GREEN OCEAN
CORPORATION BERHAD
Registration No. 200301029847 (632267-P)
(Incorporated in Malaysia)

2021 ANNUAL REPORT

TABLE OF **CONTENTS**

CORPORATE **INFORMATION**

BOARD OF DIRECTORS

Dato' Nik Ismail bin Dato' Nik Yusoff
Independent Non-Executive Chairman

Mak Siew Wei
Executive Director

Roy Winston George
Independent Non-Executive Director

Kang Teik Yih
Independent Non-Executive Director

AUDIT COMMITTEE

Kang Teik Yih
Chairman

Dato' Nik Ismail bin Dato' Nik Yusoff
Member

Roy Winston George
Member

NOMINATION AND REMUNERATION COMMITTEE

Roy Winston George
Chairman

Dato' Nik Ismail bin Dato' Nik Yusoff
Member

Kang Teik Yih
Member

COMPANY SECRETARY

Wong Yuet Chyn (MAICSA 7047163)
(SSM PC 202008002451)

REGISTERED OFFICE

No. 2-1, Jalan Sri Hartamas 8
Sri Hartamas
50480 Kuala Lumpur
Wilayah Persekutuan (KL)
Tel: (603) 6201 1120
Fax: (603) 6201 3121

CORPORATE OFFICE

Lot 742, 4th Mile, Jalan Kapar
42100 Klang
Selangor Darul Ehsan
Tel: (603) 3291 2224 / 3291 2225
Fax: (603) 3290 4388
Email: info@greenoceancorp.com
Website: www.greenoceancorp.com

SHARE REGISTRAR

ShareWorks Sdn. Bhd.
No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas
50480 Kuala Lumpur, Wilayah Persekutuan (KL)
Tel: (603) 6201 1120
Fax: (603) 6201 3121

AUDITORS

ECOVIS MALAYSIA PLT
No. 9-3, Jalan 109F, Plaza Danau 2
Taman Danau Desa, 58100 Kuala Lumpur
Malaysia
Tel: (603) 7981 1799
Fax: (603) 7980 4796

PRINCIPAL BANKERS

Ambank (M) Berhad
Malayan Banking Berhad
United Overseas Bank (Malaysia) Bhd

STOCK EXCHANGE LISTING

ACE Market of Bursa Malaysia Securities Berhad
Stock Name : GOCEAN
Stock Code : 0074

CORPORATE STRUCTURE

GREEN OCEAN
CORPORATION BERHAD
Registration No. 200301029847 (632267-P)
(Incorporated in Malaysia)

100%
Ace Edible Oil Industries Sdn. Bhd.
Reg. No. 197101001215
(11576-A)

Palm kernel crushing, crude palm kernel oil, palm kernel expeller and trading of variety of palm oil products.

100%
Ace Green Energy Sdn. Bhd.
Reg. No. 201801013190
(1275206-W)

Wholesale trading of variety of biomass and alternative material, energy and fuels and services.

100%
G Rubber Sdn. Bhd.
Reg. No. 202001021399
(1377719-K)

Manufacturing and trading of gloves

Joint Venture

51%
NSN ACE Joint Venture Sdn. Bhd.
Reg. No. 201901022874
(1332203-V)

To secure contracts to operate the handling of the coal, to purchase coal and any other materials locally and/or overseas.

FINANCIAL **HIGHLIGHTS**

Period Ended/Financial Year	30.6.2021 (12 months)	30.6.2020 (15 months) *	31.3.2019 (12 months)	31.3.2018 (12 months)	31.3.2017 (12 months)
Key Operating Results (RM'000)					
Revenue	36,278	222,844	361,477	154,672	200,960
Revenue growth	-83.72%	-38.40%	133.70%	-23.0%	3.70%
Gross profit/(loss)	206	(6,582)	5,588	(4,633)	1,501
Gross profit/(loss) margin	0.57%	-2.95%	1.55%	-3.00%	0.75%
(Loss)/Profit before interest and tax	(12,074)	(10,126)	3,201	(7,140)	293
Interest expense	(398)	(1,300)	(1,272)	(371)	(157)
(Loss)/Profit before tax	(12,472)	(11,426)	1,929	(7,511)	136
(Loss)/Profit for the year/period attributable to owners of the Company	(12,481)	(11,430)	1,925	(7,511)	136
Other Key Data (RM'000)					
Total assets	133,477	37,468	56,620	37,855	46,370
Total liabilities	2,978	26,905	34,627	17,788	25,869
Equity attributable to owners of the Company	130,499	10,563	21,993	20,067	20,501
Share Information					
Basic (loss)/earnings per share (sen)	(1.36)	(3.95)	0.66	(2.75)	0.05
Net asset per share attributable to owners of the Company (sen)	7.42	3.65	7.59	6.93	7.78
Market capitalisation (RM'000)	61,588	34,765	33,317	40,560	28,971
Financial Ratios					
Gross profit/(loss) margin (%)	0.57%	-2.95%	1.55%	-3.00%	0.75%
Curent ratio	54.32	0.71	1.09	1.06	1.11
Quick ratio	54.28	0.58	0.70	0.46	1.06
Debt to equity ratio (%)	0.26%	206.20%	125.70%	76.70%	32.90%
Net debt to equity ratio (%)	N/A	173.98%	114.36%	64.22%	29.50%

* On 26 Aug 2020, the Company announced the change of financial year end from 31 March to 30 June. The current financial reporting period is for a 15-month period from 1 April 2019 to 30 June 2020.

ABBREVIATIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Annual Report:-

Abbreviations	Description
Act	The Companies Act 2016
AC	Audit Committee
ACE LR	ACE Market Listing Requirements of Bursa Securities
AGM	Annual General Meeting
Board	Board of Directors
Bursa Securities	Bursa Malaysia Securities Berhad
COVID-19	Coronavirus Disease 2019
CG	Corporate Governance
CPO	Crude Palm Oil
CPKO	Crude Palm Kenel Oil
FPE 2020	Financial period of 15-month ended 30 June 2020
FYE 2021	Financial year ended 30 June 2021
Green Ocean or the Company	Green Ocean Corporation Berhad
Green Ocean Group or the Group	Green Ocean and its subsidiaries
Green Ocean's Website	www.greenoceancorp.com
ISO	International Organization for Standardization
MCCG 2017 or the Code	Malaysian Code on Corporate Governance 2017
MFRS	Malaysian Financial Reporting Standard
NRC	Nomination and Remuneration Committee
SC	Securities Commission Malaysia
TOR	Terms of Reference

CHAIRMAN'S **STATEMENT**

Dear Shareholders,

On behalf of the Board of Directors (the "Board") of Green Ocean Corporation Berhad (the "Green Ocean" or the "Group"), I hereby present the Annual Report and Audited Financial Statements of the Group and of the Company for the financial year ended 30 June 2021("FYE 2021").

OVERVIEW

The Malaysian economy registered a smaller decline of 0.5% in the first quarter (fourth quarter of ("4Q") 2020: -3.4%). The growth performance was supported mainly by the improvement in domestic demand and robust exports performance, particularly for electrical and electronic ("E&E") products. Growth was also supported by the continued policy measures. The imposition of the Second Movement Control Order ("MCO 2.0") and the continued closure of international borders and restrictions on inter-state travel, however, weighed on economic activity. Nevertheless, as restrictions were eased in February and March, economic activity gradually picked up. All economic sectors registered an improvement, particularly in the manufacturing sector.

Despite the recent re-imposition of containment measures, the impact on growth would be less severe than that experienced in 2020, as almost all economic sectors are allowed to operate. Overall, the growth recovery will benefit from better global demand, increased public and private sector expenditure as well as continued policy support. (Source: Economic and Financial Developments in the Malaysian Economy in the First Quarter of 2021, Bank Negara Malaysia)

FINANCIAL HIGHLIGHTS

The Group's recorded a lower revenue of 36.3 million for the FYE 2021 or 83.7% decrease as compared to RM222.8 million in previous FPE 2020. This was mainly due to of the Group's strategy to limit the trading activities in related palm oil products following the management decision to reduce the Group's exposure due to uncertainty of COVID-19 pandemic. The decrease in revenue however was mitigated by the new stream of revenue generated through the Group's new business venture in trading of gloves. Despite a decrease in revenue by 83.7%, the Group recorded gross profit of RM0.2 million as compared to gross loss of RM6.6 million.

The Group recorded loss before tax ("LBT") of RM12.5 million in FYE 2021 as compared to RM11.4 million recorded in previous FPE 2020. The operating and administrative expenses for the current financial year was mainly due to share-based payment made for share options granted and provision of impairment loss on trade receivables.

CORPORATE DEVELOPMENTS

Diversification into the Glove Business and Completion of Private Placements

The Group had on 27 October 2020, obtained Shareholders' approval to venture into the Gloves Business to capitalise on a booming segment with favourable long-term prospects while making the most out of the opportunities created by the COVID-19 pandemic.

