Able
AbleGroup Bhd

AbleGroup Berhad
200401015685 (654188-H)

Delivering Excellence in

Bespoke Craftmanship

2022 ANNUAL REPORT

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CORPORATE INFORMATION

BOARD OF DIRECTORS

YEOH CHONG KEAT
Chairman/
Independent Non-Executive Director

LOI HENG SEWN
Independent
Non-Executive Director

DATO' LIM KIM HUAT
Managing Director

CHEONG MARN SENG
Independent
Non-Executive Director

AUDIT COMMITTEE

Chairman
CHEONG MARN SENG

Member
YEOH CHONG KEAT
LOI HENG SEWN

NOMINATION COMMITTEE

Chairman
LOI HENG SEWN

Member
YEOH CHONG KEAT
CHEONG MARN SENG

REMUNERATION COMMITTEE

Chairman
YEOH CHONG KEAT

Member
CHEONG MARN SENG
LOI HENG SEWN

COMPANY SECRETARIES

LIM FEI CHIA
SSM PC No. 202008000515
MAICSA 7036158

TAN FONG SHIAN @
LIM FONG SHIAN
SSM PC No. 201908004045
MAICSA 7023187

CORPORATE OFFICE

Block D4-U2-10
Level 2, Solaris Dutamas
No. 1, Jalan Dutamas 1
50480 Kuala Lumpur
Tel : 03-6207 8186
Fax : 03-6207 8786

REGISTERED OFFICE

Lot 5, Level 10
Menara Great Eastern 2
No. 50, Jalan Ampang
50450 Kuala Lumpur
Tel : 03-2031 1988
Fax : 03-2031 9788

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

AUDITORS

SBY PARTNERS PLT
9-C, Jalan Medan Tuanku
Medan Tuanku
50300 Kuala Lumpur

PRINCIPAL BANKERS

Alliance Bank Malaysia Berhad
Bangkok Bank Berhad

WEBSITE

www.ablegroup.com.my

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia
Securities Berhad

Sector/ Sub-sector	:	Industrial Products & Services/Building Materials
Stock Name	:	ABLEGRP
Stock Number	:	7086

CORPORATE
STRUCTURE

Able
AbleGroup Bhd

100%

Syarikat Bukit Granite Sdn. Bhd.

100%

Atlas Rhythm Sdn. Bhd.

DIRECTORS' PROFILE

YEOH CHONG KEAT

Chairman, Independent Non-Executive Director

Age
65

Nationality
Malaysian

Gender
Male

Yeoh Chong Keat, an Independent Non-Executive Director and Chairman of the Board, was appointed to the Board of the Company on 1 August 2011 as a Non-Independent Non-Executive Director. Mr Yeoh was re-designated as an Independent Director of the Company on 19 August 2013. He is also the Chairman of the Remuneration Committee and a member of the Audit Committee and Nomination Committee of the Board.

He is a Fellow of the Institute of Chartered Accountants in England and Wales, a Fellow of the Chartered Tax Institute of Malaysia, a Chartered Accountant of the Malaysian Institute of Accountants and a Member of the Malaysian Institute of Certified Public Accountants.

He trained and qualified as a Chartered Accountant with Deloitte Haskins & Sells, Birmingham, United Kingdom (now part of PwC network) and was formerly the head of a leading corporate services firm for over 10 years before founding Archer Corporate Services Sdn Bhd which provides corporate secretarial and advisory services to private and public listed companies. He is the President/CEO of Archer Corporate Services Sdn Bhd. He has accumulated a wealth of experience in audit, tax, financial and management consulting and corporate secretarial work with "Big Four" firms in the United Kingdom and Malaysia.

He also sits on the board of Advancecon Holdings Berhad and Lien Hoe Corporation Berhad, both listed on the Main Market of Bursa Malaysia Securities Berhad.

He has no family relationship with any Director and/or major shareholder of the Company and has no conflict of interest with the Company. He has no conviction for any offences within the past 5 years (other than traffic offences), nor any public sanction or penalty imposed by regulatory bodies during the financial year.

He attended all five (5) Board of Directors' meetings of the Company held during the financial year ended 31 December 2022.

DATO' LIM KIM HUAT

Managing Director

Age
63

Nationality
Malaysian

Gender
Male

Dato' Lim Kim Huat was appointed as Managing Director of the Company on 15 September 2009.

He is a Certified Public Accountant by profession and is a member of The Malaysian Institute of Certified Public Accountants. He began his career at PricewaterhouseCoopers in Kuala Lumpur in 1980 before venturing into the commercial sector. Dato' Lim is a businessman and entrepreneur with extensive exposure and experience across diverse industries including manufacturing, trading, property development, agriculture, leisure and entertainment, and food services.

Dato' Lim was formerly the Deputy Executive Chairman of Sunrise Berhad, where he led the development of multiple internationally acclaimed projects including "10 Mont' Kiara", "28 Mont' Kiara" and "Solaris Dutamas – Publika".

Dato' Lim is currently the Chairman of MyTech Group Berhad (formerly known as Widetech (Malaysia) Berhad), a public company listed on the Main Market of Bursa Malaysia Securities Berhad. His directorships in other public companies include Golden Agro Plantation (Mukah) Berhad, Purerich Realty Berhad and Lone Pine Resorts Berhad.

He is the major shareholder of the Company through Parallel Pinnacle Sdn Bhd with shareholdings of 140,816,400 ordinary shares as at 31 March 2023. Parallel Pinnacle Sdn Bhd is a subsidiary of Golden Century Overseas Ltd in which he has controlling interest.

He has no family relationship with any Director of the Company and has no conflict of interest with the Company. He has no conviction for offences within the past 5 years (other than traffic offences) nor any public sanction or penalty imposed by regulatory bodies during the financial year.

He attended all five (5) Board of Directors' meetings of the Company held during the financial year ended 31 December 2022.

LOI HENG SEWN

Independent Non-Executive Director

Age

63

Nationality

Malaysian

Gender

Male

Loi Heng Sewn, an Independent Non-Executive Director, was appointed to the Board of the Company on 28 September 2006 as a Non-Independent Non-Executive Director. Mr Loi was re-designated as an Independent Director of the Company on 28 February 2018. He is the Chairman of the Nomination Committee and a member of the Audit Committee and Remuneration Committee of the Board.

He holds a Bachelor of Business Administration (Management) from Lakehead University, Thunder Bay, Ontario, Canada. He started his career with the MBf group of companies as a member of their senior management team. He was also a member of the Board of Directors on a number of the MBf group of companies.

He has vast operational and managerial experience in the manufacturing, plantation and real estate industries after having involved in the capacity as a business owner.

He has no directorship in other public companies, no family relationship with any Director and/or major shareholder of the Company and no conflict of interest with the Company. He has no conviction for offences within the past 5 years (other than traffic offences) nor any public sanction or penalty imposed by regulatory bodies during the financial year.

He attended all five (5) Board of Directors' Meetings of the Company held during the financial year ended 31 December 2022.

CHEONG MARN SENG

Independent Non-Executive Director

Age

58

Nationality

Malaysian

Gender

Male

Cheong Marn Seng, an Independent Non-Executive Director, was appointed to the Board of the Company on 28 September 2006. He is the Chairman of the Audit Committee and a member of the Nomination Committee and Remuneration Committee of the Board.

He holds a Bachelor of Commerce degree in economic and finance from The University of Melbourne, Australia and is a Chartered Accountant of The Malaysian Institute of Accountants. He has wide experience and knowledge in corporate finance, after working in the corporate finance department of an investment bank for more than 8 years in senior management position. Prior to his stint with the investment banking industry, he was attached to two international accounting firms for several years in the audit and financial service division.

He is the executive director of Lien Hoe Corporation Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad since 2001.

He has no family relationship with any Director and/or major shareholder of the Company and has no conflict of interest with the Company. He has no conviction for offences within the past 5 years (other than traffic offences) nor any public sanction or penalty imposed by regulatory bodies during the financial year.

As at 31 March 2023, he has direct shareholdings of 9,000 ordinary shares in the Company. He attended all five (5) Board of Directors' Meetings of the Company held during the financial year ended 31 December 2022.

MANAGEMENT DISCUSSION
AND ANALYSIS

OVERVIEW OF GROUP OBJECTIVES AND STRATEGIES

AbleGroup Berhad's primary objective is to create long term value for our stakeholders through supply and installation of building materials business and deriving an income stream from our property assets.

2022 has been a year of business recovery after two years of disruptions by the COVID-19 pandemic. Malaysia's economic grew strongly during the year following the resumption of business and social activities. We focused on our business recovery plan throughout the year to restore our operations to the pre-pandemic level.

Our building material business was driven by higher amount of billings from contracted works for business premises, private residences and hotels. These contracts involved renovation (interior and external) works where we supply, deliver and install specified stoneworks based on the construction drawings.

Our retail sales have also increased and contributed to the revenue of the Group supported by our improved marketing strategies including selling to past subcontractors who managed to secure some private residential contracts, direct supply to restaurants, offices and business premises, as well as supplying labour for repolishing marble and granite floorings maintenance to some of our recurring customers.

FINANCIAL PERFORMANCE REVIEW

SUMMARY OF 2022 RESULTS

In financial year ended 31 December 2022 ("FYE22"), AbleGroup Berhad recorded consolidated revenue of RM4.450 million, an increase of RM1.219 million or 38% from the revenue of RM3.231 million in the preceding financial year ended 31 December 2021 ("FYE21"). The growth of revenue in FYE22 is mainly contributed by the higher retail sales of RM0.771 million to RM1.035 million. Revenue from contracted works amounted to RM3.415 million is contributed by the higher billing of works for several existing and new supply and installation contracts in FYE22 including several private residences located in Ampang and USJ, Techvance Hotel, MK27 and Agile in Mont' Kiara, business premises at Plaza Berjaya, Wisma Yan and others located in Klang Valley.

With the higher revenue recorded coupled with the continuous measures taken to control the operational and administrative costs, the Group recorded a net profit of RM0.067 million after provision of stock obsolescence of RM0.100 million in FYE22 as compared to the net loss of RM1.101 million in FYE21 which included an impairment loss on trade receivables of RM0.167 million and loss on disposal of a subsidiary company of RM0.404 million.

FINANCIAL PERFORMANCE REVIEW (CONT'D)

5-year Financial Highlights	FINANCIAL YEAR ENDED 31 DECEMBER				
	2022 RM'000	2021 RM'000	2020 RM'000	2019 RM'000	2018 RM'000
FINANCIAL PERFORMANCE					
Revenue	**4,450**	3,231	3,558	5,506	3,957
Profit / (Loss) Attributable to Owners of the Company	**67**	(1,101)	(593)	(681)	(987)
FINANCIAL POSITION					
Total Assets	**46,781**	44,950	46,627	46,445	47,427
Total Liabilities	**3,836**	2,072	3,055	2,282	2,583
Total Equity	**42,945**	42,878	43,572	44,163	44,844
SHARE INFORMATION					
Per ordinary share (Sen)					
Basic Earnings/(Loss)	**0.025**	(0.417)	(0.225)	(0.258)	(0.374)
Share price as at 31 December (Sen)	**0.14**	0.12	0.12	0.07	0.08
FINANCIAL RATIOS					
Gross Margin (%)	**34.67**	28.94	31.93	21.27	18.80
Gearing ratio (times)	**0.02**	0.01	0.01	0.01	0.02

OPERATIONAL REVIEW

A) BUILDING MATERIAL SEGMENT

Syarikat Bukit Granite Sdn Bhd ("SBG"), the main contributor to the Group's revenue, is principally engaged in the building material business encompasses the processing, trading, exporting and contract workmanship of high quality marble and granite slabs.

Backed by more than two decades of experience, SBG had passionately strive to pair together the beauty of natural stones with the technical expertise in its fabrication works to meet and exceed the varied and high quality expectations of our valued customers. Our capability stems from the fact that we have our own sizing plant in Sg Buloh, Selangor which is equipped with technologically advanced machineries and supported by a team of well-trained workers in delivering precision cutting and quality finishes.

Our core products comprise of a variety range of natural marble and granite. Recognising the customers' perception that quality and price are the predominant factors in deciding on a purchase, the Company embarks on a constant review to expand its range of granite and marble products through extensive sourcing efforts and fabricated in our sizing plant for better control on quality and continuity in supply. With a wider and varied range of products, we are able to offer customers with more choices of selection at competitive prices. Secondly, we believe in delivering quality products through stringent QAQC measures being instituted at different stages of processing to ensure compliance with QAQC standards. At the same time, we believe in operational cost efficiencies and control so that we are able to provide more competitive pricing for our customers.

MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

OPERATIONAL REVIEW (CONT'D)

A) BUILDING MATERIAL SEGMENT (CONT'D)

The pandemic has changed the way business is carried out in many sectors. With the increased use of the internet and social media, SBG had also embarked on E-Commerce as its marketing platform by maintaining a website at www.sbgstones.com to create greater awareness on the Company, inculcate corporate identity and branding for its varied range of products.

In addition, we promote our BeSpoke Furnitures through our website, where our elegant and customised crafted stoneworks products are catered for the mid to high range market segments. The BeSpoke Furnitures received favourable and encouraging responses from walk-in customers and we will continue to enhance the range of our product offerings with the objective to increase the diversity of our customer base and revenue source to the Group.

SBG has regained recovery momentum in FYE22 with the higher billing of works for its supply and installation of stoneworks contracts. Notably our retail sales have also surged from the effort we placed in delivering our granite and marble products. SBG will continue to improve on the measurable operating expenses for cost efficiencies while maintaining good cashflow management to sustain the business for long term.

B) PROPERTY DEVELOPMENT SEGMENT

Atlas Rhythm Sdn Bhd is a wholly owned subsidiary involved in the property development of the piece of 1.214 hectares freehold land located in North Kiara near Mont' Kiara in Kuala Lumpur. The business plan of the Group is to derive an income stream from its landed asset.

FUTURE PROSPECTS

Riding on the strong economic momentum in 2022, the Malaysian economy is expected to sustain decent growth of 4.0% in 2023, given the global economic challenges, inflationary pressures, and higher domestic borrowing costs. The retabled Budget 2023 was inspired by the Honourable Prime Minister Datuk Seri Anwar Ibrahim's "Malaysia MADANI" vision and the proposed measures reflect Government's ambitious and progressive approach to accelerating economic recovery, spearheading sustainable growth and fostering an inclusive society.

The property sector outlook remains cautious with the higher interest rate and cost of living pressures that have negatively impacted house buyers' affordability. Other external factors such as supply chain disruptions and labour shortage issues continue to weigh on the property sector. This is on top of the existing oversupply and overhang situation facing the sector.

For our property development segment, while we continue to monitor the market condition and surrounding developments, we are looking into some plans including deriving an income stream from our property asset.

For the building material business, we will continue to pursue new jobs to add to our order books which stood at RM2.725 million at the end of FYE22. SBG has tendered for potential jobs with value totalled RM1.505 million, and anticipate a good success rate which will contribute positively to the financial performance of the Group in the financial year 2023.

As we progressively improving our strategy, aligning our business to growth and value opportunities, we will continue to pursue cost optimisation activities within the Group to drive operational efficiency and focus on growing its brand name through enhanced workmanship quality and development of our core competencies.

SUSTAINABILITY STATEMENT

Overview

The sustainability practices and performance of AbleGroup Berhad and its subsidiaries ("Group") covered in this statement is in respect of the reporting period from 1 January 2022 to 31 December 2022.

This statement discloses the efforts of the Group in prioritising economic, environmental, and social ("EES") sustainability and considerations as well as good governance across its operations. Our sustainability strategy is carefully developed in ways that it will contribute to long term business growth and value creation. Our long term sustainability approach aims to manage material sustainability risks and opportunities which entails doing business ethically and responsibly and committed towards engagement with stakeholders to better understand and meet their expectations.

This statement has been prepared in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and guided by the Bursa Securities' Sustainability Reporting Guide.

Sustainability Management

The Board and Management oversee the corporate sustainability strategy and performance and places importance on sustainability being integrated across the operations of the Group. The Board is supported by the Managing Director ("MD"), who oversees and monitors the implementation of sustainability strategies and performances by the Management team.

Stakeholder Engagement

The Group recognises the importance of understanding and addressing the stakeholders' concerns and issues for business sustainability and stakeholders' engagements through continuous interaction and dialogue.

From time to time, the Group engages with the following groups of stakeholders through meetings, reviews, discussions, calls and focus groups to better identify and understand any sustainability expectations these stakeholders may have:

- Employees
- Directors
- Investors and shareholders
- Customers
- Suppliers (including contractors)
- Senior Management
- Government and regulators

Stakeholder Engagement (Cont'd)

Tabled below is a summary of their identified areas of interest and our response to these interests:

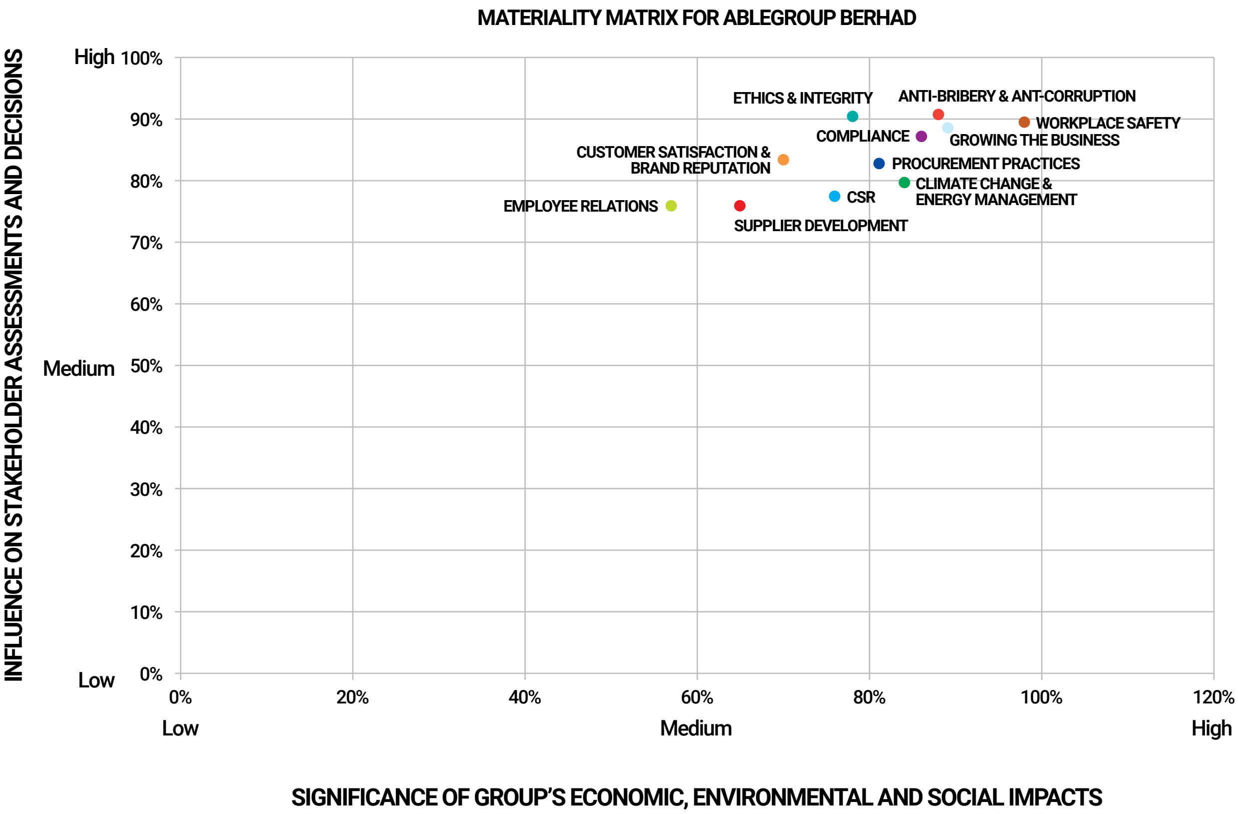
Stakeholder Group	Key Areas of Interest	Methods of Engagement
Employees	• Corporate directions and growth plans • Job security & development • Remuneration and benefits • Workplace health and safety • Labour and human rights	• Management meetings • Circulation of Internal Policies and procedures • Annual performance evaluation • Code of Conduct and Ethics
Directors	• Continuous business and operational improvement • Financial risk and company compliance to laws and regulations • Financial results • Interest of stakeholders and shareholders • Environmental matters	• Quarterly and ad-hoc Board and Board Committee meetings • Board Charter • Code of Conduct and Ethics
Investors and Shareholders	• Corporate information • Continuous business growth • Financial returns for property project • Timely financial reporting and updates	• Annual General Meeting • Quarterly results announcements • Announcements to Bursa Securities • The Group's website
Customers	• Competitive pricing • Quality and workmanship assurance • Innovative design and features • Product safety and reliability • Defects rectification • Customer service and experience	• Customer feedbacks • Social media engagement • The Company's website • Face to face meetings and interaction
Suppliers/Contractors	• Payment schedule • Tendering process • Fair procurement practices • Competitive prices • Business continuity and supply commitment • Quality materials and services	• Email communications • Ad-hoc tender exercises and meetings • Supplier briefings • Contract negotiation • Process improvement
Senior Management	• Ensure safe and humane work environment • Ensure customer requirements are met, including security of customer data • Management of the supply chain • Ensure talent retention by providing competitive compensation and benefit packages for employees, and ensuring human rights of all employees are respected	• Management meetings • Ad-hoc meetings • Code of Conduct and Ethics
Government & Regulators	• Regulatory disclosure • Accountability • Adherence to relevant laws and regulations • Corporate governance and compliances	• Quarterly announcements • Compliance with government legislative framework

Managing Material Sustainability Matters

Material assessment is important to identify EES risks and opportunities that are material to our business operations and of importance to the stakeholders. The assessment helps identify and prioritise the wide-ranging sustainability matters of the organisation and refines the focus to those material matters that are relevant from the perspective of key stakeholders with understanding of the impact of material matters on the Group's business in a holistic approach.

