

OLYMPIA INDUSTRIES BERHAD

Registration No.: 198001009242 (63026-U)

ANNUAL REPORT 2022

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Y.A.M. Tunku Naquiyuddin ibni Almarhum Tuanku Jaafar
Chairman, Independent Non-Executive Director

Tan Sri Dato' Yap Yong Seong
Group Managing Director

Dato' Sri Yap Wee Keat
Executive Director

Ng Ju Siong
Non-Independent Non-Executive Director

Dato' Syed Sultan bin Mohd Idris
Independent Non-Executive Director

Wong Siew Si
Independent Non-Executive Director

Dato' Aminudin Zaki bin Hashim
Independent Non-Executive Director

COMPANY SECRETARIES

Lim Yoke Si
(MAICSA 0825971) / SSM PC No. 202008000548

Kwan Wai Sin
(MAICSA 7035227) / SSM PC No. 201908000481

REGISTERED OFFICE

Level 23, Menara Olympia,
No. 8, Jalan Raja Chulan
50200 Kuala Lumpur
Tel: (603) 20700033
Fax: (603) 20700011
E-mail: olympia@oib.com.my
Website: www.oib.com.my

SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn Bhd
(197101000970 (11324-H))
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel: (603) 27839299
Fax: (603) 27839222
E-mail: is.enquiry@my.tricorglobal.com
Website: www.tricorglobal.com

AUDITORS

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants
Level 23A, Menara Milenium,
Jalan Damanlela, Pusat Bandar Damansara,
50490 Kuala Lumpur
Tel: (603) 74958000
Fax: (603) 20955332
Website: www.ey.com

PRINCIPAL BANKERS

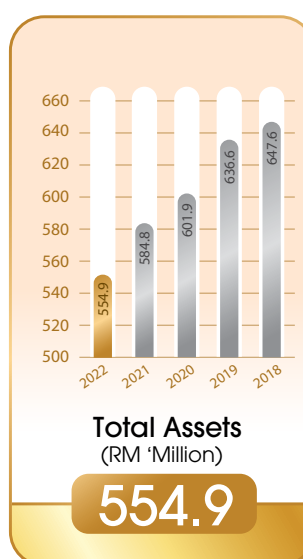
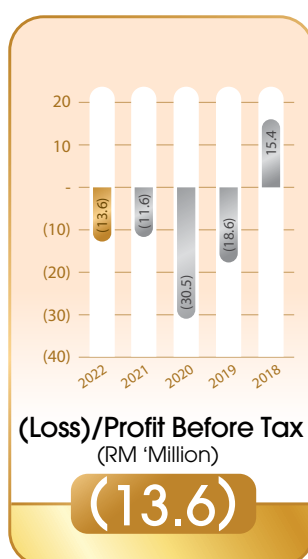
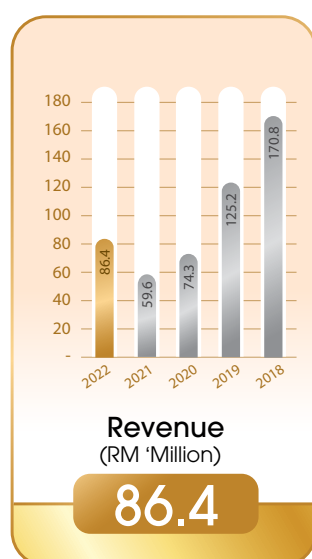
Malayan Banking Berhad
CIMB Bank Berhad
United Overseas Bank (Malaysia) Berhad

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
Listing Date: 12 March 1992
Stock Name: Olympia
Stock Code: 3018

OPERATIONAL & FINANCIAL HIGHLIGHTS

	Year Ended December 2022	Year Ended December 2021	Year Ended December 2020	Year Ended December 2019	Restated Year Ended December 2018
STATEMENTS OF COMPREHENSIVE INCOME					
Revenue (RM mil)	86.4	59.6	74.3	125.2	170.8
(Loss)/Profit Before Tax (RM mil)	(13.6)	(11.6)	(30.5)	(18.6)	15.4
(Loss)/Profit attributable to owners of the Company (RM mil)	(13.2)	(11.2)	(28.4)	(22.8)	11.9
STATEMENTS OF FINANCIAL POSITION					
Share Capital (RM mil)	295.4	295.4	295.4	295.4	295.4
Shareholders' Equity (RM mil)	351.3	364.5	375.7	404.2	426.9
Total Assets (RM mil)	554.9	584.8	601.9	636.6	647.6
FINANCIAL RATIOS					
Return on Average Shareholders' Equity	(3.8%)	(3.1%)	(7.6%)	(5.6%)	2.8%
Return on Total Assets	(2.4%)	(1.9%)	(4.7%)	(3.6%)	1.8%
Debt/Equity (times)	0.36	0.42	0.41	0.38	0.36
PER SHARE					
(Loss)/Earnings per share (sen) *	(1.3)	(1.1)	(2.8)	(2.2)	1.2
Net Assets per share (sen)	34	36	37	39	42



* Based on the weighted average number of shares issued during the year.

CHAIRMAN'S STATEMENT



On behalf of the Board of Directors ("Board") of Olympia Industries Berhad, I am pleased to present the annual report and the audited financial statements of the Company and its group of companies ("Group") for the financial year ended 31 December 2022 ("FY2022").

Y.A.M Tunku Naquiyuddin ibni
Almarhum Tuanku Jaafar
Chairman

Financial Performance

For FY2022, the Group's continuing operations registered a total revenue of RM86.4 million against RM59.6 million reported in the prior year ended 31 December 2021 ("FY2021"). The improvement of RM26.8 million or 44.9% in revenue at the Group level was mainly attributed to the re-opening of our country's economy and its transition into endemicity since April 2022.

The Group's operations reported an increase in pre-tax loss of RM2.0 million to RM13.6 million for FY2022 (FY2021: RM11.6 million pre-tax loss), largely due to a fair value adjustment of RM3.0 million recorded in FY2022 on its investment property, Menara Olympia.

Corporate Developments

During the financial year, the Group has repaid a substantial portion for one of its higher interest-bearing term loans. The Group has certain unencumbered assets, including certain land held for property development and inventories of the Group, which will be disposed of as part of the management's plan to gradually reduce the level of the borrowings of the group.

The Group will continue to intensify its efforts to strengthen its core businesses, particularly in the leasing of office premises in order to achieve a higher occupancy rate. In this regard, the upgrading of Menara Olympia ("MO") to achieve Malaysia Digital ("MD") status has been the main focus. Currently renovation works in MO are 90% completed while infrastructure works from Tenaga Nasional Berhad ("TNB") are still pending finalisation. Overall works accounted for MD certification is now at 70%.

The management is confident that with the MD status, it will help to boost the building's image in the office leasing market, which in turn will improve the occupancy rate. The Group hopes to obtain approval for the MD status by the 2nd quarter of this year.

On 18 July 2022, the Board received a notice of unconditional mandatory take-over offer from Duta Equities Sdn Bhd and Kenny Height Developments Sdn Bhd (collectively, "the Joint Offerors") to acquire all the remaining ordinary shares in the Company ("Offer Shares") not already held by the Joint Offerors for a cash offer of RM0.08 per Offer Share ("Offer Price").

CHAIRMAN'S STATEMENT (cont'd.)

On 20 July 2022, the Board announced the appointment of UOB Kay Hian Securities (M) Sdn Bhd as the Independent Adviser to advise the non-interested Directors and holders of the Offer Shares and provide its comments, opinions, information and recommendation on the Offer.

The Offer was closed on 7 September 2022 and at the close of the Offer, the Joint Offerors, joint ultimate offerors and persons acting in concert with them have increased their shareholdings to 52.87% in the Company. All the shares of the Company remain listed on the Main Market of Bursa Malaysia Securities Berhad.

Future Outlook and Prospects

The previous few years of nearly continuous lockdowns and restrictions in the war against the pandemic had negatively impacted the Group's gaming operations, and to a lesser extent its leasing operations earlier on. These fully re-opened operations have now re-emerged out of the pandemic gloom in tandem with most sectors and businesses, albeit still not yet fully recovered to its pre-pandemic levels for topline numbers.

Post-pandemic, the Group is cautiously optimistic that for the coming financial year ending 31 December 2023 ("FY2023"), the recovery of the Group operations is expected to be stable and sustainable with the various recovery strategies and mitigating measures being implemented to address the impact of the Covid-19 pandemic/endemic.

The country's transition into an endemic phase since 1 April 2022 is expected to give a further boost to the economy. By now it is a broadly accepted fact that complete and absolute eradication of Covid-19 is not quite possible in the immediate foreseeable future, and that mankind just need to learn to "live alongside the virus", safety precautions and all. The Board and management hope and pray that with the Government's and the people's joint efforts, we collectively as a nation can re-emerge stronger and safer.

Acknowledgement

On behalf of the Board, I wish to acknowledge and appreciate the invaluable contributions of Encik Izaddeen bin Daud who has resigned on 31 March 2023 due to his other commitments and after having served the Board for more than 3 years. Concurrently, I am pleased to welcome Dato' Aminudin Zaki bin Hashim who has joined the Board as an Independent Non-Executive Director.

I would like to convey my gratitude to our shareholders, stakeholders, and business associates for your continuing support as well as the management and staff for their commitment and dedication to the Group.

Thank you to all my fellow Board members for your valuable guidance and support throughout the year.

**Y.A.M Tunku Naquiyuddin ibni Almarhum
Tuanku Jaafar**
Chairman

20 April 2023

MANAGEMENT DISCUSSION & ANALYSIS

Overview of Olympia Industries Berhad (“Olympia”) and its group of companies (“Group”) :

The Group has a diversified portfolio in order to provide stable cash flows and potential for sustainable growth in its net assets to enhance shareholders' value. The Group's core operations are summarised as follows :-

- Gaming: Numbers forecast operator (“NFO”) gaming in Sabah;
- Leasing: Office space leasing of Menara Olympia in Kuala Lumpur; and
- Property Development: Property development activities primarily in the Kenny Heights, Kuala Lumpur area.

Gaming Division :

Lotteries Group (“Lotteries”) commenced its Numbers Forecast Operator (“NFO”) gaming since 1988, and was subsequently acquired by Olympia in 1993. Going under the brand name of ‘Sabah 88’, the games currently offered are Sabah 3D, Sabah 4D, Sabah 4D Jackpot, Sabah Lotto 6/45, Sabah Lotto 5 and Sabah Lotto 6.

The legal NFO operators in Sabah are Berjaya Sports Toto (“BST”), Lotteries and Sandakan Turf Club (“STC”). In comparison, the top largest capitalized legal NFO operators on the Peninsula are BST, Magnum 4D Berhad (“Magnum”) and Pan Malaysian Pools (“PMP”).

Gaming revenue in the year under review (“FY2022”) was RM73.4 million, an increase of RM27.5 million or 60% from RM45.9 million in the previous financial year (“FY2021”). FY2022 was the first year with business being conducted without any disruption since the start of the Covid-19 pandemic in early year 2020. Total number of draws held during the year was 179 out of which 22 were special draws. This, compared to 110 draws in FY2021 of which 12 were special draws, has enabled Lotteries to recoup gaming revenue to the increased level seen in the year under review. This represented a recovery of 70% of gaming revenue recorded during the pre-pandemic year of FY2019, which was RM105.5 million.

With the better revenue performance compared to FY2021, the gaming division managed to reverse the loss situation seen in the two preceding years. It was able to report a divisional pre-tax profit of RM0.7 million for the current year. In comparison, the pre-tax losses reported in FY2021 and FY2020 were RM2.2 million and RM1.5 million respectively.

A gradual improvement has been seen so far in the first quarter of FY2023, with 8 special draws (compared to 22 in FY2022) approved by the government in December 2022. Coupled with lower average sales per draw, it will not be possible to return fully to pre-pandemic levels yet. Barring unforeseen negative circumstances, a cautiously optimistic forecast will likely be in the range of 80-85% recovery for the new financial year.

The gaming industry has continued to lobby the Ministry of Finance for approval of gaming via the internet and mobile phone apps. As this will be a long and time-consuming process, it is unlikely that approval will be granted in the immediate future.

Leasing Division :

Dairy Maid Resort & Recreation Sdn Bhd (“DMRR”), a wholly-owned subsidiary of Olympia is the owner of the 31-storey Menara Olympia (“MO”) office building and accompanying 2 levels of basement car parks, along with contractual rights to operate and manage 4 levels of underground car parks below the surface of a Federal Land, all on Jalan Raja Chulan in Kuala Lumpur. During FY2022, occupancy rates trended slightly lower, ranging from 53% to 54% (FY2021: 53% to 57%), while rental rates have remained relatively stable between RM4.10 to RM4.36 per square feet (“psf”) (FY2021: RM4.22 to RM4.38 psf) respectively.

MANAGEMENT DISCUSSION & ANALYSIS (cont'd.)

Pre-existing property market downturn, current office space market glut and incoming supply of new office space notwithstanding, MO also has to contend with the hybrid work trends of these “new normal” post-pandemic times while would-be tenants have had to rethink their office space requirements.

Occupancy rates are expected to remain subdued, accompanied by the loss of potential tenants due to over-supply pressures, hybrid-working new norms and a highly competitive market. Management expects to continue adapting to these challenges via various incentives while continuing to ensure a safe working environment. It is hoped that the country's transition into an endemic phase may also translate to higher business confidence levels and less hesitancy about leasing office spaces on the part of potential tenants.

To ensure retention of existing tenants and potential new ones, as well as reduce down time on essential building services, management will continue to undertake several measures including stepping up on promotion strategies, offering attractive rent-free renovation period packages, renewal terms and other incentives. Management had previously assisted tenants affected by the various lockdowns and business slowdown caused by the pandemic on a case-by-case basis and may do so again should the need arise in order to retain key tenants.

Management will continue its efforts to spruce up the building and improve its amenities via renovations and scheduled replacements of machinery/parts to ensure minimal down-time for essential services (e.g. lifts, escalators, M&E, etc.). Heightened staff and property agent alertness and response time via revamped SOPs, improved tenant communications and increased training will continue to help in identifying potential downtime risks to essential services. On top of these, management will continue to maintain a safe work environment for all at Menara Olympia.

Moving on into FY2023, the management hopes the upcoming certification of MO to Malaysia Digital (“MD”) status will grant some form of prestige, making the building more attractive to prospective tenants, while providing some upward momentum for its occupancy levels and its rental rates.

Property Development Division :

Apart from residual inventory and land parcels held by several inactive subsidiaries, the division's property development activities are currently centered on a joint-operation (“JO”) between Olympia Properties Sdn Bhd (“OPSB”), a wholly-owned Olympia subsidiary, with its sister company KH Estates Sdn Bhd on the Kenny Heights, Kuala Lumpur area. The JO is on a distribution ratio of 42:58 respectively and covers several parcels of land.

The overall property market, although seeing some gradual recovery, still sees some downward pressure in the form of subdued selling prices for both new launches as well as sale of completed property units, save for very niche and prime locations. The industry continues to witness rising development costs on materials, utilities & logistics, as well as rising interest rates, and tighter financing terms imposed by financiers. Sentiment remains relatively weak across the property market during FY2022, coupled with the lack of simple answers to home ownership woes and housing for the masses.

However, the Group and its joint-operation partner however are not currently having any plans for project launches in the immediate future and are thus unaffected while waiting for improved sentiments in the property market and more favourable or easing of conditions by the authorities.

Moving forward, management's strategy is to delay launch of new projects and defer sales of completed units, bidding its time for the turn of the property cycle until the external environment is more conducive for new project launches.

MANAGEMENT DISCUSSION & ANALYSIS (cont'd.)

Investment Holding and Others :

As at 31 December 2022, the Group and the Company have net assets of RM352,432,000 and RM366,681,000 respectively. However, the Group incurred a loss after tax of RM12,860,000 for the financial year ended 31 December 2022. As of that date, the Group's and the Company's current liabilities exceeded their current assets by RM28,297,000 and RM5,696,000 respectively.

During the previous financial year, the Group had already secured the extension of the repayment periods for the term loans from its principal financial institutions, and had further pared down on one of its higher interest-bearing term loans during the current FY2022. The Group has certain unencumbered assets, including certain land held for property development and inventories of the Group, which will be disposed of as part of the management's plan to gradually reduce the level of borrowings of the Group.

PROFILE OF DIRECTORS

**Y.A.M. TUNKU NAQUIYUDDIN
IBNI ALMARHUM TUANKU JAAFAR**
Chairman, Independent Non-Executive Director
Aged 76, Male, Malaysian

Y.A.M. Tunku Naquiyuddin Ibni Almarhum Tuanku Jaafar was appointed to the Board of Olympia Industries Berhad on 26 November 2008. He has a Bachelor of Science in Economics (Honours) degree from the University of Wales, Aberystwyth, United Kingdom.

Tunku Naquiyuddin is a keen environmentalist and was a Committee Member of the World Wide Fund for Nature (Malaysia) and a Founding Member of the Business Council for Sustainable Development in Geneva. An active businessman, Tunku Naquiyuddin's interest spanned a broad spectrum uniting the Malaysian public companies through the Federation of Public Listed Companies Bhd which he founded; bridging bilateral boundaries through the Malaysia-France Economic and Trade Association which he headed for 8 years; and forging closer cultural ties through the Alliance Francaise which he headed for 18 years. He was nominated by the Minister of Finance to sit on the Committee of Kuala Lumpur Stock Exchange in 1989 for 5 years. He was the Regent of the State of Negeri Sembilan from 1994 until April 1999.

Tunku Naquiyuddin, a former diplomat, is presently the Chairman of Techna-X Berhad and also sits on the Board of Ann Joo Resources Berhad. He holds directorship in other public companies, namely Orix Leasing Malaysia Berhad and Syarikat Pendidikan Staffield Berhad.

Tunku Naquiyuddin attended five out of six Board meetings of the Company held in the financial year 2022.

TAN SRI DATO' YAP YONG SEONG
Group Managing Director
Aged 81, Male, Malaysian

Tan Sri Dato' Yap Yong Seong was appointed to the Board of Olympia Industries Berhad ("Olympia"/"Company") on 18 May 1993.

Tan Sri Dato' Yap first ventured into the property business in the early 1970's under the Duta Group which was a pioneer in embarking on a reclamation project at the fore shore lands in Malacca which now stood the famous business centre known as Melaka Raya.

Tan Sri Dato' Yap also sits on the Board of DutaLand Berhad ("DutaLand") as the Group Managing Director and on the Board of several companies within the Olympia and DutaLand Groups. He is the father of Dato' Sri Yap Wee Keat, the Executive Director of the Company. Both Tan Sri Dato' Yap and his spouse, Puan Sri Datin Leong Li Nar, are major shareholders of the Company.

Tan Sri Dato' Yap attended all six Board meetings of the Company held in the financial year 2022.

PROFILE OF DIRECTORS (cont'd.)

DATO' SRI YAP WEE KEAT

Executive Director

Aged 54, Male, Malaysian

Dato' Sri Yap Wee Keat was appointed to the Board of Olympia Industries Berhad ("Olympia"/"Company") on 18 May 1993 and has been responsible for the business operations of Olympia Group. He is a member of the Risk Management Committee.

Dato' Sri Yap is currently a Non-Independent Director of DutaLand Berhad ("DutaLand") and has been instrumental in the property development activities of DutaLand Group. He spearheads the Kenny Heights Project, a development project embarked by DutaLand through the consortium formed with Olympia.

Dato' Sri Yap obtained his LLB (Honours) degree from The London School of Economics And Political Science, United Kingdom in 1989. With the Group's investment in Automobili Lamborghini, he was appointed deputy chairman of Automobili Lamborghini from 1994-1998. He is also one of the founding trustees for Malaysian Tsunami Aid Foundation, "Force of Nature Aid Foundation", which was established in 2005 where he sat on the Board of Trustees. He was appointed the Deputy President of Taekwondo Malaysia (WTF) in December 2018.

Dato' Sri Yap is the eldest son of Tan Sri Dato' Yap Yong Seong, the Group Managing Director of Olympia and Puan Sri Datin Leong Li Nar, both are major shareholders of the Company. He also serves on the Board of several other private companies within Olympia and DutaLand Groups.

Dato' Sri Yap attended all six Board meetings of the Company held in the financial year 2022.

NG JU SIONG

Non-Independent Non-Executive Director

Aged 55, Male, Malaysian

Mr Ng Ju Siong was appointed to the Board of Olympia Industries Berhad ("Olympia"/"Company") on 3 January 2017. He graduated from University of Kent at Canterbury with Bachelor of Law (Honours) in 1990.

Mr Ng was admitted to the Honourable Society of Gray's Inn as Utter Barrister in 1992. Thereafter, he was admitted to the High Court of Malaya as an Advocate & Solicitor in 1993. He was practising under Messrs Zaitoon Othman & Associates in the areas of family law, banking litigation, bankruptcy, company law until June 1994. In July 1994, he joined Messrs Shahrizat & Tan and ventured into the areas of family law, general conveyancing, banking, drafting of government supplies agreement and etc.

Mr Ng was formerly a Legal Executive in Olympia. He is currently the General Manager of Legal Department in DutaLand Berhad ("DutaLand") overseeing all legal matters for DutaLand group of companies.

Mr Ng attended all six Board meetings of the Company held in the financial year 2022.

PROFILE OF DIRECTORS (cont'd.)

DATO' SYED SULTAN BIN MOHD IDRIS
Independent Non-Executive Director
Aged 66, Male, Malaysian

Dato' Syed Sultan bin Mohd Idris was appointed to the Board of Olympia Industries Berhad on 15 December 2021. He is the Chairman of Nomination Committee and Remuneration Committee. He is a member of the Audit Committee and Risk Management Committee.

Dato' Syed Sultan graduated from University Malaya with Bachelor of Science in Microbiology (Honours) in 1981. He obtained Diploma in Public Management (INTAN) in 1983.

Dato' Syed Sultan joined the Ministry of Foreign Affairs, Malaysia (Wisma Putra) the same year (1983) and had served the Ministry in various capacities till his retirement in December 2016. As a career Diplomat he had served in Japan, UAE, Saudi Arabia and Ambassadors in Finland, Bahrain and Ireland.

Dato' Syed Sultan in the course of his career, had represented Malaysia in several international meetings.

Upon retirement in 2016, Dato' Syed Sultan had kept himself busy holding various posts in NGOs as part of his community service responsibility. He served in the Council Member of KIWF (Khadijah Waqf International Foundation) from 2021-2022. Prior to that, he served as Advisor - International Fundraising KIWF 2017-2021. He is the Deputy Chairman of Putrajaya Lake Club since 2021. Prior to that he was the Board Member of Putrajaya Lake Club from 2018-2020. Dato Syed Sultan also served as the Chairman MC of Puteri Palma Condo, IOI Resort City for the period 2017/2018. He is also a Consultant to KL Landmark Sdn Bhd, a wholly-owned subsidiary of the Company.

Dato' Syed Sultan attended all six Board meetings of the Company held in the financial year 2022.

WONG SIEW SI
Independent Non-Executive Director
Aged 59, Female, Malaysian

Miss Wong Siew Si was appointed to the Board of Olympia Industries Berhad on 15 December 2021. She is the Chairperson of the Audit Committee and a member of the Nomination Committee, Remuneration Committee and Risk Management Committee.

Miss Wong graduated from Stamford College, Singapore with a Diploma in Accounting in 1984. She has been awarded full membership of the Association of Accounting Technicians, United Kingdom on 17 March 2022.

Miss Wong was selected by 30% Club Malaysia for the 4th Cohort Board Mentoring Programme & completed in November 2019. She has been a Member of Institute of Corporate Directors Malaysia (ICDM) since January 2019.

Miss Wong started her career at Hanafiah Raslan Mohammad / Arthur Andersen & Co in 1984 in Audit & moved on to other areas of Corporate Recovery and Management Services till 1993. She joined Sarawak Securities Sdn Bhd in 1993 as a Credit Control Officer & was appointed Head of Credit Control & Retail Investment from 1996 to 1998.

Miss Wong moved on to Hong Leong Bank Berhad, Kuala Lumpur in February 1998 as a Manager in Remedial Management. In an executive capacity, she was Head of Mortgage Credit Control from August 2000 to June 2011. She was appointed Head of Collections Integration Management Office from July 2011 to March 2014. Her last position in Hong Leong Bank Berhad was Head of Retail Credit Operations till February 2016.

Miss Wong served as a Member in the Audit Committee for Jupiter Securities Sdn Bhd (now known as CGS-CIMB Securities Sdn Bhd) from April 2017 to December 2018. She is currently a Marketing Representative for CGS-CIMB Securities Sdn Bhd. She is also an Introducer for CGS-CIMB Securities Singapore Pte Ltd.

Miss Wong also sits on the board of YKGI Holdings Berhad.

Miss Wong attended all six Board meetings of the Company held in the financial year 2022.

PROFILE OF DIRECTORS (cont'd.)

DATO' AMINUDIN ZAKI BIN HASHIM **Independent Non-Executive Director** **Aged 52, Male, Malaysian**

Dato' Aminudin was appointed to the Board of Olympia Industries Berhad on 31 March 2023. He is the Chairman of the Risk Management Committee and a member of the Audit Committee, Nomination Committee and Remuneration Committee.

Dato' Aminudin Hashim is an experienced strategic thinker and transformation leader and was instrumental in the success of many strategic and public policy enterprises throughout his career. He brings with him a solid 30 years of experience in corporate leadership stretching from conceptualization, research and analysis, management consulting, change management, business management, business process reengineering, strategy and marketing, turnaround and transformation management, as well as corporate entrepreneurship drawn from a multitude of Multinationals (MNCs), State Owned Enterprise (SOEs) and Conglomerate working culture.

Dato' Aminudin qualifies as a Chartered Global Management Accountant (CGMA) and was admitted as an Associate of the Chartered Institute of Management Accountants (ACMA) in 2014. He was conferred the prestigious Sir Ian Morrow award for the world's best Strategy and Marketing paper for the final examinations of Chartered Institute of Management Accountant (CIMA) in 1996. Prior to that, he graduated from Liverpool John Moores University (UK) with a Bachelor of Accounting and Finance (Honours) in 1993. Dato' Aminudin has also attended a Leadership in Development Program at Harvard Kennedy School (USA) in 2016.

Dato' Aminudin started his career at Rating Agency Malaysia Berhad in 1995 before joining management consulting practice beginning with UK based PA Consulting Group in 1997, American based Unisys MSC in 1999 and PricewaterhouseCoopers (PwC) Consulting in 2002. He has also served in senior positions at IBM Business Consulting Services and Multimedia Development Corporation. In 2007, he was appointed as the Associate Director of The iA Group and later in 2009, he was entrusted to kickstart Institut Darul Ridzuan (IDR), a policy and strategy think tank for the State of Perak.

In 2012, he was tasked to reactivate a State Owned Enterprise, Menteri Besar Incorporated (MB Inc) for the State of Perak and was appointed as the Group Chief Executive Officer and was responsible to revive the sustainable mineral development industry in Perak and to develop new growth corridors for the State. During his stint at MB Inc, he was responsible for many key achievements including record revenue generation for the State, mineral and building construction industry redevelopment and various corporate social development programmes.

He has also served in various high level committees and Board positions for the State and State Agencies between 2009-2018. In 2020, he joined a large family owned conglomerate with interests in property, infrastructure, healthcare, transportation and hospitality and served as the Group Managing Director until February 2023.

Dato' Aminudin also sits on the board of LBS Bina Group Berhad.

Dato' Aminudin did not attend any Board meetings of the Company held in financial year 2022 for which were held before his appointment.

Notes:

1. Save for Tan Sri Dato' Yap Yong Seong and Dato' Sri Yap Wee Keat, none of the Directors has family relationship with any Director and/or major shareholder of Olympia Industries Berhad nor any conflict of interest with the Company.
2. Tan Sri Dato' Yap Yong Seong and Dato' Sri Yap Wee Keat are deemed interested in certain recurrent related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of Olympia Group.
3. None of the Directors has conviction for any offences (other than traffic offences, if any) within the past five years or public sanction or penalty imposed by relevant regulatory bodies during the financial year 2022.

PROFILE OF KEY SENIOR MANAGEMENT OF THE GROUP

TAN SRI DATO' YAP YONG SEONG

Group Managing Director

Aged 81, Male, Malaysian

Please refer to the Profile of Directors in this Annual Report.

DATO' SRI YAP WEE KEAT

Executive Director

Aged 54, Male, Malaysian

Please refer to the Profile of Directors in this Annual Report.

LEE CHEE KAI

General Manager, Group Finance

Aged 65, Male, Malaysian

Mr Lee Chee Kai was appointed as the General Manager, Group Finance of Olympia Industries Berhad on 1 September 2000. He gained his exposure in audit firms for 7 years, including 3 years with an international accounting firm. Subsequently he joined local conglomerates for more than 7 years as Head of Finance. He joined the Group in April 1994 as General Manager of its then stockbroking subsidiary and was transferred to his current role in 2000.