During the financial year, the Group had undertaken the 10% Private Placements and 30% Private Placement. The proceeds raised are used for the repayment of bank borrowings and to finance Group's general working capital for the production of gloves and other miscellaneous operating expenses.

Completion of Rights Issue with Warrants

The Group has successfully completed the rights issue of shares with free detachable warrants exercise and raised cash proceeds of RM82.9 million. The said cash proceeds are intended to be utilised mainly for setting up glove manufacturing plant and facilities, finance working capital for the glove business and repayment of bank borrowings.

OUTLOOK

The overall outlook for the Group's businesses remains challenging due to the protracted and evolving Covid-19 situations worldwide. However, the Group is of the view that with the recent progressive rollout of the mass vaccination by the government, have raised hopes of a turnaround in the pandemic in the later part of 2021. As the world, and Malaysia, continue to endure the effects of the pandemic, we remain vigilant on our outlook. The Group will continue to monitor the latest developments relating to the pandemic and will be taking appropriate and timely measures to minimise the potential adverse impact arising from the pandemic on the Group's operations.

Moving forward, the Group will continue to venture in manufacture and trading of glove business. The Group is confident with the current market conditions are in favour of glove manufacturers and the gloves market outlook is expected to remain positive for next few years. Malaysian Rubber Glove Manufacturers Association ("MARGMA") has forecasted that the demand for gloves will continue to outstrip the global supply of gloves in year 2021 due to the on-going COVID-19 pandemic.

APPRECIATIONS

On behalf of the Board, I wish to express my utmost and sincere appreciation to our shareholders, customers, business associates, regulatory bodies, financial institutions and suppliers for their assistance and continued support. We will continue to uphold your trust and confidence in the Group.

My heartfelt appreciation is also extended to all the management and employees for their contribution, dedication and commitment towards attaining the success of the Group. The Group continues to remain strong as a result of the concerted effort of the entire team.

Lastly, I take this opportunity to thank my fellow Board members for their support, guidance and counsel. I wish to take this opportunity to thank Mr. Khoo Chee Siang, our Independent Non-Executive Director who had resigned on 19 May 2021 for his valuable service to the Group. On behalf of the Board, I would like to extend our warmest welcome to our new Independent Non-Executive Director, Mr. Kang Teik Yih who has been appointed to our Board on 16 August 2021. The Board and I look forward to work with Mr. Kang as we continue our journey. Let's work together for the betterment of the Group going forward.

Dato' Nik Ismail bin Dato' Nik Yusoff

Chairman

MANAGEMENT **DISCUSSION AND ANALYSIS**

Business Overview

Green Ocean Corporation Berhad ("Green Ocean" or the "Group") is a public limited liability company incorporated and based in Malaysia that has been listed on ACE Market of Bursa Malaysia Securities Berhad since year 2005. Green Ocean is an investment holding company, whereas its subsidiaries are involved in palm kernel crushing, refining of palm oil and palm kernel oil and trading of refined palm oil products, and general trading in bio tech and renewable energy. Over the recent years, the Group has managed to increase its revenue via the trading of refined palm oil products, albeit at relatively low margins although the price of Crude Palm Kernel Oil ("CPKO") is showing recovery since the beginning of the financial year. The trading in other palm oil and biomass products has also contributed positively to the revenue of the Group. Unfortunately, the outbreak of COVID-19 pandemic disrupts the growth momentum of the Group. The Malaysian Government has imposed several levels of Movement Control Order starting from 18 March 2020 to curb the spread of the COVID-19 outbreak in Malaysia. The COVID-19 outbreak also resulted in travel restriction, lockdown, social distancing, capacity constrained and other precautionary measures imposed in various countries. The Group's operations have also been disrupted by a series of precautionary and control measures taken by the Malaysian Government and private corporations in response to the emergency of the pandemic. In view of the business challenges faced by the Group in the palm oil business, the Group has during the financial year venture into the trading of gloves business via its subsidiary namely G Rubber Sdn. Bhd. Since the outbreak of COVID-19 pandemic, the Group believes that the demand for personal protective equipment to curb the pandemic has boosted the demand for gloves.

Comparative Financial Period Ended 30 June 2020 ("FPE 2020")

In the previous financial period, the Group changed its financial year end from 31 March to 30 June, which accounts for the cumulative 15-month performance results (1 April 2019 to 30 June 2020 – FPE 2020) being reported in the previous financial period. The comparative figures presented in this annual report are for the cumulative 15-month performance results.

Review of Financial Results, Performance and Financial Condition For the Financial Year Ended 30 June 2021 ("FYE 2021")

FYE 2021 was a transformative year for Green Ocean. While working hard to steer the Group in the midst of a pandemic, the management embarked on various corporate activities aimed at strategically positioning the Group to seize attractive market opportunities that will propel the Group's growth going forward. In FYE 2021, the Group however recorded 83.7% decrease in revenue from RM222.8 million in FPE 2020 to RM36.3 million in FYE 2021. The decrease in revenue was as a result of the Group's strategy to limit the trading activities in related palm oil products following the management decision to reduce the Group's exposure due to uncertainty of COVID-19 pandemic. The decrease in revenue however was mitigated by the new stream of revenue generated through the Group's new business venture in trading of gloves.

	Group	
	01.07.2020 to 30.06.2021 RM	01.04.2019 to 30.06.2020 RM
Sale of: -		
Production and trading of palm kernel oil and palm kernel expeller	13,202,007	98,150,088
Trading of refined, bleached and deodorised olein	21,121,930	124,522,713
Trading of biomass material	9,432	171,604
Trading of gloves	1,944,840	-
	36,278,209	222,844,405

Review of Financial Results, Performance and Financial Condition For the Financial Year Ended 30 June 2021 ("FYE 2021") (Cont'd)

The Group recorded loss before tax of RM12.5 million in FYE 2021 as compared to the loss before tax of RM11.4 million in FPE 2020 which resulted from share-based payment expense under the Employee Share Options Scheme ("ESOS") introduced during the financial year amounting to RM3.4 million coupled with the provision of impairment loss on trade receivables of RM7.3 million where no such expenses were incurred by the Group in FPE 2020. The Group's basic loss per share for FYE 2021 was at 1.36 sen as compared to basic loss per share of 3.95 sen in FPE 2020.

As at 30 June 2021, the Group's total assets stood at RM133.5 million as compared to RM37.5 million as at 30 June 2020. The increase in the total assets of the Group was driven by the funds raised from the proceeds from various fund raising exercises such as Private Placement, ESOS and Rights Issue with Free Warrants of Green Ocean's shares. The management has since used the funds proceeds to settle the bank borrowings and pay deposit to set up glove making facility with the excess of the funds being kept in the banks and money market instruments. The decrease in total liabilities of the Group from RM26.9 million as at 30 June 2020 to RM3.0 million as at 30 June 2021 was due to the repayment of bank borrowings. As at 30 June 2021, the Group's current ratio was at 54.32 times (30 June 2020: 0.71 times) with no gearing. The equity of the Group had increased to RM130.5 million as compared to the previous FPE 2020 of RM10.6 million and the net assets per share stood at RM0.07.

Statements Of Cash Flows

	FYE 2021 RM'000	FPE 2020 RM'000	Variance RM'000
Operating loss before working capital changes	(1,457)	(9,213)	7,756
Changes in working capital	(20,581)	17,354	(37,935)
Cash (used in)/generated from operating activities	(22,038)	8,141	(30,179)
Net cash (used in)/generated from operating activities	(22,013)	8,123	(30,136)
Net cash used in investing activities	(62,120)	(51)	(62,069)
Net cash generated from/(used in) financing activities	111,487	(7,627)	119,114
Net increase in cash and cash equivalents	27,354	445	26,909

Operating loss before changes in working capital recorded at RM1.5 million, an improvement from operating loss before changes in working capital of RM9.2 million in the previous FPE 2020, which was resulted from improve in gross profit of the Group during the year under review coupled with the recognition of non-cash expenses being the share-based payment expense for ESOS and the impairment loss on trade receivables. Changes in working capital decreased to cash outflow of RM20.6 million from cash inflows of RM17.4 million in the previous FPE 2020 mainly due to among others, the Group has deposited RM15 million to a vendor to set up a glove making facility for the production of rubber gloves and intends to commission the installation of eight (8) production lines producing Nitrile gloves. This has resulted in net cash used in operations of RM22.0 million as compared to net cash generated from operations of RM8.1 million in the previous FPE 2020.

Net cash used in investing activities increased due to cash paid to for the refurbishment of existing factory building amounting to RM2.1 million and placement of funds into money market instruments of RM60.6 million.

Net cash generated from financing activities of RM111.5 million was mainly due the funds raised through Private Placement, exercise of ESOS and Rights Issues with Free Warrants of Green Ocean's shares, with total proceeds of RM130.2 million although reduced by the repayment of bank borrowings and finance costs of RM17.5 million.

The above effects resulted in overall net increase in cash and cash equivalents by RM27.4 million as compared to the net increase of RM0.4 million in the previous FPE 2020.