To ensure that our material sustainability matters remain up to date and relevant with stakeholders' priorities, once again we conducted a materiality assessment in 2022. As part of the assessment, the material sustainability matters were benchmarked against the sustainability reporting guidelines, reporting framework and standards. From the assessment, we identified one new topic, namely Climate Change and Energy Management.

Following the review, we have generated the 2022 Materiality Matrix to reflect the current interests of our stakeholders. The materiality matrix generated from this process is used as a sustainability lens to assess the priorities of the Group's business. It presents the scope of the Group's operations to balance its short term business prospects with its long term vision for business resilience and sustainability.



Our material assessment and matrix reveal that material matter 'Workplace Safety' remains our priority that we continue to maintain a healthy workforce and safe workplace for a sustainable business. We have taken note of the rising urgency to tackle the issue of climate change and its impacts to our operations and long-term sustainability, cohesively supporting government's efforts to transition to a low-carbon economy by 2050.

SUSTAINABILITY STATEMENTS (Cont'd)

Corporate Governance & Compliance

The Board recognises that sound governance structure is essential to ensure transparency and accountability throughout the business operations for long-term sustainable growth of the Group. Good corporate governance is vital as it provides a foundation for the instilling of ethical behaviour within the Group.

The adopted Board Charter sets out respective roles and responsibilities of the Board, Board Committees, individual Director and the Management. It outlines inter-alia, the processes and procedures for the Board and its Committees in discharging their stewardship effectively and efficiently. The Board Charter is available on the Company's website at www.ablegroup.com.my.

The Code of Conduct and Ethics of the Group governs the conduct of all the employees including the Board with the aim to cultivate good ethical conduct, based on the core principles of integrity, transparency, fairness, accountability and contributing towards the social and environmental growth of the surroundings in which the Group operates.

The Board, together with the Senior Management team led by the Managing Director, are committed to ensuring that the Group practices the standard of corporate governance and transparency in line with the principles and recommendations of the updated Malaysian Code on Corporate Governance to achieve the Group's objective and enhance shareholders' value.

Anti-Bribery and Anti-Corruption Policy

The Group has adopted a zero-tolerance policy against all forms of bribery and corruption, which includes facilitation payments, kickbacks, as well as gifts, entertainment, or anything of value given in an attempt to affect a person's actions or decisions in order to gain or retain a business advantage. The policy is also applicable to persons associated with the Group including vendors, suppliers and business partners.

In order to maintain the highest standard of integrity, the Group has, amongst others, conducted due diligence inquiries to review the prospective business counterparties, all parties are made aware of the Group's policy, to sign and declare if there is conflict of interest, and has maintain a whistleblowing channel for employees or business partners to report any misconduct or malpractice within the Company and the anonymity of the whistleblower who lodge a complaint or report in good faith is protected. During the year, there was no whistleblowing case reported.

The Whistle Blowing Policy and Anti-Bribery & Anti-Corruption Policy are available at www.ablegroup.com.my.

Maintaining a Sustainable Environment Aspect

A) Energy efficiency

The Group actively explores opportunities where energy savings and improving our energy efficiency through various measures can be achieved, including the introduction of LED lightings that will not only help reduce our energy consumption without compromising operation efficiency but also increase our carbon avoidance over the long term.

B) Resource use (usage of paper)

The Group is aware of the importance of paper and its volume of usage. As we have pledged ourselves to environmental awareness, a conservative approach on paper usage is communicated to all staff and employees. The Group's initiatives in undertaking the following actions with the aim of preserving the environment include:

i. Reduce usage of paper via email communications and projector
ii. Print double sided
iii. Reuse recycled paper
iv. Unused papers, recycled papers and boxes are sent for recycling.

Maintaining a Sustainable Environment Aspect (Cont'd)

C) Recycling wooden crates

It is normal in the stone industry, to use wooden crates for packing of its granite and marble panels for delivery to the site. These wooden crates are extensively being used during the importation of the material from overseas suppliers and subsequently deliveries to the site locally.

As a concerted effort, the Company is committed and engaged in recycling these wooden crates that are still durable for subsequent reuse. Such efforts besides cost savings, will evidently reduce our consumption of the timber that is procured to make the wooden crates.

D) Waste management

The Group is aware one of the key factors in the sustainable supply and installation works is responsible waste management which refers to the sustainability of the environment and economic prosperity. While the amount of waste generated from operations is a function of its throughput volume, where possible, we strive to reduce and manage waste generated wherever feasible. Secondly, on handling of disposal of waste as scrap proceeds, the Group engages specialised contractor whom transport and recycle waste generated through resizing for resale.

Providing a Healthy and Safe Workplace

The Group places paramount importance in safeguarding the health and safety of our employees and customers. Malaysia transitioned to endemic in 2022, and we continued to take concerted measures to protect the well-being, safety and health of our employees and customers guided by best practices issued by the Ministry of Health and the National Security Council. Our initiatives in the operations including but not limited to the following:-

I. Cleaning and disinfection at the workplaces at frequent intervals
II. All employees and visitors must pass temperature checks before entering premises
III. Face masks are compulsory and must be worn at all times
IV. Hand sanitisers are made available at all premises
V. Regular interval of COVID-19 self-test by the employees who are reporting to work physically
VI. All staff and workers are required to self-declare if unwell and allowed to seek medical treatment or work from home depending on severity of illness

On top of the above, we also give top priority to worker safety by promoting various health and safety practices at the workplace. Fire drills, fire marshal training and safety awareness briefings are in place made available to all staff including newcomers during operation process. We have also regularly assessed health and safety at the workplace, discuss mitigation plans for safe working conditions, besides conducting awareness and training programs for workers.

Promoting Social Sustainability: Employee Welfare

The Group treats employees as critical stakeholders and recognises that commitment to the welfare of employees is fundamental to its long-term success as it contributes to better employee morale and motivation thus improving productivity and performance as well as saving replacement costs. The Group protects the employees' welfare by providing competitive salary and offer non-monetary benefits including annual, sick, hospitalisation, maternity, paternity and compassionate leaves. Additionally, we reward our employees who have well-performed and demonstrated their positive dedication to their works.

The Group also emphasizes equal opportunity amongst its employees, fostering a fulfilling workplace environment, where all employees are treated with respect and dignity. We maintain a zero-tolerance policy towards any form of discrimination and harassment, be it ethnicity, age, gender, and beliefs. During the year, there was no violent or harassment case reported within the Group.

CORPORATE GOVERNANCE
OVERVIEW STATEMENT

The Board of Directors ("Board") of AbleGroup Berhad ("Company") recognises the importance of adopting good corporate governance practise and is fully committed to ensuring that the Company and its subsidiaries ("Group") continue to practice the standard of corporate governance and transparency in line with the principles and recommendations of the Malaysian Code on Corporate Governance ("Code") in order to achieve the Group's objective and enhance shareholders' value.

The Board is pleased to report an overview of the Company's application of the principles and practices of the Code during the financial year ended 31 December 2022 ("FYE22").

This Statement should be read together with the Corporate Governance ("CG") Report 2022 of the Company which is available on the Company's website at www.ablegroup.com.my.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITY

Clear functions of the Board and Management

The role of the Board includes to lead and oversee the Group's business operations and performance and ensure that the Group's objectives are met and shareholders value are maximised.

The Group continues to be led by an experienced Board, with high personal integrity, business acumen and management skills, which is primarily entrusted with the responsibility of charting the direction of the Group.

The roles and responsibilities of the Chairman and Managing Director are separated to ensure appropriate balance of power and authority, clear division of responsibilities and accountability at Board level. The Chairman is primarily responsible for ensuring that the conduct and function of the Board is in an orderly and effective manner besides providing leadership for the Board whilst the Managing Director ensures that the daily business operations are properly managed, drives and provides strategic direction and guidance and ensures effective implementation of Board policies and procedures. The Managing Director lead a team of senior personnel who is responsible for the execution of business plans and strategies, policies and decisions approved by the Board, updating and communicating the progress to the Board from time to time. The responsibilities and authorities of the senior management team are clearly defined.

Clear Roles and Responsibilities

There are four (4) members on the Board of Directors, comprising the Managing Director and three (3) Independent Non-Executive Directors, including the Chairman of the Board.

The presence of the Independent Directors that make up more than half of the composition of the Board ensures unbiased and independent opinion and judgement in board deliberations. The Independent Directors act independently of Management and are not engaged in the day to day operations of the Group.

The main duties and responsibilities of the Board comprise the following:-

- Setting the objectives, goals and strategic plan for the Group;
- Adopting and monitoring the progress of the Group's strategy, budgets, plans and policies;
- Overseeing the conduct of the Group's business and evaluating whether the business is being properly managed to sustain the value for shareholders;
- Considering and approving the matters reserved for the Board covering corporate policies, material investment and/or acquisition/disposal of assets;
- Promoting better investor relations and shareholders' communications;
- Reviewing the adequacy and integrity of the Group's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines; and
- Ensuring that the Group's financial statements are true and fair and conform with applicable accounting standards.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. BOARD RESPONSIBILITY (CONT'D)

Clear functions of the Board and Management (Cont'd)

The Board has delegated specific duties and responsibilities to the Board Committees namely the Audit Committee ("AC"), Remuneration Committee ("RC") and Nomination Committee ("NC"), each with defined terms of reference and responsibilities which are available on the Company's website.

The Board receives reports and minutes of the Committees' proceedings and deliberations at their respective meetings. Where these Committees have no authority to make decisions on matters reserved for the Board, recommendations would be presented to the Board for approval. The Chairman of the Committees report to the Board key matters discussed and the outcome of their meetings and relevant decisions are recorded in the minutes of the Board of Directors' meetings accordingly. The oversight functions and activities undertaken by the Board Committees are elaborated in their respective report set out in this Annual Report.

The Board is satisfied with its current composition with appropriate mix of skills, knowledge and experience in the business and management fields which are essential to enable the Board to carry out its responsibilities in an effective and efficient manner.

Access to Information and Professional Advice

The Board recognises the importance of providing timely, relevant and updated information to the Board in ensuring an effective review and deliberation prior to the Board making an informed decision.

The Board is provided with quantitative and qualitative information that are pertinent to enable the Board to discharge their duties effectively. The Board receives management reports, including comprehensive review and analysis of the Group's performance and operations. Board agenda together with the relevant documents and information are compiled and distributed to the Directors prior to the Board meetings to enable them to have sufficient time to review and be prepared for discussion. The Managing Director and/or key management personnel will brief and provide explanation of pertinent issues and/or recommendations of the Management on the proposal(s) being tabled. Matters requiring the Board's review and approval will be deliberated and discussed thoroughly by the Board prior to decision making. Formal minutes that record the proceedings of the Board meetings are circulated and signed by the Chairman at the following Board meeting of the Company. Decisions made and/or policies approved by the Board will appropriately be communicated to the Management Team for execution after the meeting.

Where necessary, members of the Management Team will be invited to attend Board/Board Committees' meetings to report and/or update the Directors on specific areas of the business within their responsibility to enable the Board members to seek further details or clarifications on the matters being reviewed. The Chairman of the Board ensures that the Directors share their views and insights in the course of deliberation and participate in the discussions.

Board members are updated on the Company's activities and its operations on periodic and/or quarterly basis. In order to facilitate the Directors' effective time planning, the annual meeting calendar setting out the scheduled dates for the meetings of the Board and Board Committees is prepared and circulated in advance by the Company Secretary to enable the Directors to plan effectively. All Directors and Principal Officers of the Group are reminded quarterly of the closed periods for dealings in the securities of the Company based on the targeted date of announcement of the Group's interim financial results. All Directors whether as a full board or in their individual capacity have access to all information of the Group on a timely basis in an appropriate form and quality necessary to enable them to discharge their duties and responsibilities.

All Directors have access to the advice and services of the Company Secretary on matters relating to procedures regulating the Group and necessary compliance by the Group. The Directors, in their individual capacity or collectively, may take independent professional advice in furtherance of their duties, whenever necessary and in appropriate circumstances, at the Company's expense. If such advice is considered necessary, it shall first be discussed with the Chairman of the Board.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. BOARD RESPONSIBILITY (CONT'D)

Anti-Bribery and Anti-Corruption

The Group had in place a zero-tolerance policy against all forms of bribery and corruption. In line with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements") in relation to anti-corruption measures, the Group had adopted the anti-bribery and anti-corruption action plans that aims to prevent the occurrence of corrupt practices in relation to the business dealings and activities of the Group.

The Anti-Bribery and Anti-Corruption Policy adopted by the Group sets out the commitment of the Group towards the prevention, deterrence and detection of fraud, bribery and all other corrupt business practices, amongst others, and applicable to all the companies and employees of the Group, Board of Directors and all third parties, including but not limited to contractors, vendors, suppliers, agents, consultants, business partners and any person associated with the Group.

The Anti-Bribery and Anti-Corruption Policy is published on the Company's website.

II. BOARD COMPOSITION

The current composition of the Board that comprised of the Managing Director and three (3) Independent Non-Executive Directors fulfils the requirements of paragraph 15.02(1) of the Listing Requirements that requires one-third (1/3) of the Board Members of the Company to be independent directors. The Board composition also fulfils Practise 5.2 of the Code that provides at least half of the Board to be Independent Directors.

The three (3) Independent Non-Executive Directors bring their independent and objective view and judgement to Board deliberation and decision-making process, mitigate risks due to conflict of interest or undue influence from interested parties.

The composition of the Board not only reflects the broad range of experience, diverse perspective and insights, skills and knowledge required to oversee the Group business activities, but also the importance of independence in decision-making at the Board level.

Boardroom and Workplace Diversity

The Board is committed to provide a fair and equal opportunities and nurturing diversity in the boardroom and workplace. The Board acknowledges that Board membership should be determined based on a candidate's skills, experience, and knowledge in areas identified by the Board.

In line with the amendments to the Listing Requirements mandating a listed issuer to have at least 1 woman director on its board, the Board ensures that the Company appoints a women director having regard to amongst others, the requirements of the Board and Management and the criteria set out in the adopted Directors' Fit Proper Policy.

The Board will also seek to ensure the development of diversity in the senior management roles within the Group and supports and oversees the Group's objective of achieving senior roles held by female executives and to develop opportunities for female executives to ensure unbiased career progression opportunities.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. BOARD COMPOSITION (CONT'D)

Annual Assessment of Board effectiveness and Independence

The Board, through the NC and facilitated by the Company Secretary, has carried out annual assessment on the effectiveness of the Board and Board Committees.

The NC also assesses the independence of the Independent Non-Executive Directors annually based on the established criteria to ensure that the Independent Non-Executive Directors continue to provide unbiased, objective and independent views and judgement in Board deliberations.

The assessment criteria for independence shall not limit to the length of service of the Independent Non-Executive Directors. Particular emphasis is placed on the role of Independent Non-Executive Directors to facilitate independent and objective review and decisions making of the Group, free from undue influence and bias.

The Board and NC concluded that all the Independent Non-Executive Directors continue to demonstrate conduct and behaviour that are essential indicators of independence, and that each of them continues to fulfil the prescribed definition and established criteria of independence.

The Code provides that the tenure of an independent non-executive director does not exceed a cumulative term limit of nine (9) years. Upon completion of the nine (9) years, an independent director may continue to serve on the board as a non-independent director. If the board intends to retain an independent director beyond nine (9) years, it should justify and seek annual shareholders' approval through a two-tier voting process.

The NC and the Board have assessed the independence of the Independent Directors of the Company and is of the view that a Director's independence cannot be determined solely with reference to tenure of service. The Group benefits from having long serving directors who have accumulated valuable knowledge of the Group's operations and have demonstrated competence in advising and overseeing the management of the Group.

Fostering Commitment

All Directors are expected to devote sufficient time and attention to carry out their duties and responsibilities. In this regard, annual meetings timetable is circulated to the Board with details of the proposed scheduled date of meetings of the Board and Board Committees to enable the Directors to plan ahead.

The Board Charter provides that all Directors should notify the Chairman before accepting any new directorship.

Board Meetings

The Board meets on a quarterly basis with additional meetings held whenever necessary. There were five (5) board meetings held during the financial year ended 31 December 2022 and the attendance record is as follows:-

Directors	No. of Board Meetings attended
Yeoh Chong Keat	5/5
Dato' Lim Kim Huat	5/5
Loi Heng Sewn	5/5
Cheong Marn Seng	5/5

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. BOARD COMPOSITION (CONT'D)

Directors' Training

The Board acknowledges the fact that continuous education is vital for the Board members to gain insight and keep abreast with the state of economy, manufacturing, technological advances in the core business, latest regulatory developments and governance of sustainability matters including risk and opportunities.

The Board encourages its Directors to attend training programmes to updates and enhance their skills and knowledge and to keep abreast with prevailing law and requirements, development in regulatory, corporate governance and sustainability issues relevant to the Company and its business.

The training programmes attended by the Director during the financial year ended 31 December 2022 are summarised as follows:-

Date of Training	Subject
2 & 3 August 2022	National Tax Conference 2022
16 August 2022	Advocacy Sessions for Directors and Senior Management of Main Market Listed Issuers
17 November 2022	AOB Conversation with Audit Committees
30 November 2022	Bursa Malaysia Immersive Session: The Board "Agender"

During the financial year, all the Directors have been continuously updated by the Company Secretary on changes to corporate governance developments, Listing Requirements besides other applicable laws and regulations. The Board was also briefed by the External Auditors on changes to the accounting standards that may affect the Group's financial statements from time to time.

The Board is satisfied that the Directors have gathered sufficient experience and knowledge from their daily business activities to assist them in the discharge of their duties and responsibilities.

III. REMUNERATION

Directors' Remuneration

The RC's primary responsibility is to review and recommend to the Board the remuneration package of the Executive and Non-Executive Directors. The objective is to ensure that the Group attracts and retains Directors of the calibre needed to run the Group successfully. The Executive Director is to be appropriately rewarded giving due regard to the Group's performance. In the case of Non-Executive Directors, the level of remuneration should be appropriate to the level of responsibilities undertaken by the Non-Executive Directors concerned, taking into account factors such as effort and time spent and responsibilities of the Directors including their appointment in the Board Committees.

