



ANNUAL REPORT 2022

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Chairman's Statement And Management Discussion And Analysis

On behalf of the Board of Directors of Oceancash Pacific Berhad ("OPB" or the "Company"), it is my pleasure to present the Annual Report and Financial Statements of the Company and its subsidiaries (the "Group") for the financial year ended 31 December 2022.

Overview of Business and Operations

The Group recorded a better performance despite the many challenges faced by hygiene non-woven products ("Hygiene Division") and insulation products ("Insulation Division"). The shortage of production manpower disrupted our factory operations and caused an increase in production costs. Natural gas and electricity which is the major components of production costs increased substantially during the year.

As the Hygiene Division's export revenue and import of raw materials are denominated in US Dollar, the strengthening of the US Dollar against many currencies made our selling price less attractive to our overseas customers. Coming out of Covid-19 pandemic, Hygiene Division also sees the headwinds of excess production capacity of hygiene related products, especially in China.

The insulation products ("Insulation Division") posted a better performance during the endemic stage as there was pent-up demand for new motor vehicles at the same time the Government extended the Sales Tax exemption till 30 June 2022 to spur the local economy.

Review of Financial Performance and Business Operations

Financial Summary

	2022	2021	2020	2019	2018
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	87,169	74,495	80,169	89,344	85,178
Profit Before Tax	8,699	6,613	4,843	9,028	7,608
Profit After Tax	6,575	5,246	4,314	7,104	6,078
Profit Attributable to :					
Owners of the Company	6,575	5,246	4,314	7,104	6,078
EPS (sen)	2.52	2.01	1.73	2.90	2.73
Assets and Liabilities					
Total Assets	136,493	137,511	135,272	108,983	103,319
Total Liabilities	19,883	25,799	26,741	19,445	19,177
Net Assets	116,610	111,711	108,531	89,538	84,142
NTA/share (sen)	44.71	42.83	41.61	36.50	37.73

The Group's revenue grew 17.01% to RM87.2 million and profit after tax increased by RM1.3 million to RM6.6 million compared to last year of RM74.5 million and RM5.2 million respectively.

Hygiene Division

Hygiene Division recorded a drop of 8.7% in export sales due mainly less sales to Japan. The drop in export sales was mitigated by the increase in sales in Malaysia. During the year the strengthening of US Dollar against many currencies, the increase in electricity tariff and the high global logistic costs affected our export sales negatively. In addition, the successive rate hikes by US Federal Reserve have resulted in higher finance costs. Nevertheless, we still managed to stay profitable for the year 2022 through efficient production planning and stringent cost control.

Insulation Division

Insulation Division revenue in Malaysia grew by 65.96% which was mainly driven by the extension of Sales Tax exemption on new automotive vehicles and export to Thailand. While in Indonesia, the revenue increased by 5.45%. The insulation Division in Malaysia faced headwinds due to Russia/Ukraine War and the geopolitical uncertainties resulting in high materials costs. In addition, the cost of operations was increased by the hike in electricity tariff, shortage of factory manpower and increase in natural gas costs in Malaysia.

The Insulation division in Thailand commenced commercial production in December 2022. There were no commercial sales during the year. Total costs incurred for the financial year 2022 were RM0.9 million.

In line with the increase in revenue, Insulation Division posted a net profit after tax of RM5.2 million compared to the previous financial year RM4.1 million.

PROSPECT AND OUTLOOK

Hygiene Division

Looking forward, we foresee a better performance in 2023 as the world returns to normalcy amid the resumption of international travel. Sea freight is gradually returning to the pre-pandemic level which bodes well for our export business. Thus, we expect to see an uptick in our export volume from the 2nd quarter onwards.

In addition, the arrival of the new spunlace machine in the middle of the year will enhance our capabilities and add new products to our existing product range. This new range of products can potentially increase our sales volume significantly. We expect to commence commercial production of spunlace fabrics from 4th quarter of 2023.

Last but not least, we are also looking very carefully into streamlining our operations in terms of the number of production machineries, exploring new opportunities as well as developing new products for other industries. On this end, we expect to see some positive results in 2023.

Insulation Division

Malaysia

The allowance of 100% sales tax exemption for new vehicles booked before 30 June 2022 and delivered before 31 March 2023 has resulted in continuous robust sales to the automotive industry in the first quarter of 2023. In addition, new and popular models launched in 2022 and 2023 by the national carmakers, Proton and Perodua, are also expected to carry the sales momentum throughout 2023.

In the non-national segment, several new and popular models from Honda and Toyota are expected to be launched in 2023. We also expect these new models to be volume sellers, further bolstering our sales volume.

We have intensified our marketing efforts in promoting our new product range since the end 2022 and we expect these efforts to bear fruits in the coming months. We are optimistic that the new product range can potentially bring in significant sales in 2023 and beyond, thereby enhancing our reputation as the leading automotive felts manufacturer in the country and this region.

Indonesia

The business volume is expected to fare better in 2023 as new vehicle production in Indonesia continues to grow due to recovery in automotive sales globally. We also expect the new felts machine to arrive in the middle of 2023 to start contributing in the year 2024. The new machine will enable us to offer a wider range of products to the automotive industry in Indonesia. This new product range is also in demand in other industries which we would duly explore.

Chairman's Statement And Management Discussion And Analysis

(Cont'd)

Thailand

As automotive sales recover globally, total new vehicle production in Thailand is expected to reach 2 million units in 2023. We believe there are plenty of opportunities in the supply chain and we are therefore extremely optimistic about our Thai operation.

We have commenced commercial production to supply some of our customers in Thailand. Once the localization is complete, we expect our operation in Thailand to contribute positively in 2023.

Looking forward, we will actively seek opportunities in Thailand and hope to capitalize on our presence there to make further inroads with new and existing customers.

Vietnam

Vietnam is an emerging automotive market in South East Asia which is currently ranked fourth behind Thailand, Indonesia and Malaysia. The automotive industry in Vietnam has the potential for significant growth due to the commitment of the Vietnamese Government. We are keeping a close watch on Vietnam as we have started exporting to a customer in Vietnam. We look to explore further opportunities in Vietnam by participating in relevant trade and automotive exhibitions in 2023.

DIVIDEND

The Board exercises prudence and balance in ensuring attractive returns to shareholders while retaining sufficient resources for expansion programs. There is no fixed dividend policy at this point of time. However, the Board strives to declare a consistent dividend to shareholders. The Board had recommended, declared, and paid an interim dividend of 1.0 sen per share to shareholders on 30 December 2022.

APPRECIATION

We would like to express our heartfelt gratitude and appreciation to the management and staff for their dedication and pursuit of innovation these past years. We also wish to thank and express our appreciation to our customers, suppliers, regulatory authorities, bankers, and shareholders for their invaluable support and confidence in the Group.

TAN SIEW CHIN

Date: 20 April 2023

The Board of Directors is aware of its responsibility to develop and grow the business in a sustainable and responsible manner. To achieve this, the Group is committed to ensure the sustainability of its business and the environment it operates in.

Business Sustainability - Risk Management

We are constantly fine tuning our manufacturing processes to improve efficiency and reduce wastage in order to stay competitive. We always strive to provide excellent customer service, top quality products and timely delivery at all times in our efforts to promote and encourage customer loyalty.

We regularly benchmark ourselves against other manufacturers from this region to understand our strengths and weaknesses. On top of being a reliable supplier, we are also a solution provider to our customers due to our strong technical knowledge base and expertise. In addition, we also ensure that we are well aware of the latest trend in our industries so as to stay relevant and ahead of the competition.

Last but not least, The Group is always constantly on the lookout for opportunities within and outside of our industries in order to enhance our competitiveness and risk management through growth and diversification.

Human Resource - Succession Planning

The Group recognises that our people is the core of our business. We continually identify, train and groom the next generation of successors to key positions in our organisation to ensure continuity is preserved under all circumstances.

We look after the well-being of our human capital to ensure that they continue to actively contribute to the growth of this organisation.

Environment

The Group cares about the environment and is mindful of its responsibility as a corporate citizen to reduce its carbon footprint during the course of conducting its business.

We use recycled materials/waste from the textile industry and our wastes also go to other industries as raw materials. For wastes that cannot be recycled, we always ensure that they are handled properly.

We are very careful with energy utilisation and invested in sustainable energy in solar power in 2019 for our own electricity consumption as well as exporting the excess back to the TNB grid. Since then, we have been utilising solar-generated electricity on daily basis and hence doing our part for a greener world as well as saving some energy costs in the process.

BOARD OF DIRECTORS

TAN SIEW CHIN
*Executive Chairman /
Chief Executive Officer*

TAN WEY CHIEN
Executive Director

TAN WEY CHUNG
Executive Director

NGIAM KEE TONG
Senior Independent Non-Executive Director

CRYSTAL YONG MEI YEE
Independent Non-Executive Director

FONG WAI LEONG
Independent Non-Executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE

NGIAM KEE TONG - Chairman
Senior Independent Non-Executive Director

CRYSTAL YONG MEI YEE - Member
Independent Non-Executive Director

FONG WAI LEONG - Member
Independent Non-Executive Director

REGISTERED OFFICE

Level 5 Tower 8
Avenue 5 Horizon 2
Bangsar South City
59200 Kuala Lumpur
Tel No.: 03-2280 6388
Fax No.: 03-2280 6399

HEAD / MANAGEMENT OFFICE

Lot 73 Jalan P10/21
Taman Industri Selaman
43650 Bandar Baru Bangi
Selangor Darul Ehsan
Tel No.: 03-8925 0000
Fax No.: 03-8925 5800
Email: ofsb@oceancash.com
Website : www.oceancash.com

COMPANY SECRETARIES

Wong Youn Kim
MAICSA 7018778
Practicing Certificate No. 201908000410

Yip Siew Cheng
MAICSA 7006780
Practicing Certificate No. 202008001527

PRINCIPAL BANKER

United Overseas Bank (Malaysia) Bhd (271809K)
1st Floor Bangunan UOB Medan Pasar
10-12 Medan Pasar
50050 Kuala Lumpur
Tel No.: 03-2772 8000
Fax No.: 03-2072 2791

REGISTRAR

Sectrars Management Sdn Bhd (1127890-P)
Lot 9-7 Menara Sentral Vista
No. 150 Jalan Sultan Abdul Samad
Brickfields
50470 Kuala Lumpur
Tel No.: 03-2276 6138 / 6139 / 6130
Fax No.: 03-2276 6131

AUDITORS

HLB Ler Lum Chew PLT (201906002362 & AF0276)
A-23-1 Level 23 Hampshire Place Office
157 Hampshire
No 1 Jalan Mayang Sari
Off Jalan Tun Razak
50450 Kuala Lumpur
Tel No.: 03-7890 5588
Email : general@hlblerlumchew.com

STOCK EXCHANGE LISTING

Main Market
Bursa Malaysia Securities Berhad

TAN SIEW CHIN

Male, Aged 71, Malaysian

Executive Chairman and Chief Executive Officer

Mr Tan Siew Chin was appointed to the Board on 29 March 2004. He is a member of the Chartered Institute of Management Accountants of United Kingdom and a Chartered Accountant with the Malaysian Institute of Accountants.

Mr Tan Siew Chin is a trained accountant from London. He has working experience ranging from finance company, property development, plantation and manufacturing. He was the founder of Paragon Union Berhad which he started in 1988 and later sold in 1997. Thereafter, he started Oceancash Felts Sdn Bhd and later on Oceancash Nonwoven Sdn Bhd in 2000. These 2 companies were grouped under Oceancash Pacific Berhad which was listed on Bursa in 2004. He has since been the Chairman and Chief Executive Officer till to date.

Mr Tan Siew Chin has no directorship in any other public listed company. He is the husband of Madam Chen Lee Chew, a substantial shareholder of the Company and the father of Mr Tan Wey Chien and Mr Tan Wey Chung, both Executive Directors of the Company. Save as disclosed above, Mr Tan Siew Chin has no family relationship with any director and/or major shareholder of the Company and his directorship in the Company does not give rise to any conflict of interest situation. He has not been convicted of any offence within the past five (5) years (other than traffic offence, if any) nor imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year. He has attended all the five (5) Board of Directors' meetings held during the financial year ended 31 December 2022.

TAN WEY CHIEN

Male, Aged 36, Malaysian

Executive Director

Mr Tan Wey Chien was appointed to the Board on 25 November 2015. He graduated with (BA) Accounting & IT from University of Manchester, United Kingdom. He is a member of CPA Australia and he is also a Chartered Accountant with the Malaysian Institute of Accountants.

Mr Tan Wey Chien started his career by joining Ernst & Young in the year 2009 till June 2010; after which he joined Oceancash Felts Sdn Bhd as Operation Executive from June 2010 till present.

Mr Tan Wey Chien has no directorship in any other public listed company. He is the son of Mr Tan Siew Chin, a substantial shareholder, Chief Executive Office and Executive Chairman of the Company as well as the son of Madam Chen Lee Chew, a substantial shareholder of the Company and the brother of Mr Tan Wey Chung, an Executive Director of the Company. Save as disclosed above, Mr Tan Wey Chien has no family relationship with any director and/or major shareholder of the Company and his directorship in the Company does not give rise to any conflict of interest situation. He has not been convicted of any offence within the past five (5) years (other than traffic offence, if any) nor imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year. He has attended all the five (5) Board of Directors' meetings held during the financial year ended 31 December 2022.

Board Of Directors

(Cont'd)

NGIAM KEE TONG

Male, Aged 68, Malaysian

Senior Independent Non-Executive Director

Mr Ngiam Kee Tong was appointed to the Board on 7 November 2017. He was redesignated as Senior Independent Non-Executive Director on 4 January 2021. He is the Chairman of the Audit and Risk Management Committee, Nomination Committee and Remuneration Committee. He graduated with a LLB Honours Degree in Law from University of Malaya in 1978. He was subsequently called to the Bar in 1979 after having chambered in Messrs Shearn Delamore & Co where he became an associate.

Mr Ngiam Kee Tong later joined Messrs Nik Hussain & Partners and was admitted as a partner in 1983. He left to set up Messrs Khairuddin, Ngiam & Tan in 1985 and is now redesignated as the consultant in the law firm.

Mr Ngiam Kee Tong sits in the board of Saujana Resort (M) Berhad and TA Investment Management Berhad. He has no family relationship with any other director and/or major shareholder of the Company and his directorship in the Company does not give rise to any conflict of interest situation. He has not been convicted of any offence within the past five (5) years (other than traffic offence, if any) nor imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year. He has attended all the five (5) Board of Directors' meetings held during the financial year ended 31 December 2022.

CRYSTAL YONG MEI YEE

Female, Aged 35, Malaysian

Independent Non-Executive Director

Ms Crystal Yong Mei Yee was appointed to the Board on 29 October 2018. She is a member of the Audit and Risk Management Committee, Nomination Committee and Remuneration Committee. She is a member of CPA Australia and a Chartered Accountant with the Malaysian Institute of Accountants. She holds a Bachelor of Commerce with a major in Accounting from the University of Queensland, Australia.

Ms Crystal Yong Mei Yee began her professional career at Ernst & Young, where she led audit assignments for companies in various industries until 2014; after which she joined a private equity firm as an Assistant Finance Manager. She is currently a Vice President of a private equity firm with total Assets Under Management of approximately USD1.5 billion.

Ms Crystal Yong Mei Yee has no directorship in any other public listed company. She has no family relationships with any other director and/or major shareholders of the Company and her directorship in the Company does not give rise to any conflict of interest situation. She has not been convicted of any offence within the past five (5) years (other than traffic offence, if any) nor imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year. She has attended all the five (5) Board of Directors' meetings held during the financial year ended 31 December 2022.

TAN WEY CHUNG**Male, Aged 36, Malaysian***Executive Director*

Mr Tan Wey Chung was appointed to the Board on 2 January 2020. He graduated with Accounting and Finance from the University of Liverpool in 2008. He is a member of CPA Australia and he is also a Chartered Accountant with the Malaysian Institute of Accountants.

Mr Tan Wey Chung joined Affin Hwang Asset Management Berhad as Operations Executive in May 2010 and has been working in various capacities for 6 years and had acquired broad knowledge in corporate, investment and asset management. He is currently an Executive Director of Oceancash Nonwoven Sdn Bhd. He joined Oceancash Nonwoven Sdn Bhd as Operations Manager in May 2016. He is also an Executive Director of Oceancash Felts Sdn Bhd and is currently overseeing the felts and nonwoven business operations, financial performance, investments and new business ventures in foreign countries.

Mr Tan Wey Chung has no directorship in any other public listed company. He is the son of Mr Tan Siew Chin, a substantial shareholder, Chief Executive Office and Executive Chairman of the Company as well as the son of Madam Chen Lee Chew, a substantial shareholder of the Company and the brother of Mr Tan Wey Chien, an Executive Director of the Company. Save as disclosed above, Mr Tan Wey Chung has no family relationship with any director and/or major shareholder of the Company and his directorship in the Company does not give rise to any conflict of interest situation. He has not been convicted of any offence within the past five (5) years (other than traffic offence, if any) nor imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year. He has attended all the five (5) Board of Directors' meetings held during the financial year ended 31 December 2022.

FONG WAI LEONG**Male, Aged 54, Malaysian***Independent Non-Executive Director*

Mr Fong Wai Leong was appointed to the Board on 4 January 2021. He is a member of the Audit and Risk Management Committee, Nomination Committee and Remuneration Committee. He is a qualified Chartered Accountant with Malaysia Institute of Certified Public Accountants.

Mr Fong Wai Leong started his career as a professional working for KPMG as an Auditor and subsequently with CIMB as a Merchant Banker. He owned businesses in investment and advisory services in Devonshire Capital and Equinox Capital for 11 years. He has advised on investments, IPOs and M&As in China, Malaysia, Thailand, Singapore, South Africa, South Korea and South America. He was the Group CEO of PanPages Berhad for 9 years. He currently serves on the board of Pelikan International Corporation Berhad.

Mr Fong Wai Leong sits in the board of Pelikan International Corporation Berhad. He has no family relationship with any other director and/or major shareholder of the Company and his directorship in the Company does not give rise to any conflict of interest situation. He has not been convicted of any offence within the past five (5) years (other than traffic offence, if any) nor imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year. He has attended four (4) out of five (5) Board of Directors' meetings held during the financial year ended 31 December 2022.

Key Senior Management

MAH YIT MUI

Female, Aged 62, Malaysian

Chief Financial Officer

Ms Mah Yit Mui was appointed as the Group Finance Manager of the Company on 31 December 2003 and was promoted to Chief Financial Officer on 21 July 2021. She is a Chartered Accountant and a member of the Malaysia Institute of Accountants.

Ms Mah Yit Mui started her career as an Accounts Executive for three (3) years at Sentiasa Kuat Sdn Bhd. She then joined Union Car Carpet & Components Sdn Bhd, a wholly subsidiary of Paragon Union Berhad in 1989 until 1998. Prior to joining Oceancash Pacific Berhad in 2004, she worked in SYF Berhad (formerly known as Tomisho Holdings Berhad) for two (2) years and Oceancash Equities Sdn Bhd for three (3) years. She has held managerial positions for a number of years and has vast experience in finance and accounting.

Ms Mah Yit Mui has no directorship in any other public listed company. She has no family relationship with any other director and/or major shareholder of the Company and her position in the Company does not give rise to any conflict of interest situation. She has not been convicted of any offence within the past five (5) years (other than traffic offence, if any) nor imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2022.

LOR SENG THEE

Male, Aged 55, Malaysian

Group General Manager

Mr Lor Seng Thee was appointed as the Group General Manager of the Company on 1 July 2006. He graduated with a Bachelor of Building degree (B.BUILD) from the University of New South Wales in Sydney, Australia in 1990.

Mr Lor Seng Thee began his working career in the construction and property development industry and worked for 6 years in various capacities before joining Oceancash Felts Sdn Bhd as the Operation Manager in 1997. He has been with Oceancash Felts Sdn Bhd since its formation. He is currently the Group General Manager of Oceancash Group of Companies, a position he assumed in 2006.

Mr Lor Seng Thee has no directorship in any other public listed company. He has no family relationship with any other director and/or major shareholder of the Company and his position in the Company does not give rise to any conflict of interest situation. He has not been convicted of any offence within the past five (5) years (other than traffic offence, if any) nor imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2022.

Corporate Governance Overview Statement

The Board of Directors (“**Board**”) of Oceancash Pacific Berhad (“**OCP**” or “**Company**”) is pleased to present this overview statement which sets out a summary of the Group’s corporate governance practices during the financial year ended 31 December 2022 in accordance with the Malaysian Code on Corporate Governance (“**MCCG**”). This statement is to be read together with the Corporate Governance Report 2022 (“**2022 CG Report**”) of the Company as the application of each practice as set out in the MCCG is disclosed in the 2022 CG Report. The 2022 CG Report is available on the Company’s website at www.oceancash.com.