MANAGEMENT DISCUSSION AND ANALYSIS
(cont'd)

Performance of Palm Oil Segment

	FYE 2021 RM'000	FYE 2021 RM'000	Variance RM'000	Variance %
Revenue	34,333	222,844	(188,511)	(84.59)
Gross profit/(loss)	160	(6,582)	6,742	(102.43)
Other income	103	58	45	77.59
Total operating expenses	(9,998)	(2,817)	(7,181)	254.92
Finance costs	(393)	(1,300)	907	(69.77)
Loss before tax	(10,128)	(10,642)	514	(4.83)
Taxation	-	(3)	3	(100.00)
Loss for the year/period	(10,128)	(10,645)	517	(4.86)

During the financial year under review, revenue decreased by 84.59% from RM222.8 million in the previous FPE 2020 to RM34.3 million in the current FYE 2021. The decrease in the revenue was mainly due to lower trading of palm oil products and the management's decision to temporary ceased its production of CPKO and palm kernel expeller to mitigate the risk exposure due to the uncertainty post COVID-19 pandemic. Despite a decrease in revenue by 84.59%, the Group recorded gross profit of RM0.2 million as compared to gross loss of RM6.6 million mainly due to higher price of CPKO during the financial year.

The increase in operating expenses was mainly due to the recognition of one-off share-based expense on ESOS granted to eligible employees who has contributed towards the Group business in the palm oil business segment coupled with the provision of impairment loss on trade receivables where no such expenses were recognised in FPE 2020. The finance costs incurred were reduced as a result of the repayment on the bank borrowings and lower utilisation of bankers' acceptances due to lower trading of palm oil products during the FYE 2021 hence less interest charges imposed on the utilisation of the credit facilities granted by the financial institutions to the Group. As a result of the above, loss before tax of RM10.1 million was recorded in FYE 2021 as compared to loss before tax of RM10.6 million in FPE 2020.

Performance of Gloves Segment

Gloves segment is the new segment to the group in FYE 2021. The Group started its gloves trading business in third quarter during the financial year. It contributes RM2.0 million to the Group's total revenue, representing 5.4% of the total revenue in FYE 2021. Moving Forward, the Group will continue in trading the gloves and in venturing into the production and manufacturing of the gloves.

Internal Strategy

Previously, the Group has been facing challenges in the production of CPKO as the market prices for crude palm commodities have remained subdued. This is due to an increased supply of CPKO, higher forecast for inventories of palm oil products and weaker demand. In view of this, the Group decided to cease its production of CPKO in August 2019 and focusing on the trading and supply of refined palm oil products. The Group adopts a quick turnaround trading position where the Group will purchase, hold and sell the product with a targeted profit margin within a shorter period. This is to minimise the financial impact and exposure of the Group to the volatile and uncertain market price of CPKO. The management remained cautions and will continue to monitor the palm oil commodities prices.

In FPE 2020, the Group has been exploring other business opportunities to diversify the revenue stream by increasing its trading activities to include wider range of oil palm related products and new business segments to minimize the business concentration risks. The Group had via its wholly-owned subsidiary, ACE Green Energy Sdn

Internal Strategy (Cont'd)

Bhd entered into a joint venture agreement with NSN Global Resources Sdn Bhd to collaborate on coal trading and handling of coal cargo in Port Lumut through a joint venture company. The joint venture company had imported and traded 4,600 metric tonne ("MT") of coal which were sourced from Indonesia. However, the coal trading activities temporary halted due to the imposition of travel restrictions and closing of international borders as the parties were unable to source, audit and assess the supply of coal overseas. The Group expects to resume the coal trading activities when travel restrictions are no longer in place.

In view of the increase in demand for personal protective equipment resulted from the outbreak of COVID-19 pandemic, the Group has also carry out business in manufacturing and trading of gloves. In FYE 2021, the Group has kick starts it's trading of glove business and is in the midst of setting up its own glove manufacturing facility in order to venture into the production and manufacturing of the gloves.

Dividend Policy

The current focus of the Group is to create and enhance shareholders' value in the long run. The Group aims to re-invest the earnings to fund for the business growth. As such, the Group does not adopt any dividend policy in the short term but will consider distributing the excess profits once the Company has stable earnings, after taking into consideration of the needs for the working capital requirements and planned capital expenditure in the future.

Prospects

Based on a published source, the palm oil price has increased since the end of the previous FPE 2020. Although the total production output of palm oil is expected to be increased in year 2021, the outbreak of COVID-19 pandemic had insofar disrupts the momentum on the production of palm oil. The prospect of the palm oil was further aggravated by the Movement Control Order imposed in many parts of Malaysia which indirectly affect palm oil planting and harvesting activities, on top of challenges on the weather conditions normally faced in Malaysia such as the La Nina phenomenon. The capacity constraints due to the restriction imposed during the lockdown had affected the growth in the services, manufacturing and construction sectors. The Group however foresees the palm oil industry is expected to be in a recovery phase and better position towards the end of 2021 with the demand for palm oil is poised to recover as lockdowns around the globe begin to ease and major consumers (including China and India), are back in the market boosting purchases to replenish stocks. The demand will be supported by implementation of biodiesel mandates in major palm oil producing countries. The Group will continue to focus in the trading and supply of refined palm oil products while monitoring the market prices for crude palm commodities. The Group intends to resume the production of CPKO and increase the quantity of palm oil products to be sold should the market prices for crude palm commodities become favourable.

For the trading and manufacturing of glove business, the Group's view is that the current market conditions are in favour of glove manufacturers and the gloves market outlook is expected to remain positive for next few years. Malaysian Rubber Glove Manufacturers Association ("MARGMA") has forecasted that the demand for gloves will continue to outstrip the global supply of gloves in year 2021 due to the on-going COVID-19 pandemic. Despite the availability of vaccines for COVID-19 with many countries already commencing mass vaccinations, demand of rubber gloves are expected to remain high, especially in the near term, as medical gloves will continue to be used by healthcare professionals globally for mass vaccination. Further, the demand for rubber gloves will be continuously driven by heightened awareness of the usage of rubber gloves as general protection against viruses and other diseases. The Group's venture into the glove business is expected to allow the Group to capitalise on a booming segment with favorable long-term prospects and is expected contribute to the future earnings of the Group as well as improve the Group's financial performance in the coming years.

In the Group's view, the long-term prospect of the Group remains intact and positive. In spite of the disruptions caused by the COVID-19 pandemic, the on-going global vaccine rollout will lead to the gradual recovery and resumption of global and domestic economic activities, normalisation of labour market conditions and easing of travel restrictions. Given the fluidity of the situation, the management will continuously monitor any material changes to future economic conditions that will affect the Groupas impact assessment of the COVID-19 pandemic and this will be a continuing process.

PROFILE OF **THE DIRECTORS**

DATO' NIK ISMAIL BIN DATO' NIK YUSOFF

Independent Non-Executive Chairman, Malaysian, aged 75, Male

Dato' Nik Ismail bin Dato' Nik Yusoff ("Dato' Nik Ismail") was appointed as Independent Non-Executive Chairman on 7 August 2020. He is also a Member of the Audit Committee, and Nomination and Remuneration Committee.

Dato' Nik Ismail graduated from Universiti Kebangsaan Malaysia with a Diploma of Sains Kepolisan (DPS).

Dato' Nik Ismail joined the Police Force in 1965 and served the Police Force until his retirement on 2 September 2001 as Deputy Commissioner of Police. During his 36 years in service, he has served the Police Force well, with full commitment and professionalism. He has served in various positions in the Police Force, including Chief Police Officer in the State of Terengganu (1997), Kedah (1997-1999), and Selangor (1999-2001). He was also the Deputy Director Special Branch in Bukit Aman in 1995 to 1997.

Dato' Nik Ismail currently sits on the Board as Independent Non-Executive Chairman of AT Systematization Berhad, AE Multi Holdings Berhad and PNE PCB Berhad. He is also an Independent Non-Executive Director at Pasukhas Group Berhad.

Dato' Nik Ismail does not hold any shares in the Company. He does not have any family relationship with any Director or major shareholder of the Company and has not been convicted of any offences within the past 5 years other than traffic offences, if any. He does not have any conflict of interest in any business arrangement involving the Company.

MAK SIEW WEI

Executive Director, Malaysian, aged 46, Male

Mr. Mak Siew Wei ("Mr. Mak") was appointed to the Board as Executive Director on 27 July 2020.

Mr. Mak pursued his education in the United State of America and graduated with Bachelor Degree in Management Information System and subsequently worked for Marvic International (NY) Ltd in New York as a Business Development Manager for 3 years.

Mr. Mak currently sits on the Board as Executive Director of AT Systematization Berhad, Saudee Group Berhad, Pasukhas Group Berhad and Advance Information Marketing Berhad.

Mr. Mak does not have any family relationship with any Director or other major shareholder of the Company and has not been convicted of any offences within the past 5 years other than traffic offences, if any. He does not have any conflict of interest in any business arrangement involving the Company.

