).
4. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his/her attorney duly authorised in writing or if the appointer is a corporation, either under its common seal or under the hand of a duly authorised officer or attorney of the corporation.
5. The original duly executed Form of Proxy must be deposited at the Registered Office of the Company at 2nd Floor, West Wing, Bangunan ECM Libra, 8 Jalan Damansara Endah, Damansara Heights, 50490 Kuala Lumpur not less than 48 hours before the time appointed for holding the meeting or at any adjournment thereof.
6. By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms pursuant to the Personal Data Protection Act 2010 set out below:  
  
By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the 19th AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company or its Share Registrar for the purpose of the processing and administration of proxies and representatives appointed for the 19th AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 19th AGM (including any adjournment thereof), and in order for the Company or its Share Registrar to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company or its Share Registrar, the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company or its Share Registrar of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.
7. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), all resolutions set out in the Notice of 19th AGM will be put to vote by way of poll.
8. The Annual Report 2023, statement to shareholders in relation to the proposed renewal of authority for the Company to purchase its own shares ("Share Buy-Back Statement") dated 26 April 2024 and Form of Proxy are available for viewing and downloading from the Company's website at <http://ecmlibra.com/agm.asp>.

# notice of annual general meeting continued

## Explanatory notes

### 1. Audited financial statements for the financial year ended 31 December 2023

This agenda item is meant for discussion only as under the provision of Section 340(1)(a) of the Companies Act 2016 ("Act"), the audited financial statements and the reports of the Directors and Auditors do not require a formal approval of the members. Hence, this matter will not be put forward for voting.

### 2. Ordinary Resolution 1 – Payment of Directors' fees

The payment of Directors' fees totalling RM227,514 in respect of the financial year ended 31 December 2023 will only be made if the proposed ordinary resolution is approved by the members at the 19th AGM.

Further details on the amount of fees receivable by each individual Non-Executive Director are provided in Note 8 of the audited financial statements for the financial year ended 31 December 2023.

### 3. Ordinary Resolution 2 – Payment of Directors' benefits (excluding Directors' fees)

The current Directors' benefits (excluding Directors' fees) payable to the Non-Executive Directors comprises meeting allowance of RM1,000 per meeting, medical coverage and other claimable benefits-in-kind.

The amount of meeting allowances payable to the Non-Executive Directors for the period from 7 June 2024 until the next Annual General Meeting of the Company is estimated based on the number of scheduled meetings for the Board of Directors ("Board") and Board Committees of the Company and the number of Non-Executive Directors to be involved in these meetings.

The Board will seek approval of the members at the next Annual General Meeting of the Company in the event the Directors' benefits (excluding Directors' fees) as proposed is insufficient due to an increase in the number of the Board and Board Committees meetings and/or increase in the Board size and/or revision to the existing Directors' remuneration structure.

### 4. Ordinary Resolutions 3, 4 and 5 – Re-election of retiring Directors

The profiles of the retiring Directors, Dato' Lim Kian Onn, Datin Sri Azlin binti Arshad and En Akil Hassan bin Kalimullah who are standing for re-election at the 19th AGM, are set out in the Directors' profile section of the Annual Report 2023.

The Board through the Nomination and Remuneration Committee ("NRC") had conducted annual assessment on the qualification, skills, experience, contribution, performance, fitness, propriety, calibre and personality of individual Directors (including the retiring Directors) based on a set of prescribed criteria. Based on the results of the annual assessment, the performance of each individual Director was found to be satisfactory. The NRC assessed that each individual Director is fit and proper to continue serving as Director of the Company. The NRC reviewed the results of the annual assessment of the retiring Directors and assessed that the retiring Directors fulfilled the fit and proper criteria for re-election as Director, as set out in the Directors' Fit and Proper Policy. The NRC is also satisfied that Datin Sri Azlin binti Arshad met the criteria for independence in her annual assessment as Independent Director.

Premised on the satisfactory outcome of the assessments as mentioned above, the Board endorsed the recommendation of the NRC to seek members' approval at the 19th AGM for the re-election of Dato' Lim Kian Onn, Datin Sri Azlin binti Arshad and En Akil Hassan bin Kalimullah as Directors of the Company.

### 5. Ordinary Resolution 6 – Re-appointment of Messrs BDO PLT as Auditors

The Board Audit & Risk Management Committee ("BARMC") had assessed the performance, suitability and independence of Messrs BDO PLT ("BDO") in accordance with the External Auditors Assessment Policy for their re-appointment as Auditors of the Company. Based on the results of the assessment and feedback provided by the management, the BARMC is satisfied that BDO met the criteria for re-appointment as Auditors of the Company.

Premised on the satisfactory outcome of the assessment as mentioned above, the Board endorsed the recommendation of the BARMC to seek members' approval at the 19th AGM for the re-appointment of BDO as Auditors of the Company.

# notice of annual general meeting continued

## **6. Ordinary Resolution 7 – Proposed authority to Directors to issue shares and proposed waiver of pre-emptive rights**

The proposed ordinary resolution, if passed, will give authority to the Directors to allot and issue new shares in the Company from time to time provided that the aggregate number of new shares to be allotted and issued pursuant to this resolution during the preceding twelve (12) months does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being (excluding treasury shares) ("General Mandate"). The General Mandate, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

The General Mandate, if granted by the members, will enable the Directors to take prompt action and to avoid delay and cost in convening general meetings in case of a need to issue and allot new shares in the Company for fund raising exercise, including but not limited to placement of shares for purpose of funding future investment project(s), working capital and/or acquisitions, or for such other application(s) as the Directors may deem fit in the best interest of the Company.