The Board is committed to ensure that good corporate governance is practiced throughout the Company and its subsidiaries (collectively referred to as “**Group**”). The Board supports the corporate governance framework and continues to improve existing practices and achieve the objectives of the Company.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD LEADERSHIP

Board Duties and Responsibilities

The respective roles and responsibilities of the Board and management are clearly set out and understood by both parties to ensure accountability.

The Board is primarily responsible for the stewardship and strategic direction of the Group including assessing and agreeing with the Group’s corporate objectives and goals and targets to be met by management whilst management is responsible for the execution of the policies and attainment of the objectives of the Group.

The Executive Directors hold the principal obligations in guiding, regulating, managing and communicating the Company’s goals and objectives, as well as all significant corporate matters, corporate restructuring plans, business extension plans and proposals. The Executive Directors assisted by the senior management are also responsible for proposing, developing and implementing applicable and relevant new policies and procedures.

The Independent Non-Executive Directors play a key role in providing unbiased and independent views, advice and contributing their knowledge and experience towards the formulation of policies and in the decision-making process. The Board structure ensures that no individual or group of individuals dominates the Board’s decision-making process.

The Board had assumed the following duties and responsibilities during the financial year ended 31 December 2022:

- (a) Evaluated the conduct of the Group’s business based on the monthly and quarterly financial and other reports prepared by management and concluded that the business is being managed sustainably.
- (b) Reviewed the interim financial statements and the annual report and was satisfied that the financial statements and the contents of the annual report reflected the true and fair view of the financial position and results of the Group and presented its activities accurately.
- (c) Identified principal risks of all aspects of the business and ensured that appropriate systems were implemented to manage these risks.
- (d) Reviewed succession planning including appointing, training and fixing of compensation of Executive Directors and senior management.
- (e) Reviewed the sustainability report of the Group and was satisfied that the report reflects the sustainability of its business and the environment it operates in.
- (f) Reviewed the efficiency and quality of the Group’s financial reporting process and the adequacy and integrity of the Group’s internal control and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines and was satisfied that the internal control systems and information systems were adequate in all material aspects and that the Group complied with applicable laws and regulations.

Corporate Governance Overview Statement

(Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

I. BOARD LEADERSHIP (cont'd)

Board Duties and Responsibilities (cont'd)

- (g) Ensured continuing education or training for Directors to keep abreast of relevant changes in laws and regulations and the development of the industry.
- (h) Monitoring and reviewing compliance with internal control policies and risk management systems.
- (i) Reviewed the proposed dividends and ensured that they commensurate with the performance of the Company and meet the expectations of the shareholders.
- (j) Ensured that the Company's investor relation programmes and shareholders' communication policy were implemented effectively.

Board and Board Committees

In discharging its fiduciary duties, the Board has delegated specific responsibilities to three (3) main Board Committees namely the Audit and Risk Management Committee ("ARMC"), Remuneration Committee and Nomination Committee. The Board Committees are guided by their respective terms of reference approved by the Board. All the Board Committees report directly to the Board with the necessary recommendations and the ultimate responsibility for final decisions on all matters lies with the Board.

Roles and Responsibilities of Chairman and Chief Executive Officer

Mr Tan Siew Chin is the Executive Chairman and Chief Executive Officer ("CEO") of the Company and is responsible for the day-to-day management of the business and operations of the Group. He is supported by a management team and other committees established under the Group's management framework. The management's performance under the leadership of the CEO is monitored by the Board during each reporting period. The Board is also kept informed of key strategic initiatives, significant operational issues and the Group's performance.

The relevant members of the management attended Board meetings to support the CEO in presenting the updates on the progress of key initiatives, business targets and achievements to date and to provide clarification on the queries and issues raised by the Board.

Key Senior Management

The Executive Chairman and the Executive Directors are responsible for the identification and development of the key senior management as well as to review the succession planning for key management team from time to time. Potential candidates are identified from within and outside the Group and groomed to shoulder heavier responsibilities in due course.

Company Secretary

The Board is supported by qualified and competent Company Secretaries who are both members of the Malaysian Institute of Chartered Secretaries and Administrators and the Companies Commission of Malaysia for practising company secretaries. They are responsible for ensuring that the Company's Constitution, procedures and policies and regulations are complied with. The Board is regularly updated by the Company Secretary on any new statutory and regulatory requirements that affect the duties and responsibilities of the Directors. The Company Secretaries attended all the Board meetings and Board Committee meetings held in the financial year ended 31 December 2022.

The Board recognises that the Company Secretaries are suitably qualified and capable of carrying out the duties required. The Board is satisfied with the services and support rendered by the Company Secretaries in the discharge of their functions.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

I. BOARD LEADERSHIP (cont'd)

Board Charter

The Board is always guided by the Board Charter which sets out the duties and responsibilities and matters reserved for the Board in discharging its fiduciary duties. The Board reviews the Board Charter periodically to ensure that it continues to remain relevant and appropriate. The Board Charter is published on the Company's website at www.oceancash.com.

Code of Conduct and Ethics for Directors

The Company has put in place a Code of Conduct and Ethics for Directors which governs the standards of ethics and good conduct expected of Directors. The Board reviews the Code of Conduct and Ethics for Directors periodically to ensure that it continues to remain relevant and appropriate. The Code of Conduct and Ethics for Directors is published on the Company's website at www.oceancash.com.

Whistle Blowing Policy

The Board has formalised a Whistle Blowing Policy with the aim to provide an avenue for raising concerns related to a possible breach of business conduct, non-compliance with laws and regulatory requirements as well as other malpractices. The Group's Whistle Blowing Policy seeks to foster an environment of integrity and ethical behaviour and to expose any illegal or improper action in the Group. In the financial year ended 31 December 2022, no complaints were received by the Board. The Whistle Blowing Policy is accessible by the public through the Company's website at www.oceancash.com.

Anti-Bribery and Anti-Corruption Policy ("ABAC Policy")

In line with the amendments to the Malaysian Anti-Corruption Commission Act 2009 to incorporate a new Section 17A on corporate liability for corruption which took effect on 1 June 2020, the Group had adopted the ABAC Policy which set out the Group's responsibilities in providing principles, guidelines and recommendations to the employees on the procedures to deal with solicitation, bribery and corruption that could possibly arise on the business dealing and operation activities.

The Company had also conducted briefings and trainings to all employees of the Group to create awareness on the ABAC Policy to foster the commitment of the employees in instilling the spirit of integrity and to avoid all forms of corruption practices within the organisation. The ABAC Policy is accessible by the public through the Company's website at www.oceancash.com.

Fit and Proper Policy

In line with the new rule of the MMLR on 19 January 2022, the Board had on 30 May 2022 adopted the Fit and Proper Policy to ensure a formal and transparent process for the appointment and re-election of Directors and key senior management of the Group. The execution is delegated to the Nomination Committee and to be reviewed and approved by the Board. This Policy shall be reviewed periodically by the Board and be revised at any time as it may deem necessary in accordance with the needs of the Company. The Fit and Proper Policy is published on the Company's website at www.oceancash.com.

Promote Sustainability

The Board ensures that the Company's strategies promote sustainability with attention given particularly to environmental, social and governance ("ESG") aspects of the business which underpins sustainability. The Board understands that balancing ESG aspects with the interests of various stakeholders is essential to enhance investor perception and public trust. The Group is committed to the continuous efforts in maintaining a delicate balance between its sustainability agenda and other stakeholders' interests. The details of the sustainability efforts are set out in the "Sustainability Statement" of the 2022 Annual Report.

Corporate Governance Overview Statement

(Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

I. BOARD LEADERSHIP (cont'd)

Access to Information and Advice

The Board is supplied with all information within the Company and the Group in a timely manner. The Chairman together with the management and the Company Secretaries are responsible for ensuring the Board receive the agenda and board papers not less than seven (7) days before the Board meetings and Board Committee meetings.

The proceedings of all Board meetings and Board Committee meetings are produced by the Company Secretary for confirmation at the next meeting.

The Board has access to the services and the advice of the Company Secretary and professional advice from third parties. The non-executive Directors have access to information from the management.

II. BOARD COMPOSITION

Composition of the Board

The current Board consists of six (6) Directors; three (3) Independent Non-Executive Directors, two (2) Executive Directors and an Executive Chairman who also serves as the CEO. The Board Members are as follows:

<i>Board Members</i>	<i>Directorship</i>
Mr Tan Siew Chin	Executive Chairman / CEO
Mr Tan Wey Chien	Executive Director
Mr Tan Wey Chung	Executive Director
Mr Ngiam Kee Tong	Senior Independent Non-Executive Director
Ms Crystal Yong Mei Yee	Independent Non-Executive Director
Mr Fong Wai Leong	Independent Non-Executive Director

The Company complies with Paragraph 15.02 of the Main Market Listing Requirement (“**MMLR**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) whereby at least two (2) or one-third (1/3) of the Board, whichever is higher, are Independent Directors. In the event of any vacancy in the Board resulting in non-compliance with the Listing Requirements, the Board shall fill the vacancy within three (3) months from the date of that event. The composition and size of the Board is reviewed from time to time to ensure its appropriateness and effectiveness.

Independence

The Board is mindful of the MCCG’s recommendation which states at least half of the Board shall comprise of Independent Directors. At the end of the financial year ended 31 December 2022, the Board comprises of six (6) Directors, of which three (3) are Independent Directors. They constitute 50% of the Board. The Independent Directors satisfy the independence test under the MMLR of Bursa Securities.

All Independent Directors of the Company are independent of management and have no family or business relationships with the Executive Directors and major shareholders which could interfere with the exercise of their independent judgement. The presence of the Senior Independent Non-Executive Director provides an additional channel for Independent Directors to voice any opinion or concern that they believe have not been properly considered or addressed by the Board or which they feel may not be appropriate to raise in the open forum.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

II. BOARD COMPOSITION (cont'd)

Tenure of Independent Directors

Currently, the Company does not have a formal policy on the tenure for Independent Directors as the Board is of the view that a cumulative term limit of more than nine (9) years may not necessarily impair the independence and judgement of an Independent Director and therefore, the Board deems it not appropriate to impose a fix term limit for Independent Directors at this juncture.

Upon completion of the nine (9) years, an Independent Non-Executive Director may continue to serve on the Board subject to the redesignation of the said person as Non-Independent Non-Executive Director. In the event the Board intends to retain such Director as Independent Non-Executive Director after having served a cumulative term of nine (9) years, the Board must justify the decision and seek annual shareholders' approval through a two-tier voting process.

As at 31 December 2022, there is no Independent Director serving beyond nine (9) years in the Company.

Board Diversity

Although the Company does not have a formalised policy on gender diversity, the Board is aware of the importance of diversity and is supportive of the recommendation of MCCG to the establishment of boardroom and workforce gender diversity policy. The Board acknowledges the importance of diversity in terms of skills, experience, age, gender, cultural background and ethnicity and recognises the benefits of diversity at leadership and employee level. The Group will evaluate the suitability of candidates as a new Board Member or as a member of the workforce based on the candidate's competency, skills, character, time commitment, knowledge, experience and other qualities in meeting the needs of the Group regardless of gender. Equal opportunity is given to all throughout the organisation. The Directors have a diverse set of skills, experience and knowledge necessary to govern the Group.

Appointment of new Directors is undertaken by the Board after considering the recommendations from the Nomination Committee. In searching for suitable candidates, the Nominating Committee may receive suggestions from existing Board Members, the management and/or major shareholders. The Nomination Committee is also open to referrals from external sources such as industry and professional associations as well as independent search firms. During the financial year ended 31 December 2022, there was no appointment of new Director to the Board.

Currently, there is only one (1) female Director in the Board which correspond to 17% representation of women on Board. This is not in line with the MCCG of at least 30% representation of women on Board. The Board will evaluate and match the criteria of the potential candidate as well as considering the appointment of female Director onto the Board in the future to bring about a more diverse perspective.

Time Commitment and Directorship in Other Public Listed Companies

The directorships in other public listed companies in Malaysia held by any Board member at any one time shall not exceed any number as may be prescribed by the relevant authorities. In addition, at the time of appointment, the Board shall obtain the Director's commitment to devote sufficient time to carry out his/her responsibilities. Directors are required to notify the Chairman before accepting any new directorship. Any Director is, while holding office, at liberty to accept other Board appointments in other companies so long as the appointment is not in conflict with the Company's business and does not affect the discharge of his/her duty as a Director of the Company.

Each Board member is expected to achieve at least 50% attendance of total Board meetings in any applicable financial year with appropriate leave of absence be notified to the Chairman and/or Company Secretaries, where applicable.

Corporate Governance Overview Statement

(Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

II. BOARD COMPOSITION (cont'd)

Time Commitment and Directorship in Other Public Listed Companies (cont'd)

During the financial year ended 31 December 2022, the Directors have demonstrated their ability to devote sufficient time and commitment to their roles and responsibilities as Directors of the Company. The Board is satisfied with the level of time and commitment given by the Directors of the Company towards fulfilling their duties and responsibilities. This is evidenced by the attendance record of the Directors as set out in the section below except for Mr Fong Wai Leong who has attended four (4) of the five (5) Board meetings held during the financial year under review.

Board Meetings

The Board met five (5) times during the financial year ended 31 December 2022. Details of the Directors' attendance at the Board meetings are as follows:

Board Members	Board Meetings Attended
Mr Tan Siew Chin	5/5
Mr Tan Wey Chien	5/5
Mr Tan Wey Chung	5/5
Mr Ngiam Kee Tong	5/5
Ms Crystal Yong Mei Yee	5/5
Mr Fong Wai Leong	4/5

All the Directors have complied with the minimum 50% attendance requirement in respect of the Board meetings held during the financial year ended 31 December 2022.

The Board meets on a quarterly basis to review the operations, financial performance, reports from the various Board Committees and other significant matters of the Group. Where any direction or decisions are required expeditiously or urgently from the Board between the regular meetings, special Board meetings will be convened by the Company Secretaries, after consultation with the Chairman. Additionally, in between Board meetings, the Directors may also approve various matters requiring the sanction of the Board by way of circular resolutions.

Directors' Training

Although the Board does not have a policy requiring each Director to attend a specific number and types of training sessions each year, the Directors are encouraged to attend continuous education programmes/seminars/conferences and shall as such receive further training from time to time to keep themselves abreast of the latest development in statutory laws, regulations and best practices, where appropriate, in line with the changing business environment and enhance their business acumen and professionalism in discharging their duties to the Group. All Directors appointed to the Board have undergone the Mandatory Accreditation Program ("MAP") prescribed by Bursa Securities.

During the financial year ended 31 December 2022, the Directors were updated on the recent developments in the areas of statutory and regulatory requirements from the briefing by the external auditors, the internal auditors and the Company Secretaries during the Board and Board Committees' meetings. The Director, Mr Fong Wai Leong had attended training on "AOB Conversation with Audit Committee by the Securities Commission" on 17 November 2022. The Director, Ms Crystal Yong Mei Yee had attended training on "Corporate Governance & Remuneration Practices for the ESG Word" on 6 September 2022. The Director, Mr Ngiam Kee Tong had attended training on "Capital Market Director Programme for Fund Management (Modules 1, 2B, 3 & 4)" on 26 August 2022. All Directors will continue to undergo relevant training programmes to enhance their skills and knowledge.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

II. BOARD COMPOSITION (cont'd)

Nomination Committee

The current Nomination Committee is comprised of not less than three (3) members and consists wholly of Independent Non-Executive Directors. The members of the Nomination Committee are as follows:

<i>Nomination Committee Members</i>	<i>Position</i>	<i>Directorship</i>
Mr Ngiam Kee Tong	Chairman	Senior Independent Non-Executive Director
Ms Crystal Yong Mei Yee	Member	Independent Non-Executive Director
Mr Fong Wai Leong	Member	Independent Non-Executive Director

The Board has established the Nomination Committee with the responsibilities of assessing the balanced composition of Board Members, nominating the proposed Board Member by looking into his/her skills and expertise for contribution to the Company on an ongoing basis.

The summary of activities undertaken by the Nomination Committee during the financial year are as follows:

- (a) Reviewed the effectiveness of the Board as a whole, the Board Committees and the individual Directors and made appropriate recommendations to the Board; and
- (b) Reviewed and recommended the retirement and re-election of Directors at the forthcoming Annual General Meeting ("**AGM**") in accordance with the Company's Constitution.

Based on the assessment conducted for the financial year ended 31 December 2022, the Board was satisfied with the size, composition as well as the mixture of qualifications, skills and experience among the Board and the Board Committees and the independence of its Independent Directors. In addition, there was mutual respect amongst individual Directors who contributed to a healthy environment for constructive deliberation and a robust decision-making process.

Pursuant to the Company's Constitution, all Directors who are appointed by the Board during the year shall retire by casual vacancy at the Company's AGM following his appointment. The Company's Constitution also provides for at least one-third (1/3) of the remaining Directors who do not retire as aforesaid, shall retire by rotation at every AGM. The Company's Constitution further provides for every Director to retire once in every three (3) calendar years. All retiring Directors are eligible for re-election by shareholders at the AGM. The Directors seeking re-election at the forthcoming AGM are set out in the Notice of 20th AGM and the Statement Accompanying Notice of 20th AGM of the 2022 Annual Report.

The Nomination Committee met once during the financial year ended 31 December 2022. Details of the attendance of the Nomination Committee Members at the Nomination Committee meeting are as follows:

<i>Nomination Committee Members</i>	<i>Nomination Committee Meetings Attended</i>
Mr Ngiam Kee Tong	1/1
Ms Crystal Yong Mei Yee	1/1
Mr Fong Wai Leong	1/1

The terms of reference of the Nomination Committee are reviewed by the Board in accordance with the needs of the Group and is published on the Company's website at www.oceancash.com.

Corporate Governance Overview Statement

(Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

II. BOARD COMPOSITION (cont'd)

Remuneration Committee

The current Remuneration Committee consists of not less than three (3) members and comprises wholly of Independent Non-Executive Directors. The members of the Remuneration Committee are as follows:

<i>Remuneration Committee Members</i>	<i>Position</i>	<i>Directorship</i>
Mr Ngiam Kee Tong	Chairman	Senior Independent Non-Executive Director
Ms Crystal Yong Mei Yee	Member	Independent Non-Executive Director
Mr Fong Wai Leong	Member	Independent Non-Executive Director

Although the Company does not have a formalised remuneration policy and procedure for Directors and senior management, the Board believes in a remuneration package that fairly supports the Directors' responsibilities and fiduciary duties in steering the Group to achieve its long-term goals and enhance shareholders' value. The Board offers a competitive remuneration package to attract, develop and retain talented individuals to serve as Directors.

The determination of the remuneration for Non-Executive Directors is a matter of the Board as a whole. The level of remuneration for Non-Executive Directors reflects the amount paid by other comparable organisations, adjusted based on the experience and level of responsibilities undertaken by the Non-Executive Director concerned. The remuneration package of Non-Executive Directors will be a matter to be deliberated by the Board, with the Director concerned abstaining from deliberations and voting in respect of his/her remuneration. The aggregate annual Directors' fees and other benefits payable are to be approved by shareholders at the AGM based on the recommendations of the Board.

The level of remuneration for Executive Directors is fairly guided by market norms and industry practice. The Nomination Committee recommends the Executive Directors' remuneration and benefits based on their individual performances and that of the Group.

The remuneration of the senior management shall from time to time be determined by the Executive Directors and to be reviewed by the Non-Executive Directors, if necessary, with a view to ensure that the Company offers fair compensation and is able to attract and retain talent who can add value to the Company.

The summary of activities undertaken by the Remuneration Committee during the financial year are as follows:

- (a) Reviewed and recommended the payment of Directors' fees and other benefits payable to Directors;
- (b) Reviewed and recommended the revision of the remuneration of the Executive Directors; and
- (c) Reviewed and recommended the payment of bonus to the Executive Directors and CEO.

The annual review for the financial year ended 31 December 2022 was conducted by the Remuneration Committee on 24 February 2022.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

II. BOARD COMPOSITION (cont'd)

Remuneration Committee (cont'd)

The Remuneration Committee met once during the financial year ended 31 December 2022. Details of the attendance of the Remuneration Committee Members at the Remuneration Committee meeting are as follows:

<i>Remuneration Committee Members</i>	<i>Remuneration Committee Meetings Attended</i>
Mr Ngiam Kee Tong	1/1
Ms Crystal Yong Mei Yee	1/1
Mr Fong Wai Leong	1/1

The terms of reference of the Remuneration Committee are reviewed by the Board in accordance with the needs of the Group and is published on the Company's website at www.oceancash.com.