PROFILE OF THE DIRECTORS
(cont'd)

ROY WINSTON GEORGE

Independent Non-Executive Director, Malaysian, aged 56, Male

Mr. Roy Winston George ("Mr. Roy") was appointed to the Board as Independent Non-Executive Director on 28 July 2020. He is also the Chairman of the Nomination and Remuneration Committee, and a member of Audit Committee.

Mr. Roy is a Member of the Malaysian Institute of Accountants (MIA) and the Malaysian Institute of Certified Public Accountants. He started his career in an international accounting firm and has since held senior management positions in various companies involved in the financial services and hospitality sector.

Mr. Roy has no directorship in other public listed companies.

Mr. Roy does not hold any shares in the Company. He does not have any family relationship with any Director or major shareholder of the Company and has not been convicted of any offences within the past 5 years other than traffic offences, if any. He does not have any conflict of interest in any business arrangement involving the Company.

KANG TEIK YIH

Independent Non-Executive Director, Malaysian, aged 46, Male

Mr. Kang Teik Yih ("Mr. Kang") was appointed to the Board as Independent Non-Executive Director on 16 August 2021. He is also the Chairman of Audit Committee, and a member of Nomination and Remuneration Committee.

Mr. Kang graduated from Royal Melbourne Institute of Technology with a Bachelor of Business, majoring in Accountancy. He is a member of Malaysian Institute of Accountants (MIA) and also a member of Certified Practicing Accountants, Australia.

Mr. Kang started his career in an educational establishment as an Executive & Admin Assistant from 1998 to 2000 where he had assisted in various projects for the growth and expansion of the college as well as their payroll, taxation and accounting related work. In 2001, he joined a ceramic tiles group of companies specialises in tiles and sanitary wares as an Accounts Executive. Subsequently in 2004, he joined HSBC Bank Berhad as a Personal Relationship Manager where he was in-charge of main customers portfolios. In 2006, he joined an established audit firm and since then, he has been actively growing the professional business mainly in accounting, tax planning, payroll, auditing and all other related corporate services.

Mr. Kang currently sits on the Board as Independent Non-Executive Director of Trive Property Group Berhad, D'Nonce Technology Bhd and Advance Information Marketing Berhad.

Mr. Kang does not hold any shares in the Company. He does not have any family relationship with any Director or major shareholder of the Company and has not been convicted of any offences within the past 5 years other than traffic offences, if any. He does not have any conflict of interest in any business arrangement involving the Company.

KEY MANAGEMENT **TEAM PROFILE**

The executive director of Green Ocean, Mr. Mak is part of the key senior management of the group and his profile is presented in the profile of directors on page 12 of this annual report.

LOCK PIK WAH

Chief Financial Officer,
Malaysian, age 41, Female

Ms. Lock Pik Wah ("Ms. Lock") joined Green Ocean on 1 December 2020 and is responsible for the financial management processes, accounting and treasury functions.

Ms. Lock holds a Degree in Bachelor of Accountancy (Hons) from Universiti Utara Malaysia. She is a member of the Malaysian Institute of Accountants (MIA). She has over 15 years experience in financial management, group accounting, corporate and business planning, treasury management and auditing. She started her career in auditing by attaching herself to a Chartered Accountant firm, BDO Binder. She served in various senior management capacities in various corporations before she joined Green Ocean.

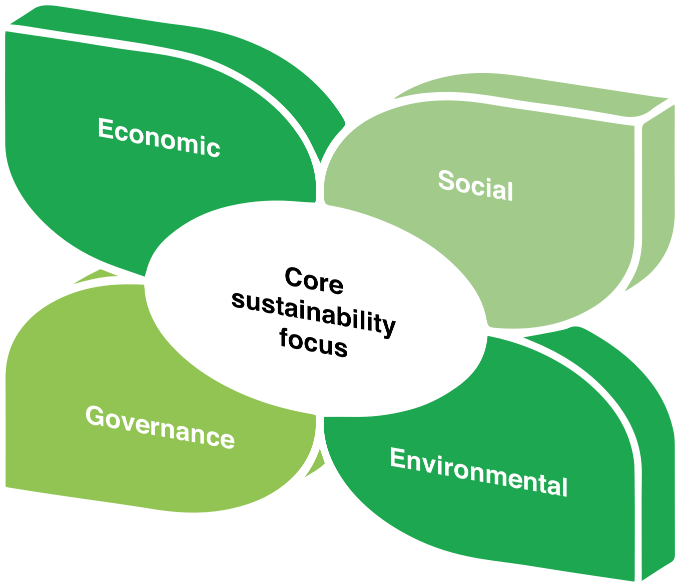
Ms. Lock does not hold any shares in the Company. She does not have any family relationship with any Director or major shareholder of the Company and has not been convicted of any offences within the past 5 years other than traffic offences, if any. She does not have any conflict of interest in any business arrangement involving the Company.

SUSTAINABILITY STATEMENT

Green Ocean Corporation Berhad ("Green Ocean" or the "Company") and its group of companies ("Green Ocean Group" or the "Group") are principally involved in the production of crude palm kernel oil ("CPKO") as well as trading of refined palm oil products and CPKO. CPKO is produced through the extraction process of palm kernel while refined palm oil is produced after crude palm oil has undergone the refinery and distillation processes. CPKO and refined palm oil products are widely used as raw materials for the food industries.

On 27 October 2020, the Company obtained shareholders' approval for the diversification into the manufacture and sale of rubber gloves ("Glove Business"). Further, the Company completed a rights issue of shares with free detachable warrants exercise on 4 January 2021 and a private placement exercise on 27 August 2021, which raised the necessary funds for us to undertake the Glove Business.

The Group emphasises on the following core areas of sustainability that are material to the continued success of the operations:



1. ECONOMIC

In recognising the needs for sustainability, the Company sources its palm oil products through direct supply from third-party mills. The Group is committed to building Traceable Supply Chains where phased supply chain traceability targets are monitored, tracked and reported to the Roundtable on Sustainable Palm Oil ("RSPO") on a daily basis.

Certificate & Accreditation

The Group continues to strive for excellence in all areas of its business by achieving accreditation and complying to international standards in the industry. The list of accreditations achieved with various certification bodies are as follows:

a. Roundtable Sustainable Palm Oil ("RSPO")
b. Malaysian Sustainable Palm Oil ("MSPO"); and
c. ISO 22000 (Food Safety).

2. GOVERNANCE

Governance Structure

A strong and effective corporate governance ensures corporate success, cultivates culture of integrity and maintains investors' confidence. The Group develops a sustainability framework that is led by the Board and driven across its operations with the help of the senior management team. The Board is tasked to integrate and promote sustainability into the Group's long-term strategic plans and key business processes. The senior management will work in unison to oversee sustainability management through managing the associated impacts, risks, and opportunities in an integrated manner that optimises value creation.

Anti-Bribery and Anti-Corruption

The Group's is committed to conduct its business free from any acts of bribery or corruption. All employees, contractors and suppliers are required to adhere to anti-bribery and anti-corruption legislations. The Group's Anti-Bribery and Corruption Policy, which is approved by the Board, spells out clearly the Company's stance on bribery and corruption and conducts which are prohibited. This policy is applicable to directors, employees as well as persons associated with Green Ocean and may be accessed by the public via (www.greenoceancorp.com.my).

Whistleblowing

The Group has a zero-tolerance stance towards any form of misconduct. Its Whistleblowing Policy and procedures encourage employees to raise genuine concerns on any malpractices or misconduct. This allows the Group to deal with any allegations in a confidential manner and provides appropriate protection to the whistle-blower against any form of reprisals.

Stakeholder Engagement

Green Ocean engages with different stakeholder groups to identify, prioritize and address material sustainability matters. For effective engagement with its stakeholders, various methods are employed including but not limited to the following:

Stakeholder	Engagement Objective	Methods of engagement
Employees	• Compensation, welfare and employee care • Safe and conducive workplace • Continuing professional development	• Staff performance appraisal • Management and committee meetings • Professional development
Shareholders and investors	• Shareholders' and investors' confidence	• Annual general meetings / extraordinary general meetings • Annual reports • Quarterly reports • Announcements to Bursa Malaysia Securities Berhad

2. GOVERNANCE (CONT'D)

Stakeholder Engagement (Cont'd)

Stakeholder	Engagement Objective	Methods of engagement
Financial Institutions	• Continuous financial support	• Annual reports • Quarterly reports • Meetings
Suppliers	• Product and service quality • Competitive price and terms of payments • Maintaining good relationship	• Meetings • Proposals / quotations / agreements
Customers	• Product's quality assurance • Payment terms and timeliness • Business continuity	• Proposals / quotations / agreements • Meetings
Government and regulators	• Compliance with laws and regulations	• Dialogues, seminars and meetings • Reports

3. ENVIRONMENTAL

The Group is cognisant of the need for environmental protection and has inculcated this aspect into its operations and corporate culture. The Group has obtained certification from the RSPO on 21 November 2016 and MSPO on 3 February 2020. These certifications are subject to renewal and the Group ensures that its operations are in compliance with the requirements prescribed by these certifications such that renewal may be forthcoming. Further, the Group ensures that all its operations are in compliance with the Environmental Quality Act 1974.