Mr Lee is a member of both the Institute of Chartered Accountants in England & Wales (ICAEW) and the Malaysian Institute of Accountants.

JOSEPH LIN KIN CHUNG

General Manager, Lotteries Corporation Sdn Bhd

Aged 63, Male, Malaysian

Mr Joseph Lin Kin Chung was appointed as General Manager of Lotteries Corporation Sdn Bhd, a wholly-owned subsidiary of Olympia Industries Berhad on 1 January, 2005.

Mr Joseph Lin graduated from the University of Ottawa with bachelor's degree in Computer Science (Honours) in 1987. He joined the Group in 1989 as a Management Trainee and was promoted to Assistant Commercial Manager in 1994. It was during this time when he was posted to China Lotteries and later, to Cambodia Lotteries to assist in their operations. In 1995, he was promoted to Engineering Manager before being seconded to The Lotto Ltd, PNG, in 1999, to be its Country Manager.

Notes:

1. Save for Tan Sri Dato' Yap Yong Seong and Dato' Sri Yap Wee Keat, none of the key senior management has family relationship with any Director and/or major shareholder of Olympia Industries Berhad nor any conflict of interest with the Company.
2. Tan Sri Dato' Yap Yong Seong and Dato' Sri Yap Wee Keat are deemed interested in certain recurrent related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of Olympia Group.
3. None of the key senior management has conviction for any offences (other than traffic offences, if any) within the past five years or public sanction or penalty imposed by relevant regulatory bodies during the financial year 2022.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors of Olympia Industries Berhad ("Board") recognises the importance of upholding good corporate governance throughout the Group and is committed to remain guided by the Principles as set out in the Malaysian Code on Corporate Governance 2021 ("MCCG").

This statement provides an overview of the Group's application of Practices based on the Principles in the MCCG for the financial year ended 31 December 2022 and it is to be read together with Corporate Governance report ("CG Report") which is available on the Company's website at www.oib.com.my.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Board Responsibilities

The Board acknowledges its pivotal role in the stewardship of its direction and operations of the Group toward enhancing shareholders' value and ensuring long term sustainable development and growth of the Group. The Board is responsible for giving strategic direction to the Company, overseeing the business performance and ensuring the effectiveness of various processes / systems including financial reporting, risk management, internal controls, compliance and governance.

The Group Managing Director, who is supported by the senior management team in achieving the corporate objectives, remains accountable to the Board for the performance of the Group. In the process of appointing, training and providing for succession, the Group Managing Director together with the Executive Director will ensure that staff appointed to senior management positions are of sufficient calibre.

The Board delegates specific responsibilities to Board Committees, namely Audit Committee, Nomination Committee, Remuneration Committee and Risk Management Committee, all of which operate within defined terms of reference. All Board Committees do not have executive power but report to the Board on all matters considered and the ultimate responsibility for decision making on recommendations presented by the Board Committees lies with the Board. Each Board Committee shall report on its meeting to the Board and minutes of meetings of all Board Committees will be tabled at Board meetings for notation.

The senior management is responsible for developing and implementing strategies, business plans and budgets, regularly identifying and managing risks that could have a material impact on the businesses and ensuring that sufficient and updated information on the performance, financial condition, operating results and prospect are provided on a timely basis to the Board and the Board Committees to fulfill their governance responsibilities.

For the financial year ended 31 December 2022, the Board had, amongst others, reviewed the performance of the Group's businesses, considered strategies to increase revenue of operating subsidiaries and explored divestment proposals of non-core assets. Various risks that were affecting the Group have been identified and appropriate mitigation measures have been put in place.

The Company has a systematic method for regularly assessing the impact of sustainability-related risks and opportunities. Each business unit assesses the probability and impact of sustainability-related risks periodically, including social, climate-related, and environmental risks.

The Board recognises that the long-term interests of shareholders are advanced by responsibly addressing the concerns of stakeholders. The Board is also responsible to exercise business judgement to act in what it reasonably believes to be in the best interests of the Company and its shareholders to build long-term sustainable value. The senior management, guided by the Board, leads the Company's sustainability journey, including setting the Company's strategies, priorities and targets on all material sustainability matters.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd.)

Board Charter, Code of Conduct, Whistleblowing Policy and Anti-Bribery & Corruption Policy

The Board is guided by a Board Charter which amongst others, provides Directors with greater clarity regarding the role and responsibilities of the Board, Board Committees, individual Directors and Senior Independent Director. Matters reserved for the Board are set out in the Board Charter. The Board Charter will be reviewed and updated as and when necessary.

The Code of Conduct of Directors continues to govern the standards of business conduct and to assist the Directors in defining ethical standards in the performance and exercise of their duties and responsibilities for the Company.

The Whistle-Blowing Policy is in place with the aim to encourage reporting by employees and associates in good faith, of any suspected and/or known instances of misconduct, wrongdoings, corruption, fraud, waste and/or abuse involving the resources of the Group and the employees making such reports will be protected from reprisal.

The Anti-Bribery and Corruption Policy is aimed to provide information and guidance to the Directors, employees and business associates on anti-bribery and corruption to which they must adhere to, in discharging their duties. All employees are required to follow the standard operating procedures of their respective business units in the performance of their job responsibilities.

Details of the Board Charter, Code of Conduct of Directors, Whistle-Blowing Policy and Anti-Bribery and Corruption Policy are accessible through the Company's website at www.oib.com.my.

Board Composition

The Board currently consists of seven (7) members with an Independent Non-Executive Chairman, a Group Managing Director, an Executive Director, a Non-Independent Non-Executive Director and three (3) Independent Non-Executive Directors, where 1 of them is a female Director.

Subsequent to the financial year 2022, there was a change in Board composition involving the resignation and appointment of Independent Non-Executive Director. The Board currently does not have a Senior Independent Non-Executive Director. The Board has a balanced mix of executive and non-executive members and it brings with it a broad range of business, finance, economic, technical, law and public service background.

The Board views that its composition in terms of size, diversity in skills, experience, age, background and gender are well balanced to facilitate effective decision making. This balance enables the Board to provide clear and effective leadership to the Group and bring informed and independent judgement to many aspects of the Group's strategy and performance.

Chairman and Group Managing Director

The position of the Chairman and the Group Managing Director are held by different individuals. Their roles are distinct and separate so as to ensure balance of power and authority.

The Chairman is responsible for instilling good corporate governance practices and providing leadership in ensuring effectiveness of the Board. He is also responsible for the orderly conduct of meetings and facilitates matters between the Company and its investors.

The Group Managing Director is responsible for the development and implementation of policies/strategies approved by the Board and managing the day-to-day operations of the Group. He is also responsible in ensuring the integrity and effectiveness of the corporate governance process of the Board. The Group Managing Director acts as the official spokesperson of the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd.)

The respective duties and responsibilities of the Chairman and the Group Managing Director are specified in the Board charter.

Board Appointment Process

The Nomination Committee comprises the following three (3) Independent Non-Executive Directors:

1. Dato' Syed Sultan bin Mohd Idris (Chairman)
2. Miss Wong Siew Si (Member)
3. Dato' Aminudin Zaki bin Hashim (Member)

In line with the amendment to the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Board had during the financial year, adopted a Directors' Fit and Proper Policy where appointment and re-appointment/ re-election of directors shall be assessed based on the fit and proper criteria to ensure that the candidate for board appointment and existing directors who are seeking re-election at the annual general meeting has the character, experience, integrity, competence and time commitment to effectively discharge his or her role in the Company.

The Nomination Committee is responsible for proposing and recommending candidates to the Board and for assessing Directors on an on-going basis based on the Directors' Fit and Proper Policy.

The Nomination Committee in making recommendations for the appointment of Directors will also consider the skills, knowledge, expertise and potential contribution of the candidate and selection is not based on gender. The Nomination Committee is open to referrals from external sources besides recommendations from its existing Board members and major shareholders.

The Company currently does not have a gender diversity policy for the Board and senior management. The Board believes in providing equal opportunity to candidates and adheres to the practice of non-discrimination of any form whether based on age, race or gender throughout the Group.

The Terms of Reference of the Nomination Committee and Directors' Fit and Proper Policy are available on the Company's website at www.oib.com.my.

Tenure of Independent Directors / Annual Assessment of Independence

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

Bursa Securities has amended the Listing Requirements where an independent director who has served for more than 12 years in a listed issuer must resign or be re-designated as a non-independent director by 1 June 2023.

Y.A.M. Tunku Naquiyuddin ibni Almarhum Tuanku Jaafar has served as an Independent Non-Executive Director for a cumulative term of more than 14 years. The Board, through the Nomination Committee, had carried out an annual evaluation and assessment and is satisfied that Y.A.M. Tunku Naquiyuddin ibni Almarhum Tuanku Jaafar has fulfilled the criteria under the definition of Independent Director as set out in the Listing Requirements of Bursa Securities. He has always been able to demonstrate his independence and exercise objective judgement during Board deliberations.

Notwithstanding the above, the Board is mindful of the amended Listing Requirements of Bursa Securities on the tenure of an independent director and will take steps to comply accordingly.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd.)

Re-election of Directors

The Nomination Committee is responsible for making recommendations to the Board on the retirement of Directors by rotation at each annual general meeting. Under the Constitution of the Company, one third (1/3) of the Directors shall retire by rotation at each annual general meeting. All Directors shall retire from office at least once in every three (3) years. The retiring Directors shall be eligible for re-election. A Director appointed either to fill a casual vacancy or as an addition to the existing Directors shall hold office until the next annual general meeting, and shall then be eligible for re-election.

Y.A.M. Tunku Naquiyuddin ibni Almarhum Tuanku Jaafar and Mr Ng Ju Siong are due to retire by rotation at the forthcoming 42nd Annual General Meeting ("42nd AGM") and being eligible, have offered themselves for re-election to the Board. The Nomination Committee has assessed the said Directors based on the Fit and Proper criteria. The assessment of the Fit and Proper criteria for re-election of Directors was also captured in the annual evaluation on the performance/contribution of Directors.

Dato' Aminudin Zaki bin Hashim who was appointed subsequent to the financial year is also subject to retirement at the 42nd AGM and being eligible, has offered himself for re-election. The Nomination Committee had earlier reviewed and assessed Dato' Aminudin Zaki bin Hashim based on amongst others, the Fit and Proper criteria prior to his Board appointment.

The retiring Directors have abstained from Board deliberations and decisions in recommending to shareholders on their re-election to the Board. The Board has accepted the recommendation of the Nomination Committee on the re-election of the abovenamed Directors at the forthcoming 42nd AGM of the Company.

The profiles of the Directors seeking re-election to the Board at the 42nd AGM are disclosed in Profile of Directors of this Annual Report.

Annual Evaluation

The Nomination Committee had carried out annual evaluations through the completion of questionnaires on the effectiveness of the Board as a whole, Board Committees, individual Directors of the Company and assessed the independence of the Independent Directors during the financial year under review.

The Board and Board Committees were evaluated in the areas of composition, quality of information and decision making, boardroom/board committee activities, Board relationship with management as well as sustainability. Individual Directors will be evaluated on fit and proper criteria, contribution and performance, calibre and personality as well as sustainability. On Peer Assessment, the evaluation was based on professional experience, industry knowledge, specific competencies, business acumen, strategic vision, integrity, attendance of and preparation for board meetings, teamwork, active participation and general contributions. The Independent Directors were assessed based on criteria defined in the Listing Requirements of Bursa Securities, their ability to exercise independent judgement at all times and contribution to the effective functioning of the Board.

On the assessment of individual Directors including peer assessment, each Director should answer the evaluation questions for each of his/her fellow Board members including himself/herself.

The findings/outcome from the above evaluations/assessments and recommendations of the Nomination Committee were tabled to the Board for discussions, notation and where applicable, to recommend to shareholders on the re-election of Directors retiring at the 42nd AGM.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd.)

Based on the evaluations conducted, the Board is satisfied with the level of performance and effectiveness of the Board, Board Committees and individual Directors of the Company. The Board is also satisfied with the level of independence demonstrated by all Independent Directors and their ability to act in the best interest of the Company. The Board and Board Committees had generally fulfilled their primary responsibilities and obligations and each Director has the experience, competence, integrity and character in discharging their respective roles as Board members.

The Nomination Committee met once during the year and below is a summary of the activities undertaken in discharging its duties:

- 1) Conducted annual evaluation of the Board, Board Committees and individual Directors;
- 2) Conducted annual evaluation of the Audit Committee;
- 3) Assessed the independence of the Independent Non-Executive Directors of the Company;
- 4) Reviewed and recommended the re-election of Directors retiring by rotation and retiring under casual vacancy in accordance with the Company's Constitution; and
- 5) Reviewed training programmes attended by all Directors.

Board meetings / Supply of Information

A list of the scheduled Board and Board Committee meetings for the following year is circulated to all Board members before the end of the current calendar year. Board meetings are usually held five (5) times in a year with additional meetings being convened when necessary.

Six (6) Board meetings were held during the financial year ended 31 December 2022. The attendance of each Director is tabulated below:

Directors	Number of meetings attended
Y.A.M. Tunku Naquiyuddin ibni Almarhum Tuanku Jaafar	5/6
Tan Sri Dato' Yap Yong Seong	6/6
Dato' Sri Yap Wee Keat	6/6
Mr Ng Ju Siong	6/6
Encik Izaddeen bin Daud (resigned on 31 March 2023)	4/6
Dato' Syed Sultan bin Mohd Idris	6/6
Miss Wong Siew Si	6/6
Dato' Aminudin Zaki bin Hashim (appointed on 31 March 2023)	n/a *

* appointed subsequent to financial year 2022

The Board is confident that the Directors will continue to devote sufficient time commitment towards fulfilling their roles and responsibilities as Directors of the Company.

Meeting materials based on the agenda of the meeting are distributed to the Directors within a reasonable period prior to the meeting to ensure that Directors have sufficient time to evaluate the matters and be prepared for discussion at the meetings.

External consultants or advisors are also invited to attend Board and Board Committee meetings whenever necessary to explain matters within their expertise, knowledge and provide clarity on the agenda being discussed. This process enables the Board and Board Committees to make an informed decision.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd.)

The Directors are notified of the restriction in dealing with the securities of the Company prior to the announcement of quarterly financial results. All announcements released to Bursa Securities will be circulated to the Directors for reference.

In the intervals between Board meetings, any matters requiring the Board's approval will be sought via circular resolutions which must be supported with the relevant information and explanation therein. Minutes of meetings are circulated and confirmed by the Board and Board Committees at their subsequent respective meetings. The Directors have access to all information within the Company in the discharge of their duties.

Senior management personnel usually attend Board meetings for purposes of briefing the Board on matters submitted for consideration. More details affecting the operation of business units, strategies and performances are usually presented and discussed at the management executive committee meetings held prior to Board meetings.

Directors' Training

With the exception of Dato' Aminudin Zaki bin Hashim who was appointed subsequent to the financial year ended 31 December 2022, all the Directors have attended the Mandatory Accreditation Programme.

The Directors have also attended and participated in the following training programmes during the financial year to enhance their knowledge to enable them to effectively discharge their duties:

Director	Topics
Y.A.M. Tunku Naquiyuddin ibni Almarhum Tuanku Jaafar	<ul style="list-style-type: none"> Sustainability Management Plan & Impact Assessment Out of Adversity, Comes Opportunity Key Amendments to Listing Requirements 2022 and various Corporate Proposals How the Audit Committee and Auditors can work together towards reliable audited financial statements
Tan Sri Dato' Yap Yong Seong	<ul style="list-style-type: none"> Key Amendments to Listing Requirements 2022 and various Corporate Proposals
Dato' Sri Yap Wee Keat	<ul style="list-style-type: none"> Twenty-First Annual Asia Pacific Summit
Mr Ng Ju Siong	<ul style="list-style-type: none"> ISSB-MASB Outreach Session on IFRS Sustainability Disclosure Exposure Drafts
Encik Izaddeen bin Daud (resigned on 31 March 2023)	<ul style="list-style-type: none"> Preserving the Climate through Sustainability Business and Living
Dato' Syed Sultan bin Mohd Idris	<ul style="list-style-type: none"> Audit Oversight Board's Conversation with Audit Committees Mandatory Accreditation Programme Key Amendments to Listing Requirements 2022 and various Corporate Proposals

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd.)

Director	Topics
Miss Wong Siew Si	<ul style="list-style-type: none"> • MFT 115: Prevention of Financial Crime and Market Misconduct under CMSA 2007 • 720 – Anti Money Laundering – Risks & Vulnerabilities • Investment Analysis on Property Industry • Investing in Cryptocurrencies • Facing High Market Volatilities and Asst Allocation Strategies • Advocacy Session on the Continuing Disclosure Requirements & Corporate Disclosure Policy of the Listing Requirements • Fintech and its Impact to Capital Market • Key Amendments to Listing Requirements 2022 and various Corporate Proposals • Audit Oversight Board's Conversation with Audit Committees • Bursa Malaysia Immersive Experience: The Board "Agender"

Remuneration

The Remuneration Committee consisting of Independent Non-Executive Directors is made up of the following:

1. Dato' Syed Sultan bin Mohd Idris (Chairman)
2. Miss Wong Siew Si (Member)
3. Dato' Aminudin Zaki bin Hashim

The Terms of Reference of the Remuneration Committee and Remuneration Policy and Procedures are available on the Company's website at www.oib.com.my.

The Remuneration Committee is responsible for reviewing and where appropriate, recommending to the Board for approval on remuneration, salary revision, bonus and benefits of the Executive Directors or senior management.

The Remuneration Committee also reviews and recommends the payment of Directors' fees and benefits to Non-Executive Directors, which are subject to the approval of the shareholders at the annual general meeting of the Company.

Directors' fees recommended for the Non-Executive Directors are reflective of their responsibilities while the remuneration of the Executive Directors is based on individual performance as well as the performance of the Group.

The Remuneration Committee met once during the financial year to review the remuneration of the Executive Directors and senior management. The Remuneration Committee had also discussed and recommended to the Board on the proposed payment of Directors' fees and benefits to the Non-Executive Directors of the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd.)

Details of the Directors' remuneration comprising remuneration received/receivable from the Company and the Group for the financial year ended 31 December 2022 are as follows:

COMPANY

	Fee	Salary	Bonus	RM Other Emoluments	² Benefits in kind	Total
Executive						
Tan Sri Dato' Yap Yong Seong	-	256,500	-	643	-	257,143
Dato' Sri Yap Wee Keat	-	430,116	-	52,626	32,951	515,693
Non-Executive						
Y.A.M. Tunku Naquiyuddin ibni Almarhum Tuanku Jaafar	48,000	-	-	1,400	35,000	84,400
Ng Ju Siong	24,000	-	-	1,400	-	25,400
Izaddeen bin Daud	36,000	-	-	2,400	-	38,400
Dato' Syed Sultan bin Mohd Idris	36,000	-	-	2,600	-	38,600
Wong Siew Si	36,000	-	-	6,400	-	42,400
Total	180,000	686,616	-	67,469	67,951	1,002,036

GROUP

	Fee	Salary	Bonus	RM Other Emoluments	² Benefits in kind	Total
Executive						
Tan Sri Dato' Yap Yong Seong	-	738,720	-	217,929	477	957,126
Dato' Sri Yap Wee Keat	-	1,141,140	-	141,167	32,951	1,315,258
Non-Executive						
Y.A.M. Tunku Naquiyuddin ibni Almarhum Tuanku Jaafar	48,000	-	-	1,400	35,000	84,400
Ng Ju Siong	24,000	-	-	37,400	-	61,400
Izaddeen bin Daud	36,000	-	-	2,400	-	38,400
³ Dato' Syed Sultan bin Mohd Idris	36,000	-	-	2,600	-	38,600
Wong Siew Si	36,000	-	-	6,400	-	42,400
Total	180,000	1,879,860	-	409,296	68,428	2,537,584

Notes:

- ¹ Other emoluments include statutory contributions, allowances and attendance fees.
- ² Benefits in kind paid to certain Directors include company car, company driver, petrol, club membership and leave passage.
- ³ In addition to the above, also received consultancy fee totalling RM70,000 from certain subsidiaries of the Group during current financial year (2021: RM55,000).

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd.)

The top key senior management whose total remuneration (including benefits in-kind and other emoluments) under each band of RM50,000 is set out below:

Total remuneration in bands of RM50,000	Number of Key Senior Management
RM150,000 – RM200,000	1
RM201,000 – RM250,000	1

The remuneration of the key senior management is on an aggregated basis as the Board is of the view that it would not be in the best interest of the Company to make detailed disclosure of each key senior management personnel due to competitiveness in the employment market and the Company's efforts in attracting and retaining executive talents.

Company Secretaries

The Company Secretaries are qualified Chartered Secretaries and support the Board in carrying out their roles and responsibilities as Directors. The Company Secretaries will update the Board on any regulatory changes and developments in corporate governance and the Listing Requirements of Bursa Securities and any other rules and regulations which are relevant to the Company. The Company Secretaries ensure that the Company complies with all applicable statutory and regulatory requirements.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit Committee

The Audit Committee oversees amongst others, the financial reporting process of the Group with the aim in providing an assurance that the financial statements are prepared and drawn up in accordance with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 2016.

The Audit Committee consists of the following Independent Non-Executive Directors:

1. Miss Wong Siew Si (Chairperson)
2. Dato' Syed Sultan bin Mohd Idris (Member)
3. Dato' Aminudin Zaki bin Hashim (Member)

The Board through its Audit Committee has a formal and transparent relationship with the external auditors, Messrs Ernst & Young PLT. The Audit Committee meets with the external auditors to review the scope and adequacy of the audit process, audit findings and the annual audited financial statements.

The Audit Committee also meets with the external auditors prior to Audit Committee meetings to enable the auditors to highlight certain issues/findings in the absence of the management. For this purpose, the Audit Committee and the external auditors met twice for the financial year ended 31 December 2022.

The Board has in place an Assessment Policy for External Auditors setting out the guidelines and procedures for the Audit Committee to assess, among others, the suitability, objectivity and independence of the external auditors and the cooling period required on proposed appointment of a former key audit partner as a member of the Audit Committee.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd.)

The Audit Committee had carried out an annual evaluation on the performance and independence of the external auditors' and the evaluation covered the areas of calibre of the audit firm, quality processes/performance, audit team, independence and objectivity, audit scope and planning, audit fees and audit communications.

Based on the feedback of the Audit Committee, the Board is satisfied with the performance and independence of Messrs Ernst & Young PLT and will recommend to shareholders on their re-appointment as auditors at the 42nd AGM.

The Board through the Nomination Committee had carried out an annual evaluation on the effectiveness of the Audit Committee and concluded that it had fulfilled its fundamental responsibilities in overseeing financial reporting, evaluating the internal and external audit processes, reviewing conflict of interest situations and related party transactions. Details of the Audit Committee and its activities are set out in the Audit Committee Report on pages 30 to 33 of this Annual Report.

Risk Management and Internal Control Framework

The Board maintains a sound risk management framework and system of internal control to safeguard the Group's assets, shareholders' investments as well as the interests of customers, employees and other stakeholders.

The Risk Management Committee has been established to assist the Board in their responsibilities to identify, assess and monitor key business risks of the Group and is made up of the following with a majority of Independent Non-Executive Directors:

1. Dato' Aminudin Zaki bin Hashim (Chairman)
2. Dato' Sri Yap Wee Keat (Member)
3. Dato' Syed Sultan bin Mohd Idris (Member)
4. Miss Wong Siew Si (Member)

The Risk Management Committee meets on a half-yearly basis to review and evaluate the adequacy of risk management activities, as well as to recommend measures to be adopted to mitigate the business risk exposures. The Risk Management Policy and Procedure is in place to provide guidance for coordinating the application of risk management within the Group.

The Statement on Risk Management and Internal Control is set out on pages 25 to 29 of this Annual Report.

Internal Audit Function

The Board has established an internal audit function within the Company, which is led by the Head of Internal Audit Department who reports directly to the Audit Committee.

The Group's Internal Audit department is responsible to conduct review on the systems of internal control, report on the state of the system of internal control and provide recommendations for improvement. All internal audit reports were tabled and reviewed by the Audit Committee in the Audit Committee meetings. Follow-up audit would be performed to ascertain the extent of implementation/rectification of the recommended corrective actions for improvement.

The Audit Committee had carried out an evaluation of Internal Audit function for year 2022 and concluded that the internal auditors had performed their functions effectively in meeting its objectives.

Details of the Company's internal audit function are set out in the Audit Committee Report on page 32 of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd.)

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

Communication with stakeholders

The Board recognises the importance of communication with shareholders and investors on the Group's business and corporate developments. The Board ensures timely release of financial results on a quarterly basis, annual reports, press releases and any announcements to Bursa Securities on material corporate exercises which are the primary mode of disseminating information on the Group's business activities and financial performance.

The Company has established a website www.oib.com.my for shareholders and the public to assess corporate information and announcements related to the Group. All queries may be directed to the Company through email provided in the said website.

The Company may conduct briefings / dialogue with investors on the performance of the Group. The Group Managing Director is available for such arrangement and enquiries on issues relating to the Group may be conveyed to him.

Conduct of General Meetings

The Annual General Meeting ("AGM") of the Company is the principal forum for dialogue with the shareholders. The Board encourages shareholders to participate in a Question and Answer session on the financial performance and operations of the Group. The Chairman and all other Board members together with senior management as well as the external auditors of the Company are present to respond and provide explanations on matters raised at the meeting.

The Company had leveraged on technology since 2020 to facilitate virtual AGMs through live streaming and remote online participation by using Remote Participation and Voting Facilities ("RPV"). The Notice of the 41st AGM was sent to shareholders 28 days prior to the meeting. The Company will continue to observe the notice period of 28-days for the forthcoming 42nd AGM.

Shareholders were able to raise questions at the 41st AGM in real time by transmitting question via the Query Box and voted remotely at the AGM via RPV. The Board responded to all relevant questions submitted before and during the 41st AGM.

The Company will issue a Notification to its shareholders via electronic mails and by post (for those without email addresses) informing them of the 42nd AGM and that the Company's Annual Report ("AR"), Corporate Governance Report, Circular to Shareholders ('Circular'), Notice of 42nd AGM, Form of Proxy, Administrative Guide for the 42nd AGM and request form for AR/Circular are available on the Company's website.

The Company will continue to explore ways to leverage on technology to enhance the quality of engagement with its shareholders and further participation by shareholders at general meetings.

This Corporate Governance Overview Statement has been approved by the Board of Directors on 20 April 2023.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

This Statement on Risk Management and Internal Control by the Board of Directors ("Board") of Olympia Industries Berhad ("Olympia"/"Company") is made in respect of the financial year ended 31 December 2022 pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers issued by the Taskforce on Internal Control with the support and endorsement of Bursa Securities.

Board's Responsibilities

The Board of Olympia acknowledges its overall responsibility in maintaining a sound system of internal controls and risk management framework of Olympia and its subsidiaries ("Group") and for reviewing the adequacy and integrity of the system periodically to safeguard the interest of the Company's shareholders and the Group's assets.

The risk management and internal control system is designed to manage rather than eliminate the risk of failure in achieving the Group's corporate objectives and can only provide reasonable but not absolute assurance against any material misstatement or loss.

Risk Management Process

The Board has formally endorsed an ongoing risk management and internal control framework which includes the following key elements:

- the guiding principles of the risk management framework;
- the underlying approach to risk management;
- the roles and responsibilities of the Board and the management;
- the underlying approach in reviewing and monitoring any significant risks; and
- regular review on the effectiveness and efficiency of internal control procedures and processes.

The risk management and internal control framework is applied continuously throughout the financial year to determine, evaluate and manage the significant risks of the Group. This is further assured by the implementation of an internal control and risk management system that has been integrated in the Group's operations and working culture. Therefore, any significant risks arising from factors within the Group and from changes in the business environment can be addressed on a timely basis.

The Risk Management Committee which comprises a majority of independent Directors shall assist the Board to identify, assess and monitor key business risks of the Group to safeguard shareholders' investments and the Group's assets.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (cont'd.)

Risk Management Process (cont'd.)

The key aspects of the risk management process include the following:

- Risks are identified by each key business unit assessing the likelihood and impacts of the occurrence of risks which are evaluated and rated as 'Low', 'Medium-Low', 'Medium', 'High-Medium' or 'High'. The level of residual risk is determined after identifying and evaluating the effectiveness of existing controls or mitigating measures.
- Heads of the respective business units undertake to update their risk profiles on a half yearly basis.
- The risk profiles, control procedures and status of the action plans are reviewed on a regular basis by the respective Heads of business unit.
- Heads of business unit are provided with reports to enable them to review, discuss and monitor the risk profiles and implementation of action plans.
- Risk management report summarising the significant risks and/or the status of action plans of the respective business units is presented to the Risk Management Committee for its review, deliberation and recommendation for the endorsement or approval of the Board.