The Group also reimburses reasonable expenses incurred by Directors where required, in the course of carrying out their duties as Directors.

The Directors will abstain from discussion and voting on decisions in respect of their own remuneration. In compliance with the Companies Act 2016, the Board shall recommend the payment of Directors' fees and allowance of the Non-Executive Directors for approval by the shareholders at the AGM of the Company.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

III. REMUNERATION (CONT'D)

Directors' Remuneration (Cont'd)

Details of Directors' remuneration for the financial year ended 31 December 2022 are set out below:-

	Fees (RM'000)	Salaries and Other Emoluments (RM'000)	Benefits-In-Kind (RM'000)	Total (RM'000)
Executive Director				
Dato' Lim Kim Huat	–	–	–	–
Non-Executive Directors				
Yeoh Chong Keat	38	–	–	38
Loi Heng Sewn	29	–	–	29
Cheong Marn Seng	29	–	–	29
Total	96	–	–	96

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit Committee ("AC")

The AC of the Board comprises three (3) members, all of whom are Independent Non-Executive Directors. The Chairman of the AC is a member of the Malaysian Institute of Accountants.

The AC has established formal and transparent arrangements to maintain an appropriate relationship with the External Auditors of the Group. This includes undertaking annual evaluation to ascertain the suitability, independence, objectivity and professional scepticism of the External Auditors. The Auditors will highlight to the AC and the Board on matters that require their attention.

During the financial year ended 31 December 2022, the AC has conducted private sessions with the External Auditors without the presence of the Management on 24 February 2022 and 15 April 2022 to discuss material matters relating to the audit and the assistance provided by the Management to the External Auditors. The AC noted that there were no major issues within the Group that requires the attention of the AC.

The AC has, in the adopted External Auditors Policy, provides amongst others, that the former key audit partners of the External Auditors to observe a cooling-off period at least three (3) years before being considered for appointment as a member of the Audit Committee.

The AC was satisfied with the External Auditors' independence, suitability, and the quality and candour of the communication with the AC and the Company and had recommended to the Board for approval their re-appointment as Company's Auditors at the Company's AGM.

A summary of the activities of the AC during the year under review is set out in the AC Report in the Annual Report 2022 of the Company.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

Risk Management and Internal Control

The Board acknowledges its responsibility and re-affirms its commitment in maintaining a sound risk management and internal control system to safeguard the interest of shareholders and the Group's assets. The responsibility of reviewing the adequacy and integrity of the Group's risk management and internal control system is delegated to the AC which is empowered by its Terms of Reference to seek assurance on the adequacy and integrity of financial, operational and compliance control and internal control system and risk management procedures through independent reviews carried out by the internal audit function and management.

The Board through the AC has established an ongoing process in identifying, evaluating and managing significant risks faced by the Group. This ongoing process which includes updating the risk management and internal control system when there are changes in the business environment or regulatory guidelines is reviewed by the Board.

The Board recognises that risk cannot be totally eliminated and the system of internal control instituted can only help to minimise and manage risk and provides reasonable assurance that assets of the Company and of the Group are safeguard against material loss and unauthorised use and the financial statements are not materially misstated.

The Company has outsourced its internal audit function to Messrs Sterling Business Alignment Consulting Sdn Bhd, an independent professional consultancy firm with the aim of providing independent and objective review on the systems of internal control within the Group. The Internal Auditors conduct the audit review based on the approved internal audit plan on the identified business processes and key areas to ensure the effectiveness of the management of risks and processes as well as systems of internal control and report its findings to the AC accordingly including recommendations with respect to identified control weaknesses and Management responses to the recommendations. Follow up reviews will be conducted to ensure that the necessary corrective actions and/or improvement procedures have been implemented by Management to address the audit observations and/or lapses highlighted. The internal audit function is conducted in a manner that is consistent with and meets the Standards for the Professional Practice of Internal Auditing and Code of Ethics of the Institute of Internal Auditors Malaysia.

The Statement on Risk Management and Internal Control as set out in the Annual Report 2022 of the Company provides an overview of the management of risks and state of internal controls within the Group.

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

Investor Relations and Shareholders Communication

The Board values dialogue with its shareholders and investors through the maintenance of an open communication policy with investors and shareholders alike. In ensuring effective communication, the various means and forums such as press releases, public announcements released by the Group including the interim financial report on quarterly basis, annual report and financial statements, disclosures to the Bursa Securities and other Group activities are made.

In addition to its published annual report and quarterly reports announced to Bursa Securities, the Group has established a website at www.ablegroup.com.my from which shareholders can assess for information.

Members of the Board including the Chairman of the Board and Board Committees attend the general meetings of shareholders to engage with and address shareholders' queries on the business and performance of the Group at these meetings.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

Conduct of General Meeting

The notice convening the 2022 Annual General Meeting ("AGM") of the Company was sent to the shareholders more than 21 days before the AGM in accordance with the provisions of the Listing Requirements of Bursa Securities and the Company's Constitution. The notice convening the 2022 AGM was advertised in a nationally circulated English daily newspaper giving shareholders sufficient time to prepare and/or to appoint proxy to attend and vote for their behalf.

The Board recognised that the general meetings of shareholders of the Company represents the principal forum for dialogue and interaction between the Board and the shareholders. The participation of shareholders at the general meetings to seek clarifications on the Group's operations and business and to have direct interaction with the Management and Board for exchange of views are encouraged. Pursuant to the Listing Requirements, all resolutions proposed for shareholders' approval at the general meeting of the Company will be voted by poll. An independent scrutineer was appointed to verify the poll results for the resolutions and announced by the Chairman of the meeting.

The Minutes of the AGM including the responses to the questions raised by the shareholders at the meeting were uploaded on the Company's website within the required timeline after the meeting.

This statement is made in accordance with the resolution passed by the Board of Directors on 5 April 2023.

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REPORT OF THE
AUDIT COMMITTEE

1. COMPOSITION OF AUDIT COMMITTEE

Director	Designation
Cheong Marn Seng	Chairman, Independent Non-Executive Director
Yeoh Chong Keat	Member, Independent Non-Executive Director
Loi Heng Sewn	Member, Independent Non-Executive Director

2. TERMS OF REFERENCE

The Terms of Reference of the Audit Committee is available at www.ablegroup.com.my.

3. MEETINGS AND ATTENDANCE

The Audit Committee held five (5) meetings during the financial year ended 31 December 2022 ("FYE22"). Details of the attendance records are as follows:-

Director	Attendance
Cheong Marn Seng	5/5
Yeoh Chong Keat	5/5
Loi Heng Sewn	5/5

4. ACTIVITIES OF THE AUDIT COMMITTEE

During the FYE22, the Audit Committee in the discharge of its duties and functions carried out the following activities:

I. Financial reporting

(a) Reviewed the unaudited quarterly financial results and audited financial statements of the Group and the Company to ensure compliance with approved accounting standards and adherence to other regulatory requirements before recommending to the Board for approval and release to Bursa Malaysia Securities Berhad. The review also focuses on significant and unusual events, major judgmental areas, and performance and prospects commentary.

II. External audit

(b) Reviewed with the External Auditors the audit plan for the FYE22 to ensure that the scope of work and approach adequately cover the activities of the Group and reporting requirements.

(c) Reviewed with the External Auditors the outcome and issues arising from the audit of the financial statements of the Group and the resolution of such issues as highlighted in the audit completion report.

(d) Conducted private sessions with the External Auditors without the presence of the Management on 24 February 2022 and 15 April 2022 to discuss material matters relating to and arising from the audit and the assistance provided by the Management to the External Auditors; the Audit Committee noted that there were no major issues within the Group that requires the attention of the Audit Committee.

4. ACTIVITIES OF THE AUDIT COMMITTEE

II. External audit (Cont'd)

(e) Conducted annual evaluation of the performance of External Auditors, considering their independence, suitability and the quality and candour of their communication with the Audit Committee and the Company before recommending to the Board the re-appointment as Company's Auditors for tabling to the shareholders for approval at the Company's AGM.

III. Risk Management and Internal Audit

(f) Reviewed with the Internal Auditors the proposed Internal Audit Plan for 2022 and ensure that major processes and risk areas were adequately identified and covered in the plan.

(g) Reviewed the reports of the Internal Auditors on their audit findings, recommendations with respect to the identified control weaknesses, Management's responses, and actions taken on those recommendations with agreed implementation timeline. Where appropriate, advised the Management to rectify and improve control procedures, workflow processes and documentation based on the findings of the Internal Auditors.

(h) Reviewed the reports of the Internal Auditors on the follow-up review conducted on previous audit findings that summarises the status of implementation by Management of previous audit observations and/or the latest update from Management on the previous audit issues, where it was reported and noted that some of the audit issues highlighted previously had been or would be addressed/ improved/ ongoing or not applicable, as the case may be.

(i) Conducted a private session with the Internal Auditors without the presence of the Management on 24 February 2022 to discuss matters relating to the audit and the assistance provided by the Management to the Internal Auditors, and noted that there were no major issues within the Group that requires the attention of the Audit Committee.

(j) Conducted annual evaluation of the performance of Internal Auditors and after being satisfied with the performance of the Internal Auditors, reported to the Board accordingly for its notation.

(k) Reviewed the Assessment Report on the Effectiveness of the Risk and Internal Control processes of the Company and Group, the Audit Committee Report and Statement on Risk Management and Internal Control for inclusion in the Annual Report of the Company.

IV. Related Party Transactions

(l) Reviewed on a quarterly basis any related party transactions ("RPT") and/or recurrent RPT ("RRPT") entered into by the Group to ensure that the RRPT had been undertaken in accordance with the shareholders' mandate and carried out on the Group's normal commercial terms and that the internal guidelines and review procedures for RRPT had been adhered to.

(m) Reviewed the circular to shareholders in relation to the proposed renewal of existing shareholders' mandate for RRPT of a revenue or trading nature before tabling it to the Board for recommendation to the shareholders for approval.

(n) Reviewed the report of the Internal Auditors on compliance with approvals as outlined under the internal guidelines and review procedures for RRPT.

REPORT OF THE AUDIT COMMITTEE
(Cont'd)

5. REVIEW OF AUDIT COMMITTEE

In accordance with the Listing Requirements of Bursa Securities, an annual review and assessment on the terms of office and performance of the Audit Committee were undertaken by the Nomination Committee for the FYE22.

The assessment covers amongst others, the main roles and responsibilities of the Audit Committee and its key areas of oversight, specifically the review of internal control and risk management systems, the effectiveness of internal and external audits, integrity of financial statements and review of significant financial reporting judgments.

The Board of Directors was satisfied that the Audit Committee and its members have discharged their functions, duties and responsibilities in accordance with the Audit Committee's Terms of Reference.

6. INTERNAL AUDIT FUNCTION

The Audit Committee is supported by the outsourced Internal Auditors, Messrs Sterling Business Alignment Consulting Sdn Bhd in the oversight of the internal audit function of the Group. The Internal Auditors provide independent and objective feedback to the Audit Committee and Board of Directors on the adequacy, effectiveness and efficiency of the internal control system within the Group.

The Internal Auditors report to the Audit Committee on their audit findings and recommendations of corrective actions or improvement measures together with management's responses and agreed implementation timeline in relation thereto. Follow-up reviews are performed on the status of the implementation of recommendations/ improvement measures by the Management for reporting to the Audit Committee.

The Audit Committee ensures that the Internal Auditors have the necessary resources and unrestricted access to the relevant documentation including the financial statements, operational reports, internal policies and procedures as well as corporate and governance processes to enable them to effectively discharge their duties and responsibilities, besides having direct access to the Audit Committee.

The Internal Auditors undertake internal audit reviews based on the audit plan approved by the Audit Committee upon consultation with the Managing Director. The audit plan was drawn up based on the business activities and functions of the Group and covers the review of the adequacy of the Group's operational control, risk management, and compliance with established policies and procedures, laws and regulations. The Internal Auditors ensure that the agreed scope is sufficient to address the internal audit objectives.

The Internal Auditors during the FYE22 carried out reviews on the processes and procedures of the identified functional areas of Contract Management and Project Management (Control of Progress Claims) involving Syarikat Bukit Granite Sdn Bhd ("SBG"), the Company's main operating subsidiary. The Internal Auditors also conducted follow-up reviews on previously reported audit findings and the implementation of their recommendations by the Management. It was reported that the controls and compliance of the internal control environment of the functional areas under review were generally in place with minimum control issues to support the adequacy of the appropriateness of organisation structure to provide a conducive control environment in managing the operational activities and the adequacy and relevance of established roles and responsibilities.

From the review of the abovesaid functions of SBG, the Internal Auditors reported that overall, the internal control environment for the identified key areas reviewed was adequate and sufficiently robust to ascertain the availability and effectiveness of monitoring activities to uphold the integrity of the internal control environment, and there were no major issues with controls and compliance that require the Audit Committee's attention.

The costs incurred for the internal audit function in respect of FYE22 were RM20,000.

REPORT OF THE
REMUNERATION COMMITTEE

1. COMPOSITION OF REMUNERATION COMMITTEE

Director	Designation
Yeoh Chong Keat	Chairman, Independent Non-Executive Director
Cheong Marn Seng	Member, Independent Non-Executive Director
Loi Heng Sewn	Member, Independent Non-Executive Director

2. TERMS OF REFERENCE

The Terms of Reference of the Remuneration Committee is available at www.ablegroup.com.my.

3. MEETINGS AND ATTENDANCE

The Remuneration Committee met once during the financial year ended 31 December 2022 and recorded full attendance of its members.

4. ACTIVITIES OF THE REMUNERATION COMMITTEE

The challenging business environment and uncertain economic recovery in 2022 continued to risk exposure the Group's operations and financial performance for the FYE22. In his effort to relieve the financial burden and alleviate the cashflow position of the Group, the Managing Director has extended his full pay cut from January 2022 to December 2022.

In support of the waiver by the Managing Director of his full pay extension from FYE21 to FYE22, the Remuneration Committee recommended to the Board that the Directors fees for FYE22 remain unchanged with the same quantum of reduction from FYE21. The Remuneration Committee and Board would monitor and review the same next year or earlier if the performance of the Company improves.

Consistent with the adopted remuneration policy that inter-alia provides the principles and guidelines for remuneration offered to the members of the Board including the Executive and Non-Executive Directors of the Company, the Remuneration Committee ensures that remuneration of the Executive Director and Senior Management is linked to the financial performance which are aligned to the Company's business objectives. The remuneration of Non-Executive Directors should be appropriate having regard to their memberships in Board Committees, contributions to the Company, taking into account factors such as effort and time spent, and responsibilities of the Directors and Board.

The Remuneration Committee reviewed its Terms of Reference at least once annually to ensure its adequacy for current circumstances, membership, functions and the Company's policies and/or compliance with applicable rules and regulations.

During the financial year, the Remuneration Committee, in discharging its duties and responsibilities also reviewed the Report of the Remuneration Committee for inclusion in the Annual Report of the Company.

REPORT OF THE
NOMINATION COMMITTEE

1. COMPOSITION OF NOMINATION COMMITTEE

Director	Designation
Loi Heng Sewn	Chairman, Independent Non-Executive Director
Yeoh Chong Keat	Member, Independent Non-Executive Director
Cheong Marn Seng	Member, Independent Non-Executive Director

2. TERMS OF REFERENCE

The Terms of Reference of the Nomination Committee is available at www.ablegroup.com.my.

3. MEETINGS AND ATTENDANCE

The Nomination Committee met once during the financial year ended 31 December 2022 and recorded full attendance of its members.

4. ACTIVITIES OF THE NOMINATION COMMITTEE

During the FYE22, the Nomination Committee reviewed the size, structure and composition of the Board of Directors and Board Committees, assessed the effectiveness and performance of the Board and Board Committees as well as their respective functions, focusing on the structure of the Board and its operations, Board's roles and responsibilities, Board Committees' and Board Chairman's roles and responsibilities.

The annual assessment and evaluation was carried out by the Nomination Committee facilitated by the Company Secretary through questionnaires which were duly completed by all Directors and the outcome was reported to the Nomination Committee and Board accordingly. The Nomination Committee and Board was satisfied that the existing size, structure and composition of the Board and Committees is optimum having regard to the current business size and operation of the Company, with appropriate mix of skills, attributes and core competencies to enable the Board to discharge its duties and responsibilities effectively.

Having also reviewed and noted full attendance by the Directors at the Board and Board Committees' meetings for the financial year under review; the Nomination Committee was satisfied that the Board and Board Committees were assessed to be effective as a whole in discharging their responsibilities and the same was reported to the Board. All assessments and evaluations carried out by the Nomination Committee in the discharge of all its functions were properly recorded and documented.

In accordance with the Company's Constitution, the Nomination Committee reviewed and determined the Directors retiring by rotation at the Company's Annual General Meeting, taking into consideration satisfactory evaluation of the performance of the Board and individual Director.

The establishment and adoption of the Directors' Fit and Proper Policy during the FYE22 ensures that the Company adopts a formal and transparent process for the appointment and re-election of Directors of the Company and its subsidiaries. The Nomination Committee and Board satisfied with the considerations underpinning the fit and proper criteria of the Directors and that moving forward, fit and proper assessment will be carried out before the appointment of new Directors and for re-election of the retiring Directors. The existing Directors' Recruitment Policy and Procedure was superseded following the adoption of the Directors' Fit and Proper Policy.

4. ACTIVITIES OF THE NOMINATION COMMITTEE (CONT'D)

The Nomination Committee reviewed the independence of the Independent Directors of the Company which make up more than half of the composition of the Board, including their tenure of service and based on the Independent Directors' self-assessment checklist duly completed alongside the confirmation of independence by all Independent Directors of the Company, the Nomination Committee and Board noted that the Independent Directors had fulfilled the independence criteria prescribed under the Listing Requirements and there were no issues of independence in the Board.

The Nomination Committee and the Board are of the view that a Director's independence cannot be determined solely with reference to tenure of service. The Group benefits from having long serving directors who have accumulated valuable knowledge of the Group's operations, the challenges and the business environment and have shown competence in advising and overseeing the management of the Group independently. The individual Director concerned would abstain from deliberation of his own independence.

In the discharge of its oversight function, the Nomination Committee also reviewed, in accordance with the Listing Requirements of Bursa Securities, the term of office and performance of the Audit Committee and each of its members for the year under review against the prescribed assessment checklist. The Nomination Committee was satisfied that the Audit Committee had carried out its duties in accordance with its Terms of Reference.

The Nomination Committee took cognisance that continuous training is important and in view that the Management and Board play a critical role to address material sustainability risks and opportunities, had encouraged the Board and its members to attend training program including ESG related program to equip themselves with relevant knowledge and keep abreast of latest regulatory developments to effectively discharge their duties and responsibilities.

The Chairman of Nomination Committee reported to the Board the matters reviewed and discussed at the meeting and its recommendations for the Board's consideration and decision. The minutes of the Nomination Committee meetings, upon approval at its following meeting would be tabled to the Board for notation.

The Nomination Committee reviewed its Terms of Reference annually to ensure its adequacy for current circumstances, the Company's policies and/or compliance with applicable rules and regulations. The Nomination Committee also reviewed Nomination Committee Report for inclusion in the Annual Report 2021 of the Company.

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STATEMENT ON RISK MANAGEMENT
AND INTERNAL CONTROL

1. INTRODUCTION

The Board of Directors of AbleGroup Berhad ("Board") is pleased to present its Statement on Risk Management and Internal Control for the financial year ended 31 December 2022, which has been prepared pursuant to paragraph 15.26(b) of the Listing Requirements of Bursa Securities and guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("Guidelines") and the updated Malaysian Code on Corporate Governance. The statement below outlines the nature and scope of internal controls of the Group during the financial year under review.

2. BOARD RESPONSIBILITY

The Board acknowledges its collective responsibility and re-affirms its commitment in maintaining a sound risk management and internal control system to safeguard the interest of shareholders, customers, employees and the Group's assets. The responsibility of reviewing the adequacy and integrity of the Group's risk management and internal control system is delegated to the Audit Committee ("AC"), guided by its Terms of Reference to seek assurance on the adequacy and integrity of financial, operational and compliance control and internal control system and risk management procedures through independent reviews carried out by the internal audit function.