The Group introduced environmental awareness program and initiated constant reminders to employees to reduce wasteful consumption of electricity. This is supported by the use of energy saving LED lightings to replace traditional lightings, investment into better waste handling equipment on the factory floor and use of recycled paper. Employees are encouraged to use digital storage and filing, to reduce printing or photocopying and to recycle and reuse, whenever possible.

4. SOCIAL

While the Group's business is capital intensive, employees play an important role in the continued success of its business. The Group recognises that the dedication and commitment of its employees are crucial to the effective function of its business.

Training and development

The Group believes that its people is an important element in ensuring that it achieves its operational excellence. Therefore, the Group continues to invest in its human capital and support employee development by providing various learning opportunities to ensure that they develop the skills needed to perform their responsibilities.

Employees receive both internal and external trainings. They are also encouraged to obtain certifications relevant to their scope of responsibilities to ensure they excel in their work.

Remuneration

The Group strives to ensure that the remuneration package offered to our employees are in accordance to the applicable labour laws and regulations as well as comparable to market rates.

Covid-19 Pandemic

Since the announcement of the first movement control order by the Government in March 2020, the Group has set up a team to assess and manage the potential impact of the Covid-19 pandemic as well as to adhere to the steps required by the Government in its effort to combat the Covid-19 virus. Some of the work undertaken in this regard are:

(i) Standard operating procedures outlined by the Ministry of Health and Ministry of International and Trade Industry are complied with;

(ii) Social distancing and virtual meetings are encouraged;

(iii) Daily temperature checks on staff;

(iv) Temperature checks on guests, customers, suppliers, visitors, contractors and etc.;

(v) Hand sanitisers made available at common areas;

(vi) Distributed face masks to all employees and they are made to wear masks at all times;

(vii) Employees are prompted to register for Covid-19 vaccination programs.

CORPORATE GOVERNANCE **OVERVIEW STATEMENT**

The Board of Directors ("Board") of Green Ocean Corporation Berhad ("Green Ocean" or "the Company") presents this Statement to provide shareholders and investors with an overview of the application of the Principles set out in the Malaysian Code on Corporate Governance 2017 ("MCCG 2017") and should be read together with the Corporate Governance Report 2021 ("CG Report") of Green Ocean which accompanies with this Annual Report and is also available on Green Ocean's website at www.greenoceancorp.com ("Green Ocean's Website").

The CG Report provides the details on how Green Ocean has applied each Practice as set out in the MCCG 2017 during the financial year ended 30 June 2021 ("FYE 2021"). Other than Practice 4.5, 4.6, 7.2 and 11.2, the Board is of the view that Green Ocean and its group of companies ("the Group") has substantially complied with the recommendations of MCCG 2017.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

(a) BOARD RESPONSIBILITIES

The roles and responsibilities of the Board and Management, the Board Committees and the individual Directors are set out in the Board Charter which is accessible through Green Ocean's Website. The Board Charter will be reviewed on an annual basis or more frequently if necessary.

It is the primary governance responsibility of the Board to provide stewardship and directions for the management of the Group. The Board's responsibilities in respect of the stewardship of the Company include review and approve strategic plans and key business initiatives, corporate governance and internal control frameworks and promote a sound corporate culture which reinforces ethical, prudent and professional behaviour. While the Board sets the platform of strategic planning and policies, the Executive Director is responsible for implementing the operational and corporate decisions while the Independent Non-Executive Directors ensure corporate accountability by providing unbiased and independent views, advice and judgement and challenging the Management's assumptions and projections in safeguarding the interests of shareholders and investors.

The Board has defined the roles and responsibilities for its Directors. In discharging their fiduciary responsibilities, the Directors deliberate and review the financial performance, the execution of strategic plans, the principal risks faced and the effectiveness of management mitigation plans, the appraisal of Executive Management and Key Management, succession plan as well as the integrity of management information and systems of internal control of the Group.

The day-to-day management of the business operations of Green Ocean is led by the Executive Director and a team of Key Management. The Board is constantly updated by the team on the implementation of all business and operational initiatives and significant operational and regulatory challenges faced.

The Board is led by Independent Non-Executive Chairman and he ensures the effective functioning of the Board. The roles of the Chairman is defined and set out in the Board Charter.

The Chairman facilitates the effective contributions of all Directors and promotes constructive and respectful relations between Board members and between Board and Management. The Board has welldefined descriptions for responsibilities of the Board Chairman, Executive Director and the individual Board Members.

In furtherance of the above and to ensure orderly and effective discharge of its functions and responsibilities, the Board has established the following Board Committees:-

- Audit Committee ("AC")
- Nomination and Remuneration Committee ("NRC")

The Board has defined the Terms of Reference ("TOR") for each Committee. The Chairman of these respective Committees report and update the Board on significant matters and salient matters deliberated in the Committees' meetings.

CORPORATE GOVERNANCE **OVERVIEW STATEMENT**
(cont'd)

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

(a) BOARD RESPONSIBILITIES (CONT'D)

The Board is supported by one (1) External Company Secretary. The Company Secretary of Green Ocean is qualified to act as Company Secretary under Section 235 of the Companies Act 2016, of which is an Associate Member of the Malaysian Institute of Chartered Secretaries & Administrators. The Company Secretary provides the required support to the Board in carrying out its duties and stewardship role, providing the necessary advisory role with regards to the Company's constitution, Board's policies and procedures as well as compliance with all regulatory requirements, codes, guidance and legislation.

There were five (5) Board Meetings held during the FYE 2021. Meeting agendas included review of quarterly financial results and announcements, plan and direction of the Group. The record of attendance for each Director at those meetings are set out below:-

Name	Designation	No. Of Meetings Attended	Percentage of Attendance (%)
Dato' Nik Ismail bin Dato' Nik Yusof	Independent Non-Executive Chairman	5/5	100
Mak Siew Wei	Executive Director	5/5	100
Roy Winston George	Independent Non-Executive Director	5/5	100
Kang Teik Yih *(Appointed on 16 August 2021)*	Independent Non-Executive Director	-	-
Khoo Chee Siang *(Resigned on 19 May 2021)*	Independent Non-Executive Director	4/4	100

The Board meetings are fixed in advance at the end of the preceding financial year to enable the Directors to plan ahead and incorporate the year's meetings into their own schedules. Board meetings are held every quarter and additional meeting are held as and when necessary. Senior management are invited to attend Board meetings to furnish details or clarifications on matters tabled for the Board's consideration.

In the intervals between Board meetings, for exceptional matters requiring urgent Board decisions, Board approvals are sought via written resolutions, which are attached with sufficient and relevant information required for an informed decision to be made. Where a potential conflict arises in any transactions involving any particular Director's interest, such Director is required to declare his or her interest and abstain from discussion and the decision-making process. In the event one or more Directors are unable to attend Board meetings physically, the Company's Constitution allow for such meetings to be conducted via telephone, video conference or any other form of electronic communication.

Continuous training is vital for the Directors in discharging their duties effectively. All Directors are encouraged to attend appropriate external training programmes to gain insight and keep abreast with developments and issues relevant to the Group's business especially in the areas of corporate governance and regulatory requirements.

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

(a) BOARD RESPONSIBILITIES (CONT'D)

The external training programmes, seminars and/or conferences attended by the Directors in office at the end of FYE 2021 were as follows:-

No.	Director	Training Programmes/Seminar Conference
1	Dato' Nik Ismail bin Dato' Nik Yusoff	– Section 17A Malaysian Anti-Corruption Commission Act 2009 – Leadership & Managing Organization Change
2	Mr. Mak Siew Wei	– Section 17A Malaysian Anti-Corruption Commission Act 2009 – Leadership & Managing Organization Change
3	Mr. Roy Winston George	– Section 17A Malaysian Anti-Corruption Commission Act 2009
4	Mr. Khoo Chee Siang (Resigned on 19 May 2021)	– Thematic Investing Consumption Megatrends Affecting the Global Economy – COVID-19 Impact on Revenue, Inventory and Related Costs in Respect of Dealings with Customers – COVID-19: Impact on Financial Instruments – Quality Assessment Review on Internal Audit Activities – Enterprise Risk Management -Principles of ISO31000 and 2017 updates on ERM Framework – Section 17A Malaysian Anti-Corruption Commission Act 2009

The Board (via the NRC and with assistance of the Company Secretary) continuously evaluate and determine the training needs of the Directors to build their knowledge so that they can be up-to-date with the development of the Group's business and industry that may affect their roles and responsibilities.

(b) BOARD COMPOSITION

Green Ocean is led and managed by a diverse and experienced Board with a mix of suitably qualified and experienced professionals that are relevant to the business to carry out its responsibilities in an effective and competent manner. The current Board is drawn from different ethnic, cultural and socioeconomic backgrounds and their ages range from 46 to 75 years to ensure that diverse viewpoints are considered in the decision making process.

The profile of each Director is set out in Pages 12 to 13 of this Annual Report.