The significant risks identified during the financial year under review include:

Leasing Division

- Low occupancy rate of Menara Olympia

Significant downward pressure on occupancy rate potentially due to more incoming supply of office space with competitive rental rates in the market. The occupancy rate remains subdued despite the broader economy's transition into endemic phase and recovery from the Covid-19 pandemic. The management expects to step up promotion strategies, offer attractive rent-free and renovation-free period packages, providing rental rebate and deferment especially to tenants affected by pandemic/endemic, upgrading building facilities and continue monitoring market movement.

Gaming Division

- Illegal gaming activities

Illegal gaming activities are rampant in the State of Sabah. The illegal gaming operators are getting more innovative with the introduction of WIFI printer connected to their mobile phones to facilitate online purchases by punters. The Group has been engaging with the authorities on a regular basis on ways to combat illegal gaming.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (cont'd.)

Internal Audit Function

The Audit Committee evaluates the internal audit function to assess its effectiveness in the discharge of its responsibilities. Observations from these audits, especially on areas where material internal control deficiencies or lapses have been noted, are presented together with management's proposed action plans and implementation timelines, to the Audit Committee for its review. The internal audit function also follows up and reports to the Audit Committee on the status of implementation of the action plans by management. Further details of the activities of the Internal Audit function are set out in the Audit Committee Report included in this Annual Report.

Internal Control Process

Other key features of the Group's internal control system include the following:

- Board / Board Committees

Board Committees (comprising Audit Committee, Remuneration Committee, Nomination Committee and Risk Management Committee) have been established to carry out their duties and responsibilities delegated by the Board and are governed by the respective written terms of references.

The Audit Committee regularly reviews and scrutinises the audit reports prepared by the Internal Audit Department ("IA") and conducts annual assessment on the adequacy of the IA's scope of work and resources.

Risk Management Committee meeting is held half-yearly to review and evaluate the adequacy of risk management activities, as well as to recommend measures to be adopted to mitigate the business risk exposures.

The Board and the Audit Committee meet quarterly and have set a schedule of matters which is required to be brought to the attention of the Board and/or the Audit Committee for discussion to ensure full and effective supervision over appropriate controls. In addition, the Group Managing Director provides explanation to the Board on pertinent issues. The Board is kept updated on the Group's activities and its operations on a regular basis.

- Organisation Structure and Authorisation Procedure

An organisation structure with the defined lines of responsibility and appropriate reporting structure including proper approval and authorisation limits for approving the capital expenditure and expenses within the Group.

- Policy and Procedure

Internal policies and procedures are documented through a series of manuals for all major operations of the Group. The authorisation procedures for key processes are stated in the Group's policies and procedures.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (cont'd.)

Internal Control Process (cont'd.)

- Annual Budget

Strategic planning and annual budgeting are undertaken for the key business units and consolidated at Group level. Senior management closely monitors the key performance indicators and financial and operating results against budget to identify and where appropriate, to address the significant variances.

- Human Resource Policy

Guidelines on human resource management are in place to ensure that the Group is able to operate in an effective and efficient manner. This involves employing and retaining adequate competent employees with necessary knowledge, skill and experience in carrying out their duties and responsibilities.

Monitoring Process

Given the Group Managing Director and Executive Director are directly involved in daily operations of the Group, they will conduct regular reviews of operational and financial data.

The Audit Committee has full and direct access to the Head of IA and receives reports on all internal audits performed. The IA continues to independently and objectively monitor the compliance with regards to policies and procedures, and the effectiveness of the internal control system. Significant findings and recommendations for improvement are highlighted to the Audit Committee and management, with periodic follow-up of the implementation of action plans. The management is responsible for ensuring that corrective actions are implemented accordingly.

Based on the IA reports for the financial year ended 31 December 2022, some weaknesses in the internal controls were identified and measures have been or are being taken to address these weaknesses. None of these weaknesses have resulted in any material losses, contingencies or uncertainties that would require disclosure in the Company's Annual Report.

Conclusion

The risk management and internal control system of the Group comprising the respective frameworks, procedures, management processes, monitoring processes described in this statement are considered appropriate. While the Board acknowledges that the risk management and internal control system does not eliminate the possibility of collusion or deliberate circumvention of procedures by employees, human errors and/or other unforeseen circumstances that might result in poor judgment, an assurance was received from the Group Managing Director and the General Manager, Group Finance that the risk management and internal control system is operating adequately and effectively.

The Group continues to take measures to enhance and strengthen the risk management and internal controls environment.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (cont'd.)

Review of the Statement by External Auditors

As required by Paragraph 15.23 of the MMLR of Bursa Securities, the external auditors have reviewed this Statement on Risk Management and Internal Control. The external auditors' limited assurance review was performed in accordance with the Audit and Assurance Practice Guide ("AAPG") 3 issued by the Malaysian Institute of Accountants. The AAPG 3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

This Statement on Risk Management and Internal Control has been approved by the Board of Directors on 20 April 2023.

AUDIT COMMITTEE REPORT

The Audit Committee of Olympia Industries Berhad ("Olympia" / "Company") was established on 20 June 1994 to assist the Board of Directors of Olympia ("Board") in discharging its duties pertaining to internal controls, financial and accounting records and policies as well as financial reporting practices of the Company and its subsidiaries ("Group"). The Terms of Reference of the Audit Committee are available on the Company's website at www.oib.com.my

The Board is pleased to present the Audit Committee report for the financial year ended 31 December 2022.

AUDIT COMMITTEE COMPOSITION AND ATTENDANCE OF MEETINGS

The Audit Committee currently consists of three (3) Independent Non-Executive Directors and among them, Miss Wong Siew Si and Dato' Aminudin Zaki bin Hashim have fulfilled the qualification requirements under paragraph 15.09(1)(c) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

Five (5) Audit Committee meetings were held during the financial year ended 31 December 2022 and the attendance of each Audit Committee member is tabulated below:

Audit Committee	Directorship	Meeting Attendance
Wong Siew Si (Chairperson)	Independent Non-Executive Director	5/5
Izaddeen bin Daud (Member) (resigned on 31 March 2023)	Independent Non-Executive Director	4/5
Dato' Syed Sultan bin Mohd Idris (Member)	Independent Non-Executive Director	4/5
Dato' Aminudin Zaki bin Hashim (Member) (appointed on 31 March 2023)	Independent Non-Executive Director	*n/a

**appointed subsequent to financial year 2022*

The Head of Finance and the Head of Internal Audit attend the Audit Committee meetings to brief on the financial results, internal audit reports and related matters as well as to provide further clarifications/explanations thereat. The external auditors also attended certain Audit Committee meetings to brief on audit matters and provide a review of the Group's financial position.

The Audit Committee had two (2) private sessions with the external auditors during the financial year without the presence of management to discuss certain key audit issues/ findings.

AUDIT COMMITTEE REPORT (cont'd.)

SUMMARY OF WORKS PERFORMED BY THE OF AUDIT COMMITTEE

During the financial year ended 31 December 2022, the Audit Committee had performed the following works in the discharge of its functions and duties:

Financial Reporting

- Reviewed and recommended the quarterly financial results and annual audited financial statements of the Company and the Group to the Board for approval. The focus was particularly on the changes in or implementation of major accounting policy, significant matters highlighted including financial reporting issues, significant judgements made by management, significant and unusual events or transactions, and how these matters were addressed; and compliance with accounting standards and other legal requirements.

External Audit

- Reviewed and deliberated with the external auditors on the results of the annual audited financial statements of the Company and the Group and the Auditors' report thereon;
- Discussed and reviewed the external auditors' annual audit plan including their services, independence, area of audit emphasis, audit timeline, terms of engagement for the statutory audit, proposed audit fees, and updates on the Financial Reporting Developments in Malaysia;
- Carried out an evaluation on the performance and independence of the external auditors prior to their re-appointment.

Internal Audit

- Reviewed and approved the risk-based annual Internal Audit plan presented by the Head of Internal Audit;
- Reviewed internal audit reports which highlighted the audit findings, audit recommendations and management's response to the recommendations;
- Reviewed the reports on the status of Internal Audit and Manpower Analysis;
- Monitored the corrective actions taken on the outstanding audit issues to ensure all key risks and control lapses have been addressed; and
- Assessed the performance of Internal Audit Function including that of the Head of Internal Audit and reviewed its effectiveness of the audit process and assessed the overall performance of the Internal Audit department.

Related Party Transactions

- Reviewed related party transactions and recurrent related party transactions of the Company and the Group;

Others

- All Audit Committee members had attended various training programmes during the financial year under review and the details of which are set in the Corporate Governance Overview Statement in this Annual Report.

AUDIT COMMITTEE REPORT (cont'd.)

INTERNAL AUDIT FUNCTION

The Audit Committee is supported by the Internal Audit department in discharging its duties and responsibilities. The Internal Audit department reports directly to the Audit Committee and conducts independent assessments of the Group's internal controls, risk management and governance processes.

The objective, authority and responsibility of the Internal Audit department as well as the nature of consultancy activities provided by the function are set out in the Internal Audit Charter, endorsed by the Audit Committee and approved by the Board. The Internal Audit Charter ensures the appropriate structure, scope of activities, access and reporting arrangements are in place as well as an independent and objective assurance on internal controls and governance procedures within the Company and the Group.

The Internal Audit team functions independently of the activities it audits and carries out its work according to the standards set by professional bodies, primarily consistent with the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors.

The Internal Audit department adopts a risk-based auditing approach, focussing on risk areas and past audit findings of audit assignments. The prime objective of the internal audit function is to ensure a sound internal control system is in place and functioning adequately. This is achieved through regular and systematic reviews of internal control systems and management information systems to ensure the reliability and integrity of information in complying with applicable policies, plans, procedures and regulations.

The Audit Committee reviews and approves the annual audit plan and manpower requirements, prior to the commencement of audits, at the first Audit Committee meeting of the financial year. The audit approach is to focus on high risk business processes and to assess the effectiveness of internal controls thereof.

The Internal Audit scope of coverage for the financial year under review encompassed the audit of key processes and operations of all active subsidiaries as identified in the annual audit plan. Audit activities are aimed to ensure the risk management procedures are in adherence with and principal risks are identified by the management as well as appropriate controls are in place to manage these risks.

The Internal Audit will conduct periodical risk assessments for corruption to identify, assess and mitigate any corruption risks that the Group may expose to. A corruption risk assessment forms the basis of the Company's anti-corruption effort in protecting the Company from relevant threats arising from the weakness in the internal control system.

The Internal Audit department receives appropriate support, training and resources. This has benefited the audits and audit coverage and increased leverage through knowledge and best practices. All auditors have audit background. The Internal Audit department incurred costs of RM126,738 during the financial year ended 31 December 2022 (2021: RM238,488).

SUMMARY OF WORKS OF INTERNAL AUDIT

A summary of the work of the Internal Audit department carried out during the financial year under review encompasses the following:

- (i) Completed the audit assignments covering the Gaming, Investment Holding and Financial Services divisions.
- (ii) Played an active advisory role in the review and improvement of the existing system of internal controls of the Group initiating an effort to provide value added services.

AUDIT COMMITTEE REPORT (cont'd.)

SUMMARY OF WORKS OF INTERNAL AUDIT (cont'd.)

(iii) Audits covered mainly on the review of the following:

- accuracy of financial reporting;
- effectiveness and efficiency of operations;
- adequacy of internal control systems;
- compliance with internal policies, procedures, rules and regulation; and
- effectiveness of risk management processes and implementation of controls by management to mitigate significant risks.

(iv) Ad hoc consulting and reviews.

The Internal Audit department also reported on the audit findings, implementation of control plans to mitigate risks identified and recommended corrective actions as discussed with senior management. The relevant timeline is set for implementation of action plans which were agreed upon to ensure strict adherence and a sound internal control system is in place and functioning adequately. All the corresponding audit reports with action plans and implementation status were presented to the Audit Committee for its review.

(v) Conducted a review on the adequacy of the policy in relation to the corporate liability provision under Section 17A of the Malaysian Anti-Corruption Commission Act 2009 and advised on the gaps that needed to be put in place.

This Audit Committee Report has been approved by the Board of Directors on 20 April 2023.

ADDITIONAL COMPLIANCE INFORMATION

a) Utilisation of Proceeds

The Company did not carry out any corporate exercise to raise funds during the financial year.

b) Audit Fees and Non-Audit Fees

The audit fees and non-audit fees paid or payable to the external auditors for the financial year ended 31 December 2022 are as follows:

Type	Company (RM)	Group (RM)
Audit Fees	174,000	458,000
Non-Audit Fees	11,000	11,000

c) Share Options Scheme (ESOS)

The Company does not have any ESOS.

d) Material Contracts

Save as disclosed below, there were no material contracts entered into between the Company or Olympia and its subsidiaries involving the Directors and major shareholders' interests still subsisting at the end of the financial year ended 31 December 2022 :-

- (i) Consortium agreement dated 14 February 2003 entered into between Olympia Properties Sdn Bhd ("OPSB"), a wholly-owned subsidiary of the Company and KH Estates Sdn Bhd ("KHE"), a wholly-owned subsidiary of DutaLand Berhad ("DutaLand") for the proposed development of four (4) parcels and six (6) parcels of land measuring approximately 32.3 and 41.14 acres in Mukim Batu, District of Kuala Lumpur, State of Wilayah Persekutuan acquired by the Company and DutaLand respectively from Kenny Height Developments Sdn Bhd ("KHD").

The common interested Directors in both Olympia and DutaLand are Tan Sri Dato' Yap Yong Seong and Dato' Sri Yap Wee Keat and the common interested major shareholders in the said companies are Tan Sri Dato' Yap Yong Seong, Dato' Sri Yap Wee Keat, Puan Sri Datin Leong Li Nar and Datuk Yap Wee Chun.

KHD is a major shareholder of both Olympia and DutaLand. Tan Sri Dato' Yap Yong Seong and Puan Sri Datin Leong Li Nar are major shareholders of KHD.

ADDITIONAL COMPLIANCE INFORMATION

(cont'd.)

e) Recurrent Related Party Transactions of a Revenue or Trading Nature conducted pursuant to the Shareholders' Mandate approved at the 41st Annual General Meeting held on 30 May 2022.

Related Parties involved with Olympia Industries Berhad and/or its subsidiaries	Nature of Transaction	Relationship	Aggregate Value for financial year ended 31 December 2022 (RM'000)
DutaLand Berhad ("DutaLand") and its subsidiaries ("DutaLand Group")	Letting of office premises inclusive of parking space at basement parking in Menara Olympia	Tan Sri Dato' Yap Yong Seong ("TSDYYS") and Dato' Sri Yap Wee Keat ("DSYWK") are directors and major shareholders of DutaLand and Olympia Industries Berhad	785
Sri Aman Development Sdn Bhd ("Sri Aman")	Letting of office premises inclusive of parking space at basement parking in Menara Olympia	TSDYYS has 75% indirect interest in Sri Aman	109

SUSTAINABILITY STATEMENT

Olympia Industries Berhad (“Olympia” or “Company”) is committed to enhancing its environmental considerations, social contributions and corporate governance to improve society. This statement sets out the details of our sustainability progress and performance during the financial year 2022.

As we continue ingraining sustainability into the Company and its subsidiaries (“Group”), this Sustainability Statement lays the foundations for improving our sustainability performance by introducing systems and monitoring and tracking key disclosures. This approach enhances our ability to make a meaningful impact through our initiatives and efforts and to create sustainable value for shared success.

Reporting Period	1 January 2022 to 31 December 2022 (“FY2022”)
Reporting Cycle	Annually
Reporting Scope and Boundary	<p>Unless otherwise stated, this statement publishes the sustainability performance for Olympia's two main revenue streams:</p> <ul style="list-style-type: none"> • The Gaming Division, a wholly-owned subsidiary company operated by Lotteries Corporation Sdn Bhd (“LCSB”), with 40 outlets in 13 districts in Sabah • The Leasing Division, operated by a wholly-owned subsidiary, Dairy Maid Resort & Recreation Sdn Bhd (“DMRR”), covers the office premises and car parks within Menara Olympia in Kuala Lumpur <p>Olympia omitted the Property Development Division from this statement as its operations had minimal development and impact.</p>
Reporting Principles and Guidelines	<p>Principle Guideline:</p> <ul style="list-style-type: none"> • Global Reporting Initiative (GRI) Universal Standards <p>Additional Guidelines:</p> <ul style="list-style-type: none"> • Bursa Malaysia's Sustainability Reporting Guide • United Nations Sustainable Development Goals (UNSDGs) • International Organization for Standardisation (ISO) 26000:2010 Guidance on Social Responsibility
Reporting Approach	This Sustainability Statement summarises the sustainability performance of Olympia's strategic businesses, focusing on the key Environmental, Social and Governance (ESG) issues material to Olympia based on their potential impact on the Company and operations.

SUSTAINABILITY STATEMENT (cont'd.)

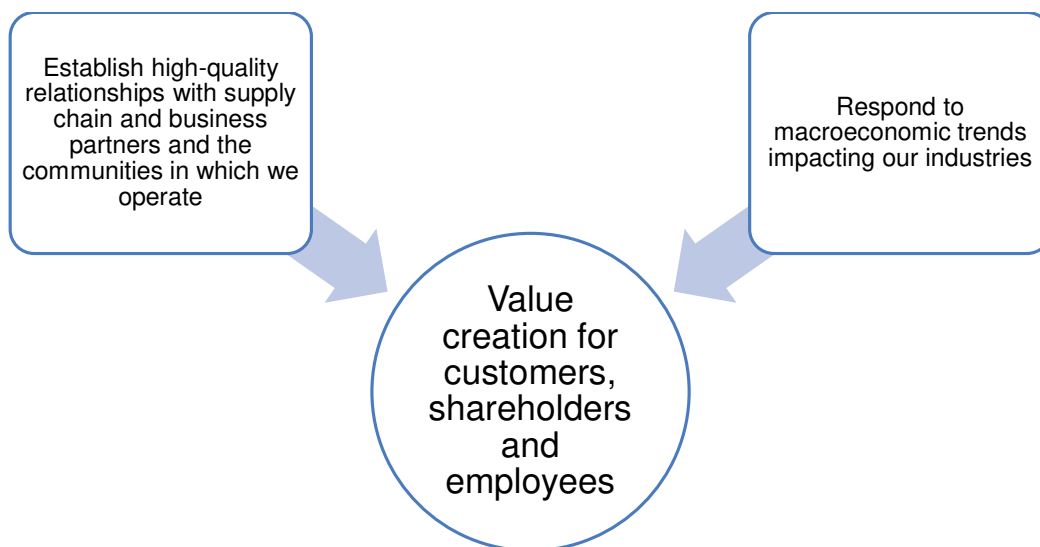
Reliability of Information Disclosed	The Sustainability Working Group reviewed the accuracy of this Sustainability Statement's content before its approval by the Board.
Feedback	As Olympia progresses on its sustainability journey, we welcome stakeholder support and any feedback for improvement. Please direct queries and comments to: olympia@oib.com.my .

SUSTAINABILITY AT OLYMPIA

Olympia delivers services crucial to the growth of our local economy and contributes to nation-building efforts through sustained activities in gaming and office space services.

We are inspired by what is happening all around us. The science is becoming clearer: weather change occurs more frequently, and public awareness is increasing. Governments and regulators adopt new rules and regulations to fight climate change, social problems and inequities from environmental issues. Introducing policies and management practices within the organisation ensure that sustainability and social responsibility are incorporated into our strategies.

Effective management of relevant ESG risks and opportunities across our portfolio shall ensure the long-term resilience of our business while contributing positively to the environment and society as well as creating long-term value for stakeholders.



SUSTAINABILITY STATEMENT (cont'd.)

SUSTAINABILITY AT OLYMPIA (CONT'D.)

For Our Customers Tenants and gaming customers

- We create great customer value and experiences through quality development and services and a safe gaming experience.

For Our Shareholders Investors, including business partners

- We deliver sustainable shareholder returns and build a strong network of capital partners.

For Our People Employees

- We develop high-performing people and teams through rewarding opportunities.

For Our Communities General public, the environment, suppliers, contractors and the local community

- We care for and contribute to the economic, environmental and social development of communities.

SUSTAINABILITY STRUCTURE AND GOVERNANCE

We want to integrate sustainability and integrity into organisational processes and decision-making. Olympia's Board of Directors is the highest authority to oversee our sustainability work. The Sustainability Working Group, led by the General Manager of Group Finance, is accountable for our sustainability programmes, strategy planning and execution.

The Sustainability Working Group comprises representatives from critical functions, including Group Human Resources, Office Leasing, Project Development and Gaming. The Board and Senior management personnel are the main drivers in their fields of expertise, individually and jointly responsible for the strategy and implementation of their respective sustainability measures. The Sustainability Working Group guides the business to maintain consistency in:

- Implementing and managing sustainability strategies, goals, targets and reporting processes;
- Strengthening relations with internal and external stakeholders;
- Ensuring overall accountability; and
- Overseeing the progress during the implementation of Board-approved initiatives and strategies.

SUSTAINABILITY STATEMENT (cont'd.)

SUSTAINABILITY AT OLYMPIA (CONT'D.)

SUSTAINABILITY STRUCTURE AND GOVERNANCE (CONT'D.)



UN SUSTAINABLE DEVELOPMENT GOALS

The 2030 Agenda for Sustainable Development, adopted by United Nations member states in September 2015, is an action plan for people, the planet and prosperity. It includes 17 Sustainable Development Goals (SDGs) and 169 targets.

The Group plays its role in advancing towards the SDGs by directing its efforts towards and actively contributing to several goals on which our activities have the most material impact. Nevertheless, the framework of the SDGs and the associated targets also steer our broader thinking and actions on how we operate.

Our key areas of focus are as follows. This statement discusses Olympia's commitment, progress and achievements for each goal.



SUSTAINABILITY STATEMENT (cont'd.)

STAKEHOLDER ENGAGEMENT

Olympia maintains stakeholders' interests as its highest priority. Our effort to generate sustainable revenue is implemented through our day-to-day operations, creating rewarding and meaningful employment opportunities. Working with local suppliers, contractors and vendors, providing financial aid, and volunteering to support communities are some approaches to creating value for our business and stakeholders.

Engagement with key stakeholders plays a vital role in our sustainability journey. Stakeholder engagement is crucial for identifying areas for improvement and setting our sustainability expectations. We continue forming, strengthening and maintaining valuable connections with stakeholders through various engagement channels.

Engagement Mechanisms For Each Stakeholder Group

Stakeholder Groups	Their Expectations	Our Commitment	Methods of Engagement	Frequency of Engagements
Employees	• Fair remuneration	• A culture of respect, trust and mutual understanding fostered through open and positive relationships	Performance appraisal	Annually
	• Career development and progression opportunities	• Learning and career development opportunities	Training programmes	Ad-hoc training when needed or changes to regulatory frameworks, standards and laws
	• Work-life balance	• Remuneration structures that provide fair rewards for contributions made	Announcements of safety measures such as fire drills	Ad-hoc safety announcements
	• Safe and conducive workplace	• Recognition for excellence in individual and team performance • A safe, healthy and productive work environment	Round-the-clock building security team and CCTV systems	24 hours daily
Senior management and Board of Directors	• Stable and sustainable income distribution	• Balanced and fair senior management and board composition	EXCO & BOD meetings	The Board meets at least four times each year. The Board met six times in FY2022
	• Solid financial performance	• Guided by the principles set out in the Malaysian Code on Corporate Governance ("MCCG")	Meetings of Board Committees	The respective Board Committees convened between one and five times in FY2022
			Internal department meetings	Ad-hoc

SUSTAINABILITY STATEMENT (cont'd.)

STAKEHOLDER ENGAGEMENT (CONT'D.)

Engagement Mechanisms For Each Stakeholder Group (cont'd.)

Stakeholder Groups	Their Expectations	Our Commitment	Methods of Engagement	Frequency of Engagements
Customers	<ul style="list-style-type: none"> Safety and security of premises Transparency 	<ul style="list-style-type: none"> Prioritising interests of customers across operations 	Round-the-clock building security team & CCTV systems, clean and brightly lit outlets, walkways and hallways, and clear of obstructions	24 hours daily
Government and Regulatory Authorities	<ul style="list-style-type: none"> Regulatory compliance Keeping up-to-date with policy and regulatory changes 	<ul style="list-style-type: none"> Compliance with all relevant laws and regulations Contributing to the advancement of the industry and nation 	Direct dialogue to understand and address issues and changes to regulations and requirements	Ad-hoc
			Policy briefings	As and when necessary
			Consultation sessions and conferences	As and when necessary: Directors and senior management attended events organised by regulatory or professional bodies.
Insurers	<ul style="list-style-type: none"> Solid financial performance Being updated on any changes to the circumstances of insured parties or assets Timely payment of insurance premiums 	<ul style="list-style-type: none"> Provision of transparent financial standing and outlook information A solid financial performance that guarantees the timely payment of insurance premiums 	Annual report	Annually
			Renewal process	Upon insurance renewal
			Direct dialogue (claims, additions and exclusions)	Ad-hoc

SUSTAINABILITY STATEMENT (cont'd.)

STAKEHOLDER ENGAGEMENT (CONT'D.)

Engagement Mechanisms For Each Stakeholder Group (cont'd.)

Stakeholder Groups	Their Expectations	Our Commitment	Methods of Engagement	Frequency of Engagements
Creditors, contractors and suppliers	<ul style="list-style-type: none"> Fair treatment Transparent procurement processes Prompt payment 	<ul style="list-style-type: none"> Long-term, mutually beneficial relationships Impartial business decisions free from conflicts of interest Transfer of experience and knowledge for mutual benefit 	Review meetings	Periodically
				Direct dialogue
Shareholders and Investors	<ul style="list-style-type: none"> Stable and sustainable income distribution Solid financial performance Timely and transparent reporting Prudent risk management 	<ul style="list-style-type: none"> Continuous effort to maintain long-term stability and growth in shareholder value and return on investment Build and preserve the value of our capabilities and relationships Responsible management of investment and business risks 	Annual general meetings ("AGM")	Annually
			Extraordinary general meetings ("EGM") where applicable	The frequency of EGMs varies depending on Olympia's corporate exercises. There was no EGM held in FY2022.
Communities and Public	<ul style="list-style-type: none"> Creating a positive impact on the surrounding community Responsible corporate citizen giving back to the community 	<ul style="list-style-type: none"> Support long-term development in serving communities Active engagement in community activities Contribution to the development of social, economic and environmental community needs where operations are based 	CSR activities, festive celebrations and other community engagement	Once or twice a year

SUSTAINABILITY STATEMENT (cont'd.)

STAKEHOLDER ENGAGEMENT (CONT'D.)

Engagement Mechanisms For Each Stakeholder Group (cont'd.)

Stakeholder Groups	Their Expectations	Our Commitment	Methods of Engagement	Frequency of Engagements
Lenders and Financiers	• Solid financial performance	• Sustainable financial position to maintain trust in the financial sector	Annual report submission	Annually
	• Compliance with loan covenants		Periodic bank covenant review process	Periodically
	• The timely loan principal and interest repayments, as agreed		Direct dialogue to address any concerns	Ad-hoc

MATERIALITY MATTERS

We regularly assess our material sustainability topics to ensure that we concentrate on those that have a significant impact on our business and what matters most to stakeholders. An essential dimension of Olympia's strategy and target development process is garnering input from key stakeholders on the most critical topics to the business.

Our approach includes a data-driven analysis of topic areas and structured engagement with our employees and external stakeholders. The findings have influenced our sustainability framework, strategy, targets and KPIs, and as such, we need to ensure that we are able to effectively address our most relevant impacts, opportunities and stakeholder expectations.