III REMUNERATION

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

Company (RM'000)

No	Name	Fee	Allowance	Salary	Bonus	Benefit-in-kind	Other Emoluments	Total
1.	Mr Ngiam Kee Tong (Senior Independent Non-Executive Director)	35	3.9	-	-	-	-	38.9
2.	Ms Crystal Yong Mei Yee (Independent Non-Executive Director)	30	3.9	-	-	-	-	33.9
3.	Mr Fong Wai Leong (Independent Non-Executive Director)	30	3.0	-	-	-	-	33.0
4.	Mr Tan Siew Chin (Executive Chairman/ CEO)	30	1.8	-	-	-	-	31.8
5.	Mr Tan Wey Chien (Executive Director)	30	1.8	-	-	-	-	31.8
6.	Mr Tan Wey Chung (Executive Director)	30	1.8	-	-	-	-	31.8

Corporate Governance Overview Statement

(Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

III REMUNERATION (cont'd)

Group (RM'000)

No	Name	Fee	Allowance	Salary	Bonus	Benefit-in-kind	Other Emoluments	Total
1.	Mr Ngiam Kee Tong (Senior Independent Non-Executive Director)	35	3.9	-	-	-	-	38.9
2.	Ms Crystal Yong Mei Yee (Independent Non-Executive Director)	30	3.9	-	-	-	-	33.9
3.	Mr Fong Wai Leong (Independent Non-Executive Director)	30	3.0	-	-	-	-	33.0
4.	Mr Tan Siew Chin (Executive Chairman/ CEO)	30	1.8	180	29	31.3	25.1	297.2
5.	Mr Tan Wey Chien (Executive Director)	30	1.8	204	32	17.4	28.3	313.5
6.	Mr Tan Wey Chung (Executive Director)	30	1.8	144	22	6.6	19.9	224.3

The remuneration paid to the senior management of the Company for the financial year ended 31 December 2022 are as follows:

Senior Management (excluding Executive Directors)	Number of Senior Management
From RM200,001 to RM250,000	1
From RM250,001 to RM300,000	1
Total	2

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AUDIT AND RISK MANAGEMENT COMMITTEE

The Board had on 26 February 2018 resolved to have the risk management of the Company to be under the purview of the Audit Committee. The Audit Committee was then renamed as "Audit and Risk Management Committee". The ARMC assumes the role in overseeing the risk management functions of the Group in addition to overseeing the integrity of the financial statements and compliance with relevant accounting standards.

Composition of ARMC

The current ARMC comprises three (3) members, all of whom are Independent Non-Executive Directors. The members of the ARMC are as follows:

ARMC Members	Position	Directorship
Mr Ngiam Kee Tong	Chairman	Senior Independent Non-Executive Director
Ms Crystal Yong Mei Yee	Member	Independent Non-Executive Director
Mr Fong Wai Leong	Member	Independent Non-Executive Director

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (cont'd)

I. AUDIT AND RISK MANAGEMENT COMMITTEE (cont'd)

The Chairman of the ARMC is not the Chairman of the Board.

The primary objective of the ARMC is to establish a documented, formal and transparent procedure to assist the Board in fulfilling its fiduciary responsibilities relating to corporate accounting, financial reporting practices, a system of risk management and internal control, the audit process and the process of monitoring compliance with laws and regulations.

Independence of the ARMC

The Company recognises the need to uphold the independence of its external auditors and that no possible conflict of interest whatsoever should arise. The ARMC has incorporated a policy specification that governs the appointment of a former key audit partner to the ARMC. The policy, which is codified in the terms of reference of the ARMC, requires a former key audit partner to observe a cooling-off period of at least three (3) years before he can be considered for appointment as an ARMC Member.

At present, none of the ARMC Members of the Company is a former key audit partner of the external auditors appointed by the Group.

Financial Literacy of the ARMC Members

The ARMC Members have the relevant experience and expertise in finance and accounting and have carried out their duties in accordance with the terms of reference of the ARMC. One of the ARMC Members, Ms Crystal Yong Mei Yee is a member of the Malaysian Institute of Accountants and another ARMC Member, Mr Fong Wai Leong is a member of the Malaysian Institute of Certified Public Accountants, thus fulfilling Paragraph 15.09(1)(c) of the MMLR of Bursa Securities, which requires at least one (1) member of the audit committee to be a member of a professional accountancy body.

ARMC Meetings

The ARMC met five (5) times during the financial year ended 31 December 2022. Details of the attendance of the ARMC Members at the ARMC meetings are as follows:

ARMC Members	ARMC Meetings Attended
Mr Ngiam Kee Tong	5/5
Ms Crystal Yong Mei Yee	5/5
Mr Fong Wai Leong	4/5

Terms of Reference of ARMC

The terms of reference of the ARMC are reviewed by the Board in accordance with the needs of the Group and is published on the Company's website at www.oceancash.com.

Compliance with Applicable Financial Reporting Standards

The ARMC exercises professional oversight of the integrity of the financial statements and reports before presenting them to the Board for approval. The ARMC also provides assurance to the Board, with support and clarifications from the external auditors that the financial statements and reports presented are prepared in accordance with the Malaysian Financial Reporting Standards, Listing Requirements and the Companies Act 2016 and give a true and fair view of the Group's performance and financial position.

Corporate Governance Overview Statement

(Cont'd)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (cont'd)

I. AUDIT AND RISK MANAGEMENT COMMITTEE (cont'd)

Assessment of Suitability and Independence of External Auditors

The ARMC has a formal and transparent relationship with the external auditors to meet their professional requirements. During the financial year ended 31 December 2022, the auditors, Messrs HLB AAC PLT (“**HLB AAC**”) had on 1 September 2022 tendered their resignation as auditors of the Company and in replacement thereof, Messrs HLB Ler Lum Chew PLT (“**HLB LLC**”) has been appointed as the new auditors of the Company on 23 September 2022 and to hold office until the conclusion of the next Annual General Meeting. The resignation of HLB AAC was on a voluntary basis due to the merger of practice of HLB LLC and HLB AAC, which after the merger, the merged practices will operate under the name of HLB LLC. The ARMC is responsible for reviewing the audit, recurring audit-related and non-audit services provided by the external auditors. The ARMC ensures that the external auditors are independent of the activities they audit and reviews the contracts for non-audit services by the external auditors. The amount of non-audit fees charged by external auditors for the financial year ended 31 December 2022 was RM3,000.00.

The ARMC will meet with the external auditors without the presence of the Executive Directors and the management to ensure that the independence and objectivity of the external auditors are not compromised and matters of concern expressed by the ARMC are duly recorded by the Company Secretaries. The external auditors have also provided the required independence declaration to the ARMC for the financial year ended 31 December 2022. During the financial year ended 31 December 2022, the ARMC had on 24 February 2022 and 29 November 2022 met with the external auditors, HLB AAC and HLB LLC respectively without the presence of the Executive Directors and the management to discuss the audit findings and the level of co-operation and assistance rendered by the management to audit personnel during their course of audit.

The effectiveness and performance of the external auditors are reviewed annually by the ARMC. The ARMC was satisfied with the suitability of the external auditors, HLB LLC based on the quality of services and sufficiency of resources provided by them to the Group in terms of the firm and the professional staff assigned to the audit. In light of the above, the ARMC recommended to the Board the re-appointment of HLB LLC as the auditors of the Company which is subject to approval of shareholders at the AGM whilst their remuneration is determined by the Board. The external auditors were invited to attend the AGM to respond to the shareholders’ enquiries on the conduct of the statutory audit and the contents of the audited financial statements.

Directors’ Responsibilities Statement

The Directors are required by the Companies Act 2016 to prepare the financial statements for each financial year in accordance with the applicable approved accounting standards to give a true and fair view of the situation of the Company and of the Group at the end of the financial year.

The Directors are satisfied that in preparing the financial statements of the Group for the financial year ended 31 December 2022, the Group has used the appropriate accounting policies and applied them consistently and supported by reasonable and prudent judgments and estimates. The Directors have ensured that all applicable approved accounting standards and the provisions of the Companies Act 2016 have been complied with and further confirm that the financial statements have been prepared on a going concern basis.

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

Risk Management and Internal Control

The ARMC assists the Board in maintaining a sound and effective system of risk management and internal control to safeguard shareholders’ investments and the Group’s assets, as well as reviewing the adequacy and effectiveness of these systems to support the Group’s strategy and operations to achieve its business objectives. The internal control system is designed to access current and emerging risks and respond appropriately to the risks of the Group.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (cont'd)

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (cont'd)

Risk Management and Internal Control (cont'd)

As an effort to enhance the system of internal control, the Executive Directors and the senior management are responsible for the identification and evaluation of key risks applicable to the Group's business activities on a continuous basis. Risks identified are reported on a timely manner during the periodic management meetings and is periodically updated to the ARMC. The ARMC reviews the risks identified regularly and ensure corrective actions are taken.

The Statement on Risk Management and Internal Control which provides an overview on the state of risk management and internal control of the Group is set out on page 30 of the Company's 2022 Annual Report.

Internal Audit Activities

The Group has outsourced its internal audit functions to an independent consulting company as part of its strategy to assure the Board on its adequacy and effectiveness of the internal control system of the Group. The professional company will carry out internal audits to review the adequacy and effectiveness of the internal control system and to identify areas of risks and report their findings and recommendations to the ARMC and subsequently to the Board by the ARMC Chairman. The Board is of the view that the system of internal control and risk management are in place and adequate in safeguarding the Group's assets and shareholders' and the interest of all stakeholders.

During the financial year ended 31 December 2022, the Group's internal audit functions is carried out by an outsourced internal audit company, Messrs AdrianYeo PLT ("**AdrianYeo**"). AdrianYeo has a total of two (2) professional staff and is led by Ms Kong Jing Yee as the Head of Internal Audit. Ms Kong Jing Yee is a professional member of the Institute of Internal Auditors Malaysia.

AdrianYeo remains independent and has no direct operational responsibility or authority over any of the activities audited and is free from any relationship or conflict of interest which could impair their objectivity and independence. The internal auditors assign different audit teams for each audit review to maintain an independent view and approach to the internal audit review.

The internal auditors perform its duties in accordance with the standards set by the relevant professional body, namely the Institute of Internal Auditors and conduct the internal audit activities in accordance with a recognised framework.

The ARMC approved the internal audit plan proposed by the internal auditors and the management. During the financial year ended 31 December 2022, the internal auditors have reviewed and completed the internal audit review on the following:

- (a) The audit findings on Production Cycle and Health and Safety for Oceancash Felts Sdn Bhd ("**OFSB**"), the recommendations from the internal auditors and the management's responses.
- (b) The audit findings on Production Cycle and Health and Safety for Oceancash Nonwoven Sdn Bhd ("**ONSB**"), the recommendations from the internal auditors and the management's responses.

The ARMC and the Board agreed that the internal audit review was done in accordance with the internal audit plan and the coverage is adequate.

The ARMC and the Board are satisfied with the performance and independence of the internal auditors and have decided to continue with the outsourcing of the internal audit functions.

The cost incurred by the Group for the internal audit functions during the financial year ended 31 December 2022 amounts to RM18,000.00.

Corporate Governance Overview Statement

(Cont'd)

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

I. COMMUNICATION WITH STAKEHOLDERS

The Board believes that a constructive and effective investor relationship is essential in enhancing shareholders' value. The Company aims to ensure that shareholders and investors are kept informed of all major corporate developments, financial performance and other relevant information by promptly disseminating such information to them via announcements to Bursa Securities, its website, circulars and press releases.

The Group also leverages on several other formal channels for effective dissemination of information to shareholders and investors, particularly through the annual report, media releases, quarterly financial results, AGM and the Company's website at www.oceancash.com.

The Group also endeavours to provide additional disclosure of information on a voluntary basis, where necessary. The Board believes that maintaining a high level of disclosure consistently and extensive communication is vital to shareholders and investors in making informed investment decisions.

II. CONDUCT OF GENERAL MEETINGS

The Group is of the view that general meetings are an important platform to engage with its shareholders and to address their concerns. The Chairman chaired the Nineteenth (19th) AGM of the Company held on 27 May 2022 in an orderly manner and allowed the shareholders or proxies to speak at the meeting. The voting at the 19th AGM was conducted by poll and the Company utilises an electronic voting system to expedite the voting.

At the AGM, the Chairman will have a question-and-answer session during which the Chairman encourages shareholders' active participation. All the Directors have attended the 19th AGM saved for Mr Fong Wai Leong who was abroad. The Board members, the Chairman of all Board Committees, the senior management and the Company Secretary were present to respond to questions from the shareholders. The external auditors were also present at the AGM to provide their professional and independent clarification on the conduct of the audit and the contents of the audit report.

The Chairman ensured that all the resolutions set out in the notice of the AGM were properly moved and voted by poll. The Company has appointed a poll administrator to conduct the polling by way of online voting and an independent scrutineer to verify the poll results.

COMPLIANCE STATEMENT

Other than as disclosed and explained in the 2022 Annual Report and 2022 CG Report, the Board is of the view that the Group has complied with and shall remain committed to ensure the continuous adoption of the principles and best practices as set out in the MCCG and all other applicable laws, where applicable.

This Corporate Governance Overview Statement was approved by the Board on 20 April 2023.

ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

Status of Utilisation of Proceeds

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

Audit and Non-Audit Services

The Group's audit and non-audit fees payable to the External Auditors or their affiliates for the financial year ended 31 December 2022 were RM150,244.00 and RM3,000.00 respectively.

Material Contracts

There were no material contracts entered into by the Group involving the interests of the directors and substantial shareholders, either still subsisting at the end of the financial year or entered into since the end of the previous financial year.

Revaluation of Landed Properties

The Group does not adopt a policy of regular revaluation of its landed properties. The Group had not carried out any revaluation during the financial year ended 31 December 2022. Subsequent to the financial year ended 31 December 2022, the Group had revalued its landed properties based on a valuation carried out by a registered valuer with an independent firm of professional valuers, using the Comparison Method of valuation basis. The revaluation surplus of RM1.97 million has been recognised as revaluation surplus in the Statement of Financial Position.

Recurrent Related Party Transactions of a Revenue or Trading Nature

There was no recurrent related party transaction of a revenue or trading nature made during the financial year ended 31 December 2022.

Audit And Risk Management Committee Report

The Board of Directors (“**Board**”) had on 26 February 2018 resolved to have the risk management of the Company to be under the purview of the Audit Committee. In light of this, the Audit Committee was renamed the “Audit and Risk Management Committee” (“**ARMC**”). The ARMC assumes the role in overseeing the risk management functions of the Company and its subsidiaries (“**Group**”) together with the management.

The ARMC is pleased to present the ARMC Report for the financial year ended 31 December 2022 in compliance with the Main Market Listing Requirements (“**MMLR**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”).

COMPOSITION OF ARMC

The current ARMC is comprised of three (3) members as follows:

ARMC Members	Position	Directorship
Mr Ngiam Kee Tong	Chairman	Senior Independent Non-Executive Director
Ms Crystal Yong Mei Yee	Member	Independent Non-Executive Director
Mr Fong Wai Leong	Member	Independent Non-Executive Director

The ARMC is appointed by the Board among the Directors and shall consist of not fewer than three (3) members. The ARMC comprises wholly of Independent Non-Executive Directors.

The ARMC Chairman is not the Chairman of the Board. The ARMC Chairman is appointed among its members who is an Independent Director. In the absence of the ARMC Chairman, the remaining members present shall elect one of their members as Chairman of the meeting. No alternate director is appointment as ARMC Member.

One of the ARMC Members, Ms Crystal Yong Mei Yee is a member of the Malaysian Institute of Accountants and another ARMC Member, Mr Fong Wai Leong is a member of the Malaysian Institute of Certified Public Accountants. Hence, the Company complies with Paragraph 15.09(1)(c) of the MMLR.

MEETING OF ARMC

The ARMC shall meet at least four (4) times a year although additional meetings may be called at any time at the discretion of the ARMC Chairman.

The ARMC met five (5) times during the financial year ended 31 December 2022 and the records of attendance of the ARMC Members are set out below:

ARMC Members	Position	Attendance
Mr Ngiam Kee Tong	Chairman	5/5
Ms Crystal Yong Mei Yee	Member	5/5
Mr Fong Wai Leong	Member	4/5

The Chief Financial Officer and the Group General Manager shall normally attend the meetings as invitees. Representatives of the external auditors shall attend meetings where matters relating to the audit of the statutory accounts, annual financial statements and/or the external auditors are to be discussed. The internal auditors shall attend meetings to present their internal audit plan and internal audit reports which encompass findings, recommendations and management’s responses and action plans. Other Board members, senior management and employees may attend the meeting upon the invitation of the ARMC Chairman.

Notice of meeting shall be sent to all ARMC Members and any other person who may be required or invited to attend. All unaudited quarterly financial results, annual audited financial statements and any other related financial statements and announcements shall be reviewed and discussed by the ARMC in the meeting and be presented to the Board for approval. The ARMC Chairman shall report on each meeting to the Board.

MEETING OF ARMC (cont'd)

The Company Secretary shall be the secretary of the ARMC and will be responsible for sending out notice of meetings, preparing and keeping minutes of meetings and circulating the minutes of meetings to all the ARMC Members. Notice of meeting and supporting documents are to be circulated to the ARMC Members at least seven (7) days prior to the meeting to provide the ARMC Members with relevant and timely information for effective discussions during the meeting.

SUMMARY OF ARMC ACTIVITIES

In line with the terms of reference of the ARMC, the following activities were carried out by the ARMC during the financial year ended 31 December 2022:

1. Financial Reporting

(a) Review of Quarterly Results

The ARMC reviewed the financial positions, quarterly results and announcements for the respective financial quarters prior to submission to the Board for consideration and approval.

There were four (4) quarterly results tabled at the ARMC meetings which were held on 24 February 2022, 27 May 2022, 23 August 2022 and 29 November 2022.

(b) Audited Financial Statements

The ARMC reviewed the audited financial statements together with the Directors' and Auditors' Reports and made recommendation to the Board for approval. The ARMC ensures the reports are prepared in compliance with the Malaysian Financial Reporting Standards, Applicable Accounting Standards, the Companies Act 2016 and the MMLR prior to submission to the Board for approval.

On 13 April 2022, the ARMC reviewed the audited financial statements for the financial year ended 31 December 2021.

(c) Statement on Risk Management and Internal Control ("SORMIC")

The ARMC reviewed the SORMIC together with the internal auditors and external auditors and received assurance from the Executive Directors and the management that the Group's risk management and internal control systems are operating adequately and effectively in all aspects before recommending the same to the Board for approval.

On 13 April 2022, the ARMC reviewed the SORMIC for publication in the 2021 Annual Report.

2. External Auditors

The ARMC has a formal and transparent relationship with the external auditors. During the financial year ended 31 December 2022, the auditors, Messrs HLB AAC PLT ("**HLB AAC**") had on 1 September 2022 tendered their resignation as auditors of the Company and in replacement thereof, Messrs HLB Ler Lum Chew PLT ("**HLB LLC**") has been appointed as the new auditors of the Company on 23 September 2022 and to hold office until the conclusion of the next Annual General Meeting. The resignation of HLB AAC was on a voluntary basis due to the merger of practice of HLB LLC and HLB AAC, which after the merger, the merged practices will operate under the name of HLB LLC. The ARMC shall meet with the external auditors without the presence of the Executive Directors and the management at least twice a year. During the financial year ended 31 December 2022, the ARMC had on 24 February 2022 and 29 November 2022 met with the external auditors, HLB AAC and HLB LLC respectively without the presence of the Executive Directors and the management to discuss the audit findings and the level of co-operation and assistance rendered by the management to audit personnel during their course of audit.

The ARMC reviewed the external Audit Summary Report which outlined the audit scope, audit process and areas of emphasis based on the presentation of the audit plan of the external auditors.

Audit And Risk Management Committee Report

(Cont'd)

SUMMARY OF ARMC ACTIVITIES (cont'd)

2. External Auditors (cont'd)

The ARMC considered the findings presented by the external auditors in their Audit Summary Report and the responses from the management.

The ARMC reviewed the fees and types of non-audit services provided by the external auditors. The non-audit fees incurred for the financial year ended 31 December 2022 were in respect of the review of the SORMIC.