The Board currently has four (4) members including three (3) Independent Directors. The Board takes cognizance of the recommendation that at least half of the Board comprise of independent directors and although the Board has not made any decision at this juncture, going forward, the Board will review and deliberate on the merits of the recommendation vis-a-vis, the Group's size, structure and dynamics during the coming financial year.

During the FYE 2021, the Board through its NRC conducted an annual review of the Board's size, composition and balance and concluded that the Board's dynamics are healthy and effective. The present members of the Board possess the appropriate skills, experience and qualities to steer the Group forward. The NRC is also satisfied that the existing structure, size, composition, current mix of skills, competence, knowledge, experience and qualities of the existing Board members are appropriate to enable the Board to carry out its responsibilities effectively. The Board will continue to monitor and review the Board size and composition and will nominate new members as and when the need arises.

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

(b) BOARD COMPOSITION (CONT'D)

The Board noted the Practice 4.2 of the MCCG 2017 states that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Nevertheless, upon completion of the nine (9) years, an Independent Director may continue to serve the Board subject to the approval of shareholders to continue as an Independent Director or be re-designated as a Non-Independent Director. An Independent Director who continues to serve the Board after the 12th year of appointment will require shareholders' approval at a general meeting through a two-tier voting process as prescribed under the MCCG 2017. Currently, all the Independent Directors of the Company has each served less than nine (9) years in the Company. The Board noted the recommendation of MCCG 2017 and shall address the matter when the need arises.

The re-election of Directors provides an opportunity for shareholders to renew their mandate conferred to the Directors. The Constitution of the Company provides that all directors shall retire by rotation once in every three (3) years or at least one-third (1/3) of the Board shall retire but shall be eligible to offer themselves for re-election at the AGM. The above provisions are adhered to by the Board at every AGM.

At the forthcoming 2021 AGM, Mr. Mak Siew Wei is due to retire under Clause 134 of the Constitution and being eligible has offered himself for re-election. Mr. Kang Teik Yih is due to retire under Clause 119 of the Constitution and being eligible has offered himself for re-election. Following the NRC's review on the performance of the four Directors and having noted their significant and valued contributions to the Board, the NRC has recommended their re-election to the Board and the Board has concurred with such recommendation and is recommending that shareholders to re-elect the retiring Directors at the forthcoming 2021 Annual General Meeting ("AGM").

(c) REMUNERATION

The Board (via the NRC) will ensure that the Group's levels of remuneration commensurate with the skills and responsibilities expected of Key Management as well as the Directors and that it must be sufficient to attract and retain talent needed to run the Group successfully. The Board, as a whole, determines the remuneration of the Directors and each individual Director is required to abstain from discussing his/her own remuneration.

The NRC is guided by market norms and industry practices when making recommendations for the compensation and benefits of Directors and Key Management. The NRC's recommendation on the remuneration for the Directors and Key Management is subject to the Board's approval as it is the ultimate responsibility of the Board to approve the remuneration of the Directors and Key Management.

In relation to the Directors' Fees and allowances for the Non-Executive Directors, it will be presented at the AGM for shareholders' approval. The details of the Group's remuneration policies and practices are included in the Board Charter which is available on Green Ocean's Website.

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

(c) REMUNERATION (CONT'D)

Directors' Remuneration

The remuneration of the Directors of the Company for the FYE 2021 are as follows:-

	Salaries and allowances RM	Fees RM	Defined contribution plan RM	Total RM
Company				
Khoo Chee Siang (resigned on 19 May 2021)	-	32,000	-	32,000
Dato' Nik Ismail bin Dato' Nik Yusoff	-	33,000	-	33,000
Mak Siew Wei	110,000	-	13,970	123,970
Roy Winston George	-	22,000	-	22,000
Fong Shin Ni (resigned on 28 July 2020)	-	2,000	-	2,000
Shelly Chiau Yee Wern (resigned on 28 July 2020)	-	2,000	-	2,000
Datin Seri Anizah Binti Musa (resigned on 28 July 2020)	-	2,000	-	2,000
Grand total	**110,000**	**93,000**	**13,970**	**216,970**

Remuneration of Key Management

The profile of the Key Management personnel is disclosed in Page 14 of this Annual Report. Key Management are those primarily responsible for managing the business operations and corporate divisions of the Group.

The Board has taken best effort to comply with the provisions and applied the main principles of the MCCG. However, the Board does not comply with Practice 7.2 which requires that the Board discloses on a named basis the top five (5) Senior Management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

The Group's Key Management includes One (1) Executive Director of the Company (of which their detailed remuneration has been disclosed in this Corporate Governance Overview Statement). Whilst for the remaining Key Management, the Board did not disclose their detailed remuneration on a named basis in order to allay concerns on invasion of staff confidentiality and the Company's ability to retain talented Key Management in view of the competitive employment environment.

As an alternative, the NRC and the Board believe that the disclosure of Key Management Personnel's remuneration, that includes all the Group's Key Management, in the audited financial statements are adequate as it complies with the requirements of Paragraph 17 of MFRS 124 "Related Party Disclosures". It is the Group's practice to hire the best talents from the geographical regions that the Group operates in. Accordingly, the compensation and benefits packages for Group's Key Management are structured competitively to attract, motivate and retain talents.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

(a) AUDIT COMMITTEE

The AC currently comprises three (3) members, majority of whom are Independent Directors. None of the current members of the AC is former key audit partner involved in auditing the Group.

The AC complies with Practice 8.2 of the MCCG 2017 requires the AC to have a policy that requires a former key audit partner to observe a cooling-off period of at least two (2) years before being appointed as a member of the AC. No former key audit partner has been appointed as a member of the AC to date.

The AC has policies and procedures to review, assess and monitor the performances, suitability and independence of the external auditors.

Prior to the commencement of the annual audit, the AC will seek confirmation from the external auditors as to their independence. This confirmation would be re-affirmed by the external auditors to the AC upon their completion of the annual audit. These confirmations were made pursuant to the Independence Guidelines of the Malaysian Institute of Accountants.

Further details on the work performed by AC in furtherance of its oversight role are set out in the AC Report on Pages 26 to 29 of this Annual Report.

(b) RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

During FYE 2021, the Board and AC were assisted by the Executive Director and the Management to maintain its risk management system, which is reviewed and updated constantly to safeguard shareholders' investments and the Group's assets.

The Group's internal audit function has been outsourced to an external consultant which reports directly to the AC.

The internal audit function reviews and appraises the risk management and internal control processes of the Group. The Statement on Risk Management and Internal Control set out on Page 30 to 31 of this Annual Report provides an overview of the Group's approach to ensure the effectiveness of the risk management and internal processes within the Group. The Board will consider to restructure its risk management and internal control processes with the establishment of the Audit and Risk Management Committee.

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

(a) COMMUNICATION WITH STAKEHOLDERS

Green Ocean is committed to upholding high standards of transparency and promotion of investor confidence through the provision of comprehensive, accurate and quality information on a timely and even basis.

The Board endeavors to keep its shareholders and investors informed of the Group's progress through a comprehensive annual report and financial statements, circulars to shareholders, quarterly financial reports, periodic press releases and the various announcements made during the year. These will enable the shareholders, investors and members of the public to have an overview of the Group's performance and operation.

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

(a) COMMUNICATION WITH STAKEHOLDERS (CONT'D)

The Group also maintains a corporate website at www.greenoceancorp.com whereby shareholders as well as members of the public may access for the latest information on the Group. Alternatively, they may obtain the Company's latest announcements via the website of Bursa Securities at www.bursamalaysia.com.

(b) CONDUCT OF GENERAL MEETINGS

The Board recognises the importance of communications with its shareholders and will take additional measures to encourage shareholders' participation at general meetings as recommended by the MCCG 2017.

This includes the Chairman highlighting to shareholders and proxy holders, their right to speak up at general meetings, the conduct of poll voting for all resolutions tabled at general meetings and a review of the performance of the Group during the AGMs.

All the Directors attended the 17th AGM held on 4 December 2020. Barring unforeseen circumstances, all Directors (which include the Chairs of all mandated Board committees) shall be attending the forthcoming 18th AGM via fully virtue basis to engage directly with the shareholders and address their queries at the meeting. The external auditors will also be present at the meeting to answer shareholders' queries on their audit process and report, the accounting policies adopted by the Group, and their independence.

In line with the best corporate governance practice, the Notice of the 18th AGM and Annual Report are sent out to shareholders at least 28 days before the date of the meeting to allow sufficient time for shareholders to consider the proposed resolutions to be tabled at the AGM.

Pursuant to Rule 8.31(A) of the ACE LR, all resolutions tabled at general meetings will be put to vote by way of a poll and the voting results will be announced at the general meetings and through Bursa LINK. The Board will ensure that all resolutions set out in the forthcoming and future general meetings will be voted on by way of a poll and verified by an independent scrutineer. The outcome of all resolutions proposed at the general meetings will be announced to Bursa Securities through Bursa LINK on the same day.

The 18th AGM of the Company will be held on a fully virtual basis with electronic poll voting which will facilitate participation and voting by shareholders at the meeting.