We undertake reviews of our material sustainability topics alternating between in-depth assessments and lighter-touch updates. In 2022, as we made recovery progress post-pandemic, we conducted a deep dive review to determine:

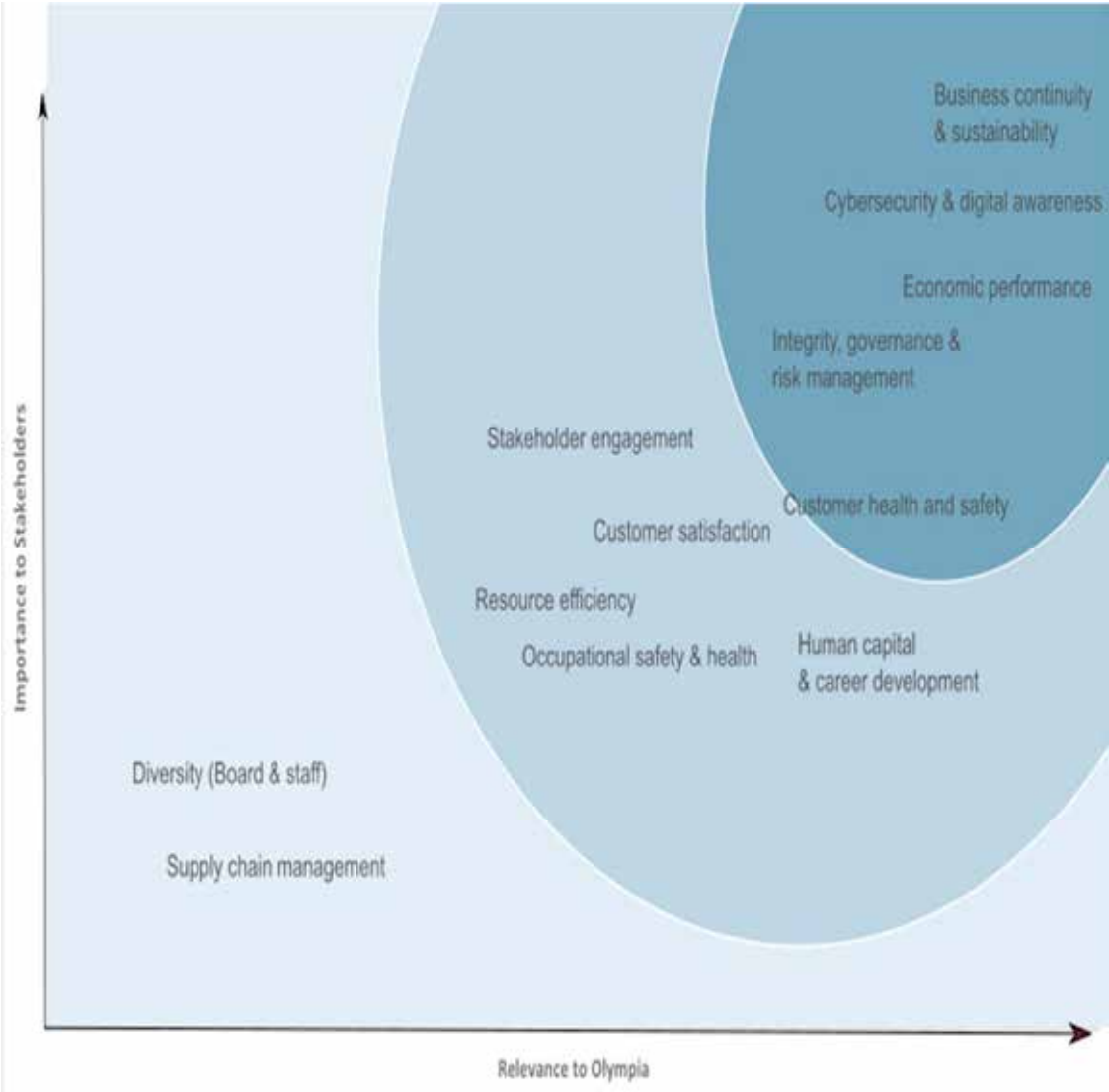
- Whether the significant upheaval changed the topics perceived as necessary to the business; and
- How Olympia should reflect these changes in its strategy.

The process showed a shift in priorities of our internal and external stakeholders, particularly in Economic areas, elevating Business Continuity and Stability to the highest position of importance. It also suggested a much greater appreciation for the interrelatedness of topic areas. This analysis provided the foundation for the evolution of our sustainability programme from predominately stakeholder-oriented to more issues-centric.

SUSTAINABILITY STATEMENT (cont'd.)

MATERIALITY MATTERS (CONT'D.)

Olympia Materiality Matrix 2022



Moving forward, we will regularly assess our material sustainability topics to ensure our sustainability programmes tackle the most critical impacts for our business and stakeholders.

SUSTAINABILITY STATEMENT (cont'd.)

GROUP PERFORMANCE DATA

Financial Year:	2020	2021	2022
Economic			
Anti-Corruption			
Confirmed incidents of corruption	0	0	0
Percentage of employees who have received awareness on anti-corruption	100%	100%	100%
Local Suppliers			
Percentage spending on local suppliers (Gaming)	>99%	>99%	>99%
Environment			
Electricity (MWh)	4,658	4,107	4,597
Water (m ³)	57,167	45,419	55,999
Municipal Waste disposal (tonnes)*	621	585	399
Thermal paper consumption (m ²)	73,948	58,208	98,586
*Waste disposal tonnage was computed based on the maximum capacity of typical three-tonne lorries utilised by our contractor.			
Social			
Training			
Average training hours per year per employee (hours):	4.4	3.2	2.7
Total Training (hours)	146.5	107.5	91.0
Total Investment in Training (RM)	3,797	1,250	6,272
Average training by category (hours):			
Non-executive	0.0	0.0	0.0
Executive	1.3	1.6	1.3
Management	16.9	9.0	12.3
Senior Management	5.3	4.2	2.7
Safety			
Number of work-related fatalities	0	0	0
Human Rights			
Number of substantiated complaints concerning human rights violations	0	0	0
Data privacy and security			
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	0	0	0

SUSTAINABILITY STATEMENT (cont'd.)

SUSTAINABLE ECONOMIC PERFORMANCE

Olympia significantly contributes to shaping the future of office space leasing and gaming industries for a better world by delivering services that support our customers' and tenants' ambitions. They require innovative solutions, and we have invested in developing services that meet surging demand from tenants, customers and investors.

What's Coming Up?

The Kenny Heights development project, in the Hartamas/Mont Kiara vicinity, is a joint venture between KH Estates Sdn Bhd and Olympia Properties Sdn Bhd. The Group also recently embarked on a four-acre Laman Tuanku" public park in partnership with Kuala Lumpur City Hall (DBKL). These projects provide the surrounding community with a Royal Garden experience inspired by its proximity to the National Palace. We target to complete the construction in FY2023.

RESPONSIBLE SUPPLY CHAIN

Olympia is an investment holding group that primarily operates office space leasing and gaming businesses. We must embrace responsibility for all procurement activities that fall within our contractual obligations on behalf of tenants and customers, from supplier identification to sourcing and ongoing supplier relationship management.

We have a strategic opportunity to use our scale to implement processes and policies that promote more sustainable, inclusive and ethical alternatives and share best practices among our tenants and customers. Our sourcing strategy ensures the appropriate management and mitigation of supply chain risks common to the corporate real estate, facility management and gaming sector. Our Leasing division only leases office premises to legitimate business owners registered with the Companies Commission of Malaysia ("SSM").

We expect our vendors and their representatives to conduct all business activities in compliance with the laws and regulations of their jurisdictions. These expectations include, but are not limited to:

- Maintaining professional standards throughout all business dealings, consistent with our Company's Code of Business Conduct and Ethics
- Maintaining the confidentiality of our data
- Engaging in ethical behaviour and refraining from bribery and corruption
- Complying with all anti-corruption, antitrust and fair competition laws

SUSTAINABILITY STATEMENT (cont'd.)

SUSTAINABLE ECONOMIC PERFORMANCE (CONT'D.)

RESPONSIBLE SUPPLY CHAIN (CONT'D.)

These expectations include, but are not limited to (cont'd.):

- Conducting employment practices by following all laws and regulations including, but not limited to, prohibiting the use of involuntary and child labour, complying with wage and hour laws, and, if applicable, affording employees freedom of association and the opportunity to engage in collective bargaining
- Promoting a safe and healthy work environment
- Complying with applicable occupational health and safety laws and regulations
- Demonstrating a commitment to human rights
- Adhering to all applicable environmental laws and regulations

We are also committed to honouring the ten principles of the UN Global Compact in our supply chain, which prohibits discrimination and covers respecting human rights and ethical conduct.

SUPPLIER DIVERSITY

Olympia is committed to advancing diversity and inclusion in its supply chain. Our mission encourages global supply chain competition by building relationships with diverse suppliers and implementing strategies to maximise their development and business opportunities. We actively develop diverse and small local businesses through our supplier diversity initiative.

We also seek opportunities for developing local suppliers. Olympia prioritises local procurement as a general practice unless goods and services such as technical services and IT components are unavailable. In 2022, the leasing and property development divisions spent 100% of their expenditure locally. Our headquarters also spent 100% on local vendors.

In 2022, the Gaming division channelled 0.13% of its revenue to spending on foreign suppliers. We directed this money to a gaming developer in Australia responsible for maintaining the gaming system. This developer also examines all software-related modifications, enhancements and other value-added solutions.

ETHICS AND COMPLIANCE

We work to the highest ethical business standards and have developed a comprehensive ethics and compliance framework enabling us to navigate increasingly complex regulatory requirements. Ethical behaviour is critical to our ability to fulfil our purpose and uphold our reputation.

Good governance and integrity are not just good for business; they provide tangible financial benefits to shareholders and confidence in the communities in which we operate.

SUSTAINABILITY STATEMENT (cont'd.)

SUSTAINABLE ECONOMIC PERFORMANCE (CONT'D.)

ETHICS AND COMPLIANCE (CONT'D.)

Our Code of Business Conduct and Ethics is the cornerstone of our ethical conduct. We undertake an annual exercise to ensure that our people have heard, understood and subsequently subscribed to our Code.

Olympia's anti-corruption and bribery policy provides guidelines on management approaches and measures related to bribery and corruption issues prevention, identification and handling. Delivering training and awareness-raising initiatives to staff guarantees their conduct is beyond reproach.

WHISTLEBLOWING

Stakeholders may report any violations of the Code to the Chairman of the Audit Committee, which will be automatically directed to the Group Managing Director and the Company Secretary. Olympia treats all reports confidentially, and its policy is not to allow retaliation for misconduct reports made in good faith. The Company undertakes, reviews and, where appropriate, investigates alleged violations or misconduct following an established, documented and approved process.

MANAGING OUR ENVIRONMENTAL FOOTPRINT

Olympia understands the need to handle environmental challenges and help reduce negative environmental impacts by adopting and implementing best practice standards, processes and business strategies.

The Group is committed to staying at the forefront in fighting climate change by identifying significant environmental impacts associated with the business and adopting mitigation measures throughout our operations.

In FY2022, we started accelerating our journey to embed sustainability within our business activities. We increased the disclosure of our environmental performance data in our annual report. This increased depth of reporting allows us to communicate our progress more effectively in managing our environmental impacts to stakeholders.

We plan to enhance our future data tracking and monitoring efforts within our operations and engage more closely with all teams across our divisions to foster active engagement and educate our workforce on managing our environmental impact.

Olympia fully complies with all environmental legislation and has not received any fines or penalties for environmental non-compliance.

SUSTAINABILITY STATEMENT (cont'd.)

MANAGING OUR ENVIRONMENTAL FOOTPRINT (CONT'D.)

SUSTAINABLE SOURCING AT OUR PROPERTIES

Olympia aims to integrate sustainable practices into its supply chain and reduce its business activities' negative environmental and social impact. We procure recycled products and materials from sustainable sources whenever possible.

GREENHOUSE GAS EMISSIONS AND ENERGY

Buildings, particularly older structures, are significant consumers of energy, responsible for a substantial portion of global greenhouse gas (GHG) emissions and climate change. We seize opportunities to optimise energy and resource utilisation in our daily operations. The Board takes the necessary steps to stay abreast of all material sustainability risks, including climate-related ones.

Electricity and diesel consumption are significant sources of GHG emissions at Olympia. We continue to assess the building's management systems and processes and work closely with tenants to identify energy conservation efforts.

Ongoing Energy Efficiency Activities



Lighting upgrades



Maintaining air-conditioning systems at our leasing properties and gaming outlets



Optimising ventilation systems



Prioritising investments in more efficient equipment and behavioural change programme

HEALTHY BUILDING

Our building can significantly impact employees' health, well-being and the environment. Olympia favours sustainable equipment and furnishings, ergonomic workstations and elements that maximise natural lighting. Prioritising indoor air quality, natural light and thermal comfort, lighting and acoustics may maximise employees' comfort.

We conduct ongoing monitoring and maintenance of indoor environmental metrics through tenant surveys and assessments.

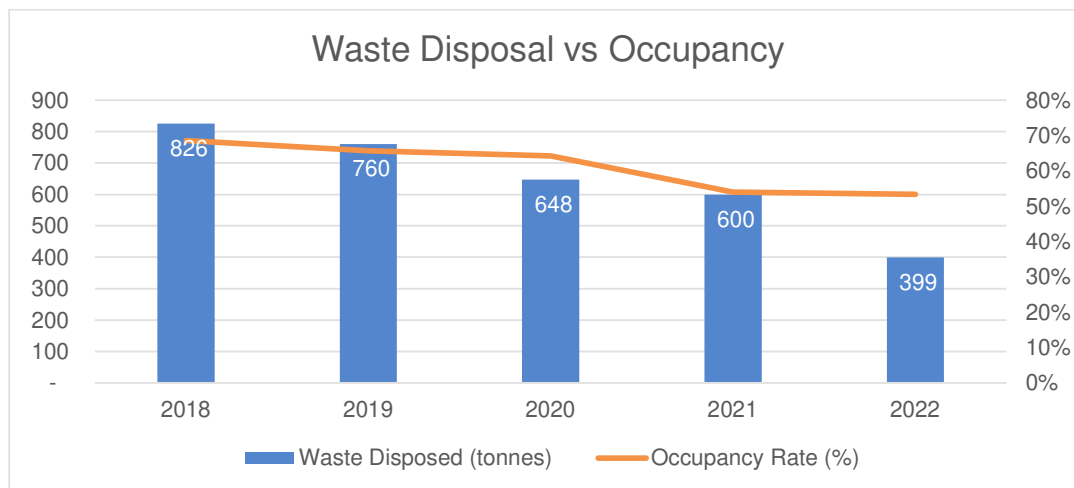
SUSTAINABILITY STATEMENT (cont'd.)

MANAGING OUR ENVIRONMENTAL FOOTPRINT (CONT'D.)

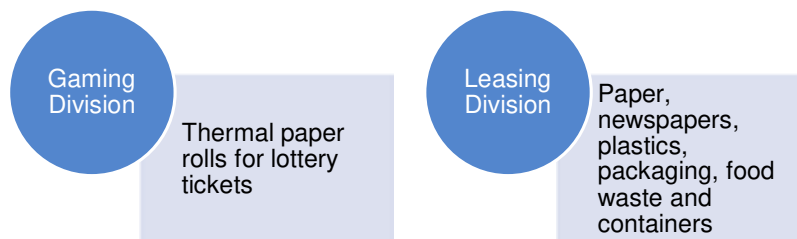
WASTE MANAGEMENT

Olympia responsibly manages waste generated from operations and implements waste management strategies as part of its environmental management system. Tenants and the general public are responsible for most waste generation in our operations. We engage our stakeholders through various means to reduce and recycle waste and place recycle bins at Menara Olympia and our gaming outlets.

Olympia engages with its tenants to segregate all their recyclables, going beyond regulations to cultivate a recycling culture in our operations. Waste disposal, including e-waste, is outsourced to a licensed third-party contractor. The graph below presents the intensity of waste disposal (waste disposed against occupancy rate) at Menara Olympia.



Types of Waste Generated by Our Gaming and Leasing Divisions



Our Gaming division faces challenges posed by using thermal paper as lottery tickets. Thermal paper printing uses heat instead of ink, similar to many receipts, printing lottery tickets almost instantly. Barcode scan ability, high-temperature stability and moisture resistance offered by thermal papers are the factors for its high traction in the gaming industry. As the ink on regular paper tends to fade quickly, replacing this type of paper with regular paper is not currently possible. We will continue seeking economical and environmentally-friendly solutions. We no longer print lottery results unless requested; the public may refer to our website or results boards at our stores. We are also switching to the new ticket-issuing terminals in phases. We aim to migrate to use the new ticket rolls entirely in 2023.

SUSTAINABILITY STATEMENT (cont'd.)

MANAGING OUR ENVIRONMENTAL FOOTPRINT (CONT'D.)

WATER MANAGEMENT

As a predominantly office-based organisation, we do not have a significant water footprint. However, climate change impacts will likely increase water scarcity risks, which could impact future operations.

Olympia uses water primarily for cleaning and flushing. While we do not operate in water-stressed locations, our water management approach focuses on using water resources responsibly. Monitoring water consumption allows us to detect leaks early.

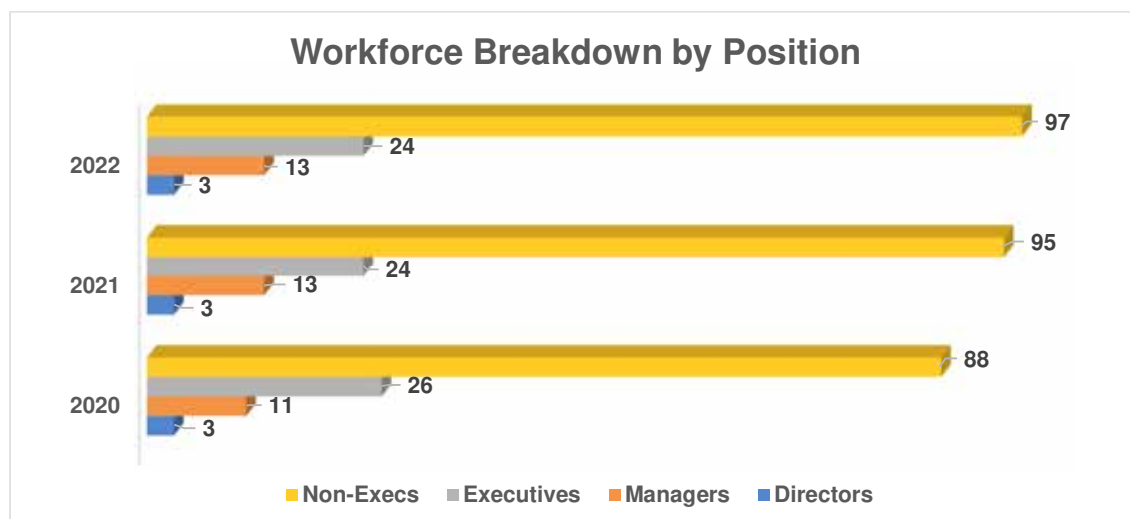
Water-saving solutions implemented at Menara Olympia and other operations include low-flow fixtures, dual flush/low flush toilets and motion-activated faucets. We also reduce reliance on potable water and continue to formulate strategies to reduce the dependence on freshwater consumption.

DYNAMIC WORKPLACE

As employees are instrumental in the successful delivery of the business, we quicken their development, expand and strengthen our leadership capabilities and enhance employee performance through solid engagement. Creating safe, healthy and dynamic spaces promotes productivity, well-being and sustainability.

DIVERSITY, INCLUSION AND BELONGING

We recognise the importance of diversity in driving strong business performance. We strive to create an open environment where everyone is supported and able to fully contribute and benefit. We value and respect the diversity of our employees, suppliers, and customers. We build a culture of diversity and inclusion through our supply chain and human resources practices and policies, and we work to eliminate discrimination and harassment in all forms. The graphs below present the diverse family of OIB.

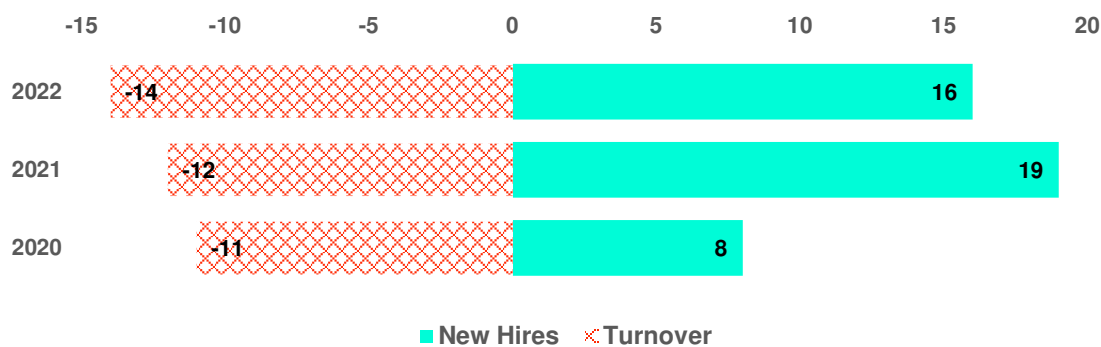


SUSTAINABILITY STATEMENT (cont'd.)

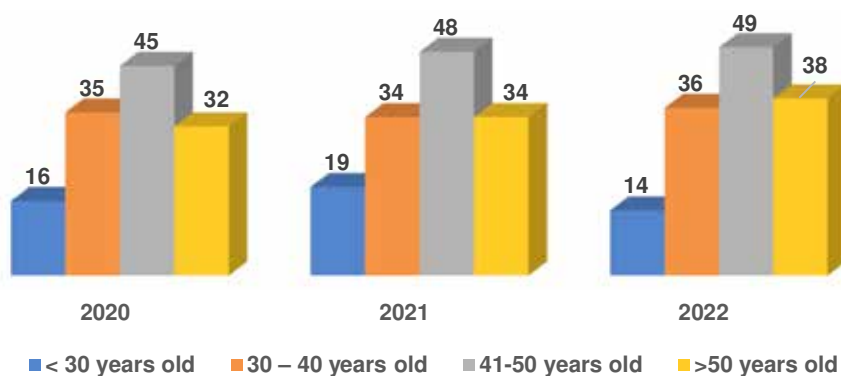
DYNAMIC WORKPLACE (CONT'D.)

DIVERSITY, INCLUSION AND BELONGING (CONT'D.)

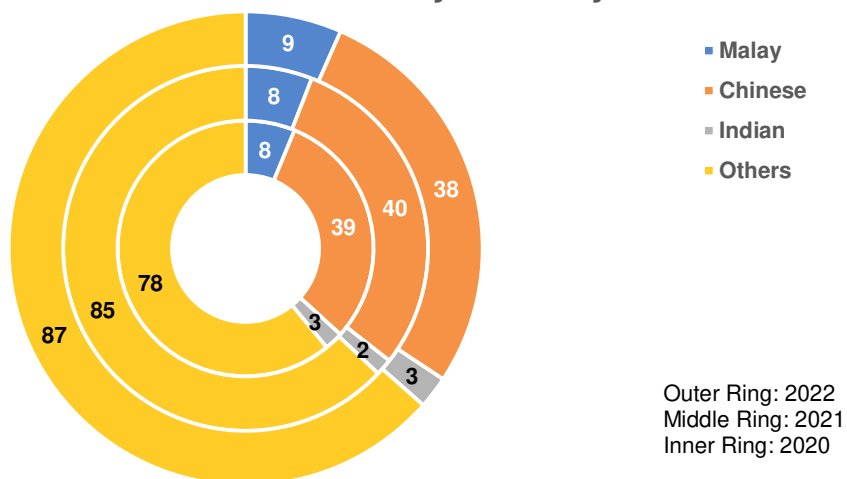
Workforce Movement



Workforce Breakdown by Age Group



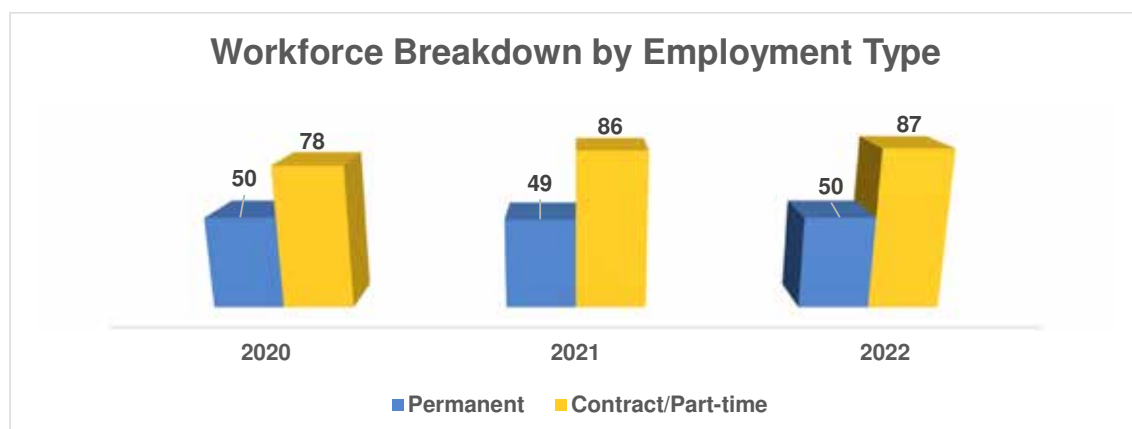
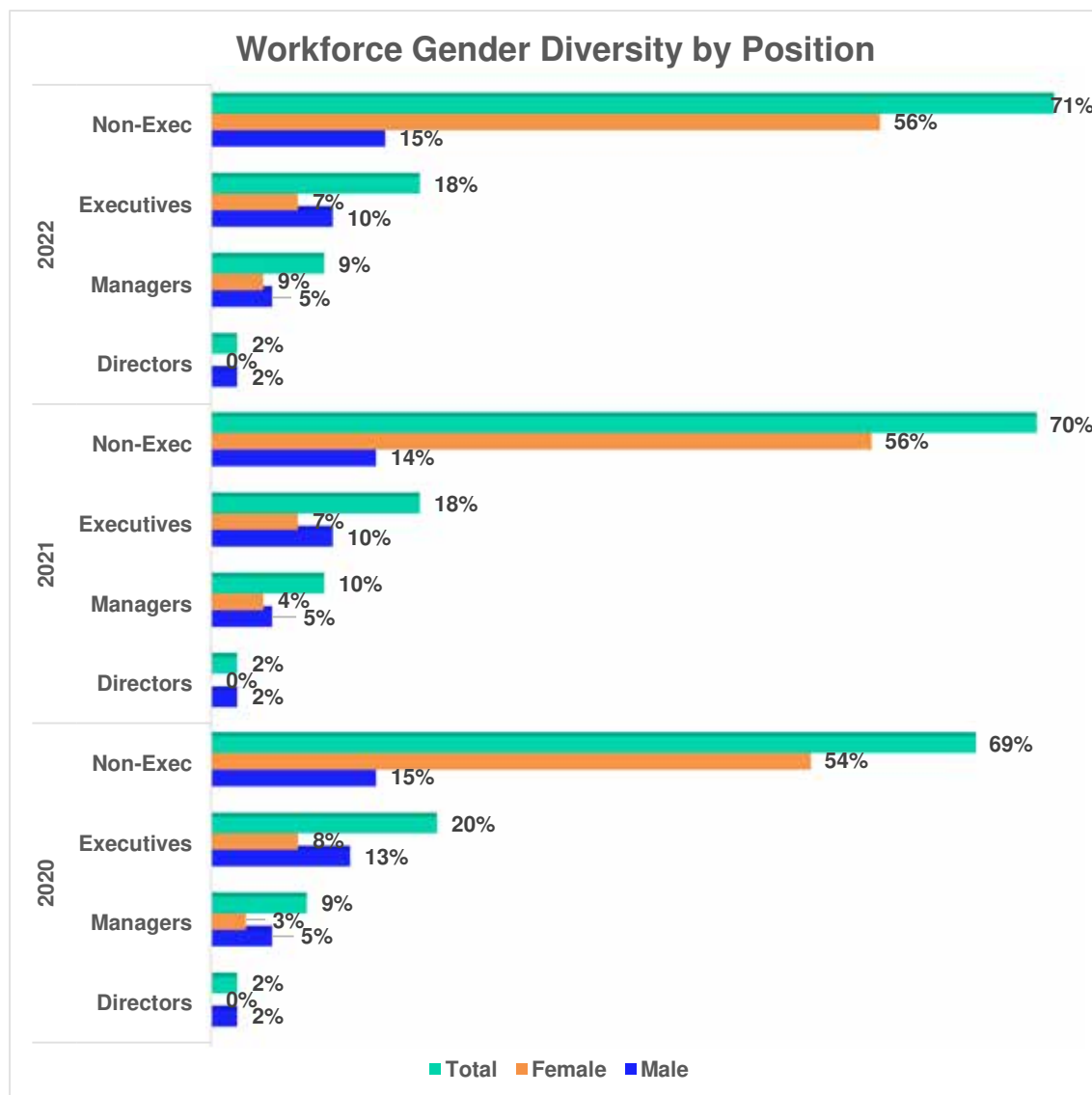
Workforce Breakdown by Ethnicity



SUSTAINABILITY STATEMENT (cont'd.)

DYNAMIC WORKPLACE (CONT'D.)

DIVERSITY, INCLUSION AND BELONGING (CONT'D.)



SUSTAINABILITY STATEMENT (cont'd.)

DYNAMIC WORKPLACE (CONT'D.)

COMPETITIVE COMPENSATION, WORK-LIFE BALANCE

Olympia fairly compensates its employees, regardless of gender, race or ethnicity. We routinely recognise outstanding performance and offer compensation programmes that attract and retain talent. Employees receive competitive remuneration packages with various benefits and opportunities for advancement.

During 2022, we revamped our benefits and compensation packages to include dental, optical and fitness claims. Olympia offers excellent flexibility to meet personal and family needs and work diligently to comply with all applicable labour and employment laws.

EMPLOYEE SATISFACTION AND EMPOWERMENT

We continually assess and strive to enhance employees' satisfaction and engagement. Employees, many of whom have a long tenure with our Company, frequently express satisfaction with the management. Olympia prioritises job security, stability and career progression throughout all operations.