The Board in consultation with the AC has appraised the adequacy and effectiveness of risk management and internal control processes which were in place during the financial year ended 31 December 2022. Assurance has been received by the Board from the Managing Director of the Company that the Group's risk management and internal control systems are operating adequately and effectively, in all material aspects and there are no major weaknesses at the existing level of operations of the Group. Recognising that the internal control system must be continuously reviewed and improved to meet the challenging business environment, the Board will continue to take appropriate action plans to review, monitor and strengthen the Group's risk management and internal control system.

However, as there are inherent limitations in any system of internal controls, such systems put into effect by the Management can only reduce but cannot eliminate all risks that may impede the achievement of the Group's business objectives. Therefore, the risk management and internal control system can only provide reasonable and not absolute assurance against material misstatement of management and financial information and records or against financial losses or fraud.

The Board has established an ongoing process in identifying, evaluating and managing significant risks faced by the Group. This ongoing process which includes updating the risk management and internal control systems when there are changes in the business environment or regulatory guidelines is reviewed by the AC and the Board.

The Board is of the view that risk management and internal control systems in place for the year under review and up to the date of the issuance of the financial statements are sound and sufficient to safeguard the shareholders' investment, the Group's assets and the interests of other stakeholders.

3. RISK MANAGEMENT FRAMEWORK

The Group's internal control mechanism is embedded in the various work processes and procedures at appropriate levels within the Group. The management team led by the Managing Director of the Company comprising experienced personnel with vast specialised industry knowledge is assigned with the responsibility of managing the Group. They are accountable for the conduct and performance of the respective operating units under their care.

The Heads of Department have been delegated the responsibility of identifying, evaluating and managing the risks of the respective department on an on-going basis. Significant risks identified and the corresponding internal control processes implemented are reviewed and discussed at periodic management meetings attended by the Managing Director.

3. RISK MANAGEMENT FRAMEWORK (CONT'D)

In addition, significant risks identified, material issues and updated information affecting the Group which requires decisions or appropriate actions to be taken are brought to the attention of the Board.

The AC is also responsible for reviewing and monitoring the effectiveness of the Group's internal control systems. In this respect, the Group has outsourced the internal audit function to an independent professional service provider to undertake the responsibility of overseeing and conducting regular reviews on the Group's operational processes in accordance with the approved internal audit plan. The internal audit reports set out details of the findings and recommended corrective actions from the Internal Auditors with respect to the identified control weaknesses and the Management's responses to the observations and/or recommendations are reported to the AC accordingly. Subsequent follow-up reviews are carried out to ensure that the agreed action plans have been implemented or in progress, as the case may be.

4. INTERNAL AUDIT FUNCTION

The outsourced Internal Auditors review compliances of the processes with the established policies and procedures in order to assess the effectiveness and efficiency of the internal control systems of the Group as appropriate. Any significant findings on non-compliances and weaknesses will be highlighted to the AC via the internal audit reports. The internal audit function adopts a risk-based approach in the preparation of audit plan that based on key risk areas identified.

The Internal Auditors carried out reviews according to an annual internal audit plan approved by the AC and the Board. Additional reviews to be performed on the key business processes by the Internal Auditors may be instructed by the AC as the need arises. The scope of work encompasses the examination and evaluation of the adequacy, integrity and effectiveness of the system of internal control, risk management framework, corporate governance and management of the Group, which include:-

- Reviewing the reliability and integrity of the financial and operating information and the means used to identify, classify and report such information;
- Evaluating the system established to ensure compliance with policies, plans, procedures, laws and regulations which could have a significant impact on the operations and performance of the Group;
- Examining the means of safeguarding assets and, as appropriate, verifying the existence of such assets;
- Assessing the economy and efficiency with which resources are employed; and
- Appraising operations to ascertain whether results are consistent with established objectives and goals and whether the operations are being carried out as planned.

The Internal Auditors use the Committee of Sponsoring Organizations of the Treadway Commission's (COSO) Internal Control – Integrated Framework as a basis for evaluating the effectiveness of the internal control systems. These involved walking through the processes and procedures, discussing with key members of senior management, reviewing documentation as well as observation of the current practices.

During the financial year ended 31 December 2022, the Internal Auditors performed audit reviews in accordance with the approved internal audit plan. The results of their review were tabled at the scheduled meetings of the AC. Key members of senior management are responsible for ensuring that corrective actions or improvement measures are taken within the stipulated timeframe on the reported weaknesses as required. There were no significant control weaknesses identified during the financial year under review that require the AC's attention. The Internal Auditors engaged with the management team on audit issues noted during the exit meetings. The respective Head of the Department was called to clarify and explain to the management team and develop necessary corrective action plans within the stipulated timeline to address/rectify the issues noted. Subsequent follow-up audit reviews were conducted to ensure that corrective measures had been taken to address the identified weaknesses reported earlier.

5. OTHER KEY FEATURES OF THE GROUP'S INTERNAL CONTROL SYSTEMS

- There is a well-defined organisation chart with clear lines of accountability, including delegation of authority that sets out decisions that need to be taken and the appropriate authority levels and matters that require the Board's approval.

- The AC reviews the financial results and reports from management every quarter as well as the internal audit reports at the scheduled meetings and discusses with and/or seeks clarifications from the management on the key factors affecting the operation and financial performance of the Group, the internal control matters and appropriate corrective actions that are required to be taken to address internal control weaknesses identified.

- The composition of AC comprises solely of Independent Non-Executive Directors further strengthens and provides independent and objective judgement and opinion on the matters under its purview including internal control matters of the Group.

- The Managing Director and senior management personnel with the support teams are dedicated and actively involved in the running and managing of the business and operations of the Group. Any significant changes in business or external environment which may affect the operations of the Group at large are reported by the Managing Director to the Board accordingly.

- There is in place a timely and effective internal reporting involving the advice and services of qualified professionals such as the Internal Auditors and the Company Secretary.

- There are regular operational meetings held among the senior management personnel to discuss and review the business plans, budgets, and financial and operational performances of the Group. Monthly meetings of the Heads of Department are held to review and monitor performances. The management updates the status of the business operations including job tenders and projects being pursued and also the status of the on-going projects during monthly operations meetings and quarterly meetings of the Board.

- The Credit Control Committee is chaired by the Acting COO and held monthly meetings to review reports on receivables from the Head of Finance Department with the objective of maximising collection and minimising the exposure of debts being impaired.

6. REVIEW OF EFFECTIVENESS OF INTERNAL CONTROL SYSTEMS

The Board is dedicated to operating a sound system of internal control and recognises that the system must continuously evolve to support the business and the size of the Group.

The Board is satisfied that the process for identifying, evaluating and managing risks as outlined in this Statement had been in place for the year under review upon due and careful assessment and based on the information and assurance provided. The Board is satisfied that there were no material control deficiencies, losses or contingencies noted during the financial year under review as the reported internal control weakness are considered to be at an acceptable level within the context of the Group's operating environment and the size of the business.

The Board and management will continue to take proactive measures to enhance and strengthen the control environment and the internal control system of the Group.

7. REVIEW OF STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Pursuant to paragraph 15.23 of the Listing Requirements of Bursa Securities, the External Auditors have conducted a limited assurance engagement and reviewed this Statement for inclusion in the annual report of the Group for the financial year ended 31 December 2022. Their review was performed in accordance with Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised), Assurance Engagements Other Than Audits or Review of Historical Financial Information and Audit and Assurance Practice Guide 3 ("AAPG3"): Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants.

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

Based on the procedures performed, the External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement intended to be included in the annual report 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 Controls: Guidelines for Directors of Listed Issuers to be set out, nor is factually inaccurate.

This Statement is made in accordance with the resolution passed by the Board of Directors on 5 April 2023.

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ADDITIONAL COMPLIANCE
INFORMATION

1. UTILISATION OF PROCEEDS FROM CORPORATE PROPOSAL

The Company did not undertake any corporate proposal during the financial year ended 31 December 2022.

2. AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees paid/payable to the External Auditors for services rendered for the financial year ended 31 December 2022 are as follows:

	Group (RM'000)	Company (RM'000)
Audit fee	100	65
Non-audit fee	5	5
Total	105	70

3. MATERIAL CONTRACT

There were no material contracts entered into by the Company and/or its subsidiaries involving the interests of the Directors and/or Major Shareholders, either still subsisting at the end of the financial year under review, or entered into since the end of the previous financial year.

4. RECURRENT RELATED PARTY TRANSACTIONS ("RRPT") OF A REVENUE OR TRADING NATURE

The aggregate value of the RRPT conducted pursuant to the shareholders' mandate obtained at the Annual General Meeting held on 27 May 2022 is as follows:

Type of RRPT	Related Party	Relationship	Actual Value Transacted from 1 January 2022 to 31 December 2022 (RM'000)
Sale of stones and provision of contract workmanship and other related services by Syarikat Bukit Granite Sdn Bhd to GPL Group	GPL Group Sdn Bhd and companies related to Dato' Lim Kim Huat ("GPL Group")	Dato' Lim Kim Huat, the Managing Director and Major Shareholder of the Company, is a director and shareholder of GPL Group.	1,734

DIRECTORS' RESPONSIBILITY STATEMENT
IN PREPARING THE AUDITED FINANCIAL STATEMENTS

The Board is responsible to ensure that the financial statements are properly drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards, the requirements of Companies Act 2016 and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad so as to give a true and fair view of the financial position of the Group and of the Company as at the financial year ended 31 December 2022 and of their financial performance and cash flows for the financial year then ended.

In preparing these financial statements, the Directors are satisfied that the Group has:-

- Adopted suitable accounting policies and applied them consistently;
- Made judgement and estimates that are prudent and reasonable;
- Ensured applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepared the financial statements on going concern basis.

The Directors are responsible for ensuring that the Group keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 2016. The Directors are also responsible for safeguarding the assets of the Company and the Group and to take reasonable steps for prevention and detection of fraud and other irregularities.

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FINANCIAL STATEMENTS

PAGE

DIRECTOR'S REPORT

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

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are as set out in Note 9 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

FINANCIAL RESULTS

	Group RM	Company RM
Profit/(loss) for the financial year		
Attributable to:		
Equity holders of the Company	67,123	(487,669)

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

DIVIDEND

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

MOVEMENTS ON RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

There were no issuance of shares or debentures made by the Company during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up the 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 Kim Huat
Loi Heng Sewn
Cheong Marn Seng
Yeoh Chong Keat

DIRECTORS OF SUBSIDIARIES

The directors of the subsidiaries in office since the beginning of the financial year to the date of this report are:
Dato' Lim Kim Huat
Loi Heng Sewn

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings required to be kept by the Company under Section 59 of the Companies Act 2016 in Malaysia, the interests of directors who held office at the end of the financial year in the shares in the Company and its related corporations during the financial year were as follows:

	No. of Ordinary Shares			
	Balance 01.01.2022	**Bought**	**Sold**	**Balance 31.12.2022**
Direct interests:				
Loi Heng Sewn	548,100	–	548,100	–
Cheong Marn Seng	9,000	–	–	9,000
Indirect interests:				
Dato' Lim Kim Huat #	140,816,400	–	–	140,816,400

\# *Held through Parallel Pinnacle Sdn. Bhd. ("Parallel"). Deemed interested pursuant to Section 8(4) of the Companies Act 2016 by virtue of his interest in Golden Century Overseas Ltd; the holding company of Parallel.*

By virtue of his interest in the ordinary shares of the Company and pursuant to Section 8 of the Companies Act 2016 in Malaysia, Dato' Lim Kim Huat is deemed to have an interest in the ordinary shares of the subsidiaries to the extent that the Company has an interest.

By virtue of his interest in the ordinary shares of the Company, Cheong Marn Seng is deemed to have an interest in the ordinary shares of the subsidiaries to the extent that the Company has an interest.

The other director holding office at the end of the financial year had no interest in shares in the Company during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by directors or the fixed salary of a full-time employee of the Company as shown under Directors' Remuneration section below and Note 29 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 any benefit which may be deemed to have arisen by virtue of the balances and transactions with companies in which certain directors of the Company are also directors and/or have substantial financial interests as disclosed in Note 32 to the financial statements.

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

DIRECTORS' REMUNERATION

The directors' remuneration of the Group and of the Company for the financial year ended 31 December 2022 amounted to RM96,000 (2021: RM98,250).

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

There was no indemnity given to or liability insurance effected for any directors, officers and auditors of the Company during the financial year.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps:

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that there were no known bad debts to be written off and that adequate allowance had been made for doubtful debts; and

(b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances:

(a) which would require the writing off of bad debts or to the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

(b) which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading; or

(c) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or

(d) not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

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

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

(b) any contingent liability in respect of the Group and of the Company any which has arisen since the end of the financial year, except as disclosed in Note 34 to the financial statements.

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

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

AUDITORS

The auditors' remuneration for the financial year ended 31 December 2022 of the Group and Company are amounting to RM100,000 (2021: RM75,000) and RM65,000 (2021: RM52,000) respectively.

The auditors, Messrs SBY Partners PLT, Chartered Accountants, have expressed their willingness to continue in office.

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

DATO' LIM KIM HUAT
Director

LOI HENG SEWN
Director

Kuala Lumpur,
Date: 5 April 2023

STATEMENT BY
DIRECTORS
PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

In the opinion of the directors, the financial statements set out on pages 46 to 99 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022 and of the financial performance and cash flows of the Group and of the Company for the financial year ended on that date.

Signed in Kuala Lumpur on 5 April 2023

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

DATO' LIM KIM HUAT

LOI HENG SEWN

STATUTORY
DECLARATION
PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT 2016

I, Lum Wing Kitt, being the officer primarily responsible for the financial management of AbleGroup Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief the financial statements set out on pages 46 to 99 are correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the abovenamed, Lum Wing Kitt
in Kuala Lumpur on 5 April 2023

Before me

LUM WING KITT

Amir Bin Ismail
No. W800
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF ABLEGROUP BERHAD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of AbleGroup Berhad, which comprise the statements of financial position as at 31 December 2022 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 46 to 99.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

We are independent of the 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.

Key Audit Matters (Cont'd)

Group

Risk area and rationale	**Our response**
Inventories *(Note 8 to the financial statements)* As at 31 December 2022, the Group's inventories amounted to RM39,343,508 consists of land held for development and finished goods amounted to RM36,403,059 and RM2,940,449 respectively. Finished goods We determine that the finished goods are to be a key audit matter as the determination of the carrying value of inventories by the Group at lower of cost and net realisable values involves significant estimates. The assessment on impairment of inventories involves judgements and estimation uncertainty in analysing damages, obsolete and slow-moving inventories.	Our audit procedures included, amongst others: Finished goods - Observing year end physical inventory count to observe physical existence and condition of the inventories; - Inspected relevant documentation in the Group's assessment on the net realisable value of the selected inventories; and - Reviewed subsequent sales and evaluating the Group's assessment on identifying slow moving inventories.
Land held for property development As at 31 December 2022, the Group's land held for property development classified as inventories amounting to RM36,403,059 consists of a freehold land at cost and the development cost amounted to RM28,202,375 and RM8,200,684 respectively. We determine that the land held for property development is to be a key audit matter as the carrying value of a freehold land at cost by the Group at lower of cost and net realisable values involves significant estimation on the valuation report prepared by an independent professional consultant. The valuation report rely on the accuracy of assumptions estimates and the recent transacted price of the comparable lands.	Land held for property development - Performed physical sighting to observe physical existence and condition of the freehold land; - Evaluating the competencies, capabilities and objectivities of the independent professional consultant, discussed and check with the professional consultant on the accuracy and relevance of input data used in the valuation report, evaluating the valuation amounts by comparing against comparable property sales and market data and evaluating and challenging the key assumptions used in the valuation report; and - Verify and assess the capitalisation of the development costs amounted to RM8,200,684.

INDEPENDENT AUDITORS' REPORT
(Cont'd)

Key Audit Matters (Cont'd)

Group (Cont'd)

Risk area and rationale	**Our response**
Trade receivables *(Note 14 to the financial statements)*	
As at 31 December 2022, the Group's trade receivables amounted to RM1,040,994 (net of allowances of impairment loss). We determine that the trade receivables of the Group as key audit matter due to the significant amount of the trade receivables to the Group, and the involvement of management's judgement and estimation in assessing the expected credit loss. The management assessed the expected credit loss of trade receivables as at 31 December 2022 in accordance with the Group's accounting policy. The Group adopted simplified approach which permits the use of lifetime expected credit loss in measuring the loss allowance, if any, for trade receivables. For construction contracts, the Group assessed the risk of each customer individually based on their financial capability, past trend of payments and other external information relating to the customers that are publicly available. The expected credit loss is estimated by reference to past default experience in respect of the customers, an analysis of the customers' current financial position adjusted for factors that are specific to the customers, and an assessment of both current conditions as at the reporting date as well as future conditions (including general economic condition of the industry). Management's conclusion on the expected credit loss is judgmental as it involves collective assessment on past, present and future conditions of the customers.	Our audit procedures included, amongst others: - Obtain the understanding of the Group's process in assessing the recoverability of trade receivables; - We assessed and challenged the key bases and assumptions used by management in the estimation of expected credit loss; - We assess the management's conclusion on the expected credit loss by considering the internal and external information, including, but not limited to the historical default rate, historical payment trend, communication with customers, current status of the customers and future economic indicator that are relevant to the customers; - We reviewed the collection of trade receivables subsequent to the financial year; - We also reviewed the disclosure of credit risk in the financial statements; and - We assess the ageing analysis of trade receivables.

Key Audit Matters (Cont'd)

Group (Cont'd)

Risk area and rationale	**Our response**
Revenue and costs recognition *(Note 22 and Note 23 to the financial statements)* As at 31 December 2022, the Group's revenue and costs arising from the construction contracts is amounting to RM4,450,103 and RM2,907,647 respectively. We determine that the Group's revenue and costs recognition as key audit matter due to the significant directors' judgement is required, in determining the progress towards satisfaction of a performance obligation, the extent of the construction costs incurred, the estimated total construction contracts revenue and costs, as well as the recoverability of the construction contracts projects. The estimated total revenue and costs are affected by a variety of uncertainties that depend on the outcome of future events. The amount of revenue and corresponding costs of the Group's construction activities are recognised over the period of contract by reference to the progress towards complete satisfaction of that performance obligation. The progress towards complete satisfaction of performance obligation is determined by reference to proportion of construction costs incurred for works performed to date bear to the estimated total construction costs for each project.	Our audit procedures included, amongst others: - Assess the terms and conditions of the agreements with customers; - Understanding the management's process in preparing the budget and review its feasibility; - Assess the reliability of total budgeted cost by comparing budgeted costs to actual outcomes; - Assess on the management's determination on the satisfaction of a performance obligations; - Recomputed on the percentage of completion computation that contribute towards the revenue recognition during the financial year ended 31 December 2022 and assessed management's assessment in determining the percentage of completion; and - Verified actual construction costs incurred.

Company

We do not have any key audit matter arising from the audit of the financial statements of the Company that are required to be communicated in this report.

INDEPENDENT AUDITORS' REPORT
(Cont'd)

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 the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.
In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

INDEPENDENT AUDITORS' REPORT (Cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'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 Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

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

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

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

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

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

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.