The ARMC was satisfied with the suitability of HLB LLC as the external auditors of the Group based on their independence, the quality of services and sufficiency of resources provided by them to the Group in terms of the firm and the professional staff assigned to the audit and recommended to the Board the re-appointment of HLB LLC as the auditors of the Company at the forthcoming Annual General Meeting.

3. Internal Audit

The Group engaged internal auditors to conduct regular reviews and appraisals on the effectiveness of the internal control process, governance and risk management within the Group. The internal auditors are given full access to all the documents relating to the governance, financial statements and operational assessments of the Group.

On 23 August 2022, the ARMC reviewed the Group's internal audit plan and scope of work for the financial year ended 31 December 2022.

On 29 November 2022, the ARMC reviewed the following on internal audit :

- (a) The audit findings on Production Cycle and Health and Safety for Oceancash Felts Sdn Bhd ("OFSB"), the recommendations from the internal auditors and the management's responses.
- (b) The audit findings on Production Cycle and Health and Safety for Oceancash Nonwoven Sdn Bhd ("ONSB"), the recommendations from the internal auditors and the management's responses.

The ARMC ensured appropriate actions were taken to safeguard the effectiveness of the internal control systems based on feedback received from the internal auditors.

4. Risk Management

The ARMC reviewed the operational and financial performance of the Group to ensure that appropriate measures are taken to address any significant risk.

The ARMC reviewed the ARMC Report and SORMIC and received assurance from the Executive Directors and the management that the Group's risk management and internal control systems are operating adequately and effectively in all material aspects.

5. Related Party Transaction ("RPT") and Conflict of Interest ("COI")

At each quarterly meeting, the ARMC reviewed the RPT and COI situations that may arise within the Group including any transaction, procedure or course of conduct that raises questions of management integrity.

The ARMC reviewed whether the RPT and COI situations determined by the Executive Directors and the management are fair, reasonable and on normal commercial terms and in the best interest of the Company prior to the Company entering such transaction.

During the financial year ended 31 December 2022, there was no COI situation reported. RPT for the financial year ended 31 December 2022 is as disclosed in Note 26 to the financial statements.

INTERNAL AUDIT FUNCTIONS

During the financial year ended 31 December 2022, the Group had outsourced its internal audit functions to an independent audit company to assist the ARMC in discharging its duties and responsibilities.

The internal auditors report directly to the ARMC and provide an independent and objective assessment of the adequacy and effectiveness of the risk management, internal control and governance processes within the Group. The internal auditors adopt a risk-based approach in planning and conducting audits.

The scope and plan of the internal audit activities are identified annually and approved by the ARMC. The ARMC receives report of the findings of the internal audit with recommendations from the internal auditors and responses from the management. The ARMC reviews the findings with the management to ensure that the necessary corrective actions are implemented and thereafter, the ARMC Chairman will report to the Board.

The total cost incurred for the internal audit functions of the Group for the financial year ended 31 December 2022 was RM18,000.00.

EMPLOYEES SHARE OPTION SCHEME

No allocation of options pursuant to employees share option scheme was made during the financial year ended 31 December 2022.

Statement On Risk Management And Internal Control

BOARD RESPONSIBILITIES

The Board is overall responsible for the Group's system of internal control and risk management practices which includes reviewing the adequacy and effectiveness of this system to safeguard shareholders' investment and the Group's assets. The system of internal control covers not only financial controls but also operational and compliance controls for the Group.

However, the Group's system of internal control and system of risk management are designed to manage and not eliminate the risk of failure to achieve the business objectives; hence it can only provide reasonable and not absolute assurance against material misstatement or loss.

The Group has a continuous process to identify, evaluate and manage the significant risks faced by the Group to obtain a reasonable assurance that business objectives are met. This process has been in place for the year under review and is regularly reviewed by the Board.

Currently, the Group does not have an in-house internal audit function. The Board believes that the same objectives can be achieved as it has established the working structure with clearly defined lines of accountability and delegated authorities and the current key processes of the Group's internal control system are sufficient for the size and operations of the Group. The Group has outsourced its internal audit function to a professional firm as part of its strategy to further provide the Board with assurances regarding the adequacy and effectiveness of the internal control system.

The outsourced internal audit function carried out internal audits to review the adequacy and effectiveness of the internal control system and to identify area of risks based on the audit plan that has been approved by Audit Risk and Management Committee. The internal auditors reported their findings and recommendations to the management and subsequently to the Audit Risk and Management Committee.

INTERNAL CONTROL SYSTEM

The key processes of the internal control system are as follows:

- The Group has an organisation structure with clearly defined duties, lines of responsibilities, authority and accountability;
- The management meet the key personnel every month to discuss and to monitor key operational indicators;
- Day to day affairs and operational procedures are monitored and regularly reviewed by the management;
- The executive directors receive regular reports on monthly financial statements, business performances and developments and other corporate matters; and
- Surveillance audits are conducted periodically by a certification body to ensure compliance with the ISO 9001.

RISK MANAGEMENT

The Group has an on-going process for identifying, evaluating and managing significant risks that may affect the achievement of its business objective. Currently these processes are executed by the key personnel and executive directors. The key personnel have access to important information and key operational indicators to enable them to identify and improve on the system of internal control and system of risk management and facilitate the decision making process. The key personnel and executive directors will follow-up with the action plan to correct the weakness of the internal controls and to minimise risk of the Group. The key personnel will attend trainings and seminars to ensure compliance of the regulatory bodies. The progress of the risk management process is periodically updated to the Audit Committee. The Audit Committee reviews this process regularly and enhances it as and when needed to ensure sustainability.

CONCLUSION

There were no material losses incurred by the Group during the financial year ended 31 December 2022 as a result of weaknesses in the Group's system of internal control. The Group continues to take the necessary measures to strengthen its internal controls. However, such system, despite it being well designed, implemented and monitored, does not eliminate the possibility of human error, collusion or deliberate circumvention of control procedures. The Board is of the view that the current system of risk management and internal controls are adequate for the current business environment and level of operation.

The CEO and Chief Financial Controller have provided assurance to the Board that the Group's risk management and internal control system is operating adequately and effectively in all material aspects.

The Directors have pleasure in submitting 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 engaged in investment holding and provision of management services. The principal activities of the subsidiaries are disclosed in Note 4 to the financial statements.

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

FINANCIAL RESULTS

	Group RM	Company RM
Profit for the financial year attributable to owners of the Company	6,574,623	2,960,774

DIVIDEND

Since the end of the previous financial year, the Company paid a first interim single-tier tax exempt dividend of RM0.01 per share amounting to RM2,608,000 in respect of the financial year ended 31 December 2022 on 30 December 2022.

The Board of Directors does not recommend any final dividend for the financial year ended 31 December 2022.

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

There were no issuances of shares or debentures during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

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

Directors' Report

(Cont'd)

DIRECTORS

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

Crystal Yong Mei Yee
Ngiam Kee Tong
Tan Siew Chin
Tan Wey Chien
Tan Wey Chung
Fong Wai Leong

The names of Directors of subsidiaries are set out in the respective subsidiaries' statutory accounts and the said information is deemed incorporated herein by such reference and made part thereof.

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

According to the register of Directors' shareholdings required to be kept under Section 59 of the Companies Act, 2016, none of the Directors who held office at the end of the financial year held any shares or debentures in the Company or its subsidiaries during the financial year except as follows:

	At 1.1.2022	Number of ordinary shares		At 31.12.2022
		Acquired	Disposed	
Interest in the Company				
Direct interest:				
Tan Siew Chin	100,000,000	-	-	100,000,000
Indirect interest:				
Tan Siew Chin*	37,569,374	817,900	-	38,387,274

* Deemed interested through his spouse's direct interest in the Company pursuant to Section 59(11)(c) of the Companies Act, 2016.

By virtue of his interests in the ordinary shares of the Company, Tan Siew Chin is also deemed to have interest in the ordinary shares of all the subsidiaries to the extent the Company has an interest.

Other than as disclosed above, according to the register of Directors' shareholdings, the Directors in office at the end of the financial year did not hold any interest in shares or debentures in the Company or its subsidiaries during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

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

DIRECTORS' REMUNERATION

Directors' remuneration is as follows:

	Group RM	Company RM
Directors' remuneration		
- fees	185,000	185,000
- salaries, allowances and bonuses	967,616	16,200
- defined contribution plans	111,650	-
	<hr/> 1,264,266	<hr/> 201,200

SUBSIDIARY COMPANIES

Details of the subsidiary companies are disclosed in Note 4 to the financial statements.

AUDITORS' REMUNERATION

Auditors' remuneration is as follows:

	Group RM	Company RM
Statutory audit		
- HLB Ler Lum Chew PLT	95,000	32,000
- Other auditors	55,244	-
Non-statutory audit		
- HLB Ler Lum Chew PLT	3,000	3,000
	<hr/> 3,000	<hr/> 3,000

INDEMNITY AND INSURANCE COSTS

There was no indemnity given to or insurance effected for Directors or officers of the Company in accordance with Section 289 of the Companies Act, 2016.

OTHER STATUTORY INFORMATION

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

- (i) to ascertain that 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 no 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 be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company have been written down to an amount which the current assets might be expected so to realise.

Directors' Report

(Cont'd)

OTHER STATUTORY INFORMATION (cont'd)

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; or
- (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading; or
- (iii) adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (iv) any amount stated in the financial statements of the Group and of the Company misleading.

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

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.

In the opinion of the Directors:

- (i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which the report is made.

AUDITORS

The auditors, HLB Ler Lum Chew PLT (201906002362 & AF0276) have indicated their willingness to accept re-appointment.

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

.....
TAN SIEW CHIN

.....
TAN WEY CHIEN

KUALA LUMPUR
20 April 2023

Statements Of Financial Position

As At 31 December 2022

	Note	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
ASSETS					
Non-Current Assets					
Property, plant and equipment	3	75,764,629	76,374,710	-	-
Investment in subsidiaries	4	-	-	25,886,141	24,530,519
Deferred tax assets	5	1,625,992	2,036,852	-	-
		77,390,621	78,411,562	25,886,141	24,530,519
Current Assets					
Inventories	6	12,544,776	12,399,955	-	-
Trade receivables	7	16,793,543	13,470,587	-	-
Other receivables	8	3,860,947	1,560,972	1,000	1,000
Tax recoverable		384,717	813,689	-	20,000
Other investments	9	12,924,243	13,293,574	11,160,571	12,891,256
Cash and cash equivalents	10	12,593,860	17,560,237	965,315	195,943
		59,102,086	59,099,014	12,126,886	13,108,199
TOTAL ASSETS		136,492,707	137,510,576	38,013,027	37,638,718
EQUITY AND LIABILITIES					
EQUITY					
Share capital	11	37,007,159	37,007,159	37,007,159	37,007,159
Reserves	12	79,602,559	74,703,975	723,708	370,934
Total Equity Attributable to Owners of the Company		116,609,718	111,711,134	37,730,867	37,378,093
LIABILITIES					
Non-Current Liabilities					
Borrowings	13	2,514,938	3,614,070	-	-
Lease liabilities	14	368,282	964,894	-	-
Provision for retirement benefits	15	145,298	176,057	-	-
Deferred tax liabilities	5	5,708,860	5,310,419	-	-
		8,737,378	10,065,440	-	-
Current Liabilities					
Trade payables	16	2,471,902	2,829,756	-	-
Other payables	17	2,455,366	2,861,080	93,141	75,625
Amount owing to Directors	18	185,000	185,000	185,000	185,000
Provision for taxation		-	-	4,019	-
Borrowings	13	5,292,119	9,071,471	-	-
Lease liabilities	14	741,224	786,695	-	-
		11,145,611	15,734,002	282,160	260,625
TOTAL LIABILITIES		19,882,989	25,799,442	282,160	260,625
TOTAL EQUITY AND LIABILITIES		136,492,707	137,510,576	38,013,027	37,638,718

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

Statements Of Profit Or Loss And Other Comprehensive Income

For The Financial Year Ended 31 December 2022

	Note	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
Revenue	19	87,169,065	74,494,947	3,080,707	2,615,543
Cost of sales		(71,485,757)	(62,147,215)	-	-
Gross profit		15,683,308	12,347,732	3,080,707	2,615,543
Other income		1,013,117	966,482	282,898	-
Administrative expenses		(4,024,767)	(3,228,414)	(398,212)	(450,417)
Selling and distribution expenses		(3,477,236)	(3,065,539)	-	-
Profit from operation		9,194,422	7,020,261	2,965,393	2,165,126
Finance costs	20	(495,240)	(407,650)	-	-
Profit before taxation	21	8,699,182	6,612,611	2,965,393	2,165,126
Taxation	22	(2,124,559)	(1,366,392)	(4,619)	-
Profit for the financial year		6,574,623	5,246,219	2,960,774	2,165,126
<i>Other comprehensive income:</i>					
<i>Items that will not be reclassified subsequently to profit or loss</i>					
- Gains on revaluation of leasehold land and buildings		1,519,435	174,783	-	-
<i>Items that may be reclassified subsequently to profit or loss</i>					
- Exchange differences arising from translation of foreign operations		(587,474)	(154,929)	-	-
Other comprehensive income for the financial year		931,961	19,854	-	-
Total comprehensive income for the financial year		7,506,584	5,266,073	2,960,774	2,165,126
Profit for the financial year attributable to:					
Owners of the Company		6,574,623	5,246,219	2,960,774	2,165,126
Total comprehensive income for the financial year attributable to:					
Owners of the Company		7,506,584	5,266,073	2,960,774	2,165,126
Earnings per share attributable to owners of the Company					
- Basic and diluted (sen)	23	2.52	2.01		

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

Consolidated Statement Of Changes In Equity

For The Financial Year Ended 31 December 2022

Group	Note	← Attributable to Owners of the Company →				
		Non-distributable		Distributable		Total Equity RM
		Share Capital RM	Foreign Currency Translation Reserve RM	Revaluation Reserve RM	Retained Earnings RM	
At 1 January 2022		37,007,159	(1,908,545)	14,085,463	62,527,057	111,711,134
Profit for the financial year		-	-	-	6,574,623	6,574,623
Other comprehensive (loss)/ income:						
- Gains on revaluation of leasehold land and buildings		-	-	1,519,435	-	1,519,435
- Exchange differences arising from translation of foreign operations		-	(587,474)	-	-	(587,474)
Total comprehensive (loss)/income for the financial year		-	(587,474)	1,519,435	6,574,623	7,506,584
Transfer to retained earnings		-	-	(201,646)	201,646	-
Dividend	24	-	-	-	(2,608,000)	(2,608,000)
At 31 December 2022		37,007,159	(2,496,019)	15,403,252	66,695,326	116,609,718
At 1 January 2021		37,007,159	(1,753,616)	14,104,277	59,173,641	108,531,461
Profit for the financial year		-	-	-	5,246,219	5,246,219
Other comprehensive (loss)/ income:						
- Gains on revaluation of leasehold land and buildings		-	-	174,783	-	174,783
- Exchange differences arising from translation of foreign operations		-	(154,929)	-	-	(154,929)
Total comprehensive (loss)/income for the financial year		-	(154,929)	174,783	5,246,219	5,266,073
Transfer to retained earnings		-	-	(193,597)	193,597	-
Dividend	24	-	-	-	(2,086,400)	(2,086,400)
At 31 December 2021		37,007,159	(1,908,545)	14,085,463	62,527,057	111,711,134

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

Statement Of Changes In Equity

For The Financial Year Ended 31 December 2022

	Note	← Attributable to Owners of the Company →		
		Share Capital RM	Retained Earnings RM	Total Equity RM
Company				
At 1 January 2022		37,007,159	370,934	37,378,093
Profit/Total comprehensive income for the financial year		-	2,960,774	2,960,774
Dividend	24	-	(2,608,000)	(2,608,000)
At 31 December 2022		37,007,159	723,708	37,730,867
At 1 January 2021		37,007,159	292,208	37,299,367
Profit/Total comprehensive income for the financial year		-	2,165,126	2,165,126
Dividend	24	-	(2,086,400)	(2,086,400)
At 31 December 2021		37,007,159	370,934	37,378,093

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

Statements Of Cash Flows

For The Financial Year Ended 31 December 2022

	Note	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
Cash flows from operating activities					
Profit before taxation		8,699,182	6,612,611	2,965,393	2,165,126
Adjustments for:					
Depreciation of property, plant and equipment	3	5,482,188	5,608,492	-	-
Depreciation of right-of-use assets	3	886,157	781,878	-	-
Loss/(Gain) on disposal of property, plant and equipment		36,000	(999)	-	-
Property, plant and equipment written-off	3	220,801	23,566	-	-
Provision for retirement benefits	15	(24,872)	18,588	-	-
Impairment losses on trade receivable		8,680	-	-	-
Remeasurement of lease liabilities		(6,320)	-	-	-
Finance costs	20	495,240	407,650	-	-
Interest income		(95,889)	(157,087)	(5,757)	-
Dividend income		(67,311)	(273,052)	(3,080,707)	(2,615,543)
Net unrealised foreign exchange (gain)/loss		(109,365)	193,492	-	-
Operating profit/(loss) before changes in working capital		15,524,491	13,215,139	(121,071)	(450,417)
Changes in working capital:					
Amount owing by subsidiary		-	-	(1,355,622)	1,649,999
Inventories		(169,287)	(3,942,623)	-	-
Trade receivables		(3,596,151)	1,929,345	-	-
Other receivables		(2,253,511)	117,231	-	-
Trade payables		(355,158)	130,014	-	-
Other payables		(445,007)	(2,288,145)	17,516	(102,862)
Bills payable		(3,687,942)	519,551	-	-
		(10,507,056)	(3,534,627)	(1,338,106)	1,547,137
Net cash generated from/(used in) operations		5,017,435	9,680,512	(1,459,177)	1,096,720
Interest paid		(495,240)	(407,650)	-	-
Interest received		95,889	157,087	5,757	-
Tax refund		275,858	(972,411)	20,000	-
Tax paid		(1,617,930)	-	(600)	-
		(1,741,423)	(1,222,974)	25,157	-
Net cash generated from/(used in) operating activities		3,276,012	8,457,538	(1,434,020)	1,096,720

Statements Of Cash Flows

For The Financial Year Ended 31 December 2022 (Cont'd)

	Note	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
Cash flows from investing activities					
Purchase of property, plant and equipment	25(a)	(4,125,190)	(445,941)	-	-
Proceeds from disposal of property, plant and equipment		84,000	131,000	-	-
Dividend received		67,311	273,052	3,080,707	2,615,543
Net disposal/(placement) of other investments		369,331	(1,429,280)	1,730,685	(1,508,592)
Net cash (used in)/generated from investing activities		(3,604,548)	(1,471,169)	4,811,392	1,106,951
Cash flows from financing activities					
Dividend paid	24	(2,608,000)	(2,086,400)	(2,608,000)	(2,086,400)
Drawdown of term loan	25(b)	421,600	1,890,000	-	-
Repayment of lease liabilities	25(b)	(830,026)	(773,408)	-	-
Repayment of term loans	25(b)	(1,627,841)	(1,534,301)	-	-
Net cash used in financing activities		(4,644,267)	(2,504,109)	(2,608,000)	(2,086,400)
Net (decrease)/increase in cash and cash equivalents		(4,972,803)	4,482,260	769,372	117,271
Effect of exchange rate changes on cash and cash equivalents		6,426	138,921	-	-
Translation differences		-	161,107	-	-
Cash and cash equivalents at the beginning of the financial year		17,560,237	12,777,949	195,943	78,672
Cash and cash equivalents at the end of the financial year		12,593,860	17,560,237	965,315	195,943
Cash and cash equivalents at the end of the financial year comprises:					
Cash and bank balances	10	12,312,665	10,827,413	965,315	195,943
Short-term deposit with a licensed bank	10	281,195	6,732,824	-	-
		12,593,860	17,560,237	965,315	195,943

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

1. Corporate Information

The principal activities of the Company are engaged in investment holding and provision of management services. The principal activities of the subsidiaries are disclosed in Note 4 to the financial statements. There have been no significant changes in the nature of these principal activities during the financial year.

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

The registered office of the Company is located at Level 5, Tower 8, Avenue 5, Horizon 2, Bangsar South City, 59200 Kuala Lumpur.

The principal place of business of the Company is located at Lot 73, Jalan P10/21, Taman Industri Selaman, 43650 Bandar Baru Bangi, Selangor Darul Ehsan.

2. Basis of Preparation and Significant Accounting Policies

2.1 Basis of preparation

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

The financial statements have been prepared under the historical cost convention except as disclosed in summary of significant accounting policies.

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenses during the reported period. It also requires Directors to exercise their judgement in the process of applying the Group's and Company's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current events and actions, actual results may differ. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2.4.