EQUAL OPPORTUNITIES

We commit to promoting equal opportunity and non-discrimination in our Employee Handbook. We treat all staff with respect and dignity, ensuring all have equal opportunities for employment, training and career advancement.

Periodic reviews of employment terms and conditions help uphold diversity and inclusiveness in the workplace. We evaluate staff based on the Annual Performance and Development Review results. Remuneration and promotion packages guarantee objective and fair rewards.

PROFESSIONAL DEVELOPMENT

We offer employees regular opportunities to participate in professional development programmes. Dedicated resources are being contributed to educating and reviewing employees' career paths to advance professionally. Examples of upskilling programmes attended by our employees include:

- MAICSA Annual Conference 2022
- Webinar on Employment Amendment Act 2022
- Introduction of Artificial Intelligence and its Application
- MIA Webinar Series – Excel Intelligence Tool
- Data Visualisation and Create Interactive Dashboard with Python
- Key Amendments to Listing Requirements 2022 and various corporate proposals
- Modern Finance
- ESG and tax – a Governance Point of View

SUSTAINABILITY STATEMENT (cont'd.)

DYNAMIC WORKPLACE (CONT'D.)

PROFESSIONAL DEVELOPMENT (CONT'D.)

Examples of upskilling programmes attended by our employees include (cont'd.):

- Supercharging modern accounting
- Tax Corporate Governance Framework
- Bringing Finance into Focus in a Digital World
- The new OECD Transfer Pricing Guidelines 2022

HEALTH AND SAFETY

Olympia protects employees from health and safety risks. Our Occupational Safety and Health Policy outlines the general safety and health standards at work, covering job hazard analysis, safe working procedures, safety training and accident prevention.

Our policy provides a safe and healthy workplace and complies with applicable occupational health and safety laws and regulations. Similar to others, these workforce policies extend to suppliers and vendors where appropriate.

Various safety training was conducted to increase employees' awareness and reduce workplace accidents and injuries. Examples of safety training programmes held during the year include online safety training by BOMBA (Fire and Rescue Department of Malaysia), a fire evacuation drill and a table talk.

Stringent safety and quality controls at our buildings ensure all certifications and licenses, such as the Certificate for Occupation, DBKL Building Inspection Certification, a certificate from BOMBA, generator sets, escalators and lifts, are up to date.

We extend our safety standards to contractors and third-party workers working at our sites. Contractors working at any of our properties, offices and outlets are responsible for the safety of their workers. Building occupants and the public must not be exposed to health, safety and security risks when performing any work. Every Permit to Work (PTW) stipulates that the contractor must comply with all relevant laws and regulations, including the Occupational Safety and Health Act 1994, Factories and Machinery Act 1967 and other related government agency regulations.

SUSTAINABILITY STATEMENT (cont'd.)

DYNAMIC WORKPLACE (CONT'D.)

HEALTH AND SAFETY (CONT'D.)

WELFARE AND WELLNESS INITIATIVES

Our robust employee wellness programme incorporates health benefits, including incentives for enrolling in exercise classes and maintaining gym membership. These incentives improve employees' mental and physical well-being. In 2022, we included an Employee Wellness Plan in these incentives. These incentives include outpatient medical, dental, optical and fitness plans for all employees.

Olympia organises various employee welfare and engagement activities to promote a healthy working environment, such as company dinners, luncheons, festive celebrations, gatherings and regional meetings.

HUMAN RIGHTS

As responsible corporate citizens, we must respect human rights within our sphere of influence and ensure that our business activities do not infringe upon them. Fulfilling our human rights due diligence obligations help us to meet the increasing shareholder expectations and to remain competitive in the long term.

We reduce the risk of human rights violations by aligning our actions with the UN Universal Declaration of Human Rights and Guiding Principles on Business and Human Rights. We also integrate due diligence into our business processes.

Our commitment to human rights extends to our suppliers, vendors and business partners and includes the following components:

- Provides a safe and healthy workplace for employees, free from discrimination and harassment
- Does not use child, forced and involuntary labour
- Prohibits physical abuse, bullying and threats
- Support and respect freedom of association and the rights of workers and employees to bargain collectively, as per local law
- Practise freedom of expression and two-way communication by having a mechanism to allow employees to engage with management
- Clear policy which prohibits discrimination in the hiring and employment practices, including gender, race, religion, age, sexual orientation, disability and nationality
- Complies with local laws on working hours and overtime
- Provides competitive benefits and remunerations where minimum wage must at least covers a living wage

SUSTAINABILITY STATEMENT (cont'd.)

A CARING SOCIETY

Olympia brings the Group together to give back to society by participating in community services and addressing community needs. We strive to create positive impacts in the local communities by leveraging our strength and resources through donations, sponsorships and corporate volunteer services. Olympia placed 40 donation boxes throughout Sabah gaming outlets and raised a total of RM10,738. We gave the raised funds to Special Olympic Sabah and Red Crescent Sabah.

Our subsidiary, Lotteries Corporation Sdn Bhd, made several monetary and in-kind donations to homes for children, the disabled and community care centres. We made many ad hoc contributions during the year, including humanitarian aid to help the needy. This year, the Gaming Division also contributed financially during charity visits to various homes.

OPERATING RESPONSIBLY

PRIORITISING ESG IN OUR INVESTMENT PORTFOLIO

Olympia applies operations expertise to investment due diligence, which helps us prioritise efficiency and quality in our investment assets. The increasing focus on ESG drives us to invest even more responsibly and select assets that positively impact people and the planet. Prioritising ESG also helps our investment team stay ahead of current trends. We manage risk and meet investor expectations by surpassing local legislation and policies related to energy use, carbon emissions, water, waste, and labour impacts. Olympia also began integrating ESG into its investment decisions more formally.

CYBERSECURITY AND DATA PRIVACY

New technology presents new challenges. Olympia identified cybersecurity as a critical enterprise risk for the Company. Our Information Technology Division's defence-in-depth approach deploys cybersecurity tools to identify and prevent internal and external attacks. The Company complies with regulatory cybersecurity requirements.

Combating, preventing and reducing the impact of cybercrime and online fraud is paramount. Given the severe consequences of a security breach, building infrastructure on reliable and proven cryptographic cybersecurity solutions is critical for the lottery and gaming business.

Several security mechanisms and controls randomly allocate winnings to tickets and prevent any 'localisation' of winning tickets. There were no complaints concerning the security and reliability of games during this reporting period.

SUSTAINABILITY STATEMENT (cont'd.)

OPERATING RESPONSIBLY (CONT'D.)

CYBERSECURITY AND DATA PRIVACY (CONT'D.)

The Company also continues to advance data privacy through:

- Monitoring regulated activities related to personal data collection, use, and sharing; and
- Maintaining compliance with applicable data privacy laws and privacy policies.

A robust data and technology governance model that follows the principles of security and privacy by design is one of the top priorities, especially in our gaming operations.

Our Gaming Division does not retain winners' personal information unless they claim them by cheque. However, Bank Negara Malaysia regulations require us to report big, repeated or recurring wins. Lottery winners' information is kept confidential at the Company's headquarters.

RESPONSIBLE GAMING

Responsible gaming is critical to our Gaming Division, as sustainable business growth only comes from happy players. We are constantly evolving and innovating in this field; this is socially responsible behaviour and makes long-term business sense.

Olympia encourages responsible gaming and practices, vowing to make it an integral part of our daily operations. We are committed to the responsible management and sale of all lottery tickets, raising awareness of problem gambling and available treatment resources while protecting vulnerable groups.

Our approach to responsible gaming includes:

- Designing, developing and implementing and monitoring responsible gaming activities
- Educating players, their relatives and broader society about the rationale of participating in games of chance and the adverse consequences of irresponsible gaming
- Complying with legal labelling requirements
- Working with regulators to combat illegal gaming
- Actively participating in industry discussions that address illegal gaming issues
- Working closely with industry peers to address responsible gaming issues

All games include:

- Clear labelling that indicates the age restrictions of customers
- Information on the applicable regulatory authority
- Informational material and guides
- Clear and visible information on game odds

Our values, statute and regulations drive our commitment to responsible gaming. Our licenses are mandated to develop and maintain a responsible gaming programme by law. Responsible gaming is an integral part of our business operations and oversight responsibilities.

SUSTAINABILITY STATEMENT (cont'd.)

OPERATING RESPONSIBLY (CONT'D.)

ENSURING SATISFACTION

Fostering meaningful interactions with customers and tenants will bring about customer satisfaction. Our 'Walk management' approach involves management representatives conducting regular inspections to assess our service performance.

We regularly consult and interact with our tenants to ensure open lines of communication and satisfaction. Developing good relationships with our customers and tenants allows us to anticipate, understand and respond promptly to their needs through regular communication, the timely resolution of issues and progressive upgrading and expansion. Creating an environment that fosters goodwill enables tenants to commit to longer leases, creating a more robust tenant network.

Many tenants have enjoyed a long-term relationship with us and frequently express satisfaction with our management team and the ethical principles we have demonstrated. We take responsible actions to promote the safety and security of our premises.

Frontline gaming staff also play a crucial role as the face of the brand representing corporate values at our Gaming Division. As they are our customers' first port of call, we ensure that these frontline workers are engaged and enthusiastic at work.

MOVING FORWARD

We all face inflation pressures affecting our businesses and personal lives; we also deal with talent and material shortages to deliver specific business needs. These issues are significant; it will take time for the business to return to 'normal' when costs are high and skilled workers with the right fit is in short supply.

Despite the re-opening of our economy, slower than expected business activity recovery is the main challenge businesses and employees are currently dealing with as we emerge from the Covid-19 pandemic.

The future challenge is balancing addressing the increasing expectations of customers and investors, evolving regulations, commitment to sustainable development and delivering sustainable returns to shareholders.

Leveraging long-term relationships with suppliers, tenants, and customers ensure they progress with us as we meet the sustainability targets that will catalyse heightened success.

This Sustainability Statement has been approved by the Board of Directors on 20 April 2023.

DIRECTORS' RESPONSIBILITY STATEMENT

For preparing Annual Audited Financial Statements

The Directors are required under the Companies Act, 2016 ("Act") to prepare financial statements for each financial year which give a true and fair view of the financial position of the Company and the Group and of their financial performance and cash flows for the financial year then ended. As required by the Act and the Listing Requirements of Bursa Malaysia Securities Berhad, the financial statements have been prepared in accordance with the Malaysian Financial Reporting Standards and the provisions of the Act in Malaysia.

The Directors consider that, in preparing the financial statements for the year ended 31 December 2022, the Group and the Company have used appropriate accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent. The Directors also ensure that all applicable approved accounting standards have been followed.

The Directors are responsible and have ensured that proper accounting records are kept under the Act, that disclose with reasonable accuracy, the financial positions and results of the Company and the Group. The Directors are also responsible for taking necessary and reasonable steps to safeguard the assets of the Company and the Group as well as to prevent and detect fraud and other irregularities.

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DIRECTORS' REPORT

The directors hereby present 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 activities of the Company are investment holding and the provision of management services to the subsidiaries.

The principal activities of the subsidiaries are disclosed in Note 37 to the financial statements.

Results

	Group RM'000	Company RM'000
Loss for the year	(12,860)	20,502
Attributable to:		
- equity holders of the Company	(13,206)	20,502
- non-controlling interests	346	-
	(12,860)	20,502

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

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 declared or paid by the Company since the end of the previous financial year. The directors do not recommend any payment of dividend in respect of the current financial year.

Directors

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

Y.A.M. Tunku Naquiyuddin ibni Almarhum Tuanku Jaafar
Tan Sri Dato' Yap Yong Seong *
Dato' Sri Yap Wee Keat *
Ng Ju Siong *
Dato' Syed Sultan bin Mohd Idris
Wong Siew Si
Dato' Aminudin Zaki bin Hashim (appointed on 31 March 2023)
Izaddeen bin Daud (resigned on 31 March 2023)

* These directors are also the directors of the Company's subsidiaries.

DIRECTORS' REPORT (cont'd.)

Directors (cont'd.)

The names of the directors of the Company's subsidiaries in office since the beginning of the financial year to the date of this report (excluding those directors listed above) are:

Datuk Yap Wee Chun
Yap Wee Sean
Lee Chee Kai
Cho Kah Hing
Yap Cheng Moot
Ainuddin bin Tun Abdul Hamid

Directors' benefits

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive benefits (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full-time employee of the Company as shown in below) by reason of a contract made by the Company or a related corporation with any director or with a firm of which the director is a member, or with a company in which the directors have substantial financial interest.

	Group RM'000	Company RM'000
Salaries and other emoluments	2,386	702
Fees	180	180
Defined contribution plan	163	52
Benefits-in-kind	83	68
	2,812	1,002

No indemnity was given to or insurance premium paid for any directors of the Company and its subsidiaries during or since the end of the financial year.

DIRECTORS' REPORT (cont'd.)

Directors' interests

The interests of directors in office at the end of the financial year in shares in the Company and its related corporations during the financial year were as follows:

	Number of ordinary shares			
	1.1.2022	Acquired	Disposed	31.12.2022
The Company				
Direct interest:				
Y.A.M. Tunku Naquiyuddin				
ibni Almarhum Tuanku Jaafar	20,000	-	-	20,000
Tan Sri Dato' Yap Yong Seong	55,668	-	-	55,668
Dato' Sri Yap Wee Keat	44,500	-	-	44,500
Indirect interest:				
Tan Sri Dato' Yap Yong Seong *	337,529,083	203,412,586	-	540,941,669
Dato' Sri Yap Wee Keat *	337,529,083	203,412,586	-	540,941,669
Subsidiaries of the Company				
Olympia Leisure Sdn. Bhd.				
Direct interest:				
Dato' Sri Yap Wee Keat	60,000	-	-	60,000
JetFM Sdn. Bhd.				
Indirect interest:				
Dato' Sri Yap Wee Keat **	188,784	-	-	188,784

* Deemed interest held through Kenny Height Developments Sdn. Bhd. and Duta Equities Sdn. Bhd.

** Deemed interest held through Ample Paramount Sdn. Bhd.

Tan Sri Dato' Yap Yong Seong and Dato' Sri Yap Wee Keat by virtue of their interests in shares in the Company are also deemed to have interests in shares of the subsidiaries to the extent the Company has an interest.

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

On 18 July 2022, RHB Investment Bank had on behalf of the Joint Offerors (Duta Equities Sdn Bhd (DESB) and Kenny Height Developments Sdn Bhd (KHDSB)), served the Notice on the Board of directors to notify them of the Joint Offerors' intention to undertake a conditional mandatory take-over offer. The offer is a mandatory obligation pursuant to subsection 218(2) of the Capital Markets and Services Act 2007 ("CMSA") and subparagraph 4.01(a) of the Rules on Take-overs, Mergers and Compulsory Acquisitions issued by the Securities Commission Malaysia.

On 18 July 2022, DESB had acquired 1,044,200 ordinary shares, for a total cash consideration of RM67,873, which was effected via an open market transaction. The acquisition resulted the equity interest of Joint Offerors to increase from 32.99% to 33.09%.

DIRECTORS' REPORT (cont'd.)

Directors' interests (cont'd.)

The offer has lapsed on 7 September 2022, resulting in indirect interest held by Joint Offerors increasing from 33.09% to 52.86% from the acquisition of additional 202,368,386 ordinary shares.

Other statutory information

- (a) Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances which would render:
- (i) the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and
 - (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) At the date of this report, there does not exist:
- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the directors, save as disclosed in Note 2.1 to the financial statements:
- (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

DIRECTORS' REPORT (cont'd.)

Auditors

The auditors, Ernst & Young PLT, have expressed their willingness to continue in office.

Auditors' remuneration is as follows:

Ernst & Young PLT

- statutory audit

- other services

Other auditors

Group RM'000	Company RM'000
439	174
11	11
19	-
469	185

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit for an unspecified amount. No payment has been made to indemnify Ernst & Young PLT for the financial year ended 31 December 2022.

Signed on behalf of the Board in accordance with a resolution of the directors dated 20 April 2023.

Dato' Sri Yap Wee Keat

Tan Sri Dato' Yap Yong Seong

STATEMENT BY DIRECTORS

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

We, Dato' Sri Yap Wee Keat and Tan Sri Dato' Yap Yong Seong, being two of the directors of Olympia Industries Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 73 to 141 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022 and of their financial performance and their cash flows for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 20 April 2023.

Dato' Sri Yap Wee Keat

Tan Sri Dato' Yap Yong Seong

STATUTORY DECLARATION

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

I, Lee Chee Kai, being the officer primarily responsible for the financial management of Olympia Industries Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 73 to 141 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by
the abovenamed Lee Chee Kai
at Kuala Lumpur in Federal Territory
on 20 April 2023.

Lee Chee Kai
MIA CA 3429

Before me,

Ramathilagam A/P T Ramasamy
No. W671
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

to the members of Olympia Industries Berhad
(Incorporated in Malaysia)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Olympia Industries Berhad, which comprise the statements of financial position as at 31 December 2022 of the Group and of the Company, and statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 73 to 141.

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 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 audit opinion.

Material uncertainty related to going concern

We draw attention to Note 2.1 to the financial statements, which discloses the following:

- As at 31 December 2022, the Group and the Company have net assets of RM352,432,000 and RM366,681,000 respectively. However, the Group incurred a loss after tax of RM12,860,000 for the financial year ended 31 December 2022. As of that date, the Group's and the Company's current liabilities exceeded their current assets by RM28,297,000 and RM5,696,000 respectively.
- The Group has a secured term loan of RM120 million which is due for partial repayments commencing from August 2023 and full repayment in August 2026. The Group has been granted temporary indulgence from the remediation of security maintenance margin and interest service coverage ratio requirements until 1 January 2024. In the event that further indulgence is not granted, the ability of the Group to comply with these term loan covenants subsequent to 1 January 2024 is dependent on amongst others, the improvement in the market conditions for the leasing of office space and the management's efforts to improve the tenancy rates of the investment property to achieve profitable operations.
- The Group has certain unencumbered assets including certain land held for development and inventories of the Group, which will be disposed of as part of the management's plans to gradually reduce the level of the borrowings of the Group. However, due to the uncertain outlook for the property market, the Group may not be able to liquidate these assets to realise their full values within a short period should the need arise.
- The principal activities of the Company are investment holding and the provision of management services to its subsidiaries. Thus, the ability of the Group and Company to continue as going concerns is dependent amongst others, the ability of the subsidiaries of the Group to achieve profitable operations.

These conditions indicate the existence of material uncertainties that may cast significant doubt on the ability of the Group and the Company to continue as going concerns.

INDEPENDENT AUDITORS' REPORT (cont'd.)

to the members of Olympia Industries Berhad (Incorporated in Malaysia)

Material uncertainty related to going concern (cont'd.)

Nevertheless, the financial statements of the Group and of the Company have been prepared on a going concern basis. The ability of the Group and of the Company to continue as going concerns is dependent on the successful implementation of the management's plans as disclosed in Note 2.1 to the financial statements.

Our opinion is not modified in respect of this matter.

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International 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 year. We have determined that there are no key audit matters to communicate in our report on the financial statements of the Company. In addition to the matter described in the Material Uncertainty Related to Going Concern section, the key audit matters for the audit of the financial statements of the Group are described below. These matters were addressed in the context of our audit of the financial statements of the Group as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

Valuation of investment property

As disclosed in Note 15 to the financial statements, the carrying amount of the Group's investment property amounted to RM277 million, representing approximately 50% of the Group's assets as at 31 December 2022. The Group adopts the fair value model for its investment property. When estimating the fair value of a property, the objective is to estimate the price that would be received from the sale of the investment property in an orderly transaction between market participants at the reporting date under current market conditions. In addition, the fair value should reflect, amongst others, rental income from current leases and other assumptions that market participants would use when pricing the investment property under the current market conditions, which are highly judgmental. Accordingly, we consider this to be an area of audit focus.

INDEPENDENT AUDITORS' REPORT (cont'd.)

to the members of Olympia Industries Berhad (Incorporated in Malaysia)

Key audit matters (cont'd.)

Valuation of investment property (cont'd.)

Our audit procedures focused on the valuation performed by the independent valuer, included, amongst others, the following procedures:

- We considered the competence, capabilities and objectivity of the independent valuer;
- We obtained an understanding of the methodology adopted by the independent valuer in estimating the fair value of investment property and assessed whether such methodology is consistent with those used in the industry;
- We had discussions with the independent valuer to obtain an understanding of the property related data used as input to the valuation model;
- We tested the accuracy of rental income data applied in the valuation by comparing them with lease agreements and challenged the revisionary rental rate, capitalisation and void rate by comparing them with available industry data, taking into consideration comparability and market factors;
- We assessed whether the discount rate used to determine the present value of the cash flows reflects the return that investors would require if they were to choose an investment that would generate cash flows of amounts, timing and risk profile equivalent to those that the entity expects to derive; and
- We assessed the adequacy of the disclosures on those assumptions to which the outcome of the valuation is most sensitive. The Group's disclosures on the valuation sensitivity and significant assumptions used are included in Note 15 to the financial statements.

Information other than the financial statements and auditors' report thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the Directors' report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon, which we obtained prior to the date of this auditors' report, and the annual report, which is expected to be made available to use after the date of this auditors' report.

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.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Directors of the Company and take appropriate action.

Responsibilities of the directors for the financial statements

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

INDEPENDENT AUDITORS' REPORT (cont'd.)

to the members of Olympia Industries Berhad (Incorporated in Malaysia)

Responsibilities of the directors for the financial statements (cont'd.)

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

INDEPENDENT AUDITORS' REPORT (cont'd.)

to the members of Olympia Industries Berhad (Incorporated in Malaysia)

Auditors' responsibilities for the audit of the financial statements (cont'd.)

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

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

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 37 to the financial statements.

Other matters

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

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Kuala Lumpur, Malaysia
20 April 2023

Chuan Yee Yang
03489/03/2024 J
Chartered Accountant

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2022

	Note	2022 RM'000	2021 RM'000
Revenue	4	86,396	59,628
Other income	5	3,466	2,650
Raw materials, consumables and other direct expenses		(10,252)	(8,557)
Gaming prizes, commissions and related tax and duties		(59,774)	(37,261)
Employee benefits expenses	6	(12,408)	(10,837)
Other expenses		(12,654)	(8,816)
Operating loss		(5,226)	(3,193)
Finance costs	8	(8,343)	(8,379)
Loss before tax	9	(13,569)	(11,572)
Income tax credit	10	709	387
Loss for the year, representing total comprehensive loss for the year		(12,860)	(11,185)
Attributable to:			
- equity holders of the Company		(13,206)	(11,182)
- non-controlling interests		346	(3)
		(12,860)	(11,185)
Loss per share attributable to equity holders of the Company (sen)			
Basic/Diluted	11	(1.3)	(1.1)

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2022

	Note	2022 RM'000	2021 RM'000
Revenue	4	3,500	3,500
Other income	5	28,085	6,505
Employee benefits expenses	6	(2,902)	(2,780)
Other expenses		(5,800)	(2,108)
Operating profit		22,883	5,117
Finance cost	8	(2,381)	(2,857)
Profit before tax	9	20,502	2,260
Income tax expense	10	-	-
Profit for the year, representing total comprehensive income for the year		20,502	2,260

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	Note	2022 RM'000	2021 RM'000
Assets			
Non-current assets			
Plant and equipment	12	2,295	2,618
Right-of-use assets	13	3,379	3,784
Land held for property development	14(a)	220,907	218,813
Investment property	15	277,000	280,000
Investments in associates	17	-	-
		503,581	505,215
Current assets			
Inventories	14(b)	14,116	13,652
Trade and other receivables	18	4,638	4,615
Amounts due from affiliated companies	20	337	145
Tax recoverable		1,484	2,752
Investment securities	21	4,626	28,044
Cash and bank balances	22	26,121	30,426
		51,322	79,634
Total assets		554,903	584,849
Equity and liabilities			
Equity attributable to equity holders of the Company			
Share capital	23	295,384	295,384
Merger deficit	24	(233,884)	(233,884)
Retained earnings	25	289,823	303,029
		351,323	364,529
Non-controlling interests		1,109	763
Total equity		352,432	365,292
Non-current liabilities			
Borrowings	26	120,000	150,000
Lease liabilities	27	2,314	2,439
Other payables	28	-	100
Deferred tax liabilities	29	538	1,578
		122,852	154,117

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2022 (cont'd.)

	Note	2022 RM'000	2021 RM'000
Equity and liabilities (cont'd.)			
Current liabilities			
Trade and other payables	28	28,890	24,880
Amounts due to affiliated companies	20	44,513	39,359
Borrowing	26	5,000	-
Lease liabilities	27	748	845
Tax payable		468	356
		79,619	65,440
Total liabilities		202,471	219,557
Total equity and liabilities		554,903	584,849

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	Note	2022 RM'000	2021 RM'000
Assets			
Non-current assets			
Plant and equipment	12	54	55
Right-of-use assets	13	350	700
Investments in subsidiaries	16	242,290	242,897
Amount due from a subsidiary	19	134,683	134,683
		377,377	378,335
Current assets			
Trade and other receivables	18	444	444
Amounts due from subsidiaries	19	11,043	13,970
Amounts due from affiliated companies	20	36	32
Investment securities	21	25	29
Cash and bank balances	22	1,921	2,596
		13,469	17,071
Total assets		390,846	395,406
Equity and liabilities			
Equity attributable to equity holders of the Company			
Share capital	23	295,384	295,384
Retained earnings	25	71,297	50,795
Total equity		366,681	346,179
Non-current liabilities			
Borrowing	26	5,000	30,000
Other payables	28	-	100
Lease liabilities	27	-	377
		5,000	30,477
Current liabilities			
Amounts due to subsidiaries	19	18,100	15,889
Other payables	28	680	2,504
Lease liabilities	27	377	349
Tax payable		8	8
		19,165	18,750
Total liabilities		24,165	49,227
Total equity and liabilities		390,846	395,406

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2022

	—— Attributable to equity holders of the Company ——					
	—— Non-distributable ——			Distributable		
	Share capital RM'000 (Note 23)	Merger deficit RM'000 (Note 24)	Retained earnings RM'000 (Note 25)	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
At 1 January 2022	295,384	(233,884)	303,029	364,529	763	365,292
Total comprehensive (loss)/ income	-	-	(13,206)	(13,206)	346	(12,860)
At 31 December 2022	295,384	(233,884)	289,823	351,323	1,109	352,432
At 1 January 2021	295,384	(233,884)	314,211	375,711	766	376,477
Total comprehensive loss	-	-	(11,182)	(11,182)	(3)	(11,185)
At 31 December 2021	295,384	(233,884)	303,029	364,529	763	365,292

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2022

	Share capital RM'000 (Note 23)	Distributable Retained earnings RM'000 (Note 25)	Total equity RM'000
At 1 January 2022	295,384	50,795	346,179
Total comprehensive income	-	20,502	20,502
At 31 December 2022	295,384	71,297	366,681
At 1 January 2021	295,384	48,535	343,919
Total comprehensive income	-	2,260	2,260
At 31 December 2021	295,384	50,795	346,179

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2022

	Note	2022 RM'000	2021 RM'000
Cash flows from operating activities			
Loss before tax		(13,569)	(11,572)
Adjustments for:			
Government grant income	5	(233)	(618)
Depreciation of plant and equipment	12	679	751
Depreciation of right-of-use assets	13	1,066	1,002
Bad debts written off	9	409	14
Inventories written off	9	5	-
Gain on disposal of:			
- plant and equipment	5	(2)	-
Fair value (gain)/loss on:			
- investment securities	9	(375)	200
- derivative financial liability	9	-	(181)
- investment properties	9	3,000	-
Impairment loss on other receivables	9	68	-
Unrealised gain on foreign exchange	9	(90)	(78)
Reversal of impairment loss on:-			
- trade receivables	5	(38)	(101)
- other receivables	5	(207)	-
Dividend income	5	(266)	(582)
Interest income on fixed deposits	5	(507)	(731)
Finance costs	8	8,343	8,379
Operating loss before working capital changes		(1,717)	(3,517)
Changes in receivables		(255)	(100)
Changes in inventories		(469)	41
Changes in affiliated companies		4,962	2,935
Changes in payables		3,910	(7,822)
Cash flows generated from/(used in) operating activities		6,431	(8,463)
Net income tax refunded/(paid)		1,049	(29)
Government grant received		233	618
Net cash flows generated from/(used in) operating activities		7,713	(7,874)

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2022 (cont'd.)