Key Focus Area and Future Priorities

The Board is fully committed to compliance with the requirements of MCCG. The Board will continue to enhance its corporate governance practices by taking steps to address the current departures from the Practices stipulated in the MCCG 2017. The key focus areas will be meeting the requirements with regards to women directors and the adoption of integrated reporting based on a globally recognized framework. In addition to this, the Board shall be continuously taking steps to improve measures in preventing the occurrence of corrupt practices as well as step up measures to prevent, treat and limit the the spread of COVID-19.

This CG Overview Statement was approved by the Board of Directors of the Group on 20 October 2021.

AUDIT **COMMITTEE REPORT**

MEMBERS OF THE AUDIT COMMITTEE

The Audit Committee ("AC" or the "Committee") of Green Ocean Corporation Berhad ("Green Ocean" or the "Company") is comprised wholly of Non-Executive Directors as follows:-

Khoo Chee Siang
Chairman, Independent Non-Executive Director *(Resigned on 19 May 2021)*

Kang Teik Yih
Chairman, Independent Non-Executive Director *(Appointed on 16 August 2021)*

Dato' Nik Ismail bin Dato' Nik Yusoff
Member, Independent Non-Executive Director

Roy Winston George
Member, Independent Non-Executive Director

Mr. Kang Teik Yih is a member of the Malaysian Institute of Accountants.

Mr. Kang Teik Yih meets the requirement of Rule 15.09 (1)(c)(i) of ACE Market Listing Requirements in that he is a Chartered Accountant and a member of the Malaysian Institute of Accountants.

SECRETARY

The secretary to the AC is the Company Secretary of the Company.

TERMS OF REFERENCE

The AC has discharged its function and carried out its duties as set out in the Terms of Reference ("TOR").

The detailed TOR of the AC outlining the composition, duties and functions, authority and procedures of the AC are published and available on the Company's website at www.greenoceancorp.com.

MEETINGS AND MINUTES

Attendance at Meetings

The record of attendance of the members of the AC for meetings held during the financial year ended 30 June 2021 ("FYE 2021") are as follows:

AC Member	Designation	Number of Committee Mentings Attended
Khoo Chee Siang *(Resigned on 19 May 2021)*	Independent Non-Executive Director	4/4
Dato' Nik Ismail bin Dato' Nik Yusoff	Independent Non-Executive Director	5/5
Roy Winston George	Independent Non-Executive Director	5/5
Kang Teik Yih *(Appointed on 16 August 2021)*	Independent Non-Executive Director	-

The quorum of the meeting is two (2).

Meetings

The AC will meet at least four (4) times a year although additional meetings may be called at any time at the discretion of the Committee. The record of attendance of the members of the AC is shown above.

The meetings are pre-scheduled and are timed just before the Company's Board meetings. The Agenda carries matters that need to be deliberated, reviewed or decided on and reported to the Board. Notices and AC papers are circulated to all members prior to the meeting with sufficient time allocated for them to prepare themselves for deliberation on the matters being raised.

If the need arises, the Chairman has the discretion to call for the attendance of Management, internal auditors and external auditors during such meetings.

During its AC meetings, the AC shall review the risk management and internal control processes, the Interim and Year-end Financial Report, the Internal and External Audit Plans and Reports, Related Party Transactions/Recurrent Related Party Transactions ("RRPT"), and all other areas within the scope of responsibilities of the AC under its TOR.

Minutes

The Company Secretary shall be the Secretary of the AC which shall provide the necessary administrative and secretarial services for the effective functioning of the Committee. The minutes of the meetings are circulated to the Committee and to all members of the Board.

SUMMARY OF ACTIVITIES

In respect of the FYE 2021, the AC in discharging its duties and functions carried out activities which are summarised broadly as follows:-

a) Internal Audit

The AC is aware of the fact that an independent and adequately resourced internal audit function is essential to assist in obtaining the assurance it requires regarding the effectiveness of the systems of internal control.

The Company engaged Messrs. Eco Asia Governance Advisory Sdn. Bhd. (fka Eco Asia Advisory Sdn. Bhd.) as outsources Internal Auditors to carry out the internal audit function of the Company and its group of companies for the FYE 2021.

The internal auditor reports directly to the AC regulary by presenting its Internal Audit Reports during the AC meetings, whereby relevant issues identified in the Internal Audit Reports will be discussed with the Management in the meeting. Rectification work, if necessary will be performed and follow-up will be carried out by internal auditor for the purpose of reporting at the subsequent AC meeting.

During the financial year the following internal audit reports were tabled for discussion and review:-

i) Review on the Anti-Corruption and Bribery Review of Green Ocean and its subsidiary Companies, Ace Edible Oil Industries Sdn. Bhd. ("AEOI"). and Ace Green Energy Sdn. Bhd., for period April 2020 to June 2020. Follow-up on previous internal audit review in respect of Human Resources Management, Fixed Assets Management, Sale and Collection and Inventory Management.

ii) Follow-Up on Previous Audit Review in relation to Anti-Bribery and Corruption, Human Resources Management, Fixed Assets Management, Sales and Collection and Inventory Management of Green Ocean and AEOI for the period October 2020 to December 2020.

iii) Review on Credit Control of AEOI for the period January 2021 to March 2021. Follow-up on previous internal audit review in respect of Anti-Bribery and Corruption and Human Resources Management.

FYE 2021, the cost incurred for internal audit function was RM33,000.

b) Financial Reporting

In overseeing and discharging its responsibilities in respect of financial reporting, the AC:-

i. Reviewed the financial positions, unaudited quarterly interim financial reports and announcements for the quarters ended 30 September 2020, 31 December 2020, 31 March 2021 and 30 June 2021 prior to submission to the Board for consideration and approval;

ii. Ensured the quarterly reports and Audited Financial Statements ("AFS") were prepared in compliance with the Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the Requirements of the Companies Act 2016 in Malaysia while the quarterly reports took into consideration of Rule 9.22 including Appendix 9B of the ACE Market Listing Requirement ("ACE LR");

iii. Reviewed the various Board's Policies and Procedures for RRPT;

iv. Reviewed the External Auditors' Audit Planning Memorandum for the FYE 2021 which covered the engagement and reporting requirements, audit approach, areas of audit emphasis, auditing developments, engagement team, the reporting and deliverables as well as the proposed audit fees;

v. Reviewed the External Auditors' audit findings and recommendations and the AFS for the FYE 2021;

vi. Considered the performance of External Auditors, reviewed the independence of External Auditors and recommended to the Board for re-appointment;

vii. To ensure the integrity of the financial information, received assurance from the Executive Directors and the Management, that:-

- Appropriate accounting policies had been adopted and applied consistently;
- The going concern basis applied in the AFS was appropriate;
- Prudent judgements and reasonable estimates had been made in accordance with the requirements set out in the MFRSs and IFRSs;
- Adequate controls and processes were in place for effective and efficient financial reporting and relevant disclosures under MFRSs, IFRSs and ACE LR; and
- The consolidated AFS and the Quarterly Condensed Consolidated Financial Statements did not contain material misstatements and gave a true and fair view of the financial position.

c) Other Responsibilities

i. Reviewed and recomended to the Board for approval the audit fees and non-audit fee payable to the External Auditors;

ii. Reviewed the AC Report, CG Overview Statement, CG Report and Statement on Risk Management and Internal Control for inclusion in the 2021 Annual Report; and

iii. Reviewed the Statement on Risk Management and Internal Control 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 material aspects before recommending the Statement to the Board for approval.

d) External Audit

Messrs Ecovis Malaysia PLT ("Ecovis") is the External Auditors for the Group. The External Auditors attended two (2) AC meetings held during the FYE 2021. The External Auditors were encouraged to raise with the AC any matters they considered important to bring to the AC's attention. For FYE 2021, one (1) private session were held between the AC with the External Auditors without the presence of the Executive Directors and Management. The Chairman of the AC also sought information on the communication flow between the External Auditors and the Management which was necessary to allow unrestricted access to information for the External Auditors to effectively perform their duties.

The AC carried out an assessment of the performance and suitability of Ecovis based on the quality of services and relationship with Management, AC, Internal auditors and Board. The AC has been generally satisfied with the independence, performance and suitability of Ecovis based on the assessment and are recommending to the Board and shareholders for approval for the re-appointment of Ecovis as External Auditors for the Financial Year Ending 30 June 2022.

CG PRACTICES

Apart from discharging its duties with respect to the internal audit, financial reporting and external audit, the AC also reviewed the disclosures made in respect of the financial results and Annual Report of the Company in line with the principles and spirit set out in the MCCG 2017, other applicable laws, rules, directives and guidelines.

The AC discussed and reviewed the CG Overview Statement and CG Report for the FYE 2021.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

Pursuant to Rule 15.26(b) of the ACE Market Listing Requirements ("ACE LR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Board of Directors ("Board") of Green Ocean Corporation Berhad ("Green Ocean" or "the Company") is pleased to provide the Statement on Risk Management and Internal Control of the Group for the financial year ended 30 June 2021, which has been prepared, taken into consideration the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("the Guidelines") and made in accordance with the recommendations of the Malaysian Code on Corporate Governance.