Amendments to accounting standards that are effective for the Group's and the Company's financial year beginning on or after 1 January 2022 are as follows:

- Amendments to MFRS 3, "Business Combinations" (Reference to the Conceptual Framework)
- Amendments to MFRS 116, "Property, Plant and Equipment" (Proceeds before Intended Use)
- Amendments to MFRS 137, "Provision, Contingent Liabilities and Contingent Assets" (Onerous Contracts - Cost of Fulfilling a Contract)
- Annual Improvement to MFRS Standards 2018 - 2020:
 - Amendment to MFRS 1, "First-time Adoption of Malaysian Financial Reporting Standards"
 - Amendment to MFRS 9, "Financial Instruments"
 - Amendment to Illustrative Examples accompanying MFRS 16, "Leases"
 - Amendment to MFRS 141, "Agriculture"

The above amendments to accounting standards effective during the financial year do not have any significant impact to the financial results and position of the Group and of the Company.

Accounting standard and amendments to accounting standards that are applicable for the Group and the Company in the following periods but are not yet effective:

Annual periods beginning on/after 1 January 2023

- MFRS 17, "Insurance Contracts"
- Amendments to MFRS 17, "Insurance Contracts" (Initial application of MFRS 17 and MFRS 9 - Comparative Information)
- Amendments to MFRS 101, "Presentation of Financial Statements" (Classification of Liabilities as Current or Non-current)

Notes To The Financial Statements

(Cont'd)

2. Basis of Preparation and Significant Accounting Policies (cont'd)

2.1 Basis of preparation (cont'd)

Annual periods beginning on/after 1 January 2023 (cont'd)

- Amendments to MFRS 101, "Presentation of Financial Statements" (Disclosure of Accounting Policies)
- Amendments to MFRS 108, "Accounting Policies, Changes in Accounting Estimates and Errors" (Definition of Accounting Estimates)
- Amendments to MFRS 112, "Income Taxes" (Deferred Tax related to Assets and Liabilities arising from a Single Transaction)

Annual periods beginning on/after 1 January 2024

- Amendments to MFRS 16, "Leases" (Lease Liability in a Sale and Leaseback)
- Amendments to MFRS 101, "Presentation of Financial Statements" (Non-current Liabilities with Covenants)

Effective date yet to be determined by the Malaysian Accounting Standards Board

- Amendments to MFRS 10, "Consolidated Financial Statements" and MFRS 128, "Investments in Associates and Joint Ventures" (Sale or Contribution of Assets between an Investor and its Associate or Joint Venture)

The adoption of the accounting standard and amendments to accounting standards are not expected to have any significant impact to the financial statements of the Group and of the Company.

2.2 Functional and presentation currency

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

2.3 Basis of consolidation

Subsidiaries

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

The Group considers it has de-facto power over an investee when, despite not having the majority of voting rights, it has the current ability in circumstances where the size of the Group's voting rights relative to the size and dispersion of holdings of other shareholders to direct the activities of the investee that significantly affect the investee's return.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Business combinations are accounted for using the acquisition method on the acquisition date. The consideration transferred includes the fair value of assets transferred, equity interest issued by the Group and liabilities assumed. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets.

2. Basis of Preparation and Significant Accounting Policies (cont'd)

2.3 Basis of consolidation (cont'd)

Subsidiaries (cont'd)

Acquisition-related costs are recognised in the profit or loss as incurred.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recognised as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the profit or loss.

Inter-company transactions, balances and unrealised gains and losses on transactions between group companies are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions. Any difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities, any non-controlling interests and other components of equity related to the disposed subsidiary. Any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset depending on the level of influence retained.

2.4 Significant accounting estimates and judgements

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's and the Company's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key assumptions concerning the future and other key sources of estimation or 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:

(i) Valuation of leasehold land and buildings

The Group carries its leasehold land and buildings at revaluation less accumulated depreciation and accumulated impairment losses. Significant judgement is required in determining fair value which may be derived based on different valuation methods. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists. The Group engaged independent valuation specialists to determine fair value as at the date of the revaluation.

(ii) Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences, unutilised tax losses and unabsorbed capital allowances based on the projected future profits of the subsidiaries to the extent that is probable that taxable profit will be available against which the temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the future performance and taxable profits of the subsidiaries.

Notes To The Financial Statements

(Cont'd)

2. Basis of Preparation and Significant Accounting Policies (cont'd)

2.5 Summary of significant accounting policies

(a) Investment in subsidiaries

In the Company's separate financial statements, investment in subsidiaries are carried at cost less accumulated impairment losses. On disposal of investment in subsidiaries, the difference between disposal proceeds and the carrying amounts of the investment are recognised in profit or loss.

(b) Property, plant and equipment

(i) Recognition and measurement

Property, plant and equipment are initially stated at cost. Leasehold land and buildings are subsequently measured at revaluation less accumulated depreciation and impairment losses. Revaluations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when 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. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

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

Gains and losses on disposals are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised as net in the profit or loss.

(ii) Depreciation and impairment

Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use. Other property, plant and equipment are depreciated on the straight-line method to their residual values over their estimated useful lives as follows:

Leasehold land	10 - 84 years
Buildings	10 - 37 years
Plant and machinery	3 - 10 years
Factory equipment	3 - 10 years
Office equipment	5 years
Furniture and fittings	10 years
Motor vehicles	5 years
Renovation	3 - 10 years
Right-of-use assets	2 - 5 years

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

At the end of the reporting period, the Group assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount in accordance with accounting policy Note 2.5(c) to the financial statements.

2. Basis of Preparation and Significant Accounting Policies (cont'd)

2.5 Summary of significant accounting policies (cont'd)

(c) Impairment of non-financial assets

Assets that have an indefinite useful life, such as goodwill or intangible assets not ready to use, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation and depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss unless it reverses a previous revaluation in which it is charged to the revaluation surplus. Impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

(d) Inventories

Inventories are valued at the lower of cost and net realisable value after adequate allowance has been made for all deteriorated, damaged, obsolete or slow-moving inventories.

Cost is determined using the first in, first out method for raw materials and weighted average method for work-in-progress and finished goods, respectively. The cost of finished goods and work-in-progress comprises of raw materials, direct labour, other direct costs and related production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(e) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three months or less, and are used by the Group and the Company in the management of their short term commitments. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts.

Notes To The Financial Statements

(Cont'd)

2. Basis of Preparation and Significant Accounting Policies (cont'd)

2.5 Summary of significant accounting policies (cont'd)

(f) Foreign currencies

(i) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except for differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying cash flow hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the translation reserve.

Non-monetary items denominated in foreign currencies measured at fair value are translated using the spot exchange rates at the date when the fair value was determined. Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss, except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income.

(ii) Foreign operations

The results and financial position of foreign operations that have a functional currency different from the presentation currency of the consolidated financial statements are translated into the presentation currency as follows:

- assets and liabilities of foreign operations are translated at the closing rate prevailing at the reporting date;
- income and expenses for each statement of profit and loss and other comprehensive income presented are translated at average exchange rates for the year, which approximates the exchange rates at the dates of the transactions; and
- all resulting exchange differences are taken directly to other comprehensive income through the exchange reserve.

On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognised in other comprehensive income and accumulated in the separate component of equity are reclassified to profit or loss.

In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (that is, reductions in the Group's ownership interest in associates or joint ventures that do not result in the Group losing significant influence or joint control) the proportionate share of the accumulated exchange difference is reclassified to profit or loss.

In the consolidated financial statements, when settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income through the translation reserve.

2. Basis of Preparation and Significant Accounting Policies (cont'd)

2.5 Summary of significant accounting policies (cont'd)

(g) Financial assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- Amortised cost;
- Fair value through other comprehensive income ("FVOCI"); and
- Fair value through profit or loss ("FVTPL")

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

(ii) Recognition and initial measurement

Regular purchases and sales of financial assets are recognised on the trade-date, the date on which the Group commits to purchase or sell the asset.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(iii) Subsequent measurement

Debt instruments

Debt instruments mainly comprise of trade and other receivables, amount owing by subsidiaries, other investments and cash and cash equivalents.

There are three subsequent measurement categories, depending on the Group's business model for managing the asset and the cash flow characteristics of the asset:

- Amortised cost

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

- FVOCI

Debt instruments that are held for collection of contractual cash flows and for sale, and where the assets' cash flows represent solely payments of principal and interest, are classified as FVOCI. Movements in fair values are recognised in Other Comprehensive Income ("OCI") and accumulated in fair value reserve, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is recognised using the effective interest rate method in profit or loss.

2. Basis of Preparation and Significant Accounting Policies (cont'd)

2.5 Summary of significant accounting policies (cont'd)

(g) Financial assets (cont'd)

(iii) Subsequent measurement (cont'd)

Debt instruments (cont'd)

- FVTPL

Debt instruments that are held for trading as well as those that do not meet the criteria for classification as amortised cost or FVOCI are classified as FVTPL. Movement in fair values and interest income is recognised in profit or loss in the period in which it arises.

Equity instruments

The Group subsequently measures all its equity investments at fair value. Equity investments are classified as FVTPL with movements in their fair values recognised in profit or loss in the period in which the changes arise, except for those equity securities which are not held for trading. The Group has elected to recognise changes in fair value of equity securities not held for trading in OCI as these are strategic investments and the Group considers this to be more relevant. Movements in fair values of investments classified as FVOCI are recognised in OCI. Dividends from equity investments are recognised in profit or loss when the Group's and Company's right to receive payments is established.

(iv) Impairment

The Group and the Company assess expected credit losses associated with its debt instruments carried at amortised cost and at FVOCI on a forward-looking basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Expected credit losses represent a probability-weighted estimate of the difference between present value of cash flows according to contract and present value of cash flows the Group and the Company expect to receive, over the remaining life of the financial instrument.

For trade receivables, the Group applies the simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

While cash and cash equivalents are also subject to the impairment requirements of MFRS 9, the identified impairment loss was immaterial.

In measuring expected credit losses, trade receivables are grouped based on shared credit risk characteristics and days past due.

In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking factors affecting the ability of the customers to settle the receivables.

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

The Group and the Company defines a financial instrument as default, which is aligned with the definition of credit-impaired, when the debtor meets unlikelihood to pay criteria, which indicates the debtor is in significant financial difficulty. The Group and the Company consider the following instances:

- The debtor is in breach of financial covenants
- Concessions have been made by the Group and the Company related to the debtor's financial difficulty
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- The debtor is insolvent

2. Basis of Preparation and Significant Accounting Policies (cont'd)

2.5 Summary of significant accounting policies (cont'd)

(g) Financial assets (cont'd)

(iv) Impairment (cont'd)

Financial assets that are credit-impaired are assessed for impairment on an individual basis.

The Group and the Company writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount. The Group and the Company may write-off financial assets that are still subject to enforcement activity.

(h) Financial liabilities

Financial liabilities are initially recognised at fair value net of transaction costs for all financial liabilities not carried at fair value through profit or loss. Finance liabilities carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in profit or loss.

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee or a designated and effective hedging instrument) or financial liabilities that are specifically designated into this category upon initial recognition.

All financial liabilities are subsequently measured at amortised cost using the effective interest method other than those categorised as fair value through profit or loss.

Other financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

(i) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount presented in the statements of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

(j) Leases - accounting by lessee

Leases are recognised as right-of-use assets and a corresponding liability at the commencement date on which the leased asset is available for use by the Group and the Company.

In determining the lease term, the Group and the Company considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension or termination options are taken into consideration in determining the lease term if it is reasonably certain that the lease will be extended or terminated.

Right-of-use assets are initially measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentive received;
- Any initial direct costs; and
- Decommissioning or restoration costs

Notes To The Financial Statements

(Cont'd)

2. Basis of Preparation and Significant Accounting Policies (cont'd)

2.5 Summary of significant accounting policies (cont'd)

(j) Leases - accounting by lessee (cont'd)

Right-of-use assets are subsequently measured at cost, less accumulated depreciation and impairment loss. The right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group and the Company is reasonably certain that it will exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Lease liabilities are initially measured at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Short-term leases are leases with a lease term of 12 months or less. Payments associated with short-term leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

(k) Current and deferred income tax

The tax expense for the period comprises current and deferred income tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

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

Deferred income tax is recognised, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred tax is determined using tax rates that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

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

Deferred and current tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(l) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

When the Group expects a provision to be reimbursed (for example, under an insurance contract), the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

2. Basis of Preparation and Significant Accounting Policies (cont'd)

2.5 Summary of significant accounting policies (cont'd)

(m) Revenue and income recognition

(i) Revenue from contracts with customers

Revenue is recognised by reference to each distinct performance obligation promised in the contract with customer when or as the Group transfers the control of the goods or services promised in a contract and the customer obtains control of the goods or services. Depending on the substance of the respective contract with customer, the control of the promised goods or services may transfer over time or at a point in time.

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

Sale of goods

Revenue from sale of goods is recognised when the Group satisfies a performance obligation by transferring a promised good (i.e. an asset) to a customer. An asset is transferred as and when the customer obtains control of that asset, which coincides with the delivery of goods and services and acceptance by customers.

(ii) Other revenue and income

Dividend income

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

Interest income

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

(n) Employee benefits

(i) Short term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) Defined contribution plans

Defined contribution plan are post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient asset to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the profit or loss as incurred. The Group contributes to the statutory pension schemes as defined by the laws of the countries in which it has operations.

Notes To The Financial Statements

(Cont'd)

2. Basis of Preparation and Significant Accounting Policies (cont'd)

2.5 Summary of significant accounting policies (cont'd)

(n) Employee benefits (cont'd)

(iii) Defined benefit plans

The defined benefit liability recognised in the statements of financial position is the present value of the defined benefit obligation at the end of the reporting period, less the fair value of plan assets, together with adjustments for actuarial gains/losses and unrecognised past service cost. The Group determines the present value of the defined benefit obligation and the fair value of any plan assets with sufficient regularity such that the amounts recognised in the financial statements do not differ materially from the amounts that would be determined at the end of the reporting period.

The defined benefit obligation, calculated using the projected unit credit method, is determined by independent actuaries, by discounting the estimated future cash outflows using market yields at the end of the reporting period on government bonds which have currency and terms to maturity approximating the terms of the related liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in retained earnings in other comprehensive income in the period in which they arise. The actuarial gains and losses are not subsequently reclassified to profit or loss in subsequent period.

Past service costs are recognised immediately in profit or loss, unless the changes to the plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past service costs are amortised on a straight-line basis over the vesting period.

(o) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost. Differences between initial recognised amount and the redemption value are recognised in profit or loss over the period of the borrowings using the effective interest method.

(p) Share capital

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

The transaction costs of an equity transaction are accounted for a deduction from equity, net of tax. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise be avoided.

(q) Operating segments

Operating segments are reported in a manner consistent with the internal reporting and are regularly reviewed by the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Chairman and Chief Executive Officer that makes strategic decisions.

3. Property, Plant and Equipment

Group	At Valuation				At Cost								Total RM
	Buildings RM	Leasehold land RM	Freehold land RM	Plant and machinery RM	Factory equipment RM	Office equipment RM	Furniture and fittings RM	Motor vehicles RM	Renovation RM	Capital work in progress RM	Right-of-use assets RM		
Cost/Valuation													
At 1.1.2022	13,862,183	30,300,257	4,307,458	63,690,964	3,401,008	895,547	772,274	825,406	3,741,271	477,663	2,866,101	125,140,132	
Additions	51,655	-	-	2,679,047	335,489	105,798	49,524	348,637	-	-	749,303	4,319,453	
Disposals	-	-	-	(98,700)	(98,700)	-	-	(351,515)	-	-	-	(450,215)	
Written-off	-	-	-	(3,046,367)	(760)	(625)	-	-	-	-	-	(3,047,752)	
Completion	-	-	-	-	-	-	-	-	-	-	(375,622)	(375,622)	
Revaluation	(473,126)	(1,347,546)	-	-	-	-	-	-	-	-	-	(1,820,672)	
adjustment													
Revaluation	179,277	1,790,372	-	-	-	-	-	-	-	-	-	1,969,649	
surplus													
Exchange	(56,849)	(236,022)	99,022	(233,913)	(8,998)	(1,917)	(992)	(3,781)	-	-	-	(443,450)	
differences													
At 31.12.2022	13,563,140	30,507,061	4,406,480	63,089,731	3,628,039	998,803	820,806	818,747	3,741,271	477,663	3,239,782	125,291,523	
Accumulated depreciation													
At 1.1.2022	793,365	1,744,180	80,623	40,123,166	2,458,671	683,780	291,600	478,931	1,062,064	-	1,043,620	48,760,000	
Charge for the													
financial year	708,351	516,645	-	3,291,813	322,378	89,112	74,744	76,723	402,422	-	886,157	6,368,345	
Disposals	-	-	-	(2,825,566)	(98,700)	(625)	-	(231,515)	-	-	-	(330,215)	
Written-off	-	-	-	(2,825,566)	(760)	(625)	-	-	-	-	-	(2,826,951)	
Completion	-	-	-	-	-	-	-	-	-	-	(375,622)	(375,622)	
Revaluation	(473,126)	(1,347,546)	-	-	-	-	-	-	-	-	-	(1,820,672)	
adjustment													
Exchange	(9,168)	(55,809)	-	(172,811)	(9,145)	(2,082)	(1,418)	(2,980)	-	-	-	(253,413)	
differences													
At 31.12.2022	1,019,422	857,470	80,623	40,416,602	2,672,444	770,185	364,926	321,159	1,464,486	-	1,554,155	49,521,472	
Accumulated impairment loss													
At 1.1.2022/	5,422	-	-	-	-	-	-	-	-	-	-	5,422	
31.12.2022													
Carrying amount													
At 31.12.2022	12,538,296	29,649,591	4,325,857	22,673,129	955,595	228,618	455,880	497,588	2,276,785	477,663	1,685,627	75,764,629	

Notes To The Financial Statements

(Cont'd)

3. Property, Plant and Equipment (cont'd)

Group	At Valuation										At Cost													
	Buildings RM	Leasehold land RM	Freehold land RM	Plant and machinery RM	Factory equipment RM	Office equipment RM	Furniture and fittings RM	Motor vehicles RM	Renovation RM	Capital work in progress RM	Right-of-use assets RM	Total RM	Buildings RM	Leasehold land RM	Freehold land RM	Plant and machinery RM	Factory equipment RM	Office equipment RM	Furniture and fittings RM	Motor vehicles RM	Renovation RM	Capital work in progress RM	Right-of-use assets RM	Total RM
Cost/Valuation																								
At 1.1.2021	15,283,115	30,038,629	4,640,147	63,605,248	3,489,066	877,902	865,151	1,279,259	3,890,801	409,780	2,989,888	127,368,986												
Additions	-	51,293	-	96,700	124,645	70,268	13,800	-	-	89,235	613,388	1,059,329												
Disposals	-	-	-	-	-	-	-	(579,718)	-	-	-	(579,718)												
Written-off	-	-	-	(323,254)	(218,242)	(53,840)	(107,525)	-	(149,530)	-	(613,389)	(1,465,780)												
Revaluation adjustments	(1,329,736)	-	-	-	-	-	-	-	-	-	-	(1,329,736)												
Revaluation surplus	117,977	81,302	-	-	-	-	-	-	-	-	-	199,279												
Reclassification	-	-	-	-	-	-	-	123,786	-	-	(123,786)	-												
Exchange differences	(209,173)	129,033	(332,689)	312,270	5,539	1,217	848	2,079	-	(21,352)	-	(112,228)												
At 31.12.2021	13,862,183	30,300,257	4,307,458	63,690,964	3,401,008	895,547	772,274	825,406	3,741,271	477,663	2,866,101	125,140,132												
Accumulated depreciation																								
At 1.1.2021	1,411,454	1,205,756	80,623	36,842,877	2,323,977	661,983	328,420	808,641	779,728	-	931,474	45,374,933												
Charge for the financial year	707,136	513,455	-	3,424,327	347,938	74,535	69,604	62,541	408,956	-	781,878	6,390,370												
Disposals	-	-	-	-	-	-	-	(449,717)	-	-	-	(449,717)												
Written-off	-	-	-	(323,254)	(218,020)	(53,718)	(107,213)	-	(126,620)	-	(613,389)	(1,442,214)												
Revaluation adjustments	(1,329,736)	-	-	-	-	-	-	-	-	-	-	(1,329,736)												
Reclassification	-	-	-	-	-	-	-	56,343	-	-	(56,343)	-												
Exchange differences	4,511	24,969	-	179,216	4,776	980	789	1,123	-	-	-	216,364												
At 31.12.2021	793,365	1,744,180	80,623	40,123,166	2,458,671	683,780	291,600	478,931	1,062,064	-	1,043,620	48,760,000												
Accumulated impairment loss																								
At 1.1.2021/	5,422	-	-	-	-	-	-	-	-	-	-	5,422												
31.12.2021	-	-	-	-	-	-	-	-	-	-	-	-												
Carrying amount																								
At 31.12.2021	13,063,396	28,556,077	4,226,835	23,567,798	942,337	211,767	480,674	346,475	2,679,207	477,663	1,822,481	76,374,710												

3. Property, Plant and Equipment (cont'd)

(a) Assets under financing arrangements

Included in property, plant and equipment of the Group are assets acquired under hire purchase financing and term loan arrangements with the following net carrying amount:

	Group	
	2022 RM	2021 RM
Plant and machinery	6,990,417	7,873,417
Renovation	1,867,500	2,137,500
Motor vehicles	746,132	209,863
	<u>9,604,049</u>	<u>10,220,780</u>

A motor vehicle of the Group is registered under a key management personnel's name and it is being held in trust by the key management personnel.