	2022 RM'000	2021 RM'000
Cash flows from investing activities		
Dividend received	266	582
Proceeds from disposal of:		
- investment properties	-	15,700
- plant and equipment	2	-
- investment securities	23,883	1,190
Purchase of plant and equipment	(356)	(224)
Addition to land held for development	(2,094)	-
Interest received	507	731
Net cash flows generated from investing activities	22,208	17,979
Cash flows from financing activities		
(Placement)/Upliftment of interest reserve deposits	(640)	458
Withdrawal/(Placement) of fixed deposits placed with licensed banks	7,978	(986)
Repayments of borrowings	(25,000)	(300)
Repayments of principal on lease liabilities	(883)	(1,005)
Interests paid on:-		
- borrowings	(8,184)	(8,208)
- lease liabilities	(159)	(171)
Net cash flows used in financing activities	(26,888)	(10,212)
Net changes in cash and cash equivalents	3,033	(107)
Cash and cash equivalents at beginning of year	12,450	12,557
Cash and cash equivalents at end of year (Note 22)	15,483	12,450

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

For the financial year ended 31 December 2022

	Note	2022 RM'000	2021 RM'000
Cash flows from operating activities			
Profit/(Loss) before tax		20,502	2,260
Adjustments for:			
Dividend income	5	-	(1)
Depreciation of plant and equipment	12	12	11
Depreciation of right-of-use assets	13	350	350
Bad debts written off	9	25	-
Impairment loss on:-			
- amounts due from subsidiaries	9	2,948	89
- investments in subsidiaries	9	607	318
Fair value loss on investment securities	9	4	-
Gain on disposal of plant and equipment	5	(2)	-
Reversal of impairment loss on amounts due from subsidiaries	5	(27,916)	(6,500)
Finance costs	8	2,381	2,857
Operating loss before working capital changes		(1,089)	(616)
Changes in payables		(1,924)	(914)
Changes in subsidiaries		30,081	6,343
Changes in affiliated companies		(4)	-
Net cash flows generated from operating activities		27,064	4,813
Cash flows from investing activities			
Purchase of plant and equipment		(11)	(8)
Dividend received		-	1
Proceeds from disposal of plant and equipment		2	-
Net cash flows used in investing activities		(9)	(7)
Cash flows from financing activities			
Repayments of lease liabilities		(349)	(324)
Repayments of term loan		(25,000)	-
Interest paid on:-			
- borrowings		(2,337)	(2,788)
- lease liabilities		(44)	(69)
Net cash flows used in financing activities		(27,730)	(3,181)
Net changes in cash and cash equivalents		(675)	1,625
Cash and cash equivalents at beginning of year		1,866	241
Cash and cash equivalents at end of year (Note 22)		1,191	1,866

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

1. Corporate information

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at Level 23, Menara Olympia, No. 8, Jalan Raja Chulan, 50200 Kuala Lumpur. The principal place of business of the Company is located at Level 24, Menara Olympia, No. 8, Jalan Raja Chulan, 50200 Kuala Lumpur.

The principal activities of the Company are investment holding and the provision of management services to the subsidiaries. The principal activities of the subsidiaries are disclosed in Note 37.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 20 April 2023.

2. Summary of significant accounting policies

2.1 Basis of preparation

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

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below. The financial statements are presented in Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand (RM'000) except when otherwise indicated.

As at 31 December 2022, the Group and the Company have net assets of RM352,432,000 (2021: RM365,292,000) and RM366,681,000 (2021: RM346,179,000), respectively. However, the Group incurred a loss after tax of RM12,860,000 (2021: RM11,185,000) for the financial year ended 31 December 2022. As of that date, the Group's and the Company's current liabilities exceeded their current assets by RM28,297,000 (2021: current assets exceed its current liabilities by RM14,194,000) and RM5,696,000 (2021: RM1,679,000), respectively.

The Group has a secured term loan of RM120 million which is due for partial repayments commencing from August 2023 and full repayment in August 2026. The Group has been granted temporary indulgence from the remediation of security maintenance margin and interest service coverage ratio requirements until 1 January 2024. In the event that further indulgence is not granted, the ability of the Group to comply with these term loan covenants subsequent to 1 January 2024 are dependent on amongst others, the improvement in the market conditions for the leasing of office space and the management's efforts to improve the tenancy rates of the investment property to achieve profitable operations.

The Group has certain unencumbered assets including certain land held for development and inventories of the Group, which will be disposed of as part of the management's plans to gradually reduce the level of the borrowings of the Group. However, due to the uncertain outlook for the property market, the Group may not be able to liquidate these assets to realise their full values within a short period should the need arise.

The principal activities of the Company are investment holding and the provision of management services to its subsidiaries. Thus, the ability of the Group and Company to continue as going concerns is dependent amongst others, the ability of the subsidiaries of the Group to achieve profitable operations.

These conditions indicate the existence of material uncertainties which may cast significant doubt about the ability of the Group and of the Company to continue as going concerns.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022 (cont'd.)

2. Summary of significant accounting policies (cont'd.)

2.1 Basis of preparation (cont'd.)

Nevertheless, the financial statements of the Group and of the Company have been prepared on a going concern basis. The ability of the Group and of the Company to continue as going concerns is dependent on, amongst others, the ability of its subsidiaries to achieve profitable operations, which is dependent on the positive effects of the resumption of the gaming operations, improvement in the market conditions for the leasing of office space and the management's efforts to improve the tenancy rates of the investment property.

After considering all pertinent information, including the forecasted cash flow requirements of the Group and the availability and value of assets of the Group which may be liquidated or used as additional collateral if required, the Directors have concluded the going concern assumption remains appropriate for the Group and the Company.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows. On 1 January 2022, the Group and the Company adopted the following amended standards which are mandatory for annual periods beginning on or after 1 January 2022:

Description		Effective for annual periods beginning on or after
Amendments to MFRS	Annual Improvements to MFRSs 2018 - 2020 Cycle - Amendments to MFRS 1: Adoption of Malaysian Financial Reporting Standards - Amendments to MFRS 9: Financial Instruments	1 January 2022
Amendments to MFRS 3	Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022

The adoption of the amended standards did not have any material impact on the financial statements of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022 (cont'd.)

2. Summary of significant accounting policies (cont'd.)

2.3 Standards and interpretations issued but not yet effective

The standard and amended standards that are issued but not yet effective up to the date of issuance of the financial statements are disclosed below. The Group and the Company intend to adopt these standard and amended standards, if applicable, when they become effective.

Description		Effective for annual periods beginning on or after
MFRS 17	Insurance Contracts	1 January 2023
Amendment to MFRS 17	Initial Application of MFRS 17 and MFRS 9 - Comparative Information	1 January 2023
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current and Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108	Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101	Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The adoption of the above standard and amended standards are not expected to have a material impact to the financial statements of the Group and of the Company in the period of initial application.

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries (collectively the "Group") at the reporting date. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The Company controls an investee if, and only if, the Company has all of the following:

- (i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- (ii) Exposure, or rights, to variable returns from its investment with the investee; and
- (iii) The ability to use its power over the investee to affect its returns.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022 (cont'd.)

2. Summary of significant accounting policies (cont'd.)

2.4 Basis of consolidation (cont'd.)

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

- (i) The contractual arrangement with the other vote holders of the investee;
- (ii) Rights arising from other contractual arrangements; and
- (iii) The Group's voting rights and potential voting rights.

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

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

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the assets and liabilities, non-controlling interests and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

2.5 Business combinations and goodwill

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

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022 (cont'd.)

2. Summary of significant accounting policies (cont'd.)

2.5 Business combinations and goodwill (cont'd.)

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

If the business combination is achieved in stages, any previously held equity interest is remeasured at fair value during the acquisition date and any resulting gain or loss is recognised in profit or loss. It is then considered in the determination of goodwill.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed.

If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

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

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

2.6 Subsidiaries

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses. On disposal of such investments, the differences between the net disposal proceeds and their carrying amounts are included in the profit or loss.

2.7 Associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

An associate is equity accounted for from the date on which the investee becomes an associate.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022 (cont'd.)

2. Summary of significant accounting policies (cont'd.)

2.7 Associates (cont'd.)

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The statement of comprehensive income reflects the Group's share of the result of operations of the associate. Any change in OCI of the investee is presented as part of the Group's OCI. In addition, when there is a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the investment in the associate.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of comprehensive income outside operating profit and represents profit or loss after tax.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in an associate. The Group determines at each reporting date whether there is any objective evidence that investment in an associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value. Impairment loss is recognised in profit or loss.

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

In the Company's separate financial statements, investment in an associate is stated at cost less impairment loss. On disposal of such investment, the difference between net disposal proceeds and its carrying amount is recognised in profit or loss.

2.8 Joint operation

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group as joint operator recognises in relation to their interests in joint operations:

- (i) their assets, including their shares of any assets held jointly;
- (ii) their liabilities, including their shares of any liabilities incurred jointly;
- (iii) their revenue from the sale of their shares of the output arising from the joint operations;
- (iv) their shares of the revenue from the sale of the output by the joint operations; and
- (v) their expenses, including their shares of any expenses incurred jointly.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022 (cont'd.)

2. Summary of significant accounting policies (cont'd.)

2.8 Joint operation (cont'd.)

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in joint operations in accordance with applicable MFRSs.

Profits and losses resulting from transactions between the Group and its joint operation are recognised in the Group's consolidated financial statements only to the extent of unrelated investors' interests in the joint operation.

2.9 Plant and equipment

All items of plant and equipment are initially recorded at cost. The cost of an item of plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment loss, if any. When significant parts of plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively.

Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets, at the following annual rates:

Plant, machinery and equipment	10% - 40%
Computer equipment	10% - 20%
Other assets	10% - 20%

Other assets consist of office equipment, furniture, fixtures, fittings, motor vehicles and renovation.

The carrying amount of plant and equipment is reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

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

2.10 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects the market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect. Fair values are determined based on an annual valuation performed by an accredited external independent valuer applying the valuation models recommended by the International Valuation Standards Committee.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022 (cont'd.)

2. Summary of significant accounting policies (cont'd.)

2.10 Investment properties (cont'd.)

A property interest under an operating lease is classified and accounted for as an investment property, carried at fair value, on a property-by-property basis when the Group holds it to earn rentals or for capital appreciation or both.

Investment properties are derecognised either when they have been disposed of (i.e., at the date the recipient obtains control) or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal.

The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition. The amount of consideration to be included in the gain or loss arising from the derecognition of investment property is determined in accordance with the requirements of MFRS 15 for determining the transaction price.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under plant and equipment up to the date of change in use.

2.11 Inventories

Inventories are stated at the lower of cost or net realisable value.

(a) Land held for property development

Land held for property development (classified within non-current assets) comprise land banks which are in the process of being prepared for development but have not been launched, or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets.

Cost associated with the acquisition of land includes the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies.

Land held for property development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

(b) Completed properties

Costs comprise costs of acquisition of land including all related costs incurred to prepare the land for its intended use, related development costs to projects and direct building costs.

(c) Consumables

Ticket stocks are determined on weighted average basis. Cost includes actual cost of materials and incidental costs in bringing stocks into store.

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022 (cont'd.)

2. Summary of significant accounting policies (cont'd.)

2.12 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to its present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the units or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised.

If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at its revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

2.13 Financial assets

Initial recognition and measurement

Financial assets are recognised in the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group determines the classification of its financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss and financial assets at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022 (cont'd.)

2. Summary of significant accounting policies (cont'd.)

2.13 Financial assets (cont'd.)

Initial recognition and measurement (cont'd.)

(a) Financial assets at amortised cost

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective 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.

Financial assets at amortised cost are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the financial assets at amortised cost are derecognised or impaired, and through the amortisation process.

Financial assets at amortised cost are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

(b) Financial assets at fair value through profit or loss ("FVTPL")

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition or financial assets mandatorily required to be amortised at fair value. Financial assets held for trading are financial assets acquired principally for the purpose of selling in the near term.

Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model.

Debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised separately in profit or loss as part of other losses or other income.

Financial assets at fair value through profit or loss could be represented as current or non-current. Financial assets that are held primarily for trading purposes are presented as current whereas financial assets that are not held primarily for trading purposes are presented as current or non-current based on the settlement date.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022 (cont'd.)

2. Summary of significant accounting policies (cont'd.)

2.13 Financial assets (cont'd.)

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (such as removed from the consolidated statement of financial position) when:

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

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

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

2.14 Impairment of financial assets at amortised cost

The Group assesses at the end of the reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022 (cont'd.)

2. Summary of significant accounting policies (cont'd.)

2.14 Impairment of financial assets at amortised cost (cont'd.)

The carrying amount of the financial asset is reduced by the impairment loss except for receivables, where the carrying amount is reduced through the use of an allowance account. When a receivable becomes uncollectible, it is written off against the allowance account.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares 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 supportable forward-looking information.

If in subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

2.15 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, cash on hand and demand deposits with a maturity of three months or less, that are readily convertible to known amount of cash which are subject to insignificant risk of changes in value.

2.16 Provisions

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

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

2.17 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities are recognised in the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

Financial liabilities are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022 (cont'd.)

2. Summary of significant accounting policies (cont'd.)

2.17 Financial liabilities (cont'd.)

Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

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

2.18 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

2.19 Employee benefits

(a) Short term benefits

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

(b) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of Malaysia. The Group makes contributions to the Employees Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

2.20 Leases

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

Group as a lessee

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022 (cont'd.)

2. Summary of significant accounting policies (cont'd.)

2.20 Leases (cont'd.)

Group as a lessee (cont'd.)

Rights-of-use assets

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

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

Shop lots and office spaces	3 to 8 years
Motor vehicles	8 years
Machinery	10 years

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

The carrying amount of right-of-use is reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.

Lease liabilities

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

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

Short-term leases and leases of low value assets

The Group applies the short-term leases recognition exemption to its short term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. The Group recognises the lease payments associated with these short-term leases and leases of low-value assets as expenses on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022 (cont'd.)

2. Summary of significant accounting policies (cont'd.)

2.20 Leases (cont'd.)

Group as a lessor

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Rental income is recognised on a straight-line basis over the lease term of the relevant lease and is included in profit or loss. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned. The accounting policy for leasing income is set out in Note 2.21(b).

2.21 Revenue recognition

Revenue from contracts with customers is measured at its transaction price, being the amount of consideration which the Group and the Company expect to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties such as sales and service taxes or goods and service tax.

If the amount of consideration varies due to discounts, rebates, penalties or other similar items, the Group and the Company estimate the amount of consideration that it expects to be entitled based on the expected value method 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.

Transaction price is allocated to each performance obligation on the basis of the relative standalone selling prices of each distinct good or service promised in the contract. Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

(a) Sale of lottery tickets

Revenue from organising and managing the sales of numbers forecast pools and public lotteries is recognised, at point in time, upon ticket sales in respect of draw days within the financial year, and is stated net of state sales tax.

(b) Rental income

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

(c) Dividend income

Dividend income is recognised at point in time when the Group's right to receive payment is established.

(d) Interest income

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022 (cont'd.)

2. Summary of significant accounting policies (cont'd.)

2.21 Revenue recognition (cont'd.)

(e) Management fees

Management fees are recognised over time when services are rendered.

2.22 Income tax

(a) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current tax is recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(b) Deferred tax

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

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

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not be reversed in the foreseeable future.

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

- where the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022 (cont'd.)

2. Summary of significant accounting policies (cont'd.)

2.22 Income tax (cont'd.)

(b) Deferred tax (cont'd.)

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

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

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.23 Share capital and share issuance expenses

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

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

2.24 Affiliated companies

The Group treats the DutaLand Berhad ("DutaLand") and its subsidiaries as affiliated companies. DutaLand is a corporation in which certain directors of the Company are also directors of DutaLand and have interest in.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022 (cont'd.)

2. Summary of significant accounting policies (cont'd.)

2.25 Current versus non-current classification

The Group and the Company present assets and liabilities in statements of financial position based on current/non-current classification. An asset is current when it is:

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

All other assets are classified as non-current. A liability is current when:

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

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

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

2.26 Fair value measurement

The Group measures financial instruments, such as, derivative financial instruments and financial assets carried at fair value through profit or loss, and non-financial assets such as investment properties, at fair value at each reporting date.

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

- (a) In the principal market for the asset or liability; or
- (b) 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.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022 (cont'd.)

2. Summary of significant accounting policies (cont'd.)

2.26 Fair value measurement (cont'd.)

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:

- (a) Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- (b) Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- (c) Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

The Group's and the Company's management determines the policies and procedures for both recurring fair value measurement, such as investment properties and financial assets at fair value through profit or loss.

External valuers are involved for valuation of properties. Selection criteria of external valuers include market knowledge, reputation, independence and whether professional standards are maintained.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's and the Company's accounting policies.

The management, in conjunction with the Group's external valuers, also compares each the changes in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.27 Foreign currencies

The Group's consolidated financial statements are presented in Ringgit Malaysia, which is also the parent company's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and has elected to recycle the gain or loss that arises from using this method.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022 (cont'd.)

2. Summary of significant accounting policies (cont'd.)

2.27 Foreign currencies (cont'd.)

(a) Transactions and balances

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

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

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

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

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

(b) Group companies

On consolidation, the assets and liabilities of foreign operations are translated into Ringgit Malaysia at the rate of exchange prevailing at the reporting date and their profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

2.28 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related cost, for which it is intended to compensate are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022 (cont'd.)

3. Significant accounting judgments and estimates

The preparation of the Group's and Company's financial statements require management to make judgement, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates result in outcomes that could require a material adjustment to the carrying amount of the asset and liability affected in the future.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Fair value of investment property

The Group carries its investment property at fair value, with changes in fair value recognised in profit or loss. Significant judgement is required in determining the fair value which may be derived based on different valuation methods. In making the judgement, the Group engaged its independent valuation specialist to assess the fair value of investment property at the reporting date. The key assumptions used to determine the fair value of the investment property are further explained in Note 15.

4. Revenue

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Sale of lottery tickets	73,393	45,903	-	-
Rental income from investment property (Note 15)	13,003	13,725	-	-
Management fees	-	-	3,500	3,500
	86,396	59,628	3,500	3,500
Timing of revenue recognition:				
At a point in time	73,393	45,903	-	-
Over time	13,003	13,725	3,500	3,500
	86,396	59,628	3,500	3,500

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022 (cont'd.)

5. Other income

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Dividend income	266	582	-	1
Interest income	507	731	-	-
Fair value gain on investment securities	375	-	-	-
Reversal of impairment on:				
- amounts due from subsidiaries	-	-	27,916	6,500
- trade receivables	38	101	-	-
- other receivables	207	-	-	-
Gain on disposal of plant and equipment	2	-	2	-
Fair value gain on derivative financial liability	-	181	-	-
Government grant income (Wages subsidies)	233	618	-	-
Miscellaneous income	1,838	437	167	4
	3,466	2,650	28,085	6,505

6. Employee benefits expenses

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Salaries, wages and allowances	6,996	5,980	1,550	1,417
Executive directors' remuneration (Note 7)	2,547	2,548	773	773
Defined contribution plan	721	636	136	137
Other benefits	2,144	1,673	443	453
	12,408	10,837	2,902	2,780

7. Directors' remuneration

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Executive directors:				
Salaries and other emoluments	2,336	2,335	688	688
Defined contribution plan	163	165	52	52
Benefits-in-kind	48	48	33	33
	2,547	2,548	773	773
Non-executive directors:				
Fees	180	129	180	129
Other emoluments	50	47	14	11
Benefits-in-kind	35	35	35	35
	265	211	229	175
Total directors' remuneration	2,812	2,759	1,002	948

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022 (cont'd.)

7. Directors' remuneration (cont'd.)

The number of directors of the Company whose total remuneration during the financial year fall within the following bands is analysed below:

	Number of Directors	
	2022	2021
Executive directors:		
Below RM500,000	2	2
Non-executive directors:		
Below RM50,000	4	5
RM50,001 - RM100,000	1	1

8. Finance costs

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Interest expenses on:				
- borrowings	8,184	8,208	2,337	2,788
- lease liabilities	159	171	44	69
	8,343	8,379	2,381	2,857

9. (Loss)/Profit before tax

The following items have been included in arriving at (loss)/profit before tax:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Auditors' remuneration:				
- auditors of the Company:				
- statutory audit	439	410	174	168
- other services	11	10	11	10
- other auditors:				
- statutory audit	19	20	-	-
Depreciation of plant and equipment	679	751	12	11
Depreciation of right-of-use assets	1,066	1,002	350	350
Non-executive directors' remuneration (Note 7)	265	211	229	175
Impairment loss on:				
- other receivables	68	-	-	-
- amounts due from subsidiaries	-	-	2,948	89
- investments in subsidiaries	-	-	607	318
Fair value (gain)/loss on:				
- investment securities	(375)	200	4	-
- derivative financial liability	-	(181)	-	-
- investment properties	3,000	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022 (cont'd.)

9. (Loss)/Profit before tax (cont'd.)

The following items have been included in arriving at (loss)/profit before tax: (cont'd.)

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Unrealised gain on foreign exchange	(90)	(78)	-	-
Short-term leases and leases of low-value assets	114	142	-	-
Government grant income (Wages subsidies)	(233)	(618)	-	-
Direct operating expenses attributable to income generating investment properties (Note 15)	7,703	7,239	-	-
Bad debts written off	409	14	25	-
Inventory written off	5	-	-	-

10. Income tax credit

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Malaysian income tax:				
- current income tax	331	34	-	-
- over provision in prior year	-	(187)	-	-
	331	(153)	-	-
Deferred tax: (Note 29)				
- relating to reversal of temporary differences	(748)	(78)	-	-
- over provision in prior years	(292)	(156)	-	-
	(1,040)	(234)	-	-
Income tax credit recognised in profit or loss	(709)	(387)	-	-

The reconciliations of income tax credit applicable to (loss)/profit before tax at the statutory income tax rate to income tax credit at the effective income tax rate of the Group and of the Company are as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
(Loss)/Profit before tax	(13,569)	(11,572)	20,502	2,260
Tax at Malaysian statutory tax rate of 24% (2021: 24%)	(3,257)	(2,777)	4,920	542
Differential tax rate on Real Property Gains Tax	420	-	-	-
Non-deductible expenses	2,096	2,408	1,814	891
Non-taxable income	(998)	(49)	(6,700)	(1,561)
Deferred tax assets not recognised	1,774	417	-	128
Utilisation of previously unrecognised deferred tax assets	(452)	(43)	(34)	-
Over provision of income tax in prior year	-	(187)	-	-
Over provision of deferred tax in prior years	(292)	(156)	-	-
Income tax credit recognised in profit or loss	(709)	(387)	-	-

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022 (cont'd.)

10. Income tax credit (cont'd.)

The tax effects of deductible temporary differences, unused tax losses and unused tax credits which would give rise to deferred tax assets are recognised to the extent that it is probable that sufficient future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

At the reporting date, the deferred tax assets that have not been recognised in the financial statements due to uncertainty of their realisation, are as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Unused tax losses	184,863	179,300	19,102	19,229
Unabsorbed capital allowances	1,506	1,562	13	13
Others	50,294	50,294	5,114	5,114
	236,663	231,156	24,229	24,356

Pursuant to Finance Act 2021, unutilised tax losses is allowed to be carried forward for a maximum period of 10 consecutive years, which is deemed to have effect from the year of assessment 2019.

The utilisation periods of deferred tax assets not recognised of the Group and of the Company that are available for offsetting against future taxable profit of the Group and of the Company are as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Utilisation periods				
Indefinite	51,800	51,856	5,127	5,127
Within 1 year from recognition	-	-	-	-
Within 2 to 5 years from recognition	-	-	-	-
Within 6 to 10 years from recognition	184,863	179,300	19,102	19,229
	236,663	231,156	24,229	24,356

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022 (cont'd.)

11. Earnings per share

(a) Basic

Basic loss per share is calculated by dividing the Group's loss for the year, net of tax, attributable to equity holders of the Company by the weighted average number of ordinary shares during the financial year.

	Group	
	2022 RM'000	2021 RM'000
Loss for the year, net of tax, attributable to equity holders of the Company	(13,206)	(11,182)
	'000	'000
Weighted average number of ordinary shares	1,023,432	1,023,432
	Sen	Sen
Basic loss per share	(1.3)	(1.1)

(b) Diluted

The Group does not have any potential dilutive ordinary shares at the reporting date.

There have been no other transactions involving ordinary shares or potential dilutive ordinary shares between the reporting date and the date of authorisation of these financial statements.

12. Plant and equipment

	Plant, machinery and equipment RM'000	Computer equipment RM'000	Other assets RM'000	Total RM'000
Group				
31 December 2022				
Cost				
At 1 January 2022	1,676	1,729	29,201	32,606
Additions	1	30	325	356
Disposal	-	-	(2)	(2)
At 31 December 2022	1,677	1,759	29,524	32,960

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022 (cont'd.)

12. Plant and equipment (cont'd.)

	Plant, machinery and equipment RM'000	Computer equipment RM'000	Other assets RM'000	Total RM'000
Group (cont'd.)				
31 December 2022 (cont'd.)				
Accumulated depreciation				
At 1 January 2022	1,627	1,656	26,705	29,988
Charge for the year	11	22	646	679
Disposal	-	-	(2)	(2)
At 31 December 2022	1,638	1,678	27,349	30,665
Net carrying amount				
At 31 December 2022	39	81	2,175	2,295
31 December 2021				
Cost				
At 1 January 2021	1,671	1,704	29,007	32,382
Additions	5	25	194	224
At 31 December 2021	1,676	1,729	29,201	32,606
Accumulated depreciation				
At 1 January 2021	1,615	1,643	25,979	29,237
Charge for the year	12	13	726	751
At 31 December 2021	1,627	1,656	26,705	29,988
Net carrying amount				
At 31 December 2021	49	73	2,496	2,618

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022 (cont'd.)

12. Plant and equipment (cont'd.)

	Computer equipment RM'000	Other assets RM'000	Total RM'000
Company			
31 December 2022			
Cost			
At 1 January 2022	1,197	558	1,755
Additions	10	1	11
At 31 December 2022	1,207	559	1,766
Accumulated depreciation			
At 1 January 2022	1,156	544	1,700
Charge for the year	10	2	12
At 31 December 2022	1,166	546	1,712
Net carrying amount			
At 31 December 2022	41	13	54
31 December 2021			
Cost			
At 1 January 2021	1,192	555	1,747
Additions	5	3	8
At 31 December 2021	1,197	558	1,755
Accumulated depreciation			
At 1 January 2021	1,147	542	1,689
Charge for the year	9	2	11
At 31 December 2021	1,156	544	1,700
Net carrying amount			
At 31 December 2021	41	14	55

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022 (cont'd.)

13. Right-of-use assets

The Group and the Company have lease contracts for shop lots, office spaces, machinery and motor vehicles with contract terms ranging from 3 to 8 years (2021: 3 to 8 years) and do not contain variable lease payments.

The carrying amounts of right-of-use assets and the movements during the year are as follows:

	Shop lots and office spaces RM'000	Motor vehicles RM'000	Machinery RM'000	Total RM'000
Group				
31 December 2022				
At 1 January 2022	2,920	84	780	3,784
Addition	418	-	-	418
Lease modification	243	-	-	243
Charge for the year	(869)	(77)	(120)	(1,066)
At 31 December 2022	2,712	7	660	3,379
31 December 2021				
At 1 January 2021	3,153	161	900	4,214
Addition	572	-	-	572
Charge for the year	(805)	(77)	(120)	(1,002)
At 31 December 2021	2,920	84	780	3,784

	Office spaces	
	2022 RM'000	2021 RM'000
Company		
At 1 January	700	-
Addition	-	1,050
Charge for the year	(350)	(350)
At 31 December	350	700

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022 (cont'd.)

14. Inventories

(a) Land held for property development

	Development costs RM'000	Leasehold land RM'000	Freehold lands RM'000	Total RM'000
Group				
31 December 2022				
At cost:				
At 1 January 2022	22,197	56,251	140,365	218,813
Additions	2,094	-	-	2,094
At 31 December 2022	24,291	56,251	140,365	220,907
31 December 2021				
At cost:				
At 1 January 2021/31 December 2021	22,197	56,251	140,365	218,813

Included in the net carrying amount of land held for property development is a parcel of freehold land which has been pledged to financial institutions as security for term loan as disclosed in Note 26(a).

(b) Completed properties and consumable

	Group	
	2022 RM'000	2021 RM'000
At cost:		
Completed condominiums	8,970	8,970
On-line betting supplies and consumable stores	1,146	682
	10,116	9,652
At net realisable value:		
Completed condominiums	4,000	4,000
	14,116	13,652

During the financial year, the amount of inventories recognised as an expense by the Group is RM197,198 (2021: RM181,891).

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022 (cont'd.)

15. Investment properties

Group	Residential units RM'000	Office building on long term leasehold land RM'000	Total RM'000
At 1 January 2022	-	280,000	280,000
Recognised in profit or loss (Note 9)	-	(3,000)	(3,000)
At 31 December 2022	-	277,000	277,000
At 1 January 2021	15,700	280,000	295,700
Disposal	(15,700)	-	(15,700)
At 31 December 2021	-	280,000	280,000

The carrying amount of investment property that has been pledged as security for term loan, as disclosed in Note 26(b), is as follows:

	2022 RM'000	2021 RM'000
Office building on long term leasehold land	277,000	280,000

Investment property is stated at fair value, which has been determined based on the valuation performed by accredited independent valuer at the reporting date. The fair value of the investment property has been determined based on the comparison method or investment method depending on the nature of the investment property.