By voting in favour of the proposed ordinary resolution, members will agree to waive their pre-emptive rights pursuant to Section 85 of the Act; and read together with Clause 15 of the Company's Constitution; to be first offered the new shares in the Company to be allotted and issued pursuant to the General Mandate which will result in a dilution of their shareholding percentage in the Company.

The proposed ordinary resolution is a renewal of the general mandate given to the Directors to issue and allot new shares in the Company as approved by the members at the Eighteenth Annual General Meeting of the Company held on 22 May 2023 ("Previous Mandate"). The members had also given their approval to waive their pre-emptive rights under Section 85 of the Act and Clause 15 of the Constitution of the Company to be first offered the new shares in the Company to be allotted and issued pursuant to the Previous Mandate, at the Extraordinary General Meeting of the Company held on 11 October 2023 ("Previous Waiver"). Both Previous Mandate and Previous Waiver (collectively, "Previous Year's Mandate") will lapse at the conclusion of the 19th AGM.

The Previous Year's Mandate was utilised with the successful listing and quotation of 15,368,000 ordinary shares in the Company on the Main Market of Bursa Securities on 10 January 2024 ("First Tranche of the Private Placement") pursuant to a private placement ("Private Placement") undertaken by the Company (which was announced on 23 November 2023) to address the shortfall in its public shareholding spread. The First Tranche of the Private Placement raised a total proceed of RM3,155,050.40 and is intended to be utilised as working capital for the Company and its subsidiaries' hospitality business and to cover the expenses for the Private Placement. As at the date of this Notice, the amount has yet to be fully utilised.

## **7. Ordinary Resolution 8 – Proposed renewal of authority for the Company to purchase its own shares**

The proposed ordinary resolution, if passed, will give authority to the Company to purchase its own ordinary shares of up to ten percent (10%) of the total number of issued shares of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company. Further information pertaining to the proposed ordinary resolution is set out in the Share Buy-Back Statement dated 26 April 2024 which is available on the Company's website at <http://ecmlibra.com/agm.asp>.

# statement accompanying notice of annual general meeting

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

**1. Details of individuals who are standing for election as Directors**

No individual is seeking election as a Director at the Nineteenth Annual General Meeting (“19th AGM”) of the Company.

**2. Statement relating to general mandate for issue of securities in accordance with Paragraph 6.03(3) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad**

Details of the general mandate/authority for Directors to issue shares in the Company pursuant to Sections 75 and 76 of the Companies Act 2016 are set out in explanatory note 6 of the Notice of 19th AGM.



**ECM LIBRA GROUP BERHAD**  
Registration No. 200501031433 (713570-K)  
(Incorporated in Malaysia)

## FORM OF PROXY

I/We \_\_\_\_\_ (NRIC/Passport/Registration No.) \_\_\_\_\_

of \_\_\_\_\_

being a member of ECM Libra Group Berhad ("Company") hereby appoint:

Name	Address	NRIC/Passport No.	Proportion of shareholdings to be represented by proxy (%)

and (if more than one (1) proxy)

Name	Address	NRIC/Passport No.	Proportion of shareholdings to be represented by proxy (%)

or failing him/her, the Chairman of the meeting as my/our proxy(ies) to vote for me/us on my/our behalf at the Nineteenth Annual General Meeting ("19th AGM") of the Company to be held at MAKAN at Tune Hotel KLIA-KLIA2, Lot Pt 13, Jalan KLIA 2/2, 64000 KLIA, Selangor on Thursday, 6 June 2024 at 2.30 p.m. and at any adjournment thereof.

My/Our proxy(ies) is/are to vote as indicated below with an "X":

No.	Ordinary Resolution	For	Against
1.	To approve the payment of Directors' fees		
2.	To approve the payment of Directors' benefits (excluding Directors' fees)		
	To re-elect the following as Directors:		
3.	(a) Dato' Lim Kian Onn		
4.	(b) Datin Sri Azlin binti Arshad		
5.	(c) En Akil Hassan bin Kalimullah		
6.	To re-appoint Messrs BDO PLT as Auditors of the Company and to authorise the Directors to fix their remuneration		
7.	To approve the proposed authority to Directors to issue shares and proposed waiver of pre-emptive rights		
8.	To approve the proposed renewal of authority for the Company to purchase its own shares		

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2024

<b>Number of shares held</b>	
<b>CDS account no. of authorised nominee*</b>	

\* Applicable to shares held through a nominee account

\_\_\_\_\_  
Signature/Common Seal of Member

Contact No.: \_\_\_\_\_



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**Notes:**

1. Only a depositor whose name appears in the Record of Depositors of the Company as at 29 May 2024 shall be regarded as a member entitled to attend, speak and vote, and appoint not more than two (2) proxies to attend, speak and vote on his/her behalf, at the 19th AGM.
2. Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.
3. Where a member appoints more than one (1) proxy to attend the 19th AGM, the member shall specify the proportion of his/her shareholdings to be represented by each proxy. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy(ies).
4. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his/her attorney duly authorised in writing or if the appointer is a corporation, either under its common seal or under the hand of a duly authorised officer or attorney of the corporation.
5. The original duly executed Form of Proxy must be deposited at the Registered Office of the Company at 2nd Floor, West Wing, Bangunan ECM Libra, 8 Jalan Damansara Endah, Damansara Heights, 50490 Kuala Lumpur not less than 48 hours before the time appointed for holding the meeting or at any adjournment thereof.
6. By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms pursuant to the Personal Data Protection Act 2010 set out in the Notice of 19th AGM dated 26 April 2024.
7. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of 19th AGM will be put to vote by way of poll.

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AFFIX  
STAMP

Company Secretary  
**ECM Libra Group Berhad**  
Registration No. 200501031433 (713570-K)  
2nd Floor, West Wing, Bangunan ECM Libra  
8 Jalan Damansara Endah  
Damansara Heights  
50490 Kuala Lumpur

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