(b) Assets pledged as security

Included in property, plant and equipment of the Group are assets pledged to the licensed banks to secure credit facilities granted to the subsidiaries as stated in Note 13 to the financial statements with the following net carrying amount:

	Group	
	2022 RM	2021 RM
Leasehold land	23,453,822	23,794,118
Buildings	5,591,653	5,813,733
Renovation	1,867,500	2,137,500
Plant and machinery	6,990,417	7,873,417
	<u>37,903,392</u>	<u>39,618,768</u>

(c) Fair value information

The leasehold land and buildings of the Group were revalued based on the valuation reports dated 30 June 2020 and 14 April 2023 respectively. The valuation was carried out by an independent professional firm of valuers using comparison method of valuation. The comparison method entails comparison of the subject property with similar properties that have been sold recently and those that are currently being offered for sale in the vicinity or other comparable localities. The characteristics, merits and demerits of these properties are noted and appropriate adjustments thereof are then made to reflect the differences to arrive at the value of the subject property.

The significant input into this valuation approach is price per square foot of comparable properties.

Transfer between levels of fair value hierarchy

There are no transfers between levels of fair value hierarchy during the financial year ended 31 December 2022 and 31 December 2021.

Highest and best use

The Group's properties are currently office and factory buildings. The office and factory buildings are at its highest and best use as they are located on the prime land for building that are ideal for warehouse and factories.

Notes To The Financial Statements

(Cont'd)

3. Property, Plant and Equipment (cont'd)

(c) Fair value information (cont'd)

Had the revalued assets been carried at cost less accumulated depreciation, the carrying amount would have been as follows:

	Cost RM	Accumulated depreciation RM	Carrying amount RM
Group			
2022			
Leasehold land	10,546,966	(1,888,550)	8,658,416
Buildings	16,564,612	(3,898,125)	12,666,487
	27,111,578	(5,786,675)	21,324,903
2021			
Leasehold land	10,779,744	(1,689,247)	9,090,497
Buildings	16,618,160	(3,263,875)	13,354,285
	27,397,904	(4,953,122)	22,444,782

The Group uses the following hierarchy for determining and disclosing the fair value by valuation technique:

- Level 1: Quoted prices in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the assets or liability, either directly or indirectly.
- Level 3: Inputs for the asset or liability that is not based on observable market data.

Fair value hierarchy of the leasehold land and buildings are as follows:

	Level 2 2022 RM	Level 2 2021 RM
Group		
Leasehold land	29,649,591	28,556,077
Buildings	12,538,296	13,063,396
	42,187,887	41,619,473

4. Investment in Subsidiaries

	Company	
	2022 RM	2021 RM
Unquoted shares, at cost		
In Malaysia	22,789,679	22,789,679
Outside Malaysia	11	11
	22,789,690	22,789,690
Quasi loans*	3,096,451	1,740,829
	25,886,141	24,530,519

* Quasi loans represent amount owing by a subsidiary which is non-trade in nature, unsecured and interest-free. The settlement is neither planned or likely to occur in the foreseeable future as it is the intention of the Company to treat this amount as long-term source of capital to the subsidiary as this amount is, in substance, a part of the Company's net investment in the subsidiary, it is stated at cost less accumulated impairment loss, if any.

The subsidiaries and shareholding therein are as follows:

Name of company	Country of incorporation and principal place of business	Effective ownership and voting Interest		Principal activities
		2022	2021	
		%	%	
Direct subsidiaries				
Oceancash Nonwoven Sdn. Bhd. ("ONSB")	Malaysia	100	100	Manufacturing and trading of non-woven products
Oceancash Felts Sdn. Bhd. ("OFSB")	Malaysia	100	100	Manufacturing and distribution of resinated felts for heat and sound insulation
Indirect subsidiary held through OFSB 99.9% and through ONSB 0.01%				
PT Oceancash Felts ("PTOF") #	Indonesia	100	100	Manufacturing and distribution of felts and manufacturing of parts and accessories for vehicles with four or more wheels
Indirect subsidiary held through OFSB 99.9%, Oceancash Pacific Berhad ("OPB") 0.05% and ONSB 0.05%				
Oceancash (Thailand) Co., Ltd ("Oceancash Thailand") #	Thailand	100	100	Manufacturing and trading of resinated felts and thermoplastic felts for automotive industry and air-conditioning industry

Audited by chartered accountants other than HLB Ler Lum Chew PLT.

Notes To The Financial Statements

(Cont'd)

5. DEFERRED TAXATION

The analysis of deferred tax assets and deferred tax liabilities are as follows:

	Group	
	2022	2021
	RM	RM
Deferred tax assets	1,625,992	2,036,852
Deferred tax liabilities	(5,708,860)	(5,310,419)
	(4,082,868)	(3,273,567)

The movement on the net deferred tax liabilities are as follows:

	Group	
	2022	2021
	RM	RM
At 1 January	(3,273,567)	(2,988,221)
Recognised in profit or loss (Note 22):		
- property, plant and equipment	208,411	(2,634,053)
- crystallisation of revaluation on leasehold land and buildings	44,054	124,895
- provision for retirement benefit	(4,117)	9,353
- unutilised capital allowance	(937,731)	1,290,414
- unutilised reinvestment allowance	155,278	1,340,847
- unutilised tax losses	(145,139)	(125,476)
- unutilised investment tax allowance	312,589	-
- others	223	(274,068)
	(366,432)	(268,088)
Recognised in other comprehensive income:		
- revaluation of leasehold land and buildings	(432,901)	(26,655)
Foreign exchange differences	(9,968)	9,397
At 31 December	(4,082,868)	(3,273,567)

5. DEFERRED TAXATION (cont'd)

The components of deferred tax assets and liabilities of the Group during the financial year prior to offsetting are as follows:

	Group	
	2022	2021
	RM	RM
Deferred tax assets		
- unutilised tax losses	66,598	211,737
- unutilised capital allowance	828,369	1,775,676
- unutilised reinvestment allowance	5,084,057	4,928,779
- unutilised investment tax allowance	312,589	-
- provision for retirement benefit	31,966	38,733
- others	15,017	1,331
	6,338,596	6,956,256
Offsetting	(4,712,604)	(4,919,404)
Net deferred tax assets	1,625,992	2,036,852
Deferred tax liabilities		
- property, plant and equipment	(5,437,332)	(5,645,743)
- revaluation of leasehold land and buildings	(4,864,982)	(4,420,069)
- others	(119,150)	(164,011)
	(10,421,464)	(10,229,823)
Offsetting	4,712,604	4,919,404
Net deferred tax liabilities	(5,708,860)	(5,310,419)

The unutilised capital allowance and unutilised reinvestment allowance of the Group for which no deferred tax assets were recognised in the statements of financial position are as follows:

	Group	
	2022	2021
	RM	RM
Unutilised reinvestment allowance	-	1,960,488
Deferred taxation not recognised at 24% (2021: 24%)	-	470,517

The Group's unutilised tax losses brought forward from year of assessment 2018 and before, can be carried forward for 10 consecutive years of assessment (i.e. from year of assessments 2018 to 2028). Unutilised tax losses from year of assessment 2019 onwards can be carry forward for a maximum period of 10 consecutive years.

Notes To The Financial Statements

(Cont'd)

6. INVENTORIES

	Group	
	2022 RM	2021 RM
At cost:		
Machinery parts	932,270	861,647
Raw materials and packing materials	6,626,225	7,240,972
Work-in-progress	446,956	371,872
Finished goods	4,539,325	3,925,464
	<u>12,544,776</u>	<u>12,399,955</u>

7. TRADE RECEIVABLES

	Group	
	2022 RM	2021 RM
Trade receivables	16,802,223	13,470,587
Less: Accumulated impairment losses	(8,680)	-
	<u>16,793,543</u>	<u>13,470,587</u>

The Group's normal trade credit terms range from 0 days to 90 days (2021: 0 days to 90 days). Other credit terms are assessed and approved on a case-by-case basis.

The movement in accumulated impairment losses on trade receivables are as follows:

	Group	
	2022 RM	2021 RM
At 1 January	-	-
Allowance during the financial year	8,680	-
At 31 December	<u>8,680</u>	<u>-</u>
Represented by:		
Individual impairment	8,680	-

The currency profile of the Group's trade receivables are as follows:

	Group	
	2022 RM	2021 RM
Ringgit Malaysia	9,611,054	8,625,032
US Dollar	4,546,083	2,796,139
Indonesia Rupiah	2,293,477	2,049,416
Japanese Yen	342,929	-
	<u>16,793,543</u>	<u>13,470,587</u>

8. OTHER RECEIVABLES

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Other receivables	682,452	348,794	-	-
Deposits	260,483	450,198	1,000	1,000
Prepayments	2,918,012	761,980	-	-
	3,860,947	1,560,972	1,000	1,000

9. OTHER INVESTMENTS

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Financial assets at fair value through profit or loss - Investment in unit trust, unquoted in Malaysia	12,924,243	13,293,574	11,160,571	12,891,256

10. CASH AND CASH EQUIVALENTS

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Cash and bank balances	12,312,665	10,827,413	965,315	195,943
Short-term deposit with a licensed bank	281,195	6,732,824	-	-
	12,593,860	17,560,237	965,315	195,943

The interest rates and maturities of short-term deposit with a licensed bank ranges from 2.80% to 3.55% (2021: 1.75% to 2.90%) per annum.

The currency profile of the Group's and the Company's cash and cash equivalents are as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Ringgit Malaysia	4,044,692	4,037,851	965,315	195,943
US Dollar	5,127,496	5,305,698	-	-
Indonesia Rupiah	2,235,599	7,873,127	-	-
Japanese Yen	852,719	-	-	-
Thai Baht	333,354	343,561	-	-
	12,593,860	17,560,237	965,315	195,943

Notes To The Financial Statements

(Cont'd)

11. SHARE CAPITAL

	Group/Company			
	Number of Ordinary Shares		Amount	
	2022 Units	2021 Units	2022 RM	2021 RM
Issued and fully paid				
At 1 January/31 December	260,800,000	260,800,000	37,007,159	37,007,159

12. RESERVES

	Note	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
Distributable					
Retained earnings		66,695,326	62,527,057	723,708	370,934
Non-distributable					
Revaluation reserve	(a)	15,403,252	14,085,463	-	-
Foreign currency translation reserve	(b)	(2,496,019)	(1,908,545)	-	-
		79,602,559	74,703,975	723,708	370,934

(a) Revaluation reserve

The revaluation reserve represents the surplus on revaluation of leasehold land and buildings of the Group and are not available for distribution to the shareholders by way of dividends.

(b) Foreign currency translation reserve

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

13. BORROWINGS

	Note	Group	
		2022 RM	2021 RM
Non-current			
Secured:			
Term loans	(a)	2,514,938	3,614,070
Current			
Secured:			
Term loans	(a)	1,727,286	1,626,516
Bills payable	(b)	3,564,833	7,444,955
		5,292,119	9,071,471
		7,807,057	12,685,541

13. BORROWINGS (cont'd)**(a) Term loans**

The term loans of the Group bears interest at rates ranging from 2.25% to 3.19% (2021: 2.25% to 3.19%) per annum and is secured by way of:

- (i) fixed charged over the renovation and plant and machinery as disclosed in Note 3(b) to the financial statements; and
- (ii) corporate guarantee by a subsidiary of the Company.

(b) Bills payable

The bills payable bear interest at rates ranging from 1.81% to 5.63% (2021: 1.50% to 3.00%) per annum and is secured by way of:

- (i) third party third and fourth legal charges over the leasehold land and buildings of a subsidiary as disclosed in Note 3(b) to the financial statements; and
- (ii) corporate guarantee by the Company.

The currency profile of the Group's borrowings are as follows:

	Group	
	2022 RM	2021 RM
Ringgit Malaysia	1,199,269	1,601,486
US Dollar	6,607,788	11,084,055
	<u>7,807,057</u>	<u>12,685,541</u>

14. LEASE LIABILITIES

	Group	
	2022 RM	2021 RM
Repayable within twelve months	741,224	786,695
Repayable after twelve months	368,282	964,894
	<u>1,109,506</u>	<u>1,751,589</u>

The hire purchase bear interest at a range of 4.11% to 4.57% (2021: 4.57%) per annum.

Included in lease liabilities is lease financing amounting to RM96,951 (2021: RM70,836) for motor vehicles as disclosed in Note 3(a) to the financial statements.

Notes To The Financial Statements

(Cont'd)

15. PROVISION FOR RETIREMENT BENEFITS

A subsidiary operates an unfunded defined retirement benefit plans for some of its employees.

	Group	
	2022 RM	2021 RM
Present value of unfunded obligation	145,298	176,057

The movement in the provision for retirement benefits is as follows:

	Group	
	2022 RM	2021 RM
At 1 January	176,057	153,828
Recognised in the profit or loss:		
- Current service cost	19,923	17,876
- Interest cost	12,373	10,518
- Past service cost	(51,012)	-
- Remeasurement gain	(6,156)	(9,806)
	(24,872)	18,588
Exchange differences	(5,887)	3,641
At 31 December	145,298	176,057

The principal actuarial assumptions used are as follows:

	Group	
	2022 RM	2021 RM
Discount rate	7.2%	7.0%
Future salary growth	5.0%	5.0%
Pension retirement age	55	55

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

Sensitivity Analysis

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

Group	Effect on defined benefit obligation	
	Increase by 1% RM	Decrease by 1% RM
2022		
Discount rate	(130,279)	162,702
Expected rate of salary increase	161,981	(130,610)

16. TRADE PAYABLES

The normal trade credit terms granted to the Group range from 30 days to 120 days (2021: 30 days to 120 days).

The currency profile of the Group's trade payables are as follows:

	Group	
	2022 RM	2021 RM
Ringgit Malaysia	571,352	663,557
US Dollar	365,702	1,013,136
Thai Baht	941,102	527,202
Indonesia Rupiah	593,746	625,861
	<u>2,471,902</u>	<u>2,829,756</u>

17. OTHER PAYABLES

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Other payables	2,046,532	2,393,343	74,141	56,625
Accruals	408,791	465,087	19,000	19,000
SST payable	43	2,650	-	-
	<u>2,455,366</u>	<u>2,861,080</u>	<u>93,141</u>	<u>75,625</u>

The normal credit term granted to the Group and the Company is 30 days to 60 days terms (2021: 30 days to 60 days).

The currency profile of the Group's and the Company's other payables are as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Ringgit Malaysia	1,816,452	1,768,335	93,141	75,625
US Dollar	396,121	774,340	-	-
Thai Baht	31,347	200,028	-	-
Indonesia Rupiah	182,739	104,561	-	-
Others	28,707	13,816	-	-
	<u>2,455,366</u>	<u>2,861,080</u>	<u>93,141</u>	<u>75,625</u>

18. AMOUNT OWING TO DIRECTORS

The amount owing to Directors represent outstanding director fees, which is unsecured, interest-free and repayable on demand.

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19. REVENUE

Breakdown of revenue recognised from contracts with customers is as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Revenue recognised from contracts with customers:				
- Sales of non-woven products	47,732,455	46,943,707	-	-
- Sales of resinated felt	39,425,903	27,321,672	-	-
	87,158,358	74,265,379	-	-
Other revenue:				
- Dividend income	10,707	229,568	3,080,707	2,615,543
	87,169,065	74,494,947	3,080,707	2,615,543
	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Timing of revenue recognition				
At a point in time	87,169,065	74,494,947	3,080,707	2,615,543

Information on revenue recognised based on geographical regions is disclosed in Note 27 to the financial statements.

20. FINANCE COSTS

	Group	
	2022 RM	2021 RM
Interest expense on:		
- Term loans	173,951	147,251
- Lease liabilities	112,711	125,222
- Bank overdraft	11,063	11,000
- Bills payable	197,515	124,177
	495,240	407,650

21. PROFIT BEFORE TAXATION

Profit before taxation is derived after charging/(crediting):

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Auditors' remuneration:				
- Malaysia operations	95,000	95,000	32,000	32,000
- Overseas operations	55,244	49,384	-	-
- Non-audit services	3,000	3,000	3,000	3,000
Depreciation of property, plant and equipment	5,482,188	5,608,492	-	-
Depreciation of right-of-use assets	886,157	781,878	-	-
Loss/(Gain) on disposal of property, plant and equipment	36,000	(999)	-	-
Property, plant and equipment written-off	220,801	23,566	-	-
Impairment losses on trade receivables	8,680	-	-	-
Dividend income	(56,604)	(43,484)	-	-
Interest income	(95,889)	(157,087)	(5,757)	-
Net foreign exchange (gain)/loss:				
- realised	(548,435)	(826,827)	-	-
- unrealised	(109,366)	193,492	-	-
Provision for retirement benefits	(24,872)	18,588	-	-
Staff costs:				
- salaries, allowance and bonuses	7,489,864	7,134,202	-	-
- defined contribution plans	547,385	562,364	-	-
- other staff related expenses	649,869	246,639	-	-

22. TAXATION

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Current taxation:				
- Current year provision	1,656,912	1,098,433	4,619	-
- Under/(Over) provision in prior years	101,215	(129)	-	-
	1,758,127	1,098,304	4,619	-
Deferred taxation (Note 5):				
- Origination and reversal of temporary differences	272,975	172,478	-	-
- Under provision in prior years	93,457	95,610	-	-
	366,432	268,088	-	-
Taxation for the financial year	2,124,559	1,366,392	4,619	-

Malaysia income tax is calculated at the Malaysia statutory tax rate of 24% (2021: 24%) of the estimated assessable profit for the financial year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

Notes To The Financial Statements

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22. TAXATION (cont'd)

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

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Profit before taxation	8,699,182	6,612,611	2,965,393	2,165,126
Taxation at statutory tax rate of 24% (2021: 24%)	2,087,803	1,587,026	711,694	519,630
Effect of different tax rates in foreign jurisdiction	(12,320)	15,178	-	-
Income not subject to tax	(286,504)	(499,710)	(739,370)	(627,730)
Non-deductible expenses	611,425	399,213	32,295	108,100
Recognition of deferred tax assets previously not recognised	(470,517)	(230,796)	-	-
Under/(Over) provision of current taxation in prior years	101,215	(129)	-	-
Under provision of deferred taxation in prior years	93,457	95,610	-	-
Taxation for the financial year	2,124,559	1,366,392	4,619	-

23. EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share are based on the profit for the financial year attributable to owners of the Company and the weighted average number of ordinary shares in issue during the financial year, calculated as follows:

	Group	
	2022	2021
Profit for the financial year attributable to the owners of the Company (RM)	6,574,623	5,246,219
Weighted average number of ordinary shares issued	260,800,000	260,800,000
Basic earnings per share (sen)	2.52	2.01

(b) Diluted earnings per share

There is no diluted earnings per share as the Group does not have any dilutive potential ordinary of shares during the financial year.