SBY PARTNERS PLT
Reg. No: 202106000003 (LLP0026726-LCA) AF: 0660
Chartered Accountants

TEH SEW HONG
03062/02/2025 J
Chartered Accountant

Kuala Lumpur,
Date: 5 April 2023

STATEMENTS OF
FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	5	424,022	482,103	730	1,317
Right-of-use asset	6	868,459	217,791	–	–
Investment property	7	–	578,597	–	578,597
Inventories	8	36,403,059	36,494,004	–	–
Investment in subsidiaries	9	–	–	40,773,625	40,852,088
Deferred tax assets	10	5,395	5,395	–	–
Goodwill	11	–	–	–	–
		37,700,935	37,777,890	40,774,355	41,432,002
CURRENT ASSETS					
Asset held for sale	12	563,864	–	563,864	–
Inventories	8	2,940,449	2,848,639	–	–
Contract assets	13	769,426	672,372	–	–
Trade receivables	14	1,040,994	995,368	–	–
Other receivables, deposits and prepayments	15	81,099	66,932	4,976	4,976
Amount owing by a subsidiary	16	–	–	1,703,072	2,058,020
Current tax assets		16,590	18,238	–	–
Fixed deposits with licensed banks	17	2,312,192	1,700,000	–	–
Cash and bank balances		215,708	206,399	2,291	1,856
		7,940,322	6,507,948	2,274,203	2,064,852
TOTAL ASSETS		45,641,257	44,285,838	43,048,558	43,496,854
EQUITY AND LIABILITIES					
EQUITY					
Share capital	18	39,584,978	39,584,978	39,584,978	39,584,978
Retained earnings		3,360,411	3,293,288	3,253,721	3,741,390
TOTAL EQUITY		42,945,389	42,878,266	42,838,699	43,326,368
LIABILITIES					
NON-CURRENT LIABILITY					
Lease liabilities	19	667,314	–	–	–
CURRENT LIABILITIES					
Trade payables	20	475,017	377,114	–	–
Other payables and accruals	21	1,352,392	803,609	209,859	170,486
Lease liabilities	19	201,145	226,849	–	–
		2,028,554	1,407,572	209,859	170,486
TOTAL LIABILITIES		2,695,868	1,407,572	209,859	170,486
TOTAL EQUITY AND LIABILITIES		45,641,257	44,285,838	43,048,558	43,496,854

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

STATEMENTS OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

		Group		Company	
	Note	2022 RM	2021 RM	2022 RM	2021 RM
REVENUE	22	4,450,103	3,230,826	–	–
COST OF SALES	23	(2,907,647)	(2,295,783)	–	–
GROSS PROFIT		1,542,456	935,043	–	–
OTHER OPERATING INCOME	24	44,353	55,964	–	–
OTHER OPERATING EXPENSES		(1,497,719)	(2,075,695)	(487,669)	(638,915)
SELLING AND MARKETING EXPENSES		(15,571)	(10,751)	–	–
PROFIT/(LOSS) FOR OPERATIONS		73,519	(1,095,439)	(487,669)	(638,915)
FINANCE COSTS	25	(6,396)	(5,785)	–	–
PROFIT/(LOSS) BEFORE TAXATION	26	67,123	(1,101,224)	(487,669)	(638,915)
INCOME TAX EXPENSE	27	–	–	–	–
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE FINANCIAL YEAR		67,123	(1,101,224)	(487,669)	(638,915)
PROFIT/(LOSS) ATTRIBUTABLE TO:					
Equity holders of the Company		67,123	(1,101,224)		
EARNINGS/(LOSS) PER SHARE (Sen)					
Basic	28	0.03	(0.42)		
Diluted	28	0.03	(0.42)		
Total comprehensive income/(loss) for the financial year		67,123	(1,101,224)		
TOTAL COMPREHENSIVE INCOME/(LOSS) ATTRIBUTABLE TO:					
Equity holders of the Company		67,123	(1,101,224)		

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

STATEMENTS OF
CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	← Attributable to owners of the Company →			
	← Non-distributable →		Distributable	
Group	**Share capital RM**	**Foreign currency translation reserves RM**	**Retained profits RM**	**Total equity RM**
At 1 January 2021	39,584,978	(407,295)	4,394,512	43,572,195
Realisation for disposal of subsidiary company	–	407,295	–	407,295
Total comprehensive loss for the financial year	–	–	(1,101,224)	(1,101,224)
At 31 December 2021/1 January 2022	39,584,978	–	3,293,288	42,470,971
Total comprehensive income for the financial year	–	–	67,123	67,123
At 31 December 2022	39,584,978	–	3,360,411	42,538,094
Company				
At 1 January 2021	39,584,978	–	4,380,305	43,965,283
Total comprehensive loss for the financial year	–	–	(638,915)	(638,915)
At 31 December 2021/1 January 2022	39,584,978	–	3,741,390	43,326,368
Total comprehensive loss for the financial year	–	–	(487,669)	(487,669)
At 31 December 2022	39,584,978	–	3,253,721	42,838,699

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

STATEMENTS OF
CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit/(loss) before taxation		67,123	(1,101,224)	(487,669)	(638,915)
Adjustments for:					
Deposits written off		–	2,821	–	2,821
Depreciation of property, plant and equipment		58,077	58,498	587	777
Depreciation of right-of-use assets		217,791	217,790	–	–
Depreciation of investment property		14,733	16,072	14,733	16,072
Equipment written off		–	663	–	–
Impairment loss on investment in subsidiary company		–	–	–	178,829
Impairment loss on slow moving inventories		100,000	–	–	–
Impairment loss on trade receivables		–	167,246	–	–
Loss on disposal of subsidiary company	9	–	404,066	–	–
Interest expenses		6,396	5,785	–	–
Gain on disposal of property, plant and equipment		(4,496)	(29,999)	–	–
Interest income		(39,857)	(25,965)	–	–
Operating profit/(loss) before working capital changes		419,767	(284,247)	(472,349)	(440,416)
(Increase)/decrease in inventories		(100,865)	80,990	–	–
(Increase)/decrease in contract assets		(97,054)	395,570	–	–
(Increase)/decrease in trade receivables		(45,626)	336,974	–	–
(Increase)/decrease in other receivables, deposits and prepayments		(14,167)	41,882	–	400
Increase/(decrease) in trade payables		97,903	(95,758)	–	–
Increase/(decrease) in other payables and accruals		548,783	(319,393)	39,373	62,706
Cash generated from/(used in) operations		808,741	156,018	(432,976)	(377,310)
Tax paid		(5,110)	(5,955)	–	–
Tax refunded		6,758	–	–	–
Net cash generated from/(used in) operating activities		810,389	150,063	(432,976)	(377,310)

STATEMENTS OF CASH FLOWS
(Cont'd)

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment		–	(6,200)	–	–
Proceeds from disposal of property, plant and equipment		4,500	30,000	–	–
Net repayment from subsidiaries		–	–	433,411	370,149
Net cash outflow from disposal of subsidiary company	9	–	(7,381)	–	–
Interest received		39,857	25,965	–	–
Net cash generated from investing activities		44,357	42,384	433,411	370,149
CASH FLOWS USED IN FINANCING ACTIVITIES					
Interest paid		(6,396)	(5,785)	–	–
Repayment of lease liabilities		(226,849)	(215,808)	–	–
Net cash used in financing activities		(233,245)	(221,593)	–	–
Net increase/(decrease) in cash and cash equivalents		621,501	(29,146)	435	(7,161)
Effect of foreign exchange		–	10,610	–	–
Cash and cash equivalents at the beginning of the financial year		1,894,399	1,912,935	1,856	9,017
Cash and cash equivalents at the end of the financial year		2,515,900	1,894,399	2,291	1,856
Cash and cash equivalents comprise:					
Fixed deposits with licensed banks		2,312,192	1,700,000	–	–
Cash and bank balances		215,708	206,399	2,291	1,856
		2,527,900	1,906,399	2,291	1,856
Less: Deposits pledged for banking facilities		(12,000)	(12,000)	–	–
		2,515,900	1,894,399	2,291	1,856

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

NOTES TO THE
FINANCIAL STATEMENTS
- 31 DECEMBER 2022

1. PRINCIPAL ACTIVITIES AND GENERAL INFORMATION

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

The address of the registered office of the Company is located at Lot 5, Level 10, Menara Great Eastern 2, No. 50 Jalan Ampang, 50450 Kuala Lumpur.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are as set out in Note 9 to the financial statements. There were no significant changes in the nature of these principal activities during the financial year.

The address of the principal place of business of the Company is located at Block D4-U2-10, Level 2, Solaris Dutamas, No. 1, Jalan Dutamas 1, 50480 Kuala Lumpur.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Group and of the Company have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

On 1 January 2022, the Group and the Company adopted the following MFRSs and Amendments to MFRSs issued by the Malaysian Accounting Standards Board, effective for the annual periods beginning on or after 1 January 2022:-

MFRSs and Amendments to MFRSs	**Effective for annual periods beginning on or after**
Amendments to MFRS 116 Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 3 Business Combinations – Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 137 Provisions, Contingent Liabilities And Contingent Assets – Onerous Contracts – Costs of Fulfilling a contract	1 January 2022
Annual Improvements to MFRS Standards 2018 – 2020	1 January 2022

The adoption of the above standards and amendments has no material impact on the financial statements of the Group and the Company upon their initial application.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

MFRSs and amendments to MFRSs that have been issued and applicable to the Group and the Company but are not yet effective

The MFRSs and amendments to MFRSs that have been issued and applicable to the Group and the Company but not yet effective up to the date of issuance of the Group's and the Company's financial statements are disclosed below. The Group and the Company intends to adopt these standards when they become effective.

MFRSs and Amendments to MFRSs	**Effective for annual periods beginning on or after**
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 101 Presentation of Financial Statements - Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 17 Initial Application of MFRS 17 and MFRS 9 – Comparative Information	1 January 2023
Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates	1 January 2023
Amendments to MFRS112 Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 101 Presentation of Financial Statements – Classification of Liabilities as Current or Non-Current	1 January 2024
Amendments to MFRS 16 Leases – Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate and Joint Venture	Deferred

The adoption of these MFRSs and Amendments to MFRSs that have been issued but not yet effective and applicable to the Group and the Company are not expected to have a material impact to the financial statements of the Group and the Company.

3. SIGNIFICANT ACCOUNTING POLICIES

All significant accounting policies set out below are consistent with those applied in the previous financial year unless otherwise stated.

(a) Basis Of Consolidation

The financial statements of the Group include the financial statements of the Company and its subsidiaries made up to the end of the financial year. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis Of Consolidation (Cont'd)

(i) Acquisition method of accounting for non-common control business combinations

Acquisition of subsidiaries is accounted for by applying the acquisition method. Under the acquisition method of accounting, identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

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

The Group elects, for each individual business combination, whether to recognise non-controlling interest in the acquiree (if any) at fair value on the acquisition date, or the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill in the statements of financial position. In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in profit or loss on the acquisition date.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

(ii) Non-controlling interest

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and is presented separately in the consolidated profit or loss and within equity in the consolidated of financial position, separately from equity attributable to owners of the Company.

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

(b) Investment In Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Group. The Group controls the entities when it is exposed, or has rights, to variable returns from its involvement with the entities and has the ability to affect those returns through its power over the entities.

In the Company's separate financial statements, investment in subsidiaries is stated at cost less any impairment, unless the investment is classified as held for sale. The impairment loss is recognised in the profit or loss.

On disposal of an investment, the difference between net disposal proceeds and its carrying amount is charged or credited to profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Property, Plant And Equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses, where applicable.

Property, plant and equipment are depreciated on a straight-line basis to write off the cost of each asset to their residual values over their estimated useful lives at the following annual rates:

Leasehold building	2%
Plant and machinery	2%
Motor vehicles	10%
Office and other equipment	5% - 25%

Depreciation of an asset begins when it is ready for its intended use.

The residual value, useful lives and depreciation method of property, plant and equipment are reviewed at each end of reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

On disposal of property, plant and equipment, the difference between the net disposal proceeds and the carrying amount is credited or charged to profit or loss in determining profit from operations.

(d) Investment Property

Investment property is property which is held either to earn rental income or for capital appreciation or for both. Such properties are measured initially at cost, including transaction costs. Investment property is stated at cost less accumulated depreciation and impairment losses, if any.

The Group is using the cost model to measure the investment property after initial recognition.

Investment properties are derecognised when either they have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from their disposal. Any gains or losses on the retirement or disposal of an investment properties are recognised in profit or loss in the financial year in which they arise.

Depreciation is provided on a straight-line method so as to write off the depreciable amount of the following assets over their estimated useful lives at the following annual rates:

Freehold building	2%

(e) Goodwill

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually. The impairment value of goodwill is recognised immediately in profit or loss. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Under the acquisition method, goodwill represents the excess of the fair value of the purchase consideration over the Group's share of the fair values of the identifiable assets, liabilities and contingent liabilities of the subsidiaries at the date of acquisition.

If, after reassessment, the Group's interest in the fair values of the identifiable net assets of the subsidiaries exceeds the cost of the business combinations, the excess i.e. bargain purchase is recognised as income immediately in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Inventories

(i) Land held for property development

Land held for property development consists of land where development activities are not expected to be completed within the normal operating cycle. Cost includes cost of land and attributable development expenditures.

Land held for property development will be reclassified to properties under development when significant development work has been undertaken and is expected to be completed within the normal operating cycle.

(ii) Property under development

Cost includes:

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

(iii) Finished goods

The finished goods consist of granites and marble stocks. The cost of finished goods consists of the cost of direct materials. The cost is assigned on a weighted average cost basis.

Inventories are valued at the lower of cost and net realisable value. Cost is determined based on the first in, first out basis and is the aggregate of the original cost of purchases plus the cost of bringing the inventories to their present conditions and locations.

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

Where necessary, due allowance is made for all damaged, obsolete and slow- moving items. The Group writes down its obsolete or slow-moving inventories based on assessment of the condition and the future demand for the inventories. These inventories are written down when events or changes in circumstances indicate that the carrying amount may not be recovered.

(g) Non-Current Asset Held For Sale

Non-current assets, or disposal group comprising assets and liabilities that are expected to be recovered primarily through sale or distribution to shareholders rather than through continuing use, are classified as held for sale or distribution.

Immediately before classification as held for sale or distribution, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter generally the assets, or disposal group, are measured at the lower of their carrying amount and fair value less costs of disposal.

Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets and investment property, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale or distribution and subsequent gains or losses on remeasurement are recognised in income statement. Gains are not recognised in excess of any cumulative impairment loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Non-Current Asset Held For Sale (Cont'd)

Intangible assets and property, plant and equipment once classified as held for sale or distribution are not amortised or depreciated. In addition, equity accounting of equity-accounted associates and joint venture ceases once classified as held for sale or distribution.

(h) Impairment Of Non-financial Assets

The carrying amounts of assets, other than those to which MFRS 136 - Impairment of Assets does not apply, are reviewed at each end of the reporting period for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount of the assets is the higher of the assets' net selling price and their value-in-use, which is measured by reference to discounted future cash flow.

An impairment loss is charged to profit or loss immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset.

Impairment losses arising from the goodwill is not reversed. For other assets, when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately, unless the asset is carried at its revalued amount.

A reversal of an impairment loss on a revalued asset is credited to other comprehensive income. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in profit or loss, a reversal of that impairment loss is recognised as income in profit or loss.

(i) Financial Assets

All regular way purchases or sale of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sale of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

(i) Classification Of Financial Assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Financial Assets (Cont'd)

(i) Classification Of Financial Assets

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income ('FVTOCI'):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at fair value through profit or loss ('FVTPL').

(ii) Amortised Cost And Effective Interest Method

At initial recognition financial assets are measured at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset.

For purchased or originated credit-impaired financial assets, the Group and the Company recognise interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in profit or loss and is included in the "investment income" line item.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Financial Assets (Cont'd)

(iii) Debt Instruments Classified As FVTOCI

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

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

- FVTOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements of gains or losses in the carrying amount are taken through other comprehensive income ('OCI'), except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. Accumulated OCI is reclassified from equity to profit or loss and recognised in other gains/losses upon derecognition of the financial assets. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains and losses and impairment expenses in other expenses.

- FVTPL: Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL and is not part of a hedging relationship is recognised in profit or loss and presented net in the profit or loss within other gains/losses in the period in which it arises.

(iv) Equity Instruments

The Group and the Company subsequently measure all equity instruments at fair value. Where the Group's and the Company's management have elected to present fair value gains and losses on equity instruments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the instruments. Dividends from such instruments continue to be recognised in profit or loss as other income when the Group's and the Company's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in other gain/losses in the profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity instruments measured at FVTOCI are not reported separately from other changes in fair value.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Financial Assets (Cont'd)

(v) Financial Assets At FVTPL

This category comprises only in-the-money derivatives. They are carried in the statements of financial position at fair value with changes in fair value recognised in the profit or loss in the finance income or expense line. Other than derivative financial instruments which are not designated as hedging instruments, the Group and the Company do not have any assets held for trading nor do they voluntarily classify any financial assets as being at FVTPL.

(vi) Impairment Of Financial Assets

The Group and the Company recognise a loss allowance for expected credit losses ("ECL") on investments in debt instruments that are measured at amortised cost or at FVTOCI. No impairment loss is recognised for investments in equity instruments. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. Any impairment gain or loss arising from such changes is to be recognised in profit or loss.

The Group and the Company recognise lifetime ECL for trade receivables. The ECL on these financial assets are estimated using a provision matrix based on the Group's and the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. For construction contracts, the Group assessed the risk of each customer individually based on their financial capability, past trend of payments and other external information relating to the customers that are publicly available.

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

- significant financial difficulty of the debtor;
- a breach of contract, such as a default of past due events;
- the debtor, for economic or contractual reasons relating to the debtor's financial difficulty, having granted to the debtor a concessions that the Group would not otherwise consider: or
- it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation.

For all other financial instruments, the Group and the Company recognise lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group and the Company measure the loss allowance for that financial instrument at an amount equal to 12 months ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument. In contrast, 12 months ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Financial Assets (Cont'd)

(vii) Derecognition Of Financial Assets

The Group and the Company derecognise a financial asset when the contractual right to the cash flows from the financial asset expired, or the Group and the Company transfer the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group and the Company neither transfer nor retain substantially all of the risks and rewards of ownership and the Group and the Company do not retain control of the financial asset.

In the event the Group and the Company enter into transactions whereby the Group and the Company transfer assets recognised in statements of financial position, but retain either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

(j) Financial Liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(i) Financial Liabilities At FVTPL

This category comprises only out-of-the-money derivatives. They are carried in the statements of financial position at fair value with changes in fair value recognised in the profit or loss. The Group and the Company do not have any liabilities held for trading nor have the Group and the Company designated any financial liabilities as being at FVTPL.

(ii) Other Financial Liabilities

Other financial liabilities include the following items:

- bank borrowings, where such interest-bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statements of financial position. For the purposes of each financial liability, interest expense includes initial transaction costs as well as any interest payable while the liability is outstanding; and

- payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Financial Liabilities (Cont'd)

(iii) Derecognition Of Financial Liabilities

The Group and the Company derecognise a financial liability when their contractual obligations are discharged or cancelled, or expired. The Group and the Company also derecognise a financial liability when their terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(k) Equity Instruments

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from proceeds.

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

All transactions with the owners of the Company are recorded separately within equity.

(l) Contract Assets/Contract Liabilities

(i) Contract Assets

Contract asset represents service contract cost which comprise of cost related directly to the specific contract and those that are attributable to the contract activity in general and can be allocated to the contract and such other costs that are specifically chargeable to the customer under the terms of the contract. The right to consideration for goods or services transferred to the customers when that right is conditioned on something other than the passage of time. Contract costs includes direct labour, expenses and an appropriate proportion of contract overheads.

Revenue from work done on service contract is recognised based on the stage of completion method. The stage of completion is determined based on proportion of contract costs incurred for work performed to date to the estimated total contract costs.

When the outcome of a contract cannot be estimated reliably, the contract revenue shall be recognised only to the extent of contract costs incurred that is probable to be recoverable and contract costs are recognised as an expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the foreseeable loss is recognised as an expense immediately.

The aggregate costs incurred and profit or loss recognised on each contract is compared against the progress billings up to the financial year end. Where costs incurred plus recognised profits (less recognised losses) exceed progress billings, the balance is shown as contract assets. Where progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is shown as contract liabilities.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Contract Assets/Contract Liabilities (Cont'd)

(ii) Contract Liabilities

Contract liabilities represents the Group's obligation to transfer goods or services to customers for which the Group has received the consideration or has billed to the customer. The contract liabilities of the Group comprise of deferred revenue where the Group has billed or has collected the payment before services are provided to the customers

(m) Lease

The Group and the Company have applied MFRS 16 Leases using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained profits at 1 January 2019. Accordingly, the comparative information presented for 2018 has not been restated – i.e it is presented, as previously reported under MFRS 117 Leases and related interpretations.