The following have been recognised in profit or loss in respect of the investment property:

	2022 RM'000	2021 RM'000
Rental income (Note 4)	13,003	13,725
Direct operating expenses attributable to income generating investment properties (Note 9)	(7,703)	(7,239)
Profit arising from investment properties	5,300	6,486
Direct operating expenses that did not generate rental income	(34)	(35)

Other than as disclosed in Note 38, the Group has no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance and enhancements.

Fair value hierarchy disclosure for the investment property is disclosed in Note 33.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022 (cont'd.)

15. Investment properties (cont'd.)

Description of valuation techniques used and key inputs to valuation on investment property are as follows:-

Investment property	Valuation method	Significant unobservable inputs	Range (weighted average)
Office building on long term leasehold land	Investment method	Estimated rental value per sq. ft. per month	Term: RM4.13 per sq. ft. (2021: RM4.12 per sq. ft.)
			Reversion: RM5.01 per sq. ft. (2021: RM5.01 per sq. ft.)
		Void rate	5.00% - 10.00% (2021: 5.00% - 10.00%)
		Capitalisation rate	6.00% - 6.50% (2021: 6.00% - 6.50%)

The investment method entails determining the net annual income by deducting the annual outgoings from the gross annual income and capitalising the net income by suitable rate of return consistent with the type and quality of the investment to arrive at the market value of the subject property.

The following table demonstrates the sensitivity of the fair value measurement to changes in capitalisation rate and void rate and its corresponding sensitivity result in a higher or lower fair value measurement:

	Fair value Increase/(Decrease)	
	2022 RM'000	2021 RM'000
Capitalisation rate		
- 1%	46,496	46,798
+ 1%	(36,161)	(36,447)
Void rate		
- 1%	3,883	4,050
+ 1%	(4,660)	(4,727)

16. Investments in subsidiaries

	Company	
	2022 RM'000	2021 RM'000
Unquoted shares, at cost	1,014,229	1,014,229
Less: Accumulated impairment loss	(771,939)	(771,332)
	242,290	242,897

The details of the subsidiaries are disclosed in Note 37.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022 (cont'd.)

16. Investments in subsidiaries (cont'd.)

Movement in accumulated impairment loss is as follows:

	Company	
	2022 RM'000	2021 RM'000
At beginning of the year	771,332	771,014
Recognised in profit or loss (Note 9)	607	318
At end of the year	771,939	771,332

Summarised financial information for non-controlling interests have not been disclosed as the carrying amount of these non-controlling interests in the consolidated statement of financial position is not material to the Group.

17. Investments in associates

	Group	
	2022 RM'000	2021 RM'000
Unquoted shares, at cost	7,223	7,223
Share of post-acquisition profits	287	287
	7,510	7,510
Less: Accumulated impairment losses	(7,510)	(7,510)
	-	-

The Group has not recognised losses relating to all of the associates, where, the share of their losses exceed the Group's interests in those associates. The Group's cumulative share of unrecognised losses, at the reporting date, was RM147,000 (2021: RM146,000). The Group has no obligation in respect of these losses.

Details of the associates, which are not material to the Group, are as follows:

Name	Country of incorporation	Proportion of ownership		Principal activities
		2022 %	2021 %	
Suff Marine (Malaysia) Sdn. Bhd. *	Malaysia	49	49	Ceased operations
International Lottery Corporation Ltd #	Cambodia	49	49	Dormant
Kenny Heights Central Sdn. Bhd. #	Malaysia	42	42	Dormant

* Audited by firms of auditors other than Ernst & Young PLT.

Unaudited.

At the reporting date, the associates had no contingent liabilities or capital commitments.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022 (cont'd.)

18. Trade and other receivables

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Trade receivables (Note a)				
Third parties	19,736	19,719	-	-
Less: Allowance for impairment	(17,911)	(17,949)	-	-
	1,825	1,770	-	-
Other receivables				
Sundry receivables	6,505	7,085	5,120	5,120
Deposits	1,492	1,494	312	312
Prepayments	1,029	618	84	84
Amount due from CPSB (Note b)	48	48	48	48
	9,074	9,245	5,564	5,564
Less: Allowance for impairment	(6,261)	(6,400)	(5,120)	(5,120)
	2,813	2,845	444	444
Total trade and other receivables	4,638	4,615	444	444

(a) Trade receivables

The Group's normal trade credit terms are ranging from 1 to 30 days (2021: 1 to 30 days). Other credit terms are assessed and approved on a case-by-case basis. They are recognised at their original invoice amounts which represent their fair value on initial recognition.

The Group has no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors. Further details on related party transactions are disclosed in Note 31.

Ageing analysis of trade receivables

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

	Group	
	2022 RM'000	2021 RM'000
Neither past due nor impaired	1,637	1,171
1 to 90 days past due not impaired	4	166
More than 91 days past due not impaired	184	433
	1,825	1,770
Impaired	17,911	17,949
	19,736	19,719

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022 (cont'd.)

18. Trade and other receivables (cont'd.)

(a) Trade receivables (cont'd.)

Receivables that are neither past due nor impaired

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

Receivables that are past due but not impaired

The trade receivables that are past due but not impaired are unsecured. However, the directors are of the opinion that these debts should be realised in full without material losses in the ordinary course of business.

Trade receivables that are impaired

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

	Group	
	2022 RM'000	2021 RM'000
At beginning of year	17,949	18,050
Reversal during the year (Note 5)	(38)	(101)
At end of year	17,911	17,949

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

- (b) The amount due from City Properties Sdn. Bhd. ("CP&B"), a company of which Tan Sri Dato' Yap Yong Seong and Dato' Sri Yap Wee Keat, the directors of the Company have interest is unsecured, non-interest bearing and repayable on demand.

Other receivables that are impaired

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

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
At beginning of year	6,400	6,400	5,120	5,120
Impairment recognised (Note 9)	68	-	-	-
Reversal during the year (Note 5)	(207)	-	-	-
At end of year	6,261	6,400	5,120	5,120

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022 (cont'd.)

19. Amounts due from/(to) subsidiaries

	Company	
	2022 RM'000	2021 RM'000
Non-current asset		
Amount due from a subsidiary (Note a)	134,683	134,683
Current asset		
Amounts due from subsidiaries (Note b)	107,546	138,389
Less: Allowance for impairment	(96,503)	(124,419)
	11,043	13,970
Current liability		
Amounts due to subsidiaries (Note b)	(18,100)	(15,889)

- (a) The amount due from a subsidiary, Olympia Properties Sdn. Bhd. ("OPSB"), is non-trade in nature, unsecured, non-interest bearing and is repayable on demand. However, the Company has no intention to recall the advance from OPSB within the next 12 months.
- (b) The amounts due from/(to) subsidiaries are non-trade in nature, unsecured, non-interest bearing and are repayable on demand. The movement of the allowance accounts used to record the impairment are as follows:

	Company	
	2022 RM'000	2021 RM'000
At beginning of the year	124,419	130,919
Reversal during the year (Note 5)	(27,916)	(6,500)
At end of year	96,503	124,419

As at 31 December 2022 and 31 December 2021, no demand for repayment has been made for these balances. Considering the nature of these balances, none of these balances are assessed as being past due and no separate aging analysis has been presented.

20. Amounts due from/(to) affiliated companies

The amounts due from/(to) affiliated companies are non-trade in nature, unsecured, non-interest bearing and are repayable on demand.

As at 31 December 2022 and 31 December 2021, no demand for repayment has been made for these balances.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022 (cont'd.)

21. Investment securities

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Financial assets at fair value through profit or loss:				
Quoted shares in Malaysia	81	125	25	29
Unit trust in Malaysia	2,675	25,703	-	-
Quoted shares outside Malaysia	882	1,195	-	-
Malaysian Government Securities ("MGS") and Government Investment Issues ("GII")	988	1,021	-	-
	4,626	28,044	25	29

MGS and GII relate to investment in government securities by a wholly owned subsidiary, Dirivan Corporation Sdn Bhd. The subsidiary has granted a Power of Attorney to the Ministry of Finance to realise these securities for payment of prize monies in dispute or amounts due to prize winners in conformity with paragraph 5 of the conditions contained in the License granted under Section 5 of the Pools Betting Act, 1967 dated 31 December 2016.

22. Cash and bank balances

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Cash at banks and on hand	15,080	12,050	1,191	1,866
Housing development accounts	403	400	-	-
Deposits with licensed banks	6,568	14,546	-	-
Interest reserve deposits	4,070	3,430	730	730
Cash and bank balances	26,121	30,426	1,921	2,596
Less: Deposits with licensed banks with maturity periods of more than 3 months	(6,568)	(14,546)	-	-
Less: Interest reserve deposits	(4,070)	(3,430)	(730)	(730)
Cash and cash equivalents	15,483	12,450	1,191	1,866

The housing development accounts are maintained pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966 and are restricted from use in other operations.

Deposits held under Interest Reserve Deposits Accounts are for term loans as disclosed in Note 26.

The range of effective interest rate and maturity of deposits with licensed banks at the reporting date are as follows:

	Group	
	2022	2021
Effective interest rate (%)	1.82 to 2.65	1.95 to 4.10
Maturity (days)	180 - 365	120 - 365

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022 (cont'd.)

23. Share capital

	Number of shares		Amount	
	2022 '000	2021 '000	2022 RM'000	2021 RM'000
Issued and fully paid up:				
At beginning/end of year	1,023,432	1,023,432	295,384	295,384

The holder 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 regard to the Company's residual assets.

24. Merger deficit

Merger deficit arose from the acquisition of a subsidiary in prior year. Merger deficit represents the difference between the nominal value of the shares issued by the Company as consideration and the nominal value of shares of the subsidiary acquired.

25. Retained earnings

The Company may distribute dividends out of its entire retained earnings as at 31 December 2022 and 31 December 2021 under the single-tier system.

26. Borrowings

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Non-current				
Secured:				
Term loan 1 (Note a)	5,000	30,000	5,000	30,000
Term loan 2 (Note b)	115,000	120,000	-	-
	120,000	150,000	5,000	30,000
Current				
Secured:				
Term loan 2 (Note b)	5,000	-	-	-
Total borrowings	125,000	150,000	5,000	30,000

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022 (cont'd.)

26. Borrowings (cont'd.)

The remaining maturities of borrowings as at 31 December 2022 are as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Due within one year	5,000	-	-	-
More than 1 year and less than 2 years	5,000	35,000	-	30,000
More than 2 years and less than 5 years	115,000	115,000	5,000	-
	125,000	150,000	5,000	30,000

(a) Term loan 1

In previous financial year, the Group and the Company have renegotiated the maturity of Term loan 1 from 3 April 2023 to 3 April 2025. Term loan 1 bears an effective interest rate of 10.00% (2021: 9.25%) per annum. The total loan is repayable in full on the maturity date.

During the year, the Group and the Company had made partial repayments of RM25,000,000 for Term loan 1.

Term loan 1 is secured by a parcel of freehold land held for property development as disclosed in Note 14(a), and personal guarantee by a director of the Company, Tan Sri Dato' Yap Yong Seong.

(b) Term loan 2

In previous financial year, the Group has renegotiated the maturity of Term loan 2 from 30 August 2021 to 28 August 2026. Term loan 2 bears an effective interest rate of 5.56% (2021: 4.48%) per annum. Term loan 2 is repayable via three instalments amounted to RM5 million each year, commencing from 30 August 2023, 30 August 2024 and 29 August 2025 respectively. The final instalment of RM105 million shall be paid on 28 August 2026.

During the year, the Group has obtained further indulgence from the compliance of security maintenance margin and interest service coverage ratio requirements until 1 January 2024.

Term loan 2 is secured by the office building on long term leasehold land held under the investment property of the Group as disclosed in Note 15, and a personal guarantee by a director of the Company, Tan Sri Dato' Yap Yong Seong.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022 (cont'd.)

26. Borrowings (cont'd.)

Reconciliation of liabilities arising from financing activities

The changes in the Group's and Company's liabilities arising from financing activities, including both cash and non-cash changes are as follows:

	At beginning of the year RM'000	Additions RM'000	Repayments RM'000	Others RM'000	At end of the year RM'000
Group					
31 December 2022					
Term loan 1	30,000	-	(25,000)	-	5,000
Term loan 2	120,000	-	-	-	120,000
Lease liabilities (Note 27)	3,284	418	(1,042)	402	3,062
	153,284	418	(26,042)	402	128,062
31 December 2021					
Term loan 1	30,000	-	-	-	30,000
Term loan 2	120,000	-	-	-	120,000
Term loan 3	300	-	(300)	-	-
Lease liabilities (Note 27)	3,717	572	(1,176)	171	3,284
	154,017	572	(1,476)	171	153,284
Company					
31 December 2022					
Term loan 1	30,000	-	(25,000)	-	5,000
Lease liabilities (Note 27)	726	-	(393)	44	377
	30,726	-	(25,393)	44	5,377
31 December 2021					
Term loan 1	30,000	-	-	-	30,000
Lease liabilities (Note 27)	-	1,050	(393)	69	726
	30,000	1,050	(393)	69	30,726

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022 (cont'd.)

27. Lease liabilities

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

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
At 1 January	3,284	3,717	726	-
Addition (Note 26)	418	572	-	1,050
Lease modification	243	-	-	-
Interest expense	159	171	44	69
Payments made during the year	(1,042)	(1,176)	(393)	(393)
At 31 December	3,062	3,284	377	726

Lease liabilities are analysed as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Current	748	845	377	349
Non-current	2,314	2,439	-	377
	3,062	3,284	377	726

The remaining maturities of the lease liabilities as at 31 December 2022 is as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Less than 1 year	748	845	377	349
More than 1 year and less than 2 years	659	689	-	377
More than 2 years and less than 5 years	1,414	1,436	-	-
More than 5 years	241	314	-	-
	3,062	3,284	377	726

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022 (cont'd.)

28. Trade and other payables

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Non-current				
Other payables				
Sundry payables	-	100	-	100
Current				
Trade payables				
Third parties (Note a)	3,977	2,864	-	-
Retention sum	204	63	-	-
	4,181	2,927	-	-
Other payables				
Sundry payables	15,648	10,644	227	1,524
Deposits received (Note b)	3,622	3,603	-	-
Accruals	5,439	7,706	453	980
	24,709	21,953	680	2,504
	28,890	24,880	680	2,504
Total trade and other payables	28,890	24,980	680	2,604

(a) Trade payables

The normal trade credit terms granted to the Group range from 30 days to 90 days (2021: 30 days to 90 days).

(b) Deposits received

Deposits received are in respect of refundable deposits received from tenants for tenancy agreements, which are unsecured, interest free and are repayable upon the termination/expiry of the tenancy agreement.

29. Deferred tax liabilities

	Group	
	2022 RM'000	2021 RM'000
At beginning of year	1,578	1,812
Recognised in profit or loss (Note 10)	(1,040)	(234)
At end of year	538	1,578

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022 (cont'd.)

29. Deferred tax liabilities (cont'd.)

The components and movements of deferred tax liabilities of the Group during the financial year are as follows:

	Group		
	Investment properties RM'000	Others RM'000	Total RM'000
At 1 January 2022	1,463	115	1,578
Recognised in profit or loss (Note 10)	(300)	(740)	(1,040)
At 31 December 2022	1,163	(625)	538
At 1 January 2021	1,463	349	1,812
Recognised in profit or loss (Note 10)	-	(234)	(234)
At 31 December 2021	1,463	115	1,578

30. Significant related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered related if they are subject to common control or common significant influence. Related parties may be individuals including close members of the individuals, or corporate entities.

In addition to the transactions and outstanding balances disclosed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year.

The directors are of the opinion that the following arrangements and transactions have been entered into in the normal course of business and have been established under negotiated terms and conditions.

(a) Joint operation

On 14 February 2003, a wholly owned subsidiary of the Company, Olympia Properties Sdn. Bhd. ("OPSB"), entered into a Consortium Agreement ("the Consortium Agreement") with KH Estates Sdn. Bhd. ("KHE"), a wholly owned subsidiary of Dutaland Berhad ("Dutaland") to form a joint operation to jointly develop a piece of land ("Project Land") into a proposed township called Bandar Sri Duta ("the Project"). Tan Sri Dato' Yap Yong Seong and Dato' Sri Yap Wee Keat, the directors of the Company, have interest in KHE and Dutaland, respectively. The joint operation between OPSB and KHE is on a ratio of 42% and 58% respectively.

The salient terms of the Consortium Agreement are as follows:

- (i) The Project Land will be transferred to a trustee who in turn shall hold the beneficial interest in favour of OPSB and KHE respectively;
- (ii) The trustee shall make the necessary application to the relevant authorities for the purposes of amalgamation and sub-division of the Project Land;

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022 (cont'd.)

30. Significant related party transactions (cont'd.)

(a) Joint operation (cont'd.)

The salient terms of the Consortium Agreement are as follows: (cont'd.)

- (iii) OPSB and KHE have agreed to appoint KH Land Sdn. Bhd., ("KHL"), a wholly owned subsidiary of KHE as the developer of the Project;
- (iv) The respective share of assets, liabilities, income and expenses, contribution to working funds and disbursements and liabilities and all obligation whatsoever in connection with the execution of the Consortium Agreement shall be 42% and 58% for OPSB and KHE respectively ("the Distribution"); and
- (v) OPSB and KHE have mutually agreed that any proceeds derived from the Project shall first be utilised and applied towards redemption of the existing charges created on the Project Land.

The Group's share in amounts of assets, liabilities and profit or loss of the joint operation are as follows:

Assets and liabilities:

	Group	
	2022 RM'000	2021 RM'000
Current assets	9,522	9,293
Non-current assets	164,069	161,810
Total assets	173,591	171,103
Current liabilities	169,675	164,070
Non-current liabilities	221	113
Total liabilities	169,896	164,183
Income and expenses:		
Income	106	460
Expenses	(3,331)	(3,468)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022 (cont'd.)

30. Significant related party transactions (cont'd.)

(b) Other significant related party transactions

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Transactions with affiliated companies				
Rental income	785	786	-	-
Sale of investment properties	-	15,700	-	-
Transactions with a related party				
Rental income	109	109	-	-
Transactions with subsidiaries				
Rental expense	-	-	(404)	(393)
Management fees	-	-	3,500	3,500
Loan settled on behalf of subsidiary	-	-	-	(300)

(c) Compensation of key management personnel

The Company defined the directors of the Company and its subsidiaries as key management personnel. The remunerations of key management personnel are disclosed in Note 7.

31. Operating lease arrangement

The Group as lessor

The Group has entered into non-cancellable operating lease agreements on its investment properties portfolio. These leases have remaining non-cancellable lease terms of between 1 to 4 years (2021: 1 to 4 years).

The future aggregate minimum lease payments receivable under non-cancellable operating leases contracted for at the reporting date but not recognised as receivables, are as follows:

	Group	
	2022 RM'000	2021 RM'000
Future minimum rental receivables:		
Not later than 1 year	12,371	6,990
Later than 1 year and not later than 3 years	9,918	3,855
	22,289	10,845

Rental income earned from the investment property during the financial year is disclosed in Note 4.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022 (cont'd.)

32. Classification of financial instruments

Financial assets and liabilities are measured at amortised cost or fair value through profit or loss. The following table analysed the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis.

Group	Note	Fair value through profit or loss RM'000	Amortised cost RM'000	Total RM'000
31 December 2022				
Assets				
Trade and other receivables (exclude prepayments)	18	-	3,609	3,609
Amounts due from affiliated companies	20	-	337	337
Investment securities	21	4,626	-	4,626
Cash and bank balances	22	-	26,121	26,121
Total financial assets		4,626	30,067	34,693
Liabilities				
Amounts due to affiliated companies	20	-	44,513	44,513
Borrowings	26	-	125,000	125,000
Lease liabilities	27	-	3,062	3,062
Trade and other payables	28	-	28,890	28,890
Total financial liabilities		-	201,465	201,465
31 December 2021				
Assets				
Trade and other receivables (exclude prepayments)	18	-	3,997	3,997
Amounts due from affiliated companies	20	-	145	145
Investment securities	21	28,044	-	28,044
Cash and bank balances	22	-	30,426	30,426
Total financial assets		28,044	34,568	62,612
Liabilities				
Amounts due to affiliated companies	20	-	39,359	39,359
Borrowings	26	-	150,000	150,000
Lease liabilities	27	-	3,284	3,284
Trade and other payables	28	-	24,980	24,980
Total financial liabilities		-	217,623	217,623

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022 (cont'd.)

32. Classification of financial instruments (cont'd.)

Company	Note	Fair value through profit or loss RM'000	Amortised cost RM'000	Total RM'000
31 December 2022				
Assets				
Trade and other receivables (exclude prepayments)	18	-	360	360
Amounts due from subsidiaries	19	-	145,726	145,726
Amounts due from affiliated companies	20	-	36	36
Investment securities	21	25	-	25
Cash and bank balances	22	-	1,921	1,921
Total financial assets		25	148,043	148,068
Liabilities				
Amounts due to subsidiaries	19	-	18,100	18,100
Lease liabilities	27	-	377	377
Borrowings	26	-	5,000	5,000
Other payables	28	-	680	680
Total financial liabilities		-	24,157	24,157
31 December 2021				
Assets				
Trade and other receivables (exclude prepayments)	18	-	360	360
Amounts due from subsidiaries	19	-	148,653	148,653
Amounts due from affiliated companies	20	-	32	32
Investment securities	21	29	-	29
Cash and bank balances	22	-	2,596	2,596
Total financial assets		29	151,641	151,670
Liabilities				
Amounts due to subsidiaries	19	-	15,889	15,889
Borrowing	26	-	30,000	30,000
Lease liabilities	27	-	726	726
Other payables	28	-	2,604	2,604
Total financial liabilities		-	49,219	49,219

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022 (cont'd.)

33. Fair value of financial instruments

Determination of fair value

Financial instruments that are not carried at fair value

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

	Note
Trade and other receivables	18
Amounts due from/(to) subsidiaries	19
Amounts due from/(to) affiliated companies	20
Cash and bank balances	22
Borrowings	26
Lease liabilities	27
Trade and other payables	28

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

The fair values of borrowings are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending and borrowings at the reporting date.

Investment securities

Fair value is determined directly by reference to their published market bid price at the reporting date.

Fair value hierarchy

The analysis of assets and liabilities carried at fair value at the end of the reporting date by valuation method. The levels of the fair value hierarchy are disclosed in Note 2.26.

At the reporting date, the Group and the Company held the following assets and liabilities carried at fair values on the statements of financial position:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
Group			
2022			
Investment properties	-	-	277,000
Investment securities	963	3,663	-
2021			
Investment properties	-	-	280,000
Investment securities	1,320	26,724	-

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022 (cont'd.)

33. Fair value of financial instruments (cont'd.)

Fair value hierarchy (cont'd.)

At the reporting date, the Group and the Company held the following assets and liabilities carried at fair values on the statements of financial position: (cont'd.)

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
Company			
2022			
Investment securities	25	-	-
2021			
Investment securities	29	-	-

There were no transfer between Level 1, Level 2 and Level 3 during the financial year.

34. Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include interest rate risk, liquidity risk and credit risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks. The audit committee provides independent oversight to the effectiveness of the risk management process.

It is, and has been throughout the current financial year and previous financial year, the Group's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Group and the Company do not apply hedge accounting.

(a) Interest rate risk

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

The Group's and the Company's exposure to interest rate risk arises primarily from its borrowings. The Group's and Company's manage its interest rate exposure by maintaining floating rate borrowings. The Group actively reviews its debt portfolio, taking into account the investment holding period and nature of its assets. This strategy allows it to capitalise on cheaper funding in competitive interest rate environment.

During the financial year, if interest rates had been 25 basis point lower/higher, with all other variables held constant, the Group's profit for the year would have been RM251,255 (2021: RM378,451) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022 (cont'd.)

34. Financial risk management objectives and policies (cont'd.)

(b) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group's and the Company's liquidity risk management policy is by maintaining sufficient level of cash and banking facilities such as working capital lines deemed to be adequate by the management to ensure it will have sufficient liquidity to meet its working capital requirement.

Analysis of financial liabilities by remaining contractual maturities

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

Group	Due within one year RM'000	One to five years RM'000	More than five years RM'000	Total RM'000
31 December 2022				
Financial liabilities:				
Trade and other payables	28,890	-	-	28,890
Borrowings	5,184	143,619	-	148,803
Lease liabilities	967	2,369	325	3,661
Amounts due to affiliated companies	44,513	-	-	44,513
Total undiscounted financial liabilities	79,554	145,988	325	225,867
31 December 2021				
Financial liabilities:				
Trade and other payables	24,880	100	-	24,980
Borrowings	-	33,482	143,712	177,194
Lease liabilities	960	2,342	326	3,628
Amounts due to affiliated companies	39,359	-	-	39,359
Total undiscounted financial liabilities	65,199	35,924	144,038	245,161

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022 (cont'd.)

34. Financial risk management objectives and policies (cont'd.)

(b) Liquidity risk (cont'd.)

Company	Due within one year RM'000	One to five years RM'000	More than five years RM'000	Total RM'000
31 December 2022				
Financial liabilities:				
Trade and other payables	680	-	-	680
Borrowing	-	6,129	-	6,129
Lease liabilities	409	-	-	409
Amounts due to subsidiaries	18,100	-	-	18,100
Total undiscounted financial liabilities	19,189	6,129	-	25,318
31 December 2021				
Financial liabilities:				
Trade and other payables	2,504	100	-	2,604
Borrowing	-	33,482	-	33,482
Lease liabilities	393	393	-	786
Amounts due to subsidiaries	15,889	-	-	15,889
Total undiscounted financial liabilities	18,786	33,975	-	52,761

(c) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from trade and other receivables and intercompany balances. For other financial assets (including investment securities, cash and bank balances and derivatives), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Exposure to credit risk

At the reporting date, the Group's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022 (cont'd.)

34. Financial risk management objectives and policies (cont'd.)

(c) Credit risk (cont'd.)

Credit risk concentration profile

The Group determines concentration of credit risk by monitoring the industry sector profile of its trade receivables, other receivables, amount due from associates and amount due from affiliates on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the reporting date is as follows:

Group	2022		2021	
	RM'000	% of total	RM'000	% of total
Property development	1,933	10%	1,933	10%
Gaming	466	2%	-	-
Leasing	3,015	15%	3,429	17%
Investment holding and others	14,322	73%	14,357	73%
	19,736	100%	19,719	100%

35. Capital management

The primary objective of the Group's and the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximises shareholder value. The Group and the Company manage its capital structure by ensuring financial commitments are met as they fall due, and through the divestment of non-core assets.

The Group and the Company monitor capital using a gearing ratio, which is net debt divided by total capital. Net debt includes borrowings, trade and other payables less cash and bank balances. Capital is the equity attributable to the equity holders of the Company.

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Trade and other payables	28	28,890	24,980	680	2,604
Borrowings	26	125,000	150,000	5,000	30,000
Less: Cash and bank balances	22	(26,121)	(30,426)	(1,921)	(2,596)
Net debt		127,769	144,554	3,759	30,008
Equity attributable to equity holders of the Company		351,323	364,529	366,681	346,179
Total capital and net debt		479,092	509,083	370,440	376,187
Gearing ratio		36%	40%	1%	9%

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022 (cont'd.)

36. Segment information

(a) Business segments:

The Group and the Company are organised into business units based on their products and services. The Group's reportable segments are as follows:

- (i) Leasing - Rental of office and retail spaces and other related activities.
- (ii) Property development - Development of residential and commercial properties;
- (iii) Gaming - Organizing, managing and sales of numbers forecast pools and public lotteries; and
- (iv) Investment holding and others - Investment holding and other business units include trading and retailing business.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise corporate assets, liabilities and expenses. The directors are of the opinion that all inter-segment transactions have been entered into a normal course of business. Segment revenue, expenses and results include transactions between business segments. These transactions are eliminated on consolidation.

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

	Property development RM'000	Gaming RM'000	Leasing RM'000	Investment holding and others RM'000	Elimination RM'000	Consolidated RM'000
31 December 2022						
Revenue						
Revenue as reported	-	73,393	13,003	-	-	86,396
Inter-segment sales	-	2,936	5,743	3,500	(12,179)	-
Total revenue	-	76,329	18,746	3,500	(12,179)	86,396
Results						
Interest income	17	445	45	-	-	507
Interest expenses:						
- lease liabilities	(7)	(146)	(902)	(44)	940	(159)
- others	-	-	(5,847)	(2,337)	-	(8,184)
Depreciation of:						
- plant and equipment	(11)	(287)	(369)	(12)	-	(679)
- right-of-use assets	(53)	(869)	(197)	(350)	403	(1,066)
Fair value gain/(loss) on:						
- investment securities	-	185	-	190	-	375
- investment properties	-	-	(3,000)	-	-	(3,000)
Bad debts written off	-	-	-	(409)	-	(409)
Impairment loss on:						
- other receivables	(68)	-	-	-	-	(68)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022 (cont'd.)