24. DIVIDEND

	Group/Company	
	2022 RM	2021 RM
First interim single-tier tax exempt dividend of 1.00 sen per ordinary share in respect of financial year ended 31 December 2022, paid on 30 December 2022	2,608,000	-
First interim single-tier tax exempt dividend of 0.80 sen per ordinary share in respect of financial year ended 31 December 2021, paid on 30 December 2021	-	2,086,400

25. CASH FLOW INFORMATION**(a) Purchase of property, plant and equipment**

	Group	
	2022 RM	2021 RM
Addition of property, plant and equipment purchased	4,319,453	1,059,329
Hire purchase financing	(100,000)	-
Addition of right-of-use assets	(94,263)	(613,388)
Total non-cash additions	(194,263)	(613,388)
Cash payment	4,125,190	445,941

(b) Reconciliation of liabilities from financing activities

	Lease liabilities RM	Term loans RM	Total RM
At 1 January 2022	1,751,589	5,240,586	6,992,175
Repayments	(830,026)	(1,627,841)	(2,457,867)
Drawdown of term loan	-	421,600	421,600
Additions of right-of-use assets	94,263	-	94,263
Hire purchase financing	100,000	-	100,000
Remeasurement of lease liabilities	(6,320)	-	(6,320)
Foreign exchange movements	-	207,879	207,879
Total non-cash changes	187,943	207,879	395,822
At 31 December 2022	1,109,506	4,242,224	5,351,730
At 1 January 2021	1,911,609	4,658,888	6,570,497
Repayments	(773,408)	(1,534,301)	(2,307,709)
Drawdown of term loan	-	1,890,000	1,890,000
Additions of right-of-use assets	613,388	-	613,388
Foreign exchange movements	-	225,999	225,999
Total non-cash changes	613,388	225,999	839,387
At 31 December 2021	1,751,589	5,240,586	6,992,175

Notes To The Financial Statements

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26. SIGNIFICANT RELATED PARTY TRANSACTIONS

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

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Group, and certain members of senior management of the Group.

The significant related party transactions of the Group and of the Company, other than key management personnel compensation, are as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Dividend income from:				
- Subsidiaries	3,070,000	2,385,975	3,070,000	2,385,975
Lease paid/payable to company in which a Director have substantial interest:				
- Oceancash Holdings Sdn. Bhd.	72,000	72,000	-	-
- Tanah Sukma Sdn. Bhd.	649,428	649,427	-	-

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

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Directors' remuneration				
- fees	185,000	185,000	185,000	185,000
- salaries, allowances and bonuses	967,616	935,384	16,200	17,100
- defined contribution plans	111,650	104,490	-	-
	1,264,266	1,224,874	201,200	202,100
Other key management personnel				
- salaries allowances and bonuses	655,604	638,965	-	-
- defined contribution plans	64,373	60,126	-	-
	719,977	699,091	-	-
	1,984,243	1,923,965	201,200	202,100

The estimated monetary value of other benefits, not included in the above, received by the Directors and other key management personnel of the Group amounting to RM124,878 (2021: RM83,222).

27. SEGMENT INFORMATION

Segment information is primarily presented in respect of the Group's business segment which is based on the Group's management and internal reporting structure.

The reportable business segments of the Group comprise the following:

- Insulation : Manufacturing and distribution of insulation products.
- Hygiene : Manufacturing and trading of hygiene products.
- Investment holding : Investment holding and provision of management services.

Segment revenue, results and assets include items directly attributable to a segment and those where a reasonable basis of allocation exists. Inter-segment revenues are eliminated on consolidation.

Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

The total of segment assets and liabilities are measured based on all assets (including goodwill) and liabilities of a segment, as included in the internal management reports that are reviewed by the Executive Chairman and Chief Executive Officer. Segment total assets are used to measure the return of assets of each segment.

	Insulation RM	Hygiene RM	Investment holding RM	Consolidation adjustments/ eliminations RM	Total RM
2022					
REVENUE					
External revenue	39,425,903	47,732,455	10,707	-	87,169,065
Intersegment revenue	-	-	3,070,000	(3,070,000)	-
	39,425,903	47,732,455	3,080,707	(3,070,000)	87,169,065
RESULTS					
Interest income					95,889
Interest expense					495,240
Depreciation of property, plant and equipment					5,482,188
Depreciation of right-of-use assets					886,157
Segment profit	7,222,985	1,626,235	2,965,393	(3,115,431)	8,699,182
Taxation	(1,977,960)	(141,980)	(4,619)	-	(2,124,559)
Profit for the financial year	5,245,025	1,484,255	2,960,774	(3,115,431)	6,574,623
OTHER INFORMATION					
Segment assets	56,820,080	69,883,680	38,009,008	(28,220,061)	136,492,707
Segment liabilities	6,775,541	18,001,126	278,141	(5,171,819)	19,882,989
Capital expenditure	8,296,456	433,440	-	(4,410,443)	4,319,453

Notes To The Financial Statements

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27. SEGMENT INFORMATION (cont'd)

	Insulation RM	Hygiene RM	Investment holding RM	Consolidation adjustments/ eliminations RM	Total RM
2021					
REVENUE					
External revenue	27,321,672	46,943,707	229,568	-	74,494,947
Intersegment revenue	-	-	2,385,975	(2,385,975)	-
	27,321,672	46,943,707	2,615,543	(2,385,975)	74,494,947
RESULTS					
Interest income					157,087
Interest expense					407,650
Depreciation of property, plant and equipment					5,608,492
Depreciation of right-of-use assets					781,878
Segment profit	5,228,956	1,607,527	2,165,126	(2,388,998)	6,612,611
Taxation	(1,132,613)	(233,779)	-	-	(1,366,392)
Profit for the financial year	4,096,343	1,373,748	2,165,126	(2,388,998)	5,246,219
OTHER INFORMATION					
Segment assets	51,251,718	74,550,202	37,638,718	(25,930,062)	137,510,576
Segment liabilities	4,314,166	24,151,903	260,625	(2,927,252)	25,799,442
Capital expenditure	259,708	799,621	-	-	1,059,329

27. SEGMENT INFORMATION (cont'd)**Geographical segments**

In determining the geographical segments of the Group, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of assets. The amount of non-current assets does not include financial instruments and deferred tax assets.

	Revenue RM	Non-current assets RM
2022		
Malaysia	38,839,757	53,543,605
Indonesia	10,301,667	11,192,152
Japan	18,309,503	-
Thailand	15,512,797	11,028,872
Others	4,205,341	-
	87,169,065	75,764,629
2021		
Malaysia	31,673,923	53,905,401
Indonesia	10,103,611	14,137,250
Japan	19,344,378	-
Thailand	8,108,845	8,332,059
Others	5,264,190	-
	74,494,947	76,374,710

Major customers

The following are major customers with revenue equal or more than 10% of the Group's revenue:

	Revenue		Segment
	2022 RM	2021 RM	
Customer A	15,829,566	13,843,240	Hygiene
Customer B	18,309,503	19,323,296	Hygiene
Customer C	10,702,149	4,534,270	Insulation

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28. FINANCIAL INSTRUMENTS

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned and therefore by the measurement basis.

	Financial asset and liabilities at amortised cost RM	Financial assets at FVTPL RM	Total RM
2022			
Group			
Financial assets			
Trade receivables	16,793,543	-	16,793,543
Other receivables	942,935	-	942,935
Other investments	-	12,924,243	12,924,243
Cash and bank balances	12,593,860	-	12,593,860
	30,330,338	12,924,243	43,254,581
Financial liabilities			
Trade payables	2,471,902	-	2,471,902
Other payables	2,455,366	-	2,455,366
Amount owing to Directors	185,000	-	185,000
Borrowings	7,807,057	-	7,807,057
Lease liabilities	1,109,506	-	1,109,506
	14,028,831	-	14,028,831
Company			
Financial assets			
Other receivables	1,000	-	1,000
Other investments	-	11,160,571	11,160,571
Cash and bank balances	965,315	-	965,315
	966,315	11,160,571	12,126,886
Financial liabilities			
Other payables	93,141	-	93,141
Amount owing to Directors	185,000	-	185,000
	278,141	-	278,141

28. FINANCIAL INSTRUMENTS (cont'd)

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned and therefore by the measurement basis. (continued)

	Financial asset and liabilities at amortised cost RM	Financial assets at FVTPL RM	Total RM
2021			
Group			
Financial assets			
Trade receivables	13,470,587	-	13,470,587
Other receivables	798,992	-	798,992
Other investments	-	13,293,574	13,293,574
Cash and bank balances	17,560,237	-	17,560,237
	31,829,816	13,293,574	45,123,390
Financial liabilities			
Trade payables	2,829,756	-	2,829,756
Other payables	2,861,080	-	2,861,080
Amount owing to Directors	185,000	-	185,000
Borrowings	12,685,541	-	12,685,541
Lease liabilities	1,751,589	-	1,751,589
	20,312,966	-	20,312,966
Company			
Financial assets			
Other receivables	1,000	-	1,000
Other investments	-	12,891,256	12,891,256
Cash and bank balances	195,943	-	195,943
	196,943	12,891,256	13,088,199
Financial liabilities			
Other payables	75,625	-	75,625
Amount owing to Directors	185,000	-	185,000
	260,625	-	260,625

Notes To The Financial Statements

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28. FINANCIAL INSTRUMENTS (cont'd)

Financial risk management

The Group's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's operations whilst managing its financial risks, including credit risk, liquidity risk and market risk.

Credit risk

Credit risk is the risk of a financial loss to the Group if a counterparty of a financial asset fails to meet its contractual obligations. The Group's exposure to credit risk arises mainly from trade receivables.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis through the review of trade receivables ageing.

The maximum exposure to credit risk for the Group is the carrying amount of the financial assets shown in the statements of financial position.

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

	Group	
	2022 RM	2021 RM
Neither past due nor individually impaired	10,734,626	5,581,152
Past due but not individually impaired		
- Between 1 - 60 days	5,941,539	5,494,901
- Between 61 - 120 days	117,378	2,039,830
- More than 120 days	-	354,704
	6,058,917	7,889,435
Individually impaired	8,680	-
	16,802,223	13,470,587

The Group's trade receivables of RM6,058,917 (2021: RM7,889,435) was past due but not individually impaired. These relate to a number of independent customers for whom there is no recent history of default.

At the reporting date, the Group's concentration of the top 3 (2021: 2) trade customers of the Group represents 48% (2021: 43%) of the total trade receivables.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from trade and other payables, amount owing to Directors, borrowings and lease liabilities.

Cash flow forecasting is performed by monitoring the Group's liquidity requirements to ensure that it has sufficient liquidity to meet operational, financing repayments and other liabilities as they fall due.

28. FINANCIAL INSTRUMENTS (cont'd)**Financial risk management (cont'd)**Liquidity risk (cont'd)

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on contractual undiscounted payments:

	Carrying amount RM	Contractual interest rate	Contractual cash flow RM	On demand or within one year RM	Between one to five years RM
2022					
Group					
Trade payables	2,471,902	-	2,471,902	2,471,902	-
Other payables	2,455,366	-	2,455,366	2,455,366	-
Amount owing to Directors	185,000	-	185,000	185,000	-
Borrowings	7,807,057	2.25% - 3.19%	7,929,722	5,375,501	2,554,221
Lease liabilities	1,109,506	215% - 2.40%	1,171,821	791,102	380,719
	<u>14,028,831</u>		<u>14,213,811</u>	<u>11,278,871</u>	<u>2,934,940</u>
Company					
Other payables	93,141	-	93,141	93,141	-
Amount owing to Directors	185,000	-	185,000	185,000	-
	<u>278,141</u>		<u>278,141</u>	<u>278,141</u>	<u>-</u>
2021					
Group					
Trade payables	2,829,756	-	2,829,756	2,829,756	-
Other payables	2,861,080	-	2,861,080	2,861,080	-
Amount owing to Directors	185,000	-	185,000	185,000	-
Borrowings	12,685,541	1.50% - 3.19%	12,903,375	9,185,963	3,717,412
Lease liabilities	1,751,589	2.40%	1,897,203	888,775	1,008,428
	<u>20,312,966</u>		<u>20,676,414</u>	<u>15,950,574</u>	<u>4,725,840</u>
Company					
Other payables	75,625	-	75,625	75,625	-
Amount owing to Directors	185,000	-	185,000	185,000	-
	<u>260,625</u>		<u>260,625</u>	<u>260,625</u>	<u>-</u>

Notes To The Financial Statements

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28. FINANCIAL INSTRUMENTS (cont'd)

Financial risk management (cont'd)

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and cash flow and fair value interest rate risk that may affect the Group's financial position and cash flows.

(a) Foreign exchange risk

The Group is exposed to foreign exchange risk on the Group's net investments in foreign subsidiary, sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of the Group's entities. The Group's exposures primarily arise from the United States Dollar ("USD"), Indonesia Rupiah ("IDR"), Thai Baht ("THB") and Japanese Yen ("JPY"). For other foreign currency exposure, the Group maintains a natural hedge that minimises the foreign exchange exposure by matching assets and liabilities denominated in a similar foreign currency.

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

Functional Currency	USD RM	IDR RM	THB RM	JPY RM
Group				
2022				
Trade receivables	4,546,083	2,293,477	-	342,929
Cash and bank balances	5,127,496	2,235,599	333,354	852,719
Trade payables	(365,702)	(593,746)	(941,102)	-
Other payables	(396,121)	(182,739)	(31,347)	-
Borrowings	(6,607,788)	-	-	-
	2,303,968	3,752,591	(639,095)	1,195,648
2021				
Trade receivables	2,796,139	2,049,416	-	-
Cash and bank balances	5,305,698	7,873,127	343,561	-
Trade payables	(1,013,136)	(625,861)	(527,202)	-
Other payables	(774,340)	(104,561)	(200,028)	-
Borrowings	(11,084,055)	-	-	-
	(4,769,694)	9,192,121	(383,669)	-

28. FINANCIAL INSTRUMENTS (cont'd)**Financial risk management (cont'd)**Market risk (cont'd)**(a) Foreign exchange risk (continued)**Sensitivity analysis for foreign currency risk

The following table shows the sensitivity of the Group's equity and profit net of tax to a reasonable possible change in the USD, IDR, THB and JPY exchange rates against the functional currency of the Company, with all other variables remain constant.

		Group	
		Profit net of tax	
		2022	2021
		RM	RM
USD/RM	- strengthened 1%	17,510	(36,250)
	- weakened 1%	(17,510)	36,250
IDR/RM	- strengthened 1%	28,520	69,860
	- weakened 1%	(28,520)	(69,860)
THB/RM	- strengthened 1%	(4,857)	(2,916)
	- weakened 1%	4,857	2,916
JPY/RM	- strengthened 1%	9,087	-
	- weakened 1%	(9,087)	-

(b) Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. Interest rate exposure arises primarily from the Group's borrowings.

The Group manages such exposure by maintaining a prudent mix of fixed and floating rate borrowing facilities.

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

	Group	
	2022	2021
	RM	RM
Fixed rate instruments		
Financial liabilities	(3,661,784)	(7,515,791)
Floating rate instruments		
Financial liabilities	(4,242,224)	(5,240,586)

Interest rate risk sensitivity analysis

Since the Group's and the Company's fixed rate financial liabilities are measured at amortised cost, possible changes in interest rates are not expected to have a significant impact on the Group's and the Company's profit or loss.

Notes To The Financial Statements

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28. FINANCIAL INSTRUMENTS (cont'd)

Financial risk management (cont'd)

Market risk (cont'd)

(b) Interest rate risk

Interest rate risk sensitivity analysis (cont'd)

As at the end of the financial year, if interest rates of floating rate instruments of the Group and of the Company had been lower by 1% with all other variables held constant, this will result in post-tax decreases of RM32,241 (2021: RM39,828) in profit or loss.

Fair value information

The carrying amounts of cash and cash equivalents, short term receivables and payables and short-term borrowings reasonably approximate their fair values due to the relatively short-term nature of these financial instruments.

The carrying amount of long-term floating rate bank borrowings carried on the statements of financial position reasonably approximate their fair values as they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: Quoted prices in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Inputs for the asset or liability that is not based on observable market data.

The following table analyses the fair value hierarchy for financial instruments carried at fair value in the statements of financial position:

	Group		Company	
	2022 Level 2 RM	2021 Level 2 RM	2022 Level 2 RM	2021 Level 2 RM
Financial asset				
Financial assets at FVTPL				
- Other investments	12,924,243	13,293,574	11,160,571	12,891,256

The following table analyses the fair values of financial instruments not carried at fair value, together with their carrying amounts in the statements of financial position:

	2022		2021	
	Carrying Amount RM	Fair Value RM	Carrying Amount RM	Fair Value RM
Group				
Financial liability				
Lease liabilities	96,951	90,871	70,836	66,987

28. FINANCIAL INSTRUMENTS (cont'd)

Financial risk management (cont'd)

Fair value information (cont'd)

The fair value of long term lease liabilities carried on the statements of financial position are estimated using valuation technique under the hierarchy level 2 mentioned above whereby the expected future cash flows are discounted at the market interest rate for similar type of borrowings.

The Group and the Company do not anticipate the carrying amounts of other financial instruments recorded at the reporting date to be significant different from the values that would eventually settled.

29. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Group manages its capital structure by monitoring the capital and net debt on an ongoing basis. To maintain the capital structure, the Group may adjust the dividend payment to shareholders.

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

	Group	
	2022 RM	2021 RM
Interest bearing liabilities		
Borrowings	7,807,057	12,685,541
Lease liabilities	96,951	70,836
	7,904,008	12,756,377
Less: Cash and cash equivalents	(12,593,860)	(17,560,237)
Net liquidity	(4,689,852)	(4,803,860)
Equity attributable to owners of the Company	116,609,718	111,711,134
Gearing ratio	N/A	N/A

30. DATE OF AUTHORISATION FOR ISSUE

The financial statements of the Group and of the Company for the financial year ended 31 December 2022 were authorised for issue in accordance with a resolution of the Board of Directors dated 20 April 2023.

Statement By Directors

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

We, TAN SIEW CHIN and TAN WEY CHIEN, being two of the Directors of OCEANCASH PACIFIC BERHAD, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 35 to 81 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 of 31 December 2022 and of their financial performance and cash flows for the financial year then ended.

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

.....
TAN SIEW CHIN

.....
TAN WEY CHIEN

KUALA LUMPUR

20 April 2023

Statutory Declaration

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

I, MAH YIT MUI (MIA Membership No.: 8792), being the officer primarily responsible for the financial management of OCEANCASH PACIFIC BERHAD, do solemnly and sincerely declare that the financial statements and information set out on pages 35 to 81 are to the best of my knowledge and belief, 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.

.....
MAH YIT MUI

Subscribed and solemnly declared by the abovenamed MAH YIT MUI at KUALA LUMPUR on 20 April 2023.

Before me,

.....
Commissioner for Oaths

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of OCEANCASH PACIFIC BERHAD, which comprise the statements of financial position as at 31 December 2022 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 35 to 81.

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

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. We have determined that there are no key audit matters to communicate in our report on the financial statements of the Company. 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.

Key audit matters

Valuation of leasehold land and buildings (Refer to Note 2.4(i), Note 2.5(b)(i) and Note 3 to the financial statements)

The Group adopts the revaluation model for its leasehold land and buildings.

As at 31 December 2022, the Group recognised the leasehold land and building amounting to RM42,187,887.

The valuation of leasehold land and building is significant to our audit due to its magnitude, complex valuation method and high dependency on a range of estimates which are based on current and future market or economic conditions.

How our audit addressed the key audit matter

Our audit procedures focused on the following:

- obtained understanding on management assessment of revaluation, including methodology adopted and key assumptions used;
- evaluated the key assumptions used in the assessment to derive at the estimated revaluation;
- reviewed adjustment made by the management to reflect the valuation (if any); and
- assessed sufficiency of disclosure in the financial statements in accordance with the relevant accounting standards.

Independent Auditors' Report

To The Members Of Oceancash Pacific Berhad (Incorporated In Malaysia)(Cont'd)

Key Audit Matters (Cont'd)

Key audit matter

Deferred tax assets (Refer to Note 2.4(ii), Note 2.5(k) and Note 5 to the financial statements)

As at 31 December 2022, the Group has recognised deferred tax assets amounting to RM1,625,992.

The recognition of deferred tax assets is based on the projected future profits of the subsidiary companies to the extent that there is probable taxable profit available against which the temporary difference can be utilised.

We focused on this area because significant judgement is required to determine the amount of deferred tax asset that can be recognised and there are inherent uncertainties involved in projecting the amount.

How our audit addressed the key audit matter

We evaluated the management's profit forecast and their assessment of the availability of future taxable profits generated by the subsidiary companies in which the deferred tax assets arose.

We challenged assumptions used in profit forecast which, amongst others, include:

- forecast revenue;
- forecast cost of sales and operating cost; and
- discount rates.

Sensitivity analysis was performed on key assumptions used by management.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

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

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as going concerns, 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.

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

Independent Auditors' Report

To The Members Of Oceancash Pacific Berhad (Incorporated In Malaysia)(Cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

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

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current 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 4 to the financial statements.