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

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

- the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

- the customer has the right to direct the use of the asset. The customer has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what the purpose the asset is used is predetermined, the customer has the right to direct the use of the asset if either the customer as the right to operate the asset; or the customer designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group and the Company allocate the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group and the Company is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) Lease (Cont'd)

Recognition And Measurement

(i) Initial Measurement

As a Lessor

When the Group and the Company act as a lessor, it determines at lease inception whether each lease is a finance lease or operating lease.

To clarify each lease, the Group and the Company make an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease, if not, then it is operating lease.

If an arrangement contains lease and non-lease components, the Group and the Company apply MFRS 15 to allocate the consideration in the contract based on stand-alone selling prices.

When the Group and the Company are an intermediate lessor, it accounts for its interest in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use assets arising from head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group and the Company apply the exemption described above, then it classifies the sublease as an operating lease.

As a Lessee

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

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the respective Group's and Company's incremental borrowing rate is used. Generally, the Group and the Company use its incremental borrowing rate as the discount rate.

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

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Group and the Company is reasonably certain to exercise; and
- penalties for early termination of a lease unless the Group and the Company is reasonably certain not to early terminate the contract.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) Lease (Cont'd)

Recognition And Measurement (Cont'd)

(i) Initial Measurement (Cont'd)

As a Lessee (Cont'd)

The Group and the Company exclude variable lease payments that linked to future performance or usage of the underlying asset from the lease liability. Instead, these payments are recognised in profit or loss in the period in which the performance or use occurs.

The Group and the Company assess at lease commencement whether it is reasonably certain to exercise the extension options in determining the lease term.

The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months or less and lease of low-value assets. The Group and the Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Group and the Company present right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'borrowings' in the statement of financial position.

(ii) Subsequent measurement

As a Lessor

The Group and the Company recognise lease payments received under operating leases as income on a straight-line basis over the lease term as part of "revenue".

As a Lessee

The right-of-use assets is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use assets or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use assets is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a revision of in-substance fixed lease payments, or if there is a change in the Group's and the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Group and the Company change its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use assets or is recorded in profit or loss if the carrying amount of the right-of-use assets has been reduced to zero.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) Lease (Cont'd)

Recognition And Measurement (Cont'd)

(ii) Subsequent measurement (Cont'd)

As a Lessee (Cont'd)

When there is lease modification due to increase in the scope of lease by adding the right-to-use one or more underlying assets, the Group and the Company assess whether the lease modification shall be accounted for as a separate lease or similar to reassessment of lease liability. The Group and the Company account for lease modification as a separate lease when the consideration for the lease increases by an amount that commensurate with the stand-alone price for the increase in scope and any appropriate adjustments.

When there is lease modification due to decrease in scope, the Group and the Company decrease the carrying amount of the right-of-use assets and remeasure the lease liability to reflect the partial or full termination of the lease. The corresponding gain or loss shall be recognised in profit or loss. Lease liabilities are remeasured for all other lease modifications with corresponding adjustments to the right-of-use assets.

(n) Revenue Recognition

Revenue which represents income arising in the course of the Group's and the Company's ordinary activities is recognised by reference to each distinct performance obligation promised in the contract with customer when or as the Group and the Company transfer the control of the goods or services promised in a contract and the customer obtains control of the goods or services. Depending on the substance of the respective contract with customer, the control of the promised goods or services may transfer over time or at a point in time.

A contract with customer exists when the contract has commercial substance, the Group and the Company and their customer have approved the contract and intend to perform their respective obligations, the Group's and the Company's and the customer's rights regarding the goods or services to be transferred and the payment terms can be identified, and it is probable that the Group and the Company will collect the consideration to which the Group and the Company will be entitled to in exchange of those goods or services.

Recognition And Measurement

At the inception of each contract with customer, the Group and the Company assess the contract to identify distinct performance obligations, being the units of account that determine when and how revenue from the contract with customer is recognised. A performance obligation is a promise to transfer a distinct goods or services (or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer) to the customer that is explicitly stated in the contract and implied in the Group's and in the Company's customary business practices. A goods or services is distinct if:

- the customer can benefit from the goods or service either on its own or together with other resources that are readily available to the customer; and

- the Group's and the Company's promise to transfer the goods or service to the customer is separately identifiable from other promises in the contract.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) Revenue Recognition (Cont'd)

Recognition And Measurement (Cont'd)

If a goods or service is not distinct, the Group and the Company combine it with other promised goods or services until the Group and the Company identify a distinct performance obligation consisting a distinct bundle of goods or services.

Revenue is measured based on the consideration specified in contract with a customer excludes amounts collected on behalf of third parties such as sales and service taxes or goods and services taxes. If the amount of consideration varies due to discounts, rebates, refunds, credits, incentives, performance bonuses, penalties or other similar items, the Group and the Company estimate the amount of consideration that they expect to be entitled based on the expected value or the most likely outcome but the estimation is constrained up to the amount that is highly probable of no significant reversal in the future. If the contract with customer contains more than one distinct performance obligation, the amount of consideration is allocated to each distinct performance obligation based on the relative stand-alone selling prices of the goods or services promised in the contract.

The consideration allocated to each performance obligation is recognised as revenue when or as the customer obtains control of the goods or services. At the inception of each contract with customer, the Group and the Company determine whether control of the goods or services for each performance obligation is transferred over time or at a point in time. Controls over the goods or services are transferred over time and revenue is recognised over time if:

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

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

The revenue recognition policies of the Group's and of the Company's major activities are described below:

(i) Revenue From Sales Of Goods

Revenue from sale of goods is recognised at a point in time when control of the products has been transferred, being when the customer accepts the delivery of the goods.

Sales are made with a credit term of 30 days, which is consistent with market practice, therefore, no element of financing is deemed present. A receivable is recognised when the customer accepts the delivery of the goods as the consideration is unconditional other than the passage of time before the payment is due.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) Revenue Recognition (Cont'd)

Recognition And Measurement (Cont'd)

(ii) Revenue From Construction Contracts

Revenue from contract works is recognised on a percentage of completion method. Percentage of completion is determined on the proportion of contract costs incurred for work performed to-date against total estimated costs where the outcome of the project can be estimated reliably.

The Group provides supply, delivery and installation of stone and tiling works under the long-term contracts with customers. Construction service contracts comprise multiple deliverables that require significant integration service and therefore accounted as a single performance obligation.

Under the terms of the contracts, control of the supply, delivery and installation of stone and tiling works is transferred over time as the Group creates or enhances an asset that the customer controls as the asset is created or enhanced. Revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of a performance obligation. The progress towards complete satisfaction of a performance obligation is determined by the proportion of construction costs incurred for work performed to date bear to the estimated total construction costs (an input method).

Sales are made with a credit ranging from 30 days to 60 days, which is consistent with market practice, therefore, no element of financing is deemed present. The Group becomes entitled to invoice customers for supply, delivery and installation of stone and tiling works based on achieving a series of performance-related milestones.

The Group recognises a contract asset for any excess of revenue recognised to date over the billings-to-date. Any amount previously recognised as a contract asset is reclassified at the point when invoice is issued or timing for billing is due to passage of time. If the milestone billing exceeds the revenue recognised to date and any deposits or advances received from customers then the Group recognised a contract liability for the differences.

(iii) Interest Income

Interest income is recognised on an accrual basis using the effective interest method.

(o) Employee Benefits

(i) Short Term Employee Benefits

Wages, salaries, paid annual leave, paid sick leave, bonuses and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Company and its subsidiaries. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick and medical leave are recognised when the absences occur. The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period. Past-service costs are recognised immediately in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Employee Benefits (Cont'd)

(ii) Defined Contribution Plan

The Company's and its subsidiaries contributions to defined contribution plans regulated and managed by the government are charged to profit or loss in the period to which they relate. Once the contributions have been paid, the Company and its subsidiary companies have no further financial obligations.

(p) Income Tax Expense

Income taxes for the period comprise current and deferred taxes.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the period and is measured using the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

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

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

Deferred tax is recognised in profit or loss, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs. The carrying amounts of deferred tax assets are reviewed at each end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(q) Related Parties

A related party is a person or entity that is related to the entity that is preparing its financial statements (the reporting entity).

A related party is:

(i) a person or a close member of that person's family is related to a reporting entity if that person:

a. has control or joint control of the reporting entity;
b. has significant influence over the reporting entity; or
c. is a member of the key management personnel of the reporting entity or of a holding company of the reporting entity.

(ii) an entity is related to a reporting entity if any of the following conditions applies:

a. the entity and the reporting entity are members of the same group (which means that each holding company, subsidiaries and fellow subsidiaries is related to the others).
b. one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
c. both entities are joint ventures of the same third party.
d. one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
e. the entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
f. the entity is controlled or jointly controlled by a person identified in (i).
g. a person identified in (i)(b) has significant influence over the entity or is a member of the key management personnel of the entity (or of the holding company of the entity).
h. The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the holding company of the reporting entity.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

Key management personnel is defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company and of the subsidiary companies either directly or indirectly. The key management personnel includes all the directors of the Company and directors of the subsidiaries, members of senior management and chief executive officer of the Company as well as members of senior management and chief executive officers of major subsidiaries of the Group.

(r) Cash And Cash Equivalents

For the purposes of the statements of cash flows, cash and cash equivalents comprise cash in hand, bank balances including bank overdrafts and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(s) Functional And Foreign Currency

(i) Functional and Presentation Currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

(ii) Foreign Currency Transactions and Balances

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

(iii) Foreign Operations

Assets and liabilities of foreign operations, including goodwill and fair value adjustments arising from the acquisition of foreign operations, are translated into RM for consolidation at the rates of exchange ruling at the end of the reporting period. Revenues and expenses of foreign operations are translated into RM at the average rates for the financial year. All exchanges differences arising from translation are recognised directly to other comprehensive income and accumulated in equity under translation reserve. On disposal of a foreign operation, accumulated translation differences recognised in other comprehensive income relating to that particular foreign operation is reclassified from equity to comprehensive income.

(t) Provisions For Liabilities

Provisions for liabilities are recognised when the Group and the Company have a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and when a reliable estimate of the amount of the obligation can be made. Provisions are reviewed at each end of reporting date and adjusted to reflect the current best estimate.

Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

Any reimbursement that the Group or the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision. The expense relating to any provision is presented in the profit or loss, net of any reimbursement.

(u) Contingent Liabilities

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(u) Contingent Liabilities (Cont'd)

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

(v) Earnings Per Ordinary Share ("EPS")

The Group presents basic and diluted earnings per share data for its ordinary shares.

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held, if any.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, if any, for the effect of all dilutive potential ordinary shares, which comprise warrants and share options granted to the employees.

(w) Operating Segments

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

(x) Borrowing costs

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

(y) Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:-

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(y) Fair Value Measurement (Cont'd)

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

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

Level 1: fair value is derived from quoted prices (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.
Level 2: fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.
Level 3: fair value is estimated using unobservable inputs for the financial assets and liabilities.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Group's and the Company's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below.

(a) Depreciation of Property, Plant and Equipment And Investment Property

The estimates for residual values, useful lives and related depreciation charges for the property, plant and equipment and investment property are based on commercial and production factors which could change significantly as a result of technical innovations and competitors' action in response to the market conditions.

The Group and the Company anticipate that the residual values of their property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount.

Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

The carrying amount of property, plant and equipment and investment property are disclosed in Note 5 and Note 7.

(b) Measurement Of Right-of-use Assets And Lease Liabilities

The measurement of a lease liability and the corresponding right-of-use asset includes in-substance fixed payments, variable lease payments linked to an inflation-related index or rate, estimates of lease term, option to purchase, payments under residual value guarantee and penalties for early termination. The actual payments may not coincide with these estimates. The Company reassesses the lease liability for any change in the estimates and a corresponding adjustment is made to the right-of-use asset.

The carrying amounts of right-of-use asset and lease liabilities are disclosed in Notes 6 and Note 19.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(c) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Company and its subsidiaries recognise tax liabilities based on their understanding of the prevailing tax laws and estimate of whether such taxes will be due in the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the period in which such determination is made.

The carrying amount of current tax asset of the Group is RM16,590 (2021: RM18,238).

The carrying amount of deferred tax asset is disclosed in Note 10.

(d) Provision For ECL Of Trade Receivables

The Group and the Company adopted the simplified approach to calculate ECLs for trade receivables. For construction contracts, the Group assessed the risk of each customer individually based on their financial capability, past trend of payments and other external information relating to the customers that are publicly available.

The provision matrix is initially based on the Group's and the Company's historical observed default rates. The Group and the Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

In determining the ECL, management uses its historical credit loss experience for trade receivables to estimate the ECL. Management is not only required to consider historical information that is adjusted to reflect the effects of current conditions and information that provides objective evidence that trade receivables are impaired in relation to incurred losses, but management is also considering, when applicable, reasonable and supportable information that may include forecasts of future economic conditions when estimating the ECL, on an individual and collective basis. The need to consider forward-looking information means that management exercises considerable judgement as to how changes in macroeconomic factors will affect the ECL on trade receivables

The carrying amount of provision for ECL of trade receivables is disclosed in Note 14.

(e) Contingent Liabilities

Determination of the treatment of contingent liabilities is based on management's view of the expected outcome of the contingencies after consulting internal and external experts to the Group for matters in the ordinary course of business.

(f) Write Down of Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgements and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

The carrying amounts of inventories is disclosed in Note 8.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

5. PROPERTY, PLANT AND EQUIPMENT

The details of property, plant and equipment are as follows:

Group	Leasehold building RM	Plant and machinery RM	Motor vehicles RM	Office and other equipment RM	Total RM
Cost					
At 1 January 2021	620,669	1,334,506	422,205	852,226	3,229,606
Additions	–	–	–	6,200	6,200
Disposals	–	–	(170,025)	–	(170,025)
Written off	–	–	–	(10,200)	(10,200)
At 31 December 2021/ 1 January 2022	620,669	1,334,506	252,180	848,226	3,055,581
Disposal	–	(107,988)	–	–	(107,988)
At 31 December 2022	620,669	1,226,518	252,180	848,226	2,947,593
Accumulated depreciation					
At 1 January 2021	261,942	1,331,111	379,862	721,626	2,694,541
Charge for the financial year	12,414	1,053	13,732	31,299	58,498
Disposals	–	–	(170,024)	–	(170,024)
Written off	–	–	–	(9,537)	(9,537)
At 31 December 2021/ 1 January 2022	274,356	1,332,164	223,570	743,388	2,573,478
Charge for the financial year	12,413	1,053	13,732	30,879	58,077
Disposal	–	(107,984)	–	–	(107,984)
At 31 December 2022	286,769	1,225,233	237,302	774,267	2,523,571
Net carrying amount					
At 31 December 2022	333,900	1,285	14,878	73,959	424,022
At 31 December 2021	346,313	2,342	28,610	104,838	482,103

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company	**Office equipment RM**
Cost	
At 1 January 2021/31 December 2021/1 January 2022/31 December 2022	13,067
Accumulated depreciation	
At 1 January 2021	10,973
Charge for the financial year	777
At 31 December 2021/1 January 2022	11,750
Charge for the financial year	587
At 31 December 2022	12,337
Net carrying amount	
At 31 December 2022	730
At 31 December 2021	1,317

6. RIGHT-OF-USE ASSET

	Group Leasehold land RM
Cost	
At 1 January 2021/31 December 2021/1 January 2022	871,161
Additional	868,459
Disposal	(871,161)
At 31 December 2022	868,459
Accumulated depreciation	
At 1 January 2021	435,580
Charge for the financial year	217,790
At 31 December 2021/1 January 2022	653,370
Charge for the financial year	217,791
Disposal	(871,161)
At 31 December 2022	–
Net carrying amount	
At 31 December 2022	868,459
At 31 December 2021	217,791

7. INVESTMENT PROPERTY

	Group and Company	
	2022	2021
	RM	RM
Freehold building, at cost		
At 1 January	803,607	803,607
Reclassification to asset held for sale	(803,607)	–
At 31 December	–	803,607
Accumulated depreciation		
At 1 January	225,010	208,938
Charge for the financial year	14,733	16,072
Reclassification to asset held for sale	(239,743)	–
At 31 December	–	225,010
Net carrying amount		
At 31 December	–	578,597

The direct operating expenses in respect of the investment property recognised in the profit or loss of the Group and of the Company amounted to RM8,440 (2021: RM9,075).

Fair value of the investment property is categorised as follows:

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Group and Company				
2022				
Freehold building	–	–	–	–
2021				
Freehold building	–	780,000	–	780,000

There were no transfers between Level 1 and Level 3 during the financial year ended 31 December 2022 and 31 December 2021.

Level 2 fair value

Level 2 fair values of buildings have been derived using the comparison approach. Sales prices of comparable buildings in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of the comparable buildings.

Highest and best use

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

8. INVENTORIES

	Group 2022 RM	2021 RM
At lower of cost and net realisable value:		
Non-current		
Land held for property development		
- Freehold land at cost	28,202,375	28,202,375
- Development costs	8,200,684	8,291,629
	36,403,059	36,494,004
Current		
Finished goods	3,934,304	3,742,494
Less: Accumulated impairment losses	(993,855)	(893,855)
	2,940,449	2,848,639
	39,343,508	39,342,643
Recognised in profit or loss		
Inventories recognised as cost of sales	1,008,907	708,865

Movements in the accumulated impairment losses are as follows:

	Group 2022 RM	2021 RM
At 1 January	893,855	893,855
Addition	100,000	–
At 31 December	993,855	893,855

9. INVESTMENT IN SUBSIDIARIES

	Group 2022 RM	Group 2021 RM
Unquoted shares, at cost		
In Malaysia		
At 1 January/31 December	15,824,827	15,824,827
Less: Accumulated impairment losses		
At 1 January	(12,012,338)	(11,833,509)
Addition	–	(178,829)
At 31 December	(12,012,338)	(12,012,338)
	3,812,489	3,812,489
Loans that are part of net investments	36,961,136	37,039,599
	40,773,625	40,852,088

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

Details of the subsidiary companies are as follows:

Name of subsidiaries	Country of incorporation/ principal place of business	Effective equity interest 2022 %	Effective equity interest 2021 %	Principal activities
Direct holding:				
Syarikat Bukit Granite Sdn. Bhd. ("SBG")	Malaysia	100	100	Processing, trading, exporting and contract workmanship of high quality marble and granite slabs and investment holding.
Atlas Rhythm Sdn. Bhd. ("AR")	Malaysia	100	100	Property development.

Impairment loss recognised

Impairment loss was provided for investment in subsidiaries in which these subsidiaries had accumulated losses and had deficits in their shareholders' equity. The forecasted financial position, financial performance and cash flows of these subsidiaries are not expected to generate sufficient recoverable amount to justify the carrying amount of the investment in these subsidiaries.

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

Disposal of subsidiary company

In previous financial year, SBG had disposed its subsidiary company Montana Madencilik Mermer Sanayi Insaat Ve Ticaret Limited Sirketi ("Montana") with a disposal consideration of USD1 equivalent to RM4. Montana ceased to be the subsidiary company of the Company upon disposal.

The effects of disposal of the subsidiary company on the financial statements were as follows:-

	2021 RM
Disposal of subsidiary company, net of cash disposed	
Cash and bank balances	7,385
Trade payables	(731)
Other payables and accruals	(5,193)
Total identified net assets disposed	1,461
Foreign exchange translation reserve	402,609
	404,070
Less: proceeds from disposal	(4)
Loss on disposal of subsidiary company	404,066
Proceeds from disposal of a subsidiary company	4
Less: Cash and bank balances	(7,385)
Cash flow on disposal, net of cash disposed	(7,381)

10. DEFERRED TAX ASSETS

	Group	
	2022 RM	2021 RM
At 1 January/31 December	5,395	5,395

The deferred tax assets are in respect of deductible temporary differences arising from the qualifying plant and equipment total capital allowances claimed in excess of corresponding accumulated depreciation.