36. Segment information (cont'd.)

(a) Business segments: (cont'd.)

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

	Property development RM'000	Gaming RM'000	Leasing RM'000	Investment holding and others RM'000	Elimination RM'000	Consolidated RM'000
31 December 2022 (cont'd.)						
Results (cont'd.)						
Reversal of impairment loss on:						
- trade receivables	-	-	-	38	-	38
- other receivables	173	-	-	34	-	207
Income tax (expense) /credit	-	(314)	1,023	-	-	709
Other significant non-cash items	66	-	-	843	(819)	90
Segment (loss)/profit	(5,385)	358	(5,255)	22,443	(25,021)	(12,860)
Assets						
Segment assets	263,393	47,562	317,950	396,763	(470,765)	554,903
Liabilities						
Segment liabilities	208,399	53,585	165,567	130,873	(355,953)	202,471
31 December 2021						
Revenue						
Revenue as reported	57	45,959	13,612	-	-	59,628
Inter-segment sales	-	1,836	5,291	3,500	(10,627)	-
Total revenue	57	47,795	18,903	3,500	(10,627)	59,628
Results						
Interest income	252	438	41	-	-	731
Interest expenses:						
- lease liabilities	(9)	(154)	(284)	(69)	345	(171)
- others	(13)	-	(5,421)	(2,788)	14	(8,208)
Depreciation of:						
- plant and equipment	(7)	(288)	(446)	(10)	-	(751)
- right-of-use assets	(78)	(805)	(197)	(350)	428	(1,002)
Fair value gain/ (loss) on:						
- investment securities	-	(81)	-	(119)	-	(200)
Bad debts written off	-	-	-	(14)	-	(14)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022 (cont'd.)

36. Segment information (cont'd.)

(a) Business segments: (cont'd.)

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

	Property development RM'000	Gaming RM'000	Leasing RM'000	Investment holding and others RM'000	Elimination RM'000	Consolidated RM'000
31 December 2021 (cont'd.)						
Results (cont'd.)						
Reversal of impairment loss on:						
- trade receivables	-	-	101	-	-	101
- other receivables	-	-	-	6,504	(6,504)	-
Income tax (expense)/credit	22	278	87	-	-	387
Other significant non-cash items	32	-	171	56	-	259
Segment loss	(3,977)	(2,087)	(1,664)	1,350	(4,807)	(11,185)
Assets						
Segment assets	262,172	57,220	311,904	403,046	(449,493)	584,849
Liabilities						
Segment liabilities	201,818	63,616	154,265	159,597	(359,739)	219,557

(i) Other significant non-cash items consist of the following:

	Note	2022 RM'000	2021 RM'000
Unrealised gain on foreign exchange	9	90	78
Fair value gain on derivative financial liability	9	-	181
		90	259

(ii) Additions to non-current assets consist of:

	Note	2022 RM'000	2021 RM'000
Plant and equipment	12	356	224

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022 (cont'd.)

36. Segment information (cont'd.)

(a) Business segments: (cont'd.)

- (iii) The following item is added to segment assets to arrive at total assets reported in the consolidated statement of financial position:

	2022 RM'000	2021 RM'000
Tax recoverable	1,484	2,752

- (iv) The following items are added to segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

	Note	2022 RM'000	2021 RM'000
Deferred tax liabilities	29	538	1,578
Tax payable		468	356
		1,006	1,934

(b) Geographical information

The following table provides an analysis of the Group's revenue, segment assets and capital expenditure by geographical segment:

	Revenue		Segment assets		Capital expenditure	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Sabah	73,393	45,959	47,562	57,220	275	251
Kuala Lumpur	13,003	13,669	450,136	470,424	81	(27)
Negeri Sembilan	-	-	57,205	57,205	-	-
Malaysia	86,396	59,628	554,903	584,849	356	224

(c) Information about major customers

No information on major customers is presented as there are no single/groups of significant major customers contributing to the Group's revenue.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022 (cont'd.)

37. Subsidiaries

The details of the subsidiaries which are incorporated and operate in Malaysia (unless stated otherwise) are as follows:

Name of subsidiary	Proportion of ownership		Principal activities
	2022 %	2021 %	
Subsidiaries of the Company			
Lotteries Corporation Sdn. Bhd.	100	100	Organising, managing numbers forecast pools and public lotteries
United Malaysian Properties Sdn. Bhd.	100	100	Dormant
Diriwan Corporation Sdn. Bhd.	100	100	Sale of numbers forecast pools and public lotteries
City Land Sdn. Bhd. *	100	100	Property development
Regal Unity Sdn. Bhd.	100	100	Trading, retailing, food and beverage business
Jupiter Options and Financial Futures Sdn. Bhd.	70	70	Other financial and commodity futures brokers and dealers
Jupiter Asset Management Sdn. Bhd. *	70	70	Ceased operations
Dairy Maid Resort & Recreation Sdn. Bhd.	100	100	Property investment and letting of properties
Olympia Ventures Sdn. Bhd.	100	100	Investment holding
Jupiter Capital Sdn. Bhd. *	100	100	Ceased operations
Sierra Aspects Sdn. Bhd. *	100	100	Ceased operations
JetFM Sdn. Bhd. *	51	51	Ceased operations
Olympia Engineering Sdn. Bhd.	100	100	Investment holding
Olympia Properties Sdn. Bhd.	100	100	Property development
Olympia Leisure Sdn. Bhd. *	60	60	Ceased operations
Avenia Leisure Sdn. Bhd. *	100	100	Ceased operations
Citrus Cafe Sdn. Bhd. *	100	100	Ceased operations

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022 (cont'd.)

37. Subsidiaries (cont'd.)

The details of the subsidiaries which are incorporated and operate in Malaysia (unless stated otherwise) are as follows: (cont'd.)

Name of subsidiary	Proportion of ownership		Principal activities
	2022 %	2021 %	
Subsidiaries of the Company (cont'd.)			
KL Landmark Estate Services Sdn. Bhd. *	100	100	Ceased operations
KL Landmark Sdn. Bhd.	100	100	Property development
MA Realty Sdn. Bhd.	100	100	Property investment holding
Naturelle Sdn. Bhd.	100	100	Property development
Subsidiary of Lotteries Corporation Sdn. Bhd.			
LC (BVI) Ltd. ^#	100	100	Ceased operations
Subsidiary of United Malaysian Properties Sdn. Bhd.			
UMP Management Sdn. Bhd.	100	100	Building maintenance
Subsidiary of Diriwan Corporation Sdn. Bhd.			
Diriwan Management Sdn. Bhd.	100	100	Provision of management services
Subsidiary of Dairy Maid Resort & Recreation Sdn. Bhd.			
Dairy Maid Resort & Recreation Property Services Sdn. Bhd.	100	100	Property management services
Subsidiaries of Olympia Ventures Sdn. Bhd.			
Scalini's Asia Sdn. Bhd. *	100	100	Ceased operations
Miles & Miles Asia Ltd. ^#	100	100	Dormant
Subsidiary of Olympia Engineering Sdn. Bhd.			
Suff Marine International Sdn. Bhd. *	70	70	Dormant

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022 (cont'd.)

37. Subsidiaries (cont'd.)

The details of the subsidiaries which are incorporated and operate in Malaysia (unless stated otherwise) are as follows: (cont'd.)

Name of subsidiary	Proportion of ownership		Principal activities
	2022 %	2021 %	
Subsidiary of JetFM Sdn. Bhd.			
JetMobile Sdn. Bhd. *	100	100	Ceased operations

* Audited by firms of auditors other than Ernst & Young PLT.

This subsidiary, Miles & Miles Asia Ltd. is incorporated and operate in Hong Kong.

This subsidiary, LC (BVI) Ltd. is incorporated and operate in British Virgin Islands.

^ Unaudited.

38. Capital commitments

	Group	
	2022 RM'000	2021 RM'000
Capital expenditure approved and contracted for:		
Upgrading works	448	486

As at 31 December 2022, the Group had capital commitments of RM448,000 (2021: RM486,000) relating to the completion of the upgrading works for an office building on long term leasehold land as disclosed under Note 15.

PROPERTIES HELD BY THE GROUP

As at 31 December 2022

Properties	Description/ existing use	Tenure	Land Area (acres)	Built-up area (sq-ft)	Carrying Value 31.12.2022 (RM'000)	Date of revaluation
DAIRY MAID RESORT & RECREATION SDN BHD						
Menara Olympia No 8, Jalan Raja Chulan 50200 Kuala Lumpur	31 storey commercial building	Leasehold for 99 years expiring on 1/3/2088 (28 years old)	1.16	690,553	277,000	31/12/2022
NATURELLE SDN BHD						
PT 632, 642, 646 to 888, 891, 893 to 907, 909 to 914, 918 to 924, 983 to 1022, 1027 to 1030, 1639 & 1640 Mukim of Kenaboi District of Jelebu Negeri Sembilan Darul Khusus	Mixed development land	Leasehold for 99 years expiring on 26/6/2091	1,371	-	57,205*	31/12/2022

* MFRS102: Inventories are carried at lower of cost and net realisable value.

ANALYSIS OF SHAREHOLDINGS

As at 31 March 2023

Total number of Issued Shares	1,023,431,958 shares
Class of shares	Ordinary shares
Voting rights	One (1) vote per ordinary share
Number of shareholders	24,325

DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	No. of Holders	%	No. of Shares	%
Less than 100	1,529	6.29	44,588	0.00
100 to 1,000	16,391	67.38	4,937,875	0.48
1,001 to 10,000	3,456	14.21	15,021,386	1.47
10,001 to 100,000	2,358	9.69	93,166,769	9.10
100,001 to less than 5% of issued shares	589	2.42	369,319,671	36.09
5% and above of issued shares	2	0.01	540,941,669	52.86
TOTAL	24,325	100.00	1,023,431,958	100.00

SUBSTANTIAL SHAREHOLDERS

Name of Substantial Shareholders	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
1. Kenny Height Developments Sdn Bhd	180,000,000	17.59	-	-
2. Duta Equities Sdn Bhd	360,941,669	35.27	-	-
3. Tan Sri Dato' Yap Yong Seong	55,668	0.005	540,941,669	* 52.86
4. Dato' Sri Yap Wee Keat	44,500	0.004	540,941,669	* 52.86
5. Datuk Yap Wee Chun	-	-	540,941,669	* 52.86
6. Puan Sri Datin Leong Li Nar	-	-	540,941,669	* 52.86

* Deemed interest through shares held by Kenny Height Developments Sdn Bhd and Duta Equities Sdn Bhd.

ANALYSIS OF SHAREHOLDINGS

As at 31 March 2023 (cont'd.)

DIRECTORS' INTERESTS IN SHARES IN THE COMPANY AND RELATED COMPANIES

Olympia Industries Berhad		Direct Interest		Indirect Interest	
		No. of Shares	%	No. of Shares	%
1.	Y.A.M Tunku Naquiyuddin ibni Almarhum Tuanku Jaafar	20,000	0.001	-	-
2.	Tan Sri Dato' Yap Yong Seong	55,668	0.005	540,941,669	* 52.86
3.	Dato' Sri Yap Wee Keat	44,500	0.004	540,941,669	* 52.86
4.	Ng Ju Siong	-	-	-	-
5.	Dato' Syed Sultan bin Mohd Idris	-	-	-	-
6.	Wong Siew Si	-	-	-	-
7.	Dato' Aminudin Zaki bin Hashim	-	-	-	-

Related Companies		Direct Interest		Indirect Interest	
		No. of Shares	%	No. of Shares	%
Olympia Leisure Sdn Bhd					
	Dato' Sri Yap Wee Keat	60,000	40.00	90,000 [^]	60.00
JetFM Sdn Bhd					
	Dato' Sri Yap Wee Keat	-	-	188,784 ^{**}	38.00

* Deemed interest through shares held by Kenny Height Developments Sdn Bhd and Duta Equities Sdn Bhd.

[^] By virtue of his interest through Olympia Industries Berhad in accordance with Section 8 of the Companies Act, 2016.

^{**} Deemed interest through Ample Paramount Sdn Bhd which owns 37.76% equity interest in JetFM Sdn Bhd

ANALYSIS OF SHAREHOLDINGS

As at 31 March 2023 (cont'd.)

TOP 30 SECURITIES ACCOUNT HOLDERS

No.	Name of Shareholders	No. of Shares	%
1.	Duta Equities Sdn Bhd	360,941,669	35.27
2.	Kenny Height Developments Sdn Bhd	180,000,000	17.59
3.	MP Factors Sdn Bhd	34,603,560	3.38
4.	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB Bank for Azizan bin Abd Rahman (PB)	29,395,270	2.87
5.	Pacific Element Sdn Bhd	19,166,200	1.87
6.	Ng Eng Siong	8,970,000	0.88
7.	Lim Pay Kaon	7,000,000	0.68
8.	Wong Ah Wah	6,500,000	0.64
9.	Lim Pei Tiam @ Liam Ahat Kiat	6,000,000	0.59
10.	Teng Siew Kean	5,470,900	0.53
11.	Chin Kian Fong	4,996,000	0.49
12.	Ng Soo Yong	4,617,400	0.45
13.	Tye Yong Pou	4,000,000	0.39
14.	Pacific Element Sdn Bhd	3,900,500	0.38
15.	Wong Hon Yee	3,196,821	0.31
16.	Ng Eng Siong	3,090,000	0.30
17.	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chan Kam Fut	3,000,000	0.29
18.	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for J.V. Avenue Sdn Bhd	2,881,500	0.28
19.	Low Ngok Ming	2,865,000	0.28
20.	Chin Sin Lin	2,838,100	0.28
21.	Public Nominees (Asing) Sdn Bhd Pledged Securities Account for Veronica Bong (E-SPG)	2,595,000	0.25

ANALYSIS OF SHAREHOLDINGS

As at 31 March 2023 (cont'd.)

TOP 30 SECURITIES ACCOUNT HOLDERS (cont'd.)

No.	Name of Shareholders	No. of Shares	%
22.	Tan Yee Ming	2,563,700	0.25
23.	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chin Kiam Hsung	2,500,000	0.24
24.	Heng Sze Siang	2,370,000	0.23
25.	Lee Tai Fatt	2,364,900	0.23
26.	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ng Tiam Ming (008)	2,296,200	0.22
27.	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chin Kiam Hsung	2,200,000	0.21
28.	Yap Lee Su	2,150,000	0.21
29.	CGS-CIMB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ng Chai Hock (MY0972)	2,058,400	0.20
30.	Lit Khee Realty Sdn Berhad	2,000,000	0.20
Total		716,531,120	69.99

NOTICE OF 42ND ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Forty-Second Annual General Meeting ("42nd AGM") of Olympia Industries Berhad ("the Company") will be conducted fully virtual through the online meeting platform at <https://tiih.online> (registered with MYNIC Berhad in the domain name <https://tiih.com.my> under the registration number D1A282781) on Wednesday, 31 May 2023 at 3.00 p.m. to transact the following businesses:

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2022 together with the Reports of the Directors and Auditors thereon (Please refer to Explanatory Note 1)
2. To approve the payment of Directors' fees of RM180,000 for the financial year ended 31 December 2022 (Ordinary Resolution 1)
3. To approve the payment of Directors' benefits to Non-Executive Directors up to an amount of RM65,000 from the 42nd AGM until the next Annual General Meeting of the Company (Ordinary Resolution 2)
4. To re-elect the following Directors who are retiring by rotation in accordance with Clause 91 of the Company's Constitution, and being eligible, offer themselves for re-election:
 - (i) Y.A.M. Tunku Naquiyuddin ibni Almarhum Tuanku Jaafar (Ordinary Resolution 3)
 - (ii) Mr Ng Ju Siong (Ordinary Resolution 4)
5. To re-elect Dato' Aminudin Zaki bin Hashim who is retiring in accordance with Clause 98 of the Company's Constitution, and being eligible, offers himself for re-election (Ordinary Resolution 5)
6. To re-appoint Messrs. Ernst & Young PLT as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration (Ordinary Resolution 6)

AS SPECIAL BUSINESS

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

7. **AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016** (Ordinary Resolution 7)

"THAT pursuant to Sections 75 and 76 of the Companies Act, 2016 and subject to the approval of the relevant regulatory authorities, the Directors of the Company be and are hereby authorised to issue and allot shares in the Company, at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this Resolution does not exceed 10% of the total number of issued shares of the Company for the time being AND THAT the Directors of the Company be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad AND THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company.

NOTICE OF 42ND ANNUAL GENERAL MEETING

(cont'd.)

AND FURTHER THAT in connection with the above, pursuant to Section 85 of the Companies Act, 2016 to be read together with Clause 58 of the Constitution of the Company, the shareholders of the Company do hereby waive their pre-emptive rights over all new shares to be issued pursuant to Sections 75 and 76 of the Companies Act, 2016 and that such new shares when issued, to rank pari passu with the existing issued shares in the Company."

8. **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

(Ordinary Resolution 8)

"THAT pursuant to Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given for the Company and/or its subsidiaries ("Olympia Group") to enter into and give effect to the categories of recurrent related party transactions with the related parties as specified in Section 2.3.1 of the Circular to Shareholders dated 28 April 2023, which are necessary for the Olympia Group's day-to-day operations in the ordinary course of business made on an arm's length basis and on normal commercial terms and on terms which are not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company (hereinafter referred to as "the Mandate") and the Mandate shall continue to be in force until:

- (a) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time the Mandate will lapse, unless by a resolution passed at a general meeting, the authority is renewed;
- (b) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340(2) of the Companies Act, 2016 ("the Act") (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is earlier.

AND THAT the Directors of the Company and/or its subsidiaries be and are hereby authorised to complete and do all such acts and things including executing all such documents as they may consider necessary or expedient to give effect to the Mandate."

9. To transact any other business of which due notice shall have been given.

BY ORDER OF THE BOARD

Lim Yoke Si (MAICSA 0825971) / SSM PC No. 202008000548
Kwan Wai Sin (MAICSA 7035227) / SSM PC No. 201908000481
Company Secretaries

Kuala Lumpur
28 April 2023

NOTICE OF 42ND ANNUAL GENERAL MEETING

(cont'd.)

Notes

1. The 42nd AGM of the Company will be conducted pursuant to Guidance Notes issued by the Securities Commission Malaysia and Section 327(2) of the Companies Act 2016.
2. Shareholders or proxies/corporate representatives/attorneys appointed/authorised are advised to follow the procedures provided in the Administrative Guide for the 42nd AGM in order to register, participate and vote remotely.
3. Shareholders are to attend (including posing questions to the Board via real time submission of typed texts) and vote (collectively, "participate") remotely in the 42nd AGM via Remote Participation and Voting facilities ("RPV") provided by Tricor Investor & Issuing House Services Sdn Bhd ("Tricor") via its TIH Online website at <https://tiah.online>. Please follow the procedures for RPV in the Administrative Guide for the 42nd AGM.
4. A member shall not be entitled to appoint more than two (2) proxies to participate in the 42nd AGM via RPV.
5. Where a member is an authorised nominee, it may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
6. Where a member is an exempt authorised nominee 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.
7. Where a member or authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
8. If the appointor is a corporation, the Form of Proxy must be executed under its Common Seal or under the hand of its attorney.
9. The appointment of a proxy may be made in a hard copy form or by electronic means as follows:

(a) In hard copy form

The Form of Proxy or the Power of Attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, must be deposited at the office of Share Registrar of the Company, Tricor, at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, not less than 48 hours before the time for holding the 42nd AGM or no later than 3.00 p.m. on 29 May 2023.

(b) By Tricor Online System (TIH Online)

The Form of Proxy can be electronically submitted to Tricor via TIH Online at <https://tiah.online>. Kindly refer to the Administrative Guide for the 42nd AGM on the procedures for electronic lodgement of proxy form via TIH Online.

10. In respect of deposited securities, only members whose names appear in the Record of Depositors on 24 May 2023 shall be entitled to participate in the 42nd AGM via RPV.
11. In compliance with the Main Market Listing Requirement of Bursa Malaysia Securities Berhad, all resolutions as set herein will be put to vote by way of poll.

PERSONAL DATA PROTECTION STATEMENT

By submitting an instrument appointing a proxy(ies) and/or representatives(s) to attend and to vote at the Annual General Meeting ("AGM") of the Company and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

NOTICE OF 42ND ANNUAL GENERAL MEETING

(cont'd.)

EXPLANATORY NOTES:

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

Item 1 of the Agenda is for discussion only as the provision of Section 340(1)(a) of the Companies Act, 2016 does not require approval from shareholders of the Company. Hence, it is not put forward for voting.

2. Ordinary Resolutions 1 and 2 – Payment of Fees and Benefits to Non-Executive Directors

The proposed payment of Directors' fees of RM180,000 is for the Non-Executive Directors of the Company who have served during the financial year. The Directors' benefits for Non-Executive Directors comprise meeting allowances of RM30,000 and leave passage of RM35,000. Meeting allowances are calculated based on the number of scheduled Board, Board Committee and general meetings from the 42nd AGM until the next Annual General Meeting of the Company. The Board endorsed the recommendations of the Remuneration Committee on the proposed payment of Directors' fees and benefits to Non-Executive Directors of the Company.

3. Ordinary Resolutions 3 and 4 – Re-election of Directors (retirement by rotation)

Clause 91 of the Company's Constitution states that at each Annual General Meeting ("AGM") of the Company, one-third (1/3rd) of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to one-third, shall retire from office. All Directors shall retire from office at least once in three (3) years and shall be eligible for re-election.

Y.A.M. Tunku Naquiyuddin ibni Almarhum Tuanku Jaafar and Mr Ng Ju Siong are due to retire by rotation at the 42nd AGM and being eligible, have offered themselves for re-election.

The Board through the Nomination Committee had assessed the retiring Directors based on the Fit and Proper criteria and is satisfied that they have the experience, competence, integrity and character in their respective roles as Board members. The Board recommends the re-election of Y.A.M. Tunku Naquiyuddin ibni Almarhum Tuanku Jaafar and Mr Ng Ju Siong as Directors at the 42nd AGM.

4. Ordinary Resolution 5 – Re-election of Director (casual vacancy)

Clause 98 of the Company's Constitution summarises that any person appointed as a Director, either to fill a casual vacancy or as an addition to the existing Directors, shall hold office only until the next annual general meeting, and shall then be eligible for re-election.

Dato' Aminudin Zaki bin Hashim who was appointed on 31 March 2023, is due to retire at the 42nd AGM and being eligible, has offered himself for re-election. The Nomination Committee had earlier reviewed and assessed Dato' Aminudin Zaki bin Hashim based on amongst others, the Fit and Proper criteria prior to his Board appointment. The Board recommends the re-election of Dato' Aminudin Zaki bin Hashim as Director at the 4th AGM.

5. Ordinary Resolution 6 – Re-appointment of Auditors

Based on the annual evaluation carried out on the external auditors, the Board endorsed the recommendation of the Audit Committee to re-appoint Messrs Ernst & Young PLT as Auditors of the Company at the 42nd AGM.

6. Ordinary Resolution 7 – Authority to Issue and Allot Shares

The proposed resolution, if passed, will renew the mandate obtained at the last AGM and authorise the Directors to issue and allot up to 10% of the total number of issued shares of the Company for the time being, for purposes of any fund raising activities including but not limited to, placement of shares, funding future investments and/or working capital. The general mandate will provide flexibility and expediency for issuance of new shares and waive shareholders' pre-emptive rights over new shares in connection with Section 85 of the Companies Act, 2016 to be read together with Clause 58 of the Constitution of the Company.

As at the date of this Notice of 42nd AGM and based on the mandate obtained at the 41st AGM, no new shares were issued and hence, no proceeds were raised.

7. Ordinary Resolution 8 – Renewal of Shareholders' Mandate for Recurrent Related Party Transactions

The proposed resolution, if passed, will renew the shareholders' mandate obtained at the last AGM and will enable the Olympia Group to enter into recurrent related party transactions of a revenue or trading nature as detailed in the Circular to Shareholders dated 28 April 2023.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

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

1. Details of individual who is standing for election as Director

No individual is seeking election as a Director at the Forty-Second Annual General Meeting (“42nd AGM”) of the Company.

2. General mandate for issue of securities in accordance with 6.03(3) of MMLR of Bursa Securities

The shareholders’ approval for renewal of general mandate on issuance of shares pursuant to Sections 75 & 76 of the Companies Act, 2016 (“the Act”) will be sought at the 42nd AGM of the Company.

The said general mandate, if renewed, will provide flexibility to the Company for issuance of new shares for any possible fund raising activities including but not limited to placement of shares, funding future investments and/or working capital.

No proceeds were raised from the previous mandate as the Company did not issue any new shares under the general mandate which was approved at the 41st AGM of the Company held on 30 May 2022.

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OLYMPIA INDUSTRIES BERHAD

[198001009242 (63026-U)]

Form of Proxy

CDS Account No.	No. of Shares held

* I/We _____

* NRIC/Passport/Company No. _____ Mobile Phone No.: _____

Address : _____

being a member of **OLYMPIA INDUSTRIES BERHAD** ("the Company"), hereby appoint :-

1. Name of proxy	NRIC/ Passport No.	Proportion of shareholdings and % represented by proxy	
		No. of Shares	%
Address			

and

2. Name of proxy	NRIC/ Passport No.	Proportion of shareholdings and % represented by proxy	
		No. of Shares	%
Address			

or failing *him/her, the Chairman of the meeting as *my/our proxy to vote for *my/our behalf at the 42nd Annual General Meeting of the Company which will be conducted fully virtual through the online meeting platform at <https://tjih.online> (registered with MYNIC Berhad in the domain name <https://tjih.com.my> under the registration number D1A282781) on Wednesday, 31 May 2023 at 3.00 p.m., or at any adjournment thereof.

Ordinary Resolutions	Ordinary Business	For	Against
1	Approval of Directors' fees to Non-Executive Directors		
2	Approval of Directors' benefits to Non-Executive Directors		
3	Re-election of Y.A.M. Tunku Naquiyuddin ibni Almarhum Tuanku Jaafar as Director		
4	Re-election of Mr Ng Ju Siong as Director		
5	Re-election of Dato' Aminudin Zaki bin Hashim as Director		
6	Re-appointment of Messrs Ernst & Young PLT as Auditors and authority to the Directors to fix the Auditors' remuneration		
	Special Business		
7	Authority to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016		
8	Proposed renewal of Shareholders' Mandate for recurrent related party transactions of a revenue or trading nature		

(Please indicate the manner in which you wish your vote to be cast with an "X" in the appropriate space above. If no instruction is given, this form will be taken to authorise the proxy to vote at his/her discretion)

Signed this _____ day of _____, 2023.

* Delete where inapplicable

Signature / Common Seal of Shareholder

Notes

- The Forty-Second Annual General Meeting of the Company ("42nd AGM") will be conducted pursuant to Guidance Notes issued by the Securities Commission Malaysia and Section 327(2) of the Companies Act 2016.
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- Shareholders are to attend (including posing questions to the Board via real time submission of typed texts) and vote (collectively, "participate") remotely in the 42nd AGM via Remote Participation and Voting facilities ("RPV") provided by Tricor Investor & Issuing House Services Sdn Bhd ("Tricor") via its TIH Online website at <https://tjih.online>. Please follow the procedures for RPV in the Administrative Guide for the 42nd AGM.
- A member shall not be entitled to appoint more than two (2) proxies to participate in the 42nd AGM via RPV.
- Where a member is an authorised nominee, it may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- Where a member is an exempt authorised nominee 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.
- Where a member or authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
- If the appointor is a corporation, the Form of Proxy must be executed under its Common Seal or under the hand of its attorney.
- The appointment of a proxy may be made in a hard copy form or by electronic means as follows:
 - In hard copy form**
The Form of Proxy or the Power of Attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, must be deposited at the office of Share Registrar of the Company, Tricor, at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, not less than 48 hours before the time for holding the 42nd AGM or no later than 3.00 p.m. on 29 May 2023.
 - By Tricor Online System (TIH Online)**
The Form of Proxy can be electronically submitted to Tricor via TIH Online at <https://tjih.online>. Kindly refer to the Administrative Guide for the 42nd AGM on the procedures for electronic lodgement of proxy form via TIH Online
- In respect of deposited securities, only members whose names appear in the Record of Depositors on 24 May 2023 shall be entitled to participate in the 42nd AGM via RPV.
- In compliance with the Main Market Listing Requirement of Bursa Malaysia Securities Berhad, all resolutions as set herein will be put to vote by way of poll.

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THE REGISTRAR OF
OLYMPIA INDUSTRIES BERHAD
[198001009242 (63026-U)]



The Share Registrar
Tricor Investor & Issuing House Services Sdn Bhd
(197101000970 (11324-H))
Unit 32-01, Level 32, Tower A,
Vertical Business Suite, Avenue 3
Bangsar South, No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Malaysia

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OLYMPIA INDUSTRIES BERHAD

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