Other Matters

- (i) 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 any responsibility to any other person for the content of this report.
- (ii) The financial statements of the Company for the financial year ended 31 December 2021 were audited by another firm of chartered accountants whose report dated on 13 April 2022 expressed an unqualified opinion of these statements.

HLB LER LUM CHEW PLT
201906002362 & AF0276
Chartered Accountants

TANG YAN YU
Approved Number: 03452/10/2023 J
Chartered Accountant

KUALA LUMPUR
20 April 2023

SHARE CAPITAL

Total Number of Issued Shares	:	260,800,000
Types of Shares	:	Ordinary shares
Voting Rights	:	One vote per ordinary share on a poll
No. of Shareholders	:	5,030

ANALYSIS OF SHAREHOLDINGS

Size of shareholdings	No. of Holders	%	Holdings	%
Less than 100	134	2.6640	5,849	0.0022
100 – 1,000	507	10.0795	315,091	0.1208
1,001 – 10,000	2,584	51.3718	13,205,730	5.0635
10,001 – 100,000	1,623	32.2664	51,185,937	19.6265
100,001 – less than 5% of issued shares	180	3.5785	57,700,119	22.1243
5% and above of issued shares	2	0.0398	138,387,274	53.0626
Total	5,030	100.0000	260,800,000	100.0000

LIST OF SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS

Name	Direct	No. of Shares held		%
		%	Indirect	
Tan Siew Chin	100,000,000	38.3436	38,387,274 ⁽¹⁾	14.7190
Chen Lee Chew	38,387,274	14.7190	100,000,000 ⁽²⁾	38.3436

Notes:

- ⁽¹⁾ Deemed interested pursuant to Section 197 of the Companies Act 2016 by virtue of the shareholdings of his wife, Chen Lee Chew.
⁽²⁾ Deemed interested pursuant to Section 197 of the Companies Act 2016 by virtue of the shareholdings of her husband, Tan Siew Chin.

LIST OF DIRECTORS' SHAREHOLDINGS AS PER REGISTER OF DIRECTORS' HOLDINGS

Name	Direct	No. of Shares held		%
		%	Indirect	
Tan Siew Chin	100,000,000	38.3436	38,387,274 ⁽¹⁾	14.7190
Tan Wey Chien	-	-	-	-
Ngiam Kee Tong	-	-	-	-
Crystal Yong Mei Yee	-	-	-	-
Tan Wey Chung	-	-	-	-
Fong Wai Leong	-	-	-	-

Note:

- ⁽¹⁾ Deemed interested pursuant to Section 197 of the Companies Act 2016 by virtue of the shareholdings of his wife, Chen Lee Chew.

Analysis Of Shareholdings

As at 31 March 2023 (Cont'd)

LIST OF 30 LARGEST HOLDERS OF SHARES

No.	Name	No. of shares	Percentage
1.	Tan Siew Chin	100,000,000	38.3436
2.	Chen Lee Chew	38,387,274	14.7190
3.	Cartaban Nominees (Tempatan) Sdn Bhd - Icapital.Biz Berhad	3,145,200	1.2060
4.	Alliancegroup Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Liberty Alliance (M) Sdn Bhd (8092710)	2,895,900	1.1104
5.	Lor Moong Thing	1,712,635	0.6567
6.	Wong Yoon Tet	1,650,000	0.6327
7.	CGS-CIMB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Yeoh Ah Tu (T Curve-CL)	1,153,800	0.4424
8.	RHB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Lai Chie King	1,100,000	0.4218
9.	Lor Moong Sih	1,050,180	0.4027
10.	Wong Yoon Chyuan	990,000	0.3796
11.	Kenanga Nominees (Tempatan) Sdn Bhd - Rakuten Trade Sdn Bhd for Ngam Jee Peng	840,000	0.3221
12.	RHB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Goh Sin Bong	804,000	0.3083
13.	Loh Kian Chong	800,000	0.3067
14.	Tan Siew Tyan	753,000	0.2887
15.	Teh Chee Ch'ng	750,000	0.2876
16.	Poh Kee Huat	719,500	0.2759
17.	Yap Siew Bee	700,000	0.2684
18.	Cimsec Nominees (Tempatan) Sdn Bhd - CIMB for Ahmad Shaharuddin Bin Ahmad Baharuddin (PB)	690,000	0.2646
19.	Chen Hean Tin	671,400	0.2574
20.	Tan Siew Kah	650,000	0.2492
21.	Quah Thian Seng	600,000	0.2301
22.	Balvinder Singh A/L Bhagwan Singh	554,500	0.2126
23.	Chin Boon Ping	554,500	0.2126
24.	Public Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Au Kwan Seng (E-KLC)	529,300	0.2030

Analysis Of Shareholdings

As at 31 March 2023 (Cont'd)

No.	Name	No. of shares	Percentage
25.	Yap Ma Tit	524,000	0.2009
26.	Sing Kiap Enterprise Sendirian Berhad	523,600	0.2008
27.	Maybank Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Au Kwan Seng	515,700	0.1977
28.	Lee Seong Kar	515,000	0.1975
29.	Yong Yuen Ling	504,900	0.1936
30.	Lee Tick Wah	500,000	0.1917
TOTAL		164,784,389	63.1842

List Of Properties

Registered Owner	Beneficial Owner	Title No./ Location	Description and existing use	Tenure/Date of Expiry of Leasehold Land	Approximate Age of Building (Years)	Land Area (Sq.ft)	NBV As at 31 December 2022 RM	Date Of Last Revaluation
Oceancash Holdings Sdn Bhd [Ⓞ]	Oceancash Nonwoven Sdn Bhd (ONW)	H.S. (D) 52918 P.T. No. 41067 Town of Bandar Baru Bangi, District of Ulu Langat, State of Selangor/ Lot 73 Jalan P10/21, Taman Industri Selaman, Seksyen 10 43650 Bandar Baru Bangi, Selangor	Two-storey office block and two single-storey factory building Single-storey factory separated into two (2) sections by a metal road	Leasehold 99 years/ 19 August 2098	19	214,720	29,045,475	30 June 2020
	PT Oceancash Felts	Greenland International Industrial Center (GIIC) Kota Deltamas Blok CD No. 16, Desa Pasirranji Kec. Cikarang Pusat Kabupaten Bekasi Provinsi Jawa Barat Indonesia	Factory and warehouse buildings	Valid up to Jan 2029 and is extendable for 20 years in accordance with the laws of The Republic of Indonesia 'Peraturan Pemerintah Republik Indonesia Nomor 40 Tahun 1996 Tentang Hak Guna Usaha, Hak Guna Bangunan Dan Hak Pakai Atas Tanah, under Article 25 paragraph (1) expiry of right to build: 11.01.2029 and 16.01.2029 (up to January 2029)	8	97,434	9,729,940	14 Apr 2023
	Oceancash (Thailand) Co., Ltd	Title Deed No. 196908 Land plot No. G.20 890/51 Moo 3, WHA Eastern Seaboard Industrial Estate 2, Tumbol Khaokhunsong, Amphur Sriracha, Chonburi 20110	Factory and warehouse buildings	Freehold	3	154,342	8,353,489	-

[Ⓞ] Note: The title of the leasehold land is in the process of being transferred to the name of the subsidiary.

List Of Subsidiary Companies

Name of Company	2021	2022	Principal Activities
Oceancash Nonwoven Sdn Bhd 199901026822 (501722-K)	100%	100%	Manufacturing and trading of nonwoven products
Oceancash Felts Sdn Bhd 199601011078 (383427-W)	100%	100%	Manufacturing and distribution of resinated felts
PT Oceancash Felts	100%	100%	Manufacturing and distribution of felts and manufacturing of parts and accessories for vehicles with four or more wheels
Oceancash (Thailand) Co., Ltd	100%	100%	Manufacturing and trading of resinated felts and thermoplastic felts for automotive industry and air-conditioning industry

Statement Accompanying Notice Of Twentieth Annual General Meeting

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

The Directors seeking re-election pursuant to Clause 97 of the Company's Constitution at the Twentieth Annual General Meeting of the Company are as follows :

1. Mr Tan Wey Chien
2. Mr Ngiam Kee Tong

The profiles of the Directors who are seeking re-election at the Twentieth Annual General Meeting of the Company are set out in "Directors' Profile" section on pages 7 and 8 of the Company's 2022 Annual Report.

The details of any interest in securities held by the above Directors are set out in "Directors' Report" section on pages 31 to 34 of the Company's 2022 Annual Report.

The Company will seek shareholders' approval on the general mandate for issue of securities in accordance with Paragraph 6.03(3) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. Please refer to the proposed Ordinary Resolution 6 as stated in the Notice of Twentieth Annual General Meeting of the Company for the details.

Notice Of Twentieth Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Twentieth Annual General Meeting (“**AGM**”) of Oceancash Pacific Berhad (“**OCP**” or “**Company**”) will be held at Raya Room, Level 2, Bangi Resort Hotel, Off Persiaran Bandar, 43650 Bandar Baru Bangi, Selangor Darul Ehsan on Tuesday, 30 May 2023 at 12.00 noon.

AGENDA

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. | <i>Explanatory
Note 1</i> |
| 2. | To approve the payment of Directors’ fees of RM185,000.00 for the financial year ended 31 December 2022. | Ordinary
Resolution 1
<i>Explanatory
Note 2</i> |
| 3. | To approve the payment of meeting allowances to be paid to Directors from 31 May 2023 until the conclusion of the next Annual General Meeting. | Ordinary
Resolution 2
<i>Explanatory
Note 2</i> |
| 4. | To re-elect Mr Tan Wey Chien who retires by rotation pursuant to Clause 97 of the Company’s Constitution and being eligible, offers himself for re-election. | Ordinary
Resolution 3
<i>Explanatory
Note 3</i> |
| 5. | To re-elect Mr Ngiam Kee Tong who retires by rotation pursuant to Clause 97 of the Company’s Constitution and being eligible, offers himself for re-election. | Ordinary
Resolution 4
<i>Explanatory
Note 3</i> |
| 6. | To re-appoint Messrs HLB Ler Lum Chew PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. | Ordinary
Resolution 5
<i>Explanatory
Note 4</i> |

Notice Of Twentieth Annual General Meeting

(Cont'd)

SPECIAL BUSINESS:

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

7. **ORDINARY RESOLUTION
AUTHORITY TO ISSUE SHARES PURSUANT TO SECTION 75 AND SECTION 76 OF THE COMPANIES
ACT 2016**

**Ordinary
Resolution 6**
*Explanatory
Note 5*

“THAT pursuant to Section 75 and Section 76 of the Companies Act 2016 and subject always to the Constitution of the Company, the Main Market Listing Requirements and the approvals of the relevant governmental and/or regulatory authorities, if applicable, the Directors be and are hereby given full authority to allot and issue shares in the Company, at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this resolution in any one financial year does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being **AND THAT** the Directors be and are hereby given full authority to obtain 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 or at the expiry of the period within which the next Annual General Meeting is required to be held in accordance with the provisions of the Companies Act 2016, whichever is the earlier.

THAT pursuant to Section 85(1) of the Companies Act 2016 read together with Clause 54 of the Company’s Constitution, approval be and is hereby given to waive the statutory pre-emptive rights conferred upon the existing shareholders of the Company to be offered new shares of the Company which rank equally to the existing shares of the Company **AND THAT** the Board of Directors is exempted from the obligation to offer such new shares first to the existing shareholders of the Company in respect of the allotment and issuance of new shares pursuant to Section 75 and Section 76 of the Companies Act 2016.”

ANY OTHER BUSINESS:

8. To transact any other business for which due notice shall have been given in accordance with the Company’s Constitution and the Companies Act 2016.

BY ORDER OF THE BOARD

WONG YOUN KIM (MAICSA 7018778)
PRACTICING CERTIFICATE NO. 201908000410
YIP SIEW CHENG (MAICSA 7006780)
PRACTICING CERTIFICATE NO. 202008001527
Company Secretaries

Kuala Lumpur
Dated : 28 April 2023

NOTES:

1. A member of the Company entitled to attend and vote at the meeting may appoint one or more proxies (or being a corporate member, a corporate representative) to attend and vote in his/her stead. A proxy may but need not be a member of the Company.
2. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy.

Notice Of Twentieth Annual General Meeting

(Cont'd)

3. The instrument appointing a proxy in the case of an individual shall be signed by the appointer or his/her attorney or in the case of a corporation executed under its common seal or signed on behalf of the corporation by its attorney or by an officer duly authorised.
4. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as defined under the Securities Industry (Central Depositories) Act 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
5. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or executed must be deposited at the Share Registrar Office at Lot 9-7, Menara Sentral Vista, No. 150, Jalan Sultan Abdul Samad Brickfields, 50470 Kuala Lumpur not less than 24 hours before the time appointed for holding the meeting or any adjournment thereof.
6. Only members whose names appear in the Record of Depositors on 24 May 2023 shall be entitled to attend, speak and vote at the meeting or appoint proxy(ies) to attend, speak and vote on his/her behalf.
7. All resolutions set out in the notice of meeting will be put to vote by poll.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the 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.

EXPLANATORY NOTES:

1. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

This item on the Agenda is meant for discussion only. The provision of Section 340(1) of the Companies Act 2016 requires that the Audited Financial Statements and the Reports of the Directors and Auditors thereon be laid before the Company at its AGM. As such, this item on the Agenda is not a business which requires a resolution to be put to vote by shareholders.

2. DIRECTORS' REMUNERATION

Section 230(1) of the Companies Act 2016 provides, among others, that the fees of the Directors and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting. In this respect, the Board of Directors ("Board") wishes to seek shareholders' approval for the following payments to Directors of the Company at the 20th AGM in 2 separate resolutions as follows:

Ordinary Resolution 1 seeks approval for payment of Directors' fees of RM185,000.00 for the financial year ended 31 December 2022.

Ordinary Resolution 2 seeks approval for payment of meeting allowances of RM300.00 per meeting per person payable to Directors from 31 May 2023 until the conclusion of the next AGM of the Company.

EXPLANATORY NOTES: (cont'd)

3. RE-ELECTION OF DIRECTORS

The profile of the Directors who are standing for re-election under items 4 and 5 of the agenda is set out in the Board of Directors' profile of the 2022 Annual Report.

Based on the recommendation of the Nomination Committee, the Board is satisfied with the performance and contributions of the following retiring Directors and supports their re-election based on the justifications as below:

Ordinary Resolution 3 - Re-election of Mr Tan Wey Chien as Executive Director

The Nomination Committee found Mr Tan Wey Chien possesses the requisite experience and competency to make contributions to the Board and had demonstrated his conscientiousness and commitment as a Director of the Company.

Ordinary Resolution 4 - Re-election of Mr Ngiam Kee Tong as Senior Independent Non-Executive Director

The Nomination Committee was satisfied that Mr Ngiam Kee Tong fulfils the requirement of independence set out in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad as well as the prescribed criteria under the Malaysian Code on Corporate Governance 2021. He has demonstrated his independence through his engagement in the meetings by proactively giving valuable insights to the Board and Board Committees. He has exercised his due care and carried out his professional duties as Senior Independent Non-Executive Director of the Company during his tenure of office.

4. RE-APPOINTMENT OF AUDITORS

The Audit and Risk Management Committee ("ARMC") was satisfied that the auditors, Messrs HLB Ler Lum Chew PLT meets the relevant criteria prescribed by Paragraph 15.21 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Board at its Board meeting held on 24 February 2023 approved the ARMC's recommendation for shareholders' approval to be sought at the 20th AGM for **Ordinary Resolution 5**.

5. AUTHORITY TO ISSUE SHARES PURSUANT TO SECTION 75 AND SECTION 76 OF THE COMPANIES ACT 2016

Ordinary Resolution 6 is proposed for the purpose of renewing the general mandate for issuance of shares by the Company under Section 75 and Section 76 of the Companies Act 2016. If passed, it will give the Directors of the Company authority to issue shares up to an amount not exceeding 10% of the total number of issued shares (excluding treasury shares) of the Company at any time in their absolute discretion without the need to convene a general meeting. The authorisation, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next AGM of the Company. The general mandate, if granted, will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of funding future investment project(s), working capital and/or acquisition(s).

The Company has not issued new shares pursuant to the Section 75 and Section 76 of the Companies Act 2016 under the general mandate sought at the 19th AGM held on 27 May 2022, which will lapse upon the conclusion of the forthcoming 20th AGM to be held on 30 May 2023.

Pursuant to Section 85(1) of the Companies Act 2016 read together with Clause 54 of the Company's Constitution, the shareholders of the Company have pre-emptive rights to be offered any new shares in the Company which rank equally to the existing issued shares of the Company. In order for the Board to issue any new shares, such pre-emptive rights must be waived. By you voting in favour of the proposed Ordinary Resolution 6, you will be waiving your statutory pre-emptive rights and the proposed Ordinary Resolution 6, if passed, will exclude your statutory pre-emptive rights to be offered any new shares to be allotted and issued by the Company pursuant to Section 75 and Section 76 of the Companies Act 2016, which will result in a dilution to your shareholdings in the Company.

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FORM OF PROXY
OCEANCASH PACIFIC BERHAD
 Registration No: 200201022973 (590636-M)
 (Incorporated in Malaysia)

*I/We *NRIC/Company No
 (Block Letters)

of

being a *member/members of the abovenamed Company, hereby appoint

*NRIC/Company No of

Telephone Number Email Address

or failing *him/her *NRIC/Company No

of

Telephone Number Email Address

or failing *him/her, the CHAIRMAN of the meeting, as *my/our proxy to vote for *me/us on *my/our behalf at the Twentieth Annual General Meeting ("AGM") of Oceancash Pacific Berhad to be held at Raya Room, Level 2, Bangi Resort Hotel, Off Persiaran Bandar, 43650 Bandar Baru Bangi, Selangor Darul Ehsan on Tuesday, 30 May 2023 at 12.00 noon and/or any adjournment thereof in the manner indicated below:

NO	ORDINARY RESOLUTIONS	FOR	AGAINST
1.	To approve the payment of Directors' fees of RM185,000.00 for the financial year ended 31 December 2022.		
2.	To approve the payment of meeting allowances to be paid to Directors from 31 May 2023 until the conclusion of the next Annual General Meeting.		
3.	To re-elect Mr Tan Wey Chien who retires by rotation pursuant to Clause 97 of the Company's Constitution and being eligible, offers himself for re-election.		
4.	To re-elect Mr Ngiam Kee Tong who retires by rotation pursuant to Clause 97 of the Company's Constitution and being eligible, offers himself for re-election.		
5.	To re-appoint Messrs HLB Ler Lum Chew PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.		
6.	Authority to issue shares pursuant to Section 75 and Section 76 of the Companies Act 2016.		

Please indicate with an "X" in the appropriate box against the resolution on how you wish your proxy to vote. If no specific instruction as to voting is given, the proxy will vote at *his/her discretion.

Number of Shares	
CDS Account No.	
Date	

.....
 Signature of Member / Common Seal

Notes :

- A member of the Company entitled to attend and vote at the meeting may appoint one or more proxies (or being a corporate member, a corporate representative) to attend and vote in his/her stead. A proxy may but need not be a member of the Company.
- Where a member appoints more than one (1) proxy, the appointment shall be invalid unless *he/she specifies the proportions of *his/her shareholdings to be represented by each proxy.
- The instrument appointing a proxy in the case of an individual shall be signed by the appointer or *his/her attorney or in the case of a corporation executed under its common seal or signed on behalf of the corporation by its attorney or by an officer duly authorised.
- Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as defined under the Securities Industry (Central Depositories) Act 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or executed must be deposited at the Share Registrar Office at Lot 9-7, Menara Sentral Vista, No. 150, Jalan Sultan Abdul Samad Brickfields, 50470 Kuala Lumpur not less than 24 hours before the time appointed for holding the meeting or any adjournment thereof.
- Only members whose names appear in the Record of Depositors on 24 May 2023 shall be entitled to attend, speak and vote at the meeting or appoint proxy(ies) to attend, speak and vote on his/her behalf.
- All resolutions set out in the notice of meeting will be put to vote by poll.

* Delete where inapplicable

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the 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.



Fold this line for sending

Affix
Stamp

The Share Registrar

OCEANCASH PACIFIC BERHAD

Registration No. 200201022973 (590636-M)

Lot 9-7 Menara Sentral Vista
No 150, Jalan Sultan Abdul Samad Brickfields
50470 Kuala Lumpur

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First fold here



OCEANCASH PACIFIC BERHAD 200201022973 (590636-M)

Lot 73, Jalan P10/21, Taman Industri Selaman, 43650 Bandar Baru Bangi, Selangor, Malaysia.

T: 603-8925 0000 **F:** 603-8925 5800 **W:** www.oceancash.com.my