11. GOODWILL

	Group	
	2022 RM	2021 RM
Cost		
At 1 January 2021/31 December 2022	1,477,440	1,477,440
Less: Accumulated impairment losses		
At 1 January 2021/31 December 2022	(1,477,440)	(1,477,440)
Net carrying amount		
At 1 January 2021/31 December 2022	–	–

Group

The goodwill mainly arose from the acquisition of Syarikat Bukit Granite Sdn. Bhd. The amount of goodwill initially recognised was dependent upon the allocation of the purchase price to the fair value of the identifiable assets acquired and the liabilities assumed.

The carrying amount of the goodwill is assessed for impairment on an annual basis. The recoverable amount of the goodwill is determined based on the assessment of the value-in-use, using discounted cash flow forecast and projections based on financial budgets approved by the management.

12. ASSET HELD FOR SALE

	Group and Company	
	2022 RM	2021 RM
At 1 January	–	–
Transfer from investment property	563,864	–
At 31 December	563,864	–

The movements from investment property to assets held for sale is the office unit of the Company. Efforts to sell the assets have commenced, and the sale is expected to complete by end of April 2023.

13. CONTRACT ASSETS

	Group 2022 RM	Group 2021 RM
Aggregate cost incurred to date	21,907,495	60,086,156
Add: Attributable profits	3,415,245	2,966,758
	25,322,740	63,052,914
Less: Progress billings	(24,553,314)	(62,380,542)
	769,426	672,372
Represented by:		
Contract assets	769,426	672,372

The contract assets represent the unbilled amount for work completed as at the reporting date. This amount will be transferred to trade receivables when the right to bill becomes unconditional.

14. TRADE RECEIVABLES

	Group 2022 RM	Group 2021 RM
Trade receivables	2,573,927	2,528,301
Less: Accumulated impairment losses	(1,532,933)	(1,532,933)
	1,040,994	995,368

Trade receivables are non-interest bearing and are generally on 30 to 60 days (2021: 30 to 60 days) credit terms. 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.

Movements in the accumulated impairment losses are as follows:

	Group 2022 RM	Group 2021 RM
At 1 January	1,532,933	1,365,687
Addition	–	167,246
At 31 December	1,532,933	1,532,933

Included in trade receivables are retention sums of RM589,487 (2021: RM645,042) relating to the ongoing construction work.

14. TRADE RECEIVABLES (CONT'D)

The retention sums are unsecured, interest-free and are expected to be collected as follows:

	2022 RM	2021 RM
Within 1 year	408,299	237,557
Between 1 - 2 years	181,188	407,485
	589,487	645,042

Included in trade receivables is an amount of RM316,540 (2021: RM110,811) owing by companies in which a director of the company has interest.

The information about the credit exposure is disclosed in Note 33(a)(ii) to the financial statements.

15. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Other receivables	1,330,540	1,318,540	1,314,000	1,314,000
Deposits	740,684	740,269	3,340	3,340
Prepayments	17,463	15,711	1,636	1,636
	2,088,687	2,074,520	1,318,976	1,318,976
Less: Accumulated impairment losses	(2,007,588)	(2,007,588)	(1,314,000)	(1,314,000)
	81,099	66,932	4,976	4,976

16. AMOUNT OWING BY A SUBSIDIARY

Amount owing by a subsidiary is non-trade in nature, unsecured, interest free, repayable on demand and is expected to be settled in cash.

17. FIXED DEPOSITS WITH LICENSED BANKS

	Group	
	2022 RM	2021 RM
Fixed deposits	1,512,192	–
Money market deposits	800,000	1,700,000
	2,312,192	1,700,000

17. FIXED DEPOSITS WITH LICENSED BANKS (CONT'D)

The fixed deposits with a licensed bank earn effective interest rates ranged from 3.10% to 2.75% (2021: NIL) per annum. The fixed deposits have maturity period of 180 days to 365 days (2021: NIL).

The money market deposits with a licensed bank earn effective interest rates ranged from 1.30% to 2.55% (2021: 1.30% to 1.55%) per annum. The money market deposits have maturity period ranged from 6 to 33 days (2021: 3 to 32 days).

Included in deposits placed with a licensed bank of the company is an amount of RM12,000 (2021: RM12,000) pledged for bank facilities granted as disclosed in Note 34 to the financial statements.

18. SHARE CAPITAL

	Group and Company			
	2022	2021	2022	2021
	Number of ordinary shares		RM	RM
Issued and fully paid up:				
As at 1 January/31 December	263,899,852	263,899,852	39,584,978	39,584,978

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regards to the Company's residual assets.

19. LEASE LIABILITIES

The lease liabilities are repayable as follows:

Group	**Future instalments payable RM**	**Undue interest RM**	**Principal payable RM**
2022			
Shown under Current liabilities			
Within 1 year	240,000	(38,855)	201,145
Shown under Non-current liabilities			
Between 2 to 5 years	720,000	(52,686)	667,314
	960,000	(91,541)	868,459
2021			
Shown under Current liabilities			
Within 1 year	233,040	(6,191)	226,849

<u>The Company as lessee</u>

The Company has entered into lease arrangements on rental of a piece of leasehold land.

19. LEASE LIABILITIES (CONT'D)

The aggregate future minimum lease payables as at the end of each reporting period as follow:

	2022 RM	2021 RM
Leasehold land		
- within 1 year	240,000	233,040
- between 2 to 5 years	720,000	–
	960,000	233,040

The interest rate implicit in the lease is 5% (2021: 5%).

20. TRADE PAYABLES

Trade payables are non-interest bearing and are generally on 30 to 60 days (2021: 30 to 60 days) credit terms. Other credit terms are assessed and approved on a case-by-case basis.

Included in trade payables are retention sums of RM64,616 (2021: RM106,004) relating to the ongoing construction work. The retention sums are unsecured, interest-free and are expected to be settled as follows:

	Group	
	2022 RM	2021 RM
Within 1 year	64,616	106,004

21. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Other payables	182,787	127,465	38,125	59,320
Accruals	623,621	424,330	98,734	111,166
Deposit received	518,097	223,927	73,000	–
Provision	27,887	27,887	–	–
	1,352,392	803,609	209,859	170,486

Included in accruals in the Group are accruals for construction costs amounting to RM429,860 (2021: RM296,083).

A provision of RM27,887 (2021: RM27,887) was credited in financial year 2019 in respect of the Company's obligation to dismantle and remove the items and restore the site after the end of 4 years tenure. The provision has been calculated using a discount rate of 5% (2021: 5%).

22. REVENUE

	Group 2022 RM	2021 RM
Construction contracts	3,415,245	2,966,758
Sale of goods and services rendered	1,034,858	264,068
	4,450,103	3,230,826

Disaggregation of revenue

The Group presented the building materials segments in accordance with MFRS 8 Operating Segments. For the purpose of disclosure of disaggregation of revenue, it disaggregates revenue into construction contracts (contract workmanship and related services) and sale of goods and services (sales of stones).

Transaction price allocated to the remaining performance obligation

The Group applies the practical expedient in paragraph 121(a) of MFRS 15 and do not disclose information about remaining performance obligations that have original expected durations of one year or less.

23. COST OF SALES

	Group 2022 RM	2021 RM
Construction contracts	2,374,265	2,049,459
Cost of goods sold	533,382	246,324
	2,907,647	2,295,783

24. OTHER OPERATING INCOME

	Group 2022 RM	2021 RM
Fixed deposit interests	12,192	–
Gain on disposal of property, plant and equipment	4,496	29,999
Money market deposit interests	27,665	25,965
	44,353	55,964

25. FINANCE COSTS

	Group 2022 RM	Group 2021 RM
Interest expenses:		
Bank guarantee charges	205	205
Lease liabilities interests	6,191	5,580
	6,396	5,785

26. PROFIT/(LOSS) BEFORE TAXATION

	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Profit/(loss) before taxation is stated *after charging:*				
Auditors' remuneration				
- current year provision	100,000	75,000	65,000	52,000
- other service provision	5,000	5,000	5,000	5,000
Deposits written off	–	2,821	–	2,821
Depreciation of property, plant and equipment *(Note 5)*	58,077	58,498	587	777
Depreciation of investment property *(Note 7)*	14,733	16,072	14,733	16,072
Depreciation of right-of-use asset *(Note 6)*	217,791	217,790	–	–
Equipment written off	–	663	–	–
Impairment loss on investment in subsidiary company	–	–	–	178,829
Impairment loss on slow moving inventories	100,000	–	–	–
Impairment loss on trade receivables	–	167,246	–	–
Loss on disposal of a subsidiary company *(Note 9)*	–	404,066	–	–
Rental of copier machine	2,400	2,400	–	–
Employee benefits *(Note 29)*	1,205,563	1,270,574	182,311	180,306
and crediting:				
Gain on disposal of property, plant and equipment	4,496	29,999	–	–

27. INCOME TAX EXPENSE

Income tax is calculated based on the Malaysian statutory tax rate of 24% (2021: 24%) of the estimated assessable profits for the financial year. Taxation for other jurisdiction is calculated at the rate prevailing in the respective jurisdictions.

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

	Group		Company	
	2022 RM	**2021 RM**	**2022 RM**	**2021 RM**
Profit/(loss) before taxation	67,123	(1,101,224)	(487,669)	(638,915)
Income tax expense at Malaysian statutory tax rate of 24% (2021: 24%)	16,110	(264,294)	(117,041)	(153,340)
Adjustments for the following tax effects:				
- expenses not deductible for tax purposes	144,534	250,211	117,041	153,340
- income not subject to tax	–	(5,084)	–	–
- deferred tax assets not recognised during the financial year	9,373	19,167	–	–
- utilisation of deferred tax assets not recognised in respect of prior year	(170,017)	–	–	–
	(16,110)	264,294	117,041	153,340
	–	–	–	–

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

	Group	
	2022 RM	**2021 RM**
Excess of capital allowances claimed over corresponding accumulated depreciation	(260,517)	(291,102)
Unutilised capital allowances	760,970	756,682
Unutilised investment tax allowances	442,165	442,165
Unutilised business losses	3,284,859	3,989,085
	4,227,477	4,896,830

28. EARNINGS/(LOSS) PER ORDINARY SHARE

Earnings/(Loss) Per Ordinary Share

The basic earnings/(loss) per ordinary share as at 31 December 2022 is arrived at by dividing the Group's loss attributable to owners of the Company by the weighted average number of ordinary shares issued and calculated as follows:

	Group 2022	Group 2021
Earnings/(Loss) attributable to owners of the Company (RM)	67,123	(1,101,224)
Weighted average number of ordinary shares (units):		
Ordinary shares as at 1 January/31 December	263,899,852	263,899,852
Basic earnings/(loss) per ordinary share (Sen)	0.03	(0.42)

Diluted Earnings/(Loss) Per Ordinary Share

The diluted earnings/(loss) per ordinary share calculation is equivalent to the basic earnings/(loss) per share as the Company does not have potential ordinary shares outstanding at the end of the reporting period.

29. EMPLOYEE BENEFITS

The employee benefits recognised in profit or loss are as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Salaries, bonus, wages and allowances	966,294	1,046,121	76,800	73,200
Defined contribution plan	101,299	114,500	7,776	7,344
Other employee benefits	137,970	109,953	97,735	99,762
	1,205,563	1,270,574	182,311	180,306

Included in employee benefits are directors' remuneration who are also the key management personnel of the Group and of the Company are as follows:

	Group and Company 2022 RM	Group and Company 2021 RM
Directors' remuneration		
- fees	96,000	98,250

30. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below show the details for the changes in the liabilities of the Group arising from the financing activities, including both cash and non-cash changes as follows: -

	At 01.01.2022 RM	Net Cash Flows RM	Non-cash Changes RM	At 31.12.2022 RM
Group				
Lease liabilities	226,849	(226,849)	868,459	868,459

	At 01.01.2021 RM	Net Cash Flows RM	Non-cash Changes RM	At 31.12.2021 RM
Group				
Lease liabilities	442,657	(215,808)	–	226,849

31. OPERATING SEGMENTS

Operating segments are prepared in a manner consistent with the internal reporting provided to the Managing Director as chief operating decision maker in order to allocate resources to segments and to assess their performance. For management purposes, the Group is organised into business units based on their building materials, investment holding and property development.

The Group is organised into three main business segments as follows:

(a) Building materials

Involved in supply, delivery and installation of stone and tiling works.

(b) Investment holding

Involved in investment holding.

(c) Property development

Involved in property development activity.

For the purpose of making decisions about resource allocation, the Executive Director assesses the performance of the operating segments based on operating profits or losses which is measured differently from those disclosed in the financial statements.

The Managing Director is of the opinion that all inter-segment transactions are entered into in the normal course of business and are at arm's length basis in a manner similar to transactions with third parties. The effects of such inter-segment transactions are eliminated on consolidation.

31. OPERATING SEGMENTS (CONT'D)

Business segments

Group 2022	Building materials RM	Investment holding RM	Property development RM	Total RM
Revenue				
External revenue	4,450,103	–	–	4,450,103
Results				
Segment operating profit/(loss)	581,617	(487,669)	(49,211)	44,737
Other operating income				44,353
Unallocated expenses				(15,571)
Finance costs				(6,396)
Profit before taxation				67,123
Income tax expense				–
Profit after taxation/Profit attributable to equity holders of the Company				67,123
Assets				
Segment assets	8,597,962	571,861	36,471,434	45,641,257
Total assets				45,641,257
Liabilities				
Segment liabilities	2,478,396	209,859	7,613	2,695,868
Total liabilities				2,695,868
Other information				
Depreciation of property, plant and equipment	25,758	587	31,732	58,077
Depreciation of investment property	14,733	–	–	14,733
Depreciation of right-of-use asset	217,791	–	–	217,791
Impairment loss on slow moving inventories	100,000	–	–	100,000
Gain on disposal of property, plant and equipment	(4,496)	–	–	(4,496)

31. OPERATING SEGMENTS (CONT'D)

Business segments

Group 2021	Building materials RM	Investment holding RM	Property development RM	Total RM
Revenue				
External revenue	3,230,826	–	–	3,230,826
Inter-company	–	–	–	–
Total revenue	3,230,826	–	–	3,230,826
Results				
Segment operating loss	(632,882)	(460,086)	(47,684)	(1,140,652)
Other operating income				55,964
Unallocated expenses				(10,751)
Finance costs				(5,785)
Loss before taxation				(1,101,224)
Income tax expense				–
Loss after taxation/Loss attributable to equity holders of the Company				(1,101,224)
Assets				
Segment assets	7,103,280	586,746	36,595,812	44,285,838
Total assets				44,285,838
Liabilities				
Segment liabilities	1,232,769	170,486	4,317	1,407,572
Total liabilities				1,407,572
Other information				
Deposits written off	–	2,821	–	2,821
Depreciation of property, plant and equipment	25,924	777	31,797	58,498
Depreciation of investment property	–	16,072	–	16,072
Depreciation of right-of-use asset	217,790	–	–	217,790
Equipment written off	663	–	–	663
Impairment loss on trade receivables	167,246	–	–	167,246
Gain on disposal of property, plant and equipment	(29,999)	–	–	(29,999)

Geographical information

No information is prepared on the geographical segment as the Group principally operates within Malaysia.

32. RELATED PARTY DISCLOSURE

(a) Identities of related parties

(i) The Group has related party relationship with companies in which directors have financial interest and its key management personnel; and
(ii) The Company has related party relationships with its subsidiaries and key management personnel.

(b) In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company carried out the following transactions with the related parties during the financial year as follows:

(i) Transaction with related parties

	Group	
	2022 RM	2021 RM
Sales of stones and provision of contract workmanship and other related services to a company in which a director has interest	1,733,596	1,381,615

The directors are of the opinion that all the transactions above have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from that obtainable in transactions with unrelated parties.

(ii) Compensation of key management personnel

	Group and Company	
	2022 RM	2021 RM
Short-term employee benefits		
Non-executive Director:-		
- fees	96,000	98,250

33. FINANCIAL INSTRUMENTS

The Group's activities are exposed to interest rate risk, credit risk and liquidity and cash flow risks. The Group's and the Company's overall financial risk management objectives are to optimise value for their shareholders. The Group and the Company do not trade in derivatives instruments.

(a) Financial Risk Management Policies

The Group's and the Company's financial risk management policies seek to ensure that adequate financial resources are available for the development of the Group's and the Company's businesses whilst managing each of these risks as summarised below:

(i) Interest Rate Risk

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

The Company's exposure to interest rate risk arises mainly from its deposits placed with financial institutions and interest-bearing financial liabilities. The Company manages its interest-bearing deposits placement by placing such balances on varying maturities and interest rate returns. The Company's policies in dealing with interest bearing financial liabilities are to obtain the financing with the most favourable interest rates in the market.

Interest Rate Risk Sensitivity Analysis

	Group	
	2022 Increase/ (decrease) RM	**2021 Increase/ (decrease) RM**
Effects on loss after taxation/equity		
Increase of 100 basis points	(6,600)	(1,724)
Decrease of 100 basis points	6,600	1,724

(ii) Credit Risk

Credit risk is the risk of financial loss to the Group and the Company that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk is primarily arises from its trade receivables and contract assets while the Company's exposure to credit risk primarily arises from amount owing by a subsidiary. The Group and the Company have a credit policy in place and the exposure to credit risk is managed through the application of credit approvals, credit limit and monitoring procedures. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment.

33. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(ii) *Credit Risk (Cont'd)*

Trade receivables and contract assets

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables and contract assets is represented by the carrying amounts in the statements of financial position. The carrying amount of trade receivables and contract assets are not secured by any collateral or supported by any other credit enhancements. In determining the recoverability of these receivables, the Group considers any change in the credit quality of the receivables from the date the credit was initially granted up to the reporting date. The Group has adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Company monitors the results of the subsidiaries in determining the recoverability of the intercompany balances.

Concentration of credit risk

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

	Group			
	2022		2021	
	RM	%	RM	%
Trade receivables				
Supply of goods and construction services	1,040,994	100	995,368	100
Contract assets				
Construction services	769,426	100	672,372	100

Recognition and measurement of impairment loss

The Group applies the simplified approach to providing for impairment losses prescribed by MFRS 9, which permits the use of the lifetime expected credit losses ("ECL") provision for trade receivables and contract assets. To measure the impairment losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit losses also incorporate forward looking information.

For construction contracts, the Group assessed the risk of each customer individually based on their financial capability, past trend of payments and other external information relating to the customers that are publicly available.

33. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(ii) *Credit Risk (Cont'd)*

Trade receivables and contract assets (Cont'd)

The table below provides information about the exposure on credit risk for trade receivables and contract assets as at 31 December 2022 and 2021:

	Group	
	2022 RM	**2021 RM**
Contract Assets		
Current (not past due)	769,426	672,372
Trade Receivables		
Not past due	468,332	282,696
Past due but not impaired:		
- more than 30 days	39,110	173,963
- more than 60 days	53,009	28,265
- more than 90 days	2,013,476	2,043,377
	2,573,927	2,528,301
Impaired	(1,532,933)	(1,532,933)
	1,040,994	995,368

Trade receivables and contract assets that are neither past due nor impaired are creditworthy receivables with good payment records with the Group.

Trade receivables that are past due but not impaired are unsecured in nature. They are creditworthy receivables.

At the end of the reporting year, trade receivables that are individually impaired were those that have defaulted in payments. These receivables are not secured by any collateral or credit enhancement.

Other receivables and other financial assets

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

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

33. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(ii) Credit Risk (Cont'd)

Other receivables and other financial assets (Cont'd)

A significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

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

(iii) Liquidity and Cash Flow Risks

Liquidity and cash flow risks are the risks that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds.

The Group's and the Company's exposures to liquidity and cash flow risks arise mainly from trade and other payables and lease liabilities. The Group and the Company practise risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

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

Group 2022	Weighted Average Effective Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	On Demand Or Within 1 Year RM	1 - 5 Years RM
Trade payables	–	475,017	475,017	475,017	–
Other payables and accruals	–	1,324,505	1,324,505	1,324,505	–
Lease liabilities	5.00	868,459	960,000	240,000	720,000
		2,667,981	2,759,522	2,039,522	720,000
2021					
Trade payables	–	377,114	377,114	377,114	–
Other payables and accruals	–	775,722	775,722	775,722	–
Lease liabilities	5.00	226,849	233,040	233,040	–
		1,379,685	1,385,876	1,385,876	–

33. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(iii) Liquidity and Cash Flow Risks (Cont'd)

Company 2022	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	On Demand Or Within 1 Year RM
Other payables and accruals	209,859	209,859	209,859
2021			
Other payables and accruals	170,486	170,486	170,486

(b) Capital Risk Management

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

The Group and the Company manage their capital based on debt-to-equity ratio. The debt-to-equity ratio is calculated as net debt divided by total equity. Net debt for the Group and the Company are calculated as trade and other payables plus accruals and lease liabilities less fixed deposits with a licensed bank and cash and bank balances.

The debt-to-equity ratios of the Group and of the Company as at the end of the financial year were as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Trade payables	475,017	377,114	–	–
Other payables and accruals	1,324,505	775,722	209,859	170,486
Lease liabilities	868,459	226,849	–	–
	2,667,981	1,379,685	209,859	170,486
Less: Fixed deposits with licensed banks	(2,312,192)	(1,700,000)	–	–
Less: Cash and bank balances	(215,708)	(206,399)	(2,291)	(1,856)
	140,081	(526,714)	207,568	168,630
Total equity	42,945,389	42,878,266	42,838,699	43,326,368
Debt-to-equity ratio	0.003	N/A	0.005	0.004

N/A: The cash and cash equivalents of the Group is sufficient to settle all the debts of the Group as at the financial year end.

33. FINANCIAL INSTRUMENTS (CONT'D)

(b) Capital Risk Management (Cont'd)

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

(c) Classification of Financial Instruments

	Group		Company	
	2022 RM	**2021 RM**	**2022 RM**	**2021 RM**
Financial Assets				
Measured at amortised cost				
Trade receivables	1,040,994	995,368	–	–
Other receivables and deposits	63,636	51,221	3,340	3,340
Amount owing by a subsidiary company	–	–	1,703,072	2,058,020
Fixed deposits with licensed banks	2,312,192	1,700,000	–	–
Cash and bank balances	215,708	206,399	2,291	1,856
	3,632,530	2,952,988	1,708,703	2,063,216

	Group		Company	
	2022 RM	**2021 RM**	**2022 RM**	**2021 RM**
Financial Liabilities				
Measured at amortised cost				
Trade payables	475,017	377,114	–	–
Other payables and accruals	1,324,505	775,722	209,859	170,486
Lease liabilities	868,459	226,849	–	–
	2,667,981	1,379,685	209,859	170,486

(d) Fair Values of Financial Instruments

The carrying amounts of the financial assets and financial liabilities of the Group and of the Company reported in the financial statements approximated their fair values due to the relatively short-term nature of these financial instruments.

It was not practicable to estimate the fair value of the financial lease liabilities at fixed rate due to the lack of comparable quoted prices in an active market and the fair value cannot be reliably measured.

Fair value estimates are made at a specific point in time and based on relevant market information and information about the financial instruments. These estimates are subjective in nature, involve uncertainties and matters of significant judgement and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

33. FINANCIAL INSTRUMENTS (CONT'D)

(d) Fair Values of Financial Instruments (Cont'd)

Fair Value Hierarchy

The fair value measurement hierarchies used to measure assets and liabilities carried at fair value in the statements of financial position as at 31 December 2022 are as follows:

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

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

(iii) Level 3 fair value is estimated using unobservable inputs for the assets and liabilities.

Group	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2022				
Investment property				
- Freehold building	–	–	–	–
2021				
Investment property				
- Freehold building	–	780,000	–	780,000

There has been no transfer between Level 1 and Level 3 during the financial year.

34. CONTINGENT LIABILITES

	Group	
	2022 RM	2021 RM
Performance bonds extended to third parties		
- project related	12,000	12,000

35. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements were authorised for issue on 5 April 2023 by the Board of Directors.

LIST OF
PROPERTIES

Location/Address	Description/ Existing Use	Tenure	Approximate Area	Approximate Age of Building (Years)	Year of Acquisition	Carrying amount as at 31.12.2022
289, Lot No. 1589, Mukim Of Batu, District Of Kuala Lumpur, State Of Wilayah Persekutuan Kuala Lumpur	Development land/ Property development costs	Freehold	1.214 hectares	N/A	2012	28,202,375
Asset held for sale						
Lot 18-15, Centro Business Centre,No. 8, Jalan Batu Tiga Lama, 41300 Klang, Selangor Darul Ehsan held under Lot No.18-15, HS(M) 8806-HS(M) 8829, PT20412-PT20435, HS(M) 20856 PT27083 Mukim Kapar and GM 5802 Lot 1034 all of Mukim Kapar, Daerah Klang	Office unit held for property	Freehold	260m² (built-up)	15	2007	563,864

ANALYSIS OF SHAREHOLDINGS
AS AT 31 MARCH 2023

Total number of Issued Shares	:	263,899,852 ordinary shares
Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	No. of Holders	%	No. of Shares	%
1 - 99	71	1.837	2,847	0.001
100 - 1,000	2,320	60.041	723,044	0.273
1,001 - 10,000	608	15.734	3,292,576	1.247
10,001 - 100,000	674	17.443	25,826,040	9.786
100,001 - 13,194,991(*)	190	4.917	93,238,945	35.331
13,194,992 and above (**)	1	0.025	140,816,400	53.359
Total	**3,864**	**100.000**	**263,899,852**	**100.000**

* *Less than 5% of issued shares*
** *5% and above of issued shares*

DIRECTORS' SHAREHOLDINGS
(As per Register of Directors' Shareholdings)

	Direct		Indirect	
Name of Directors	**No. of Shares held**	**%**	**No. of Shares held**	**%**
Dato' Lim Kim Huat	–	–	140,816,400[(a)]	53.359
Cheong Marn Seng	9,000	0.003	–	–
Loi Heng Sewn	–	–	–	–
Yeoh Chong Keat	–	–	–	–

Note:
(a) Held through Parallel Pinnacle Sdn Bhd ("Parallel"). Deemed interested pursuant to Section 8(4) of the Companies Act 2016 by virtue of his interest in Golden Century Overseas Ltd, the holding company of Parallel.

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS
(As per Register of Substantial Shareholders' Shareholdings)

	Direct		Indirect	
Name of Substantial Shareholders	**No. of Shares held**	**%**	**No. of Shares held**	**%**
Parallel Pinnacle Sdn Bhd	140,816,400	53.359	–	–
Golden Century Overseas Ltd	–	–	140,816,400[(a)]	53.359
Dato' Lim Kim Huat	–	–	140,816,400[(b)]	53.359
Datin Chan Shiou Bin	–	–	140,816,400[(b)]	53.359

Notes:
(a) Deemed interested pursuant to Section 8(4) of the Companies Act 2016 by virtue of Golden Century Overseas Ltd ("Golden Century") being the holding company of Parallel.
(b) Deemed interested pursuant to Section 8(4) of the Companies Act 2016 by virtue of his/her interest in Golden Century, the holding company of Parallel.

ANALYSIS OF SHAREHOLDINGS
(Cont'd)

THIRTY (30) LARGEST SHAREHOLDERS

No.	Name	Holding	%
1	PARALLEL PINNACLE SDN BHD	140,816,400	53.359
2	NI HSIN GROUP BERHAD	12,979,800	4.918
3	RAJ PREET KAUR A/P GURNAM SINGH	4,299,900	1.629
4	LOKE SIE KHEY	2,600,000	0.985
5	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR YOONG SIN KUEN (MY1568)*	2,038,900	0.772
6	CIMSEC NOMINEES (TEMPATAN) SDN BHD *CIMB FOR AZIZAN BIN ABD RAHMAN (PB)*	2,000,000	0.757
7	LIM KIM SUAN	1,896,000	0.718
8	WARRANTS CAPITAL LIMITED	1,837,300	0.696
9	CHAN CHOU CHIAN	1,800,000	0.682
10	TEOH SWEE AUN	1,710,000	0.647
11	SOO SIEW SENG	1,460,000	0.553
12	GV ASIA FUND LIMITED	1,430,000	0.541
13	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR TAY HOCK SOON (MY1055)*	1,400,000	0.530
14	SOO WENG SWAN	1,300,000	0.492
15	THEN HON FOH	1,250,000	0.473
16	SURAJ SINGH A/L JASWANT SINGH	1,184,400	0.448
17	TA NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR CHUNG LIONG YIEN*	1,098,000	0.416
18	TAN MOOI HIANG	1,071,700	0.406
19	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR TAN ENG NAM (CEB)*	1,010,000	0.382
20	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR SOO SIEW SENG (CEB)*	1,000,000	0.378
21	CHAN THENG SUNG	950,000	0.359
22	AMSEC NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR RAJ KUMAR A/L SUKUMARAN*	906,200	0.343
23	FOONG AI LIN	900,000	0.341
24	NG JEH YEONG	900,000	0.341
25	SOO YEE LAIN	870,000	0.329
26	MAYBANK NOMINEES (TEMPATAN) SDN BHD *UANG YUET HWA*	850,000	0.322
27	VOON JYE WAH	743,100	0.281
28	HOH KIANG PO	733,000	0.277
29	TEOH HIN HENG	729,200	0.276
30	RHB NOMINEES (TEMPATAN) SDN BHD *NG LEE WEI*	720,000	0.272
	Total	192,483,900	72.938

NOTICE OF
ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 19th Annual General Meeting ("AGM") of AbleGroup Berhad ("AbleGroup" or "Company") will be held at Atlanta East, Level 3, Hotel Armada Petaling Jaya, Lot 6, Lorong Utara C, Section 52, 46200 Petaling Jaya, Selangor Darul Ehsan on Friday, 26 May 2023 at 2.00 p.m. to transact the following business: -

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2022 and the Reports of the Directors and Auditors thereon.

2. To approve the payment of Directors' fees and allowances up to RM224,000.00 from 27 May 2023 until the next AGM of the Company. ***(Resolution 1)***

3. To re-elect the following Directors retiring pursuant to Article 92 of the Company's Constitution: -

   (i) Yeoh Chong Keat ***(Resolution 2)***
   (ii) Dato' Lim Kim Huat ***(Resolution 3)***

4. To re-appoint Messrs SBY Partners PLT as the Company's Auditors and to authorise the Directors to fix their remuneration. ***(Resolution 4)***

SPECIAL BUSINESS

To consider and if thought fit, to pass with or without modifications, the following resolutions: -

5. **RETENTION OF YEOH CHONG KEAT AS INDEPENDENT DIRECTOR** ***(Resolution 5)***

   "THAT in accordance with the Malaysian Code on Corporate Governance, subject to the passing of Resolution 2, Yeoh Chong Keat be and is hereby retained as Independent Non-Executive Director of the Company and be designated as such until the conclusion of the next AGM, subject to the provisions of the relevant regulatory authorities."

6. **AUTHORITY FOR DIRECTORS TO ISSUE SHARES** ***(Resolution 6)***

   "THAT pursuant to Sections 75 and 76 of the Companies Act 2016 ("Act"), and subject to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of the relevant regulatory authorities, the Directors be and are hereby empowered to issue new shares in the Company at any time, to such person or persons at such price, upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company at the time of issue.

   THAT pursuant to Section 85 of the Act to be read together with Clause 60(a) of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued shares arising from any issuance of new shares in the Company pursuant to Sections 75 and 76 of the Act.

   AND THAT the Directors be and are also empowered to obtain the approval from Bursa Securities for the listing of and quotation for the additional shares so issued AND THAT such authority shall continue to be in force until the conclusion of the next AGM of the Company."

7. **PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED RENEWAL OF RRPT MANDATE")** ***(Resolution 7)***

THAT subject always to the provisions of the Main Market Listing Requirements of Bursa Securities, approval be and is hereby given to the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature as stated in Section 2.4 of the Circular to Shareholders dated 28 April 2023 with the specified classes of related party(ies) mentioned therein which are necessary for the Group's day-to-day operations and are carried out in the ordinary course of business on normal commercial terms which are not more favourable to the related party(ies) than those generally available to the public and are not detrimental to the minority shareholders of the Company.

THAT the approval shall continue to be in force until: -

(i) the conclusion of the next AGM of the Company at which time it will lapse, unless by a resolution passed at the AGM whereby the authority is renewed;

(ii) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or

(iii) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier;

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary or in the interests of the Company to give effect to the Proposed Renewal of RRPT Mandate."

8. To transact any other business of which due notice shall have been given in accordance with the Act and the Company's Constitution.

BY ORDER OF THE BOARD

LIM FEI CHIA
SSM PC NO. 202008000515
MAICSA 7036158

TAN FONG SHIAN
SSM PC NO. 201908004045
MAICSA 7023187

Company Secretaries

Kuala Lumpur
28 April 2023

Notes: -

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 22 May 2023 (General Meeting Record of Depositors) shall be eligible to attend, speak and vote at this meeting.

2. A member shall be entitled to appoint not more than two (2) proxies to attend, speak and vote at this meeting. A proxy may but need not be a member of the Company.

3. Where a member appoints more than one (1) proxy, the member shall specify the proportions of his/her shareholdings to be represented by each proxy failing which, the appointment shall be invalid.

4. Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

5. To be valid, the original Proxy Form, duly completed and the power of attorney (if any) under which it is signed or a certified copy thereof must be deposited at the registered office of the Company at Lot 5, Level 10, Menara Great Eastern 2, No. 50, Jalan Ampang, 50450 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the meeting or at any adjournment thereof.

6. If the appointor is a corporation, the Proxy Form must be executed under its common seal or under the hand of an officer or attorney duly authorised.

7. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Securities, all resolutions set out in the Notice of this meeting will be put to vote by way of poll.

8. Audited Financial Statements for the financial year ended 31 December 2022

   The Audited Financial Statements for the financial year ended 31 December 2022 are laid in accordance with Section 340(1)(a) of the Companies Act 2016 for discussion only and do not require shareholders' approval. As such, this item will not be put for voting.

9. Retention of Independent Non-Executive Director (Resolution 5)

   The resolution is to seek the shareholders' approvals to retain Mr. Yeoh Chong Keat, who has served as Independent Non-Executive Director of the Company for more than 9 years. The Board supported the assessment conducted by the Nomination Committee on the independence of the Independent Non-Executive Directors of the Company including Mr. Yeoh with justifications set out in the Corporate Governance Overview Statement in the Company's 2022 Annual Report.

10. Authority for Directors to Issue Shares (Resolution 6)

    This resolution, if passed, will renew the authority given to and empower the Directors of the Company to issue and allot new shares in the Company at any time, to such person or persons, upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit ("General Mandate"), provided that the aggregate number of shares to be issued pursuant to the General Mandate, when aggregated with the number of shares issued during the preceding twelve (12) months, does not exceed 10% of the total number of issued shares of the Company at the time of issue. The renewed General Mandate, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

    The Company did not issue any new shares pursuant to the mandate obtained at the last annual general meeting of the Company hence no proceeds were raised.

    The General Mandate will provide flexibility to the Company to raise funds expeditiously for the purpose of funding future investments projects, working capital and/or corporate proposals including placement of shares without having to convene separate general meeting to seek shareholders' approval when such opportunities or needs arise.

NOTICE OF ANNUAL GENERAL MEETING
(Cont'd)

11. Proposed Renewal of RRPT Mandate (Resolution 7)

    This resolution, if passed, will renew the authority given to the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Group, particulars of which are set out in the Circular to Shareholders dated 28 April 2023 despatched together with this Annual Report. This authority, unless revoked or varied by the Company in a general meeting, will expire at the next AGM of the Company.

12. The Personal Data Protection Act 2010, which regulates the processing of personal data in commercial transactions, applies to the Company. By providing to the Company personal data which may include the name, contact details and mailing address, a member of the Company hereby consent, agree and authorise the processing and/ or disclosure of any personal data of or relating to the member for the purposes of issuing the notice of this meeting and convening the meeting (including any adjournment thereof), including but not limited to preparation and compilation of documents and other matters, whether or not supplied by the member. The member further confirms to have obtained the consent, agreement and authorisation of all persons whose personal data the member has disclosed and/ or processed in connection with the foregoing.

STATEMENT ACCOMPANYING NOTICE OF THE 19TH ANNUAL GENERAL MEETING

No individual is standing for election as Director at the 19th AGM of the Company.

ABLEGROUP BERHAD
Registration No. 200401015685 (654188-H)
(Incorporated in Malaysia)

FORM OF PROXY

Number of Shares held	
CDS Account No.	
Contact No.	

I/We ______________________________________ NRIC/Passport/Company No. ____________________
(FULL NAME IN BLOCK LETTERS)

of ____
(FULL ADDRESS)

being a member of **ABLEGROUP BERHAD**, do hereby appoint

Full Name (in Block Letters)	**NRIC/Passport No.**	**Contact No.**	**Proportion of shareholdings**	
			No. of Shares	**%**
Full Address				

* and/or

Full Name (in Block Letters)	**NRIC/Passport No.**	**Contact No.**	**Proportion of shareholdings**	
			No. of Shares	**%**
Full Address				

or failing him/her, the *Chairman of the meeting as *my/our proxy to vote for *me/us on *my/our behalf at the 19th Annual General Meeting of the Company to be held at Atlanta East, Level 3, Hotel Armada Petaling Jaya, Lot 6, Lorong Utara C, Section 52, 46200 Petaling Jaya, Selangor Darul Ehsan on Friday, 26 May 2023 at 2.00 p.m. or at any adjournment thereof.

*My/Our Proxy(ies) is/are to vote as indicated below:-

No.	Resolutions	For	Against
1.	To approve the payment of Directors' fees and allowances up to RM224,000.00 from 27 May 2023 until the next AGM of the Company.		
2.	To re-elect Yeoh Chong Keat as Director.		
3.	To re-elect Dato' Lim Kim Huat as Director.		
4.	To re-appoint Messrs SBY Partners PLT as the Company's Auditors and to authorise the Directors to fix their remuneration.		
5.	To retain Yeoh Chong Keat as Independent Director.		
6.	Authority for Directors to Issue Shares.		
7.	Proposed Renewal of RRPT Mandate.		

(Please indicate with a "x" in the space provided on how you wish your vote to be cast. If no specific direction as to voting is given, the proxy will vote or abstain at his/her discretion.)

* *Delete if not applicable.*

Dated this ____________ day of ____________________, 2023.

____
Signature / Common Seal of Member(s)

Notes:

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 22 May 2023 (General Meeting Record of Depositors) shall be eligible to attend, speak and vote at this meeting.
2. A member shall be entitled to appoint not more than two (2) proxies to attend, speak and vote at this meeting. A proxy may but need not be a member of the Company.
3. Where a member appoints more than one (1) proxy, the member shall specify the proportions of his/her shareholdings to be represented by each proxy failing which, the appointment shall be invalid.
4. Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
5. To be valid, the original Form of Proxy, duly completed and the power of attorney (if any) under which it is signed or a certified copy thereof must be deposited at the registered office of the Company at Lot 5, Level 10, Menara Great Eastern 2, No. 50, Jalan Ampang, 50450 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the meeting or at any adjournment thereof.
6. If the appointor is a corporation, the Form of Proxy must be executed under its common seal or under the hand of an officer or attorney duly authorised.
7. By submitting the duly executed Form of Proxy, the member and his/her proxy consent to the Company and/or its agents collecting, processing, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010 for the purpose of this meeting and at any adjournment thereof.

Fold this flap for sealing

Then fold here

AFFIX
STAMP

The Company Secretaries

ABLEGROUP BERHAD
Reg. No. 200401015685 (654188-H)

c/o Archer Corporate Services Sdn Bhd
Lot 5, Level 10
Menara Great Eastern 2
No. 50, Jalan Ampang
50450 Kuala Lumpur

1st fold here

AbleGroup Berhad 200401015685 (654188-H)

Block D4-U2-10, Level 2, Solaris Dutamas, No. 1, Jalan Dutamas 1, 50480 Kuala Lumpur.

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