1. RESPONSIBILITY FOR RISK MANAGEMENT AND INTERNAL CONTROLS

The Board and Management recognise their overall responsibilities in maintaining a sound system of internal controls that covers financial, operational, compliance and risk management practices in the organisation. The Board acknowledges its overall responsibility to review and maintain an adequate system of internal controls organisation- wide with consistent integrity designed to manage rather than eliminate risks to improve the governance process of the organisation. However, there are limitations inherent in any system of internal controls; the evaluation and implementation of the system can only provide reasonable assurance and not absolute assurance against any material loss or misstatement.

The Group has established an on-going process for identifying, evaluating and managing the significant risks that may affect the achievement of its business objectives. The system of internal controls has been in place during the financial year and the system is subject to regular reviews by the Board. The Board has received assurance from the Executive Director and the Management that the Company's risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Group.

2. INTERNAL AUDIT FUNCTION

During the financial year under review, the Group outsourced the internal audit function to an independent consultancy firm, Messrs. Eco Asia Governance Advisory Sdn. Bhd. (fka Eco Asia Advisory Sdn. Bhd.), to review the risk assessment of the internal control systems of the Group and to report directly to the Audit Committee ("AC") of its internal audit findings.

The scope of the internal audit focused on the risk areas identified in the enterprise-wide risk assessment exercise in accordance with the internal audit plan approved by the AC. The AC received reports of the findings of the internal audits with comments from the Management and the Internal Auditor's recommendations. These internal audit reports were tabled during the AC meetings for review to ensure that the necessary corrective actions were implemented. Update on the status of action plan as identified in the previous internal audit reports were also presented to the AC for review and deliberation.

During the financial year under review, a number of internal control weaknesses have been identified and all of which have been or are being addressed by the Management. None of the weaknesses have resulted in any material losses, contingencies or uncertainties that would require disclosure in this Annual Report.

The internal audit fee incurred for the outsourced internal audit function in respect of the financial year under review amounted to RM33,000.

3. KEY ELEMENTS OF INTERNAL CONTROLS

Apart from risk management and internal audits, the other key elements of the Group's internal control systems are as follows:

- The Board has put in place an organisation structure, which formally defines lines of responsibility and delegation of authority.
- Internal control procedures are set out in a series of standard operating policies and procedures. These procedures are subject to regular reviews and improvements to reflect changing risks or to resolve operational deficiencies.
- Quarterly performance reports with information on financial performance and key business indicators are deliberated at the AC meetings and thereafter tabled to the Board.
- The AC and the Board are committed to identify any significant risks faced by the Group and assess the adequacy of financial and operational controls to address these risks.
- The AC reviews the External Auditors' recommendations on internal controls arising from the statutory audit.
- The AC holds meetings to deliberate on the findings and recommendations for improvement by both the Internal and External Auditors on the state of the internal controls system and reports to the Board.
- Formal board meetings are held during the financial year under review in order to assess the performance and controls at operational level.

4. REVIEW OF THIS STATEMENT

As required by Rule 15.23 of ACE LR of Bursa Securities, the External Auditors have reviewed this Statement on Risk Management and Internal Controls pursuant to the scope set out in the Audit and Assurance Practice Guide ("AAPG") 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in Annual Report issued by the Malaysian Institute of Accountants for inclusion in the Annual Report for the financial year ended 30 June 2021, and reported to the Board that nothing has come to their attention that causes them to believe that this Statement on Risk Management and Internal Controls is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of internal controls in all material respects.

AAPG 3 does not require the external auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board and Management thereon. The auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact, remedy the problems.

5. CONCLUSION

The Board is of the view that the developments of internal controls is an on-going process and has taken steps to establish a sound internal controls system and will continue to strengthen the internal controls environment.

Based on the Internal Auditors' reports for the financial year ended 30 June 2021, there is a reasonable assurance that the Group's systems of internal controls are adequate and are working satisfactorily.

This Statement on Risk Management and Internal Control was approved by the Board of Directors on 20 October 2021.

STATEMENT OF DIRECTORS' RESPONSIBILITY FOR THE AUDITED FINANCIAL STATEMENTS

The Directors are required by the Companies Act 2016 to prepare the financial statements of each financial year which have been made out in accordance with the applicable Malaysian Accounting Standards Board and to give a true and fair view of the state of affairs of Green Ocean Corporation Berhad ("Green Ocean" or "the Company") its group of companies ("Group") at the end of the financial year, and of the results and cash flows of the Group and of the Company for the year ended.

In preparing the financial statements, the Directors have taken the necessary steps and actions as follows:

- Selected suitable accounting policies and applied them consistently;
- Made judgements and estimates that are prudent and reasonable;
- Ensured that all applicable accounting standards have been followed; and
- Prepared the financial statements on a going concern basis as the Directors have a reasonable expectation, having made the necessary enquiries, that the Group and Company have adequate resources to continue operational existence for the foreseeable future.

The Directors have the responsibility in ensuring that the Group and the Company keep accounting records which disclose with reasonable accuracy the financial position of the Group and Company and which enable them to ensure that the financial statements comply with the Companies Act 2016 and the applicable approved accounting standards in Malaysia.

The Directors have the overall responsibilities for taking such steps as are reasonably open to them to safeguard the assets of the Group and the Company, and to prevent and detect any fraud and other irregularities.

ADDITIONAL COMPLIANCE INFORMATION

1.0 UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

1.1 Private Placement A

On 26 August 2020, the Company completed Private Placement Exercise A following the listing and quotation of 28,971,000 new ordinary shares at issue price of RM0.2610 each on the ACE Market of Bursa Securities. The Company raise cash proceeds of RM7.56 million under Private Placement A. The status of the utilisation of these proceeds is as set out below:-

Purpose	Proposed utilisation RM'000	Amount Utilised As At 29 Sep 2021 RM'000	Balance unutilised RM'000	Estimated time frame for the utilisation of Proceeds
Repayment of bank borrowings	3,000	(3,000)	-	Within 6 months
General working capital	4,361	(4,361)	-	Within 12 months
Estimated expenses for the corporate exercise	200	(200)	-	Within 1 month
Total	**7,561**	**(7,561)**	**-**	

1.2 Private Placement B

On 11 November 2020, the Company completed Private Placement Exercise B following the listing and quotation of 95,605,000 new ordinary shares at issue price of RM0.1228 each on the ACE Market of Bursa Securities. The Company raise cash proceeds of RM11.74 million under Private Placement B. The status of the utilisation of these proceeds is as set out below:-

Purpose	Proposed utilisation RM'000	Amount Utilised As At 29 Sep 2021 RM'000	Balance unutilised RM'000	Estimated time frame for the utilisation of Proceeds
Repayment of bank borrowings	11,675	(11,675)	-	Within 6 months
Estimated expenses for the corporate exercise	65	(65)	-	Immediate
Total	**11,740**	**(11,740)**	**-**	

1.3 Rights Issue with Warrants

On 4 January 2021, the Company completed a Rights Issue with Warrants exercise following the listing and quotation of 828,573,600 new ordinary shares of RM0.10 each together with 621,430,198 Warrants B. The Company raise cash proceeds of RM82.86 million under the Rights Issue Exercise. The status of the utilisation of these proceeds is as set out below:-

Purpose	Proposed utilisation RM'000	Amount Utilised As At at 29 Sep 2021 RM'000	Balance unutilised RM'000	Estimated time frame for the utilisation of Proceeds
Repayment of bank borrowings	7,300	(7,300)	-	Within 6 months
Refurbishment of existing factory building of the gloves business	15,000	(2,097)	12,903	Within 12 months
Capital expenditure for the gloves business	41,100	(15,000)	26,100	Within 36 months
Working capital for the gloves business	18,557	(663)	17,894	Within 24 months
Estimated expenses for the corporate exercise	900	(900)	-	Immediate
Total	**82,857**	**(25,960)**	**56,897**	

1.4 Private Placement C

On 27 August 2021, the Company completed Private Placement Exercise III following the listing and quotation of 351,932,000 new ordinary shares at issue price of RM0.0231 each on the ACE Market of Bursa Securities. The Company raise cash proceeds of RM8.13 million under Private Placement C. The status of the utilisation of these proceeds is as set out below:-

Purpose	Proposed utilisation RM'000	Amount Utilised As at 29 Sep 2021 RM'000	Balance unutilised RM'000	Estimated time frame for the utilisation of Proceeds
Capital expenditure for the gloves business	7,634	-	7,634	Within 36 months
Estimated expenses for the corporate exercise	495	(132)	363	Immediate
Total	**8,129**	**(132)**	**7,997**	

2.0 EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

The ESOS of the Company was approved by the shareholders at the Extraordinary General Meeting held on 27 October 2020 and it is governed by the By-Laws.

The ESOS was implemented on 4 January 2021 and shall be in force for a period of five (5) years and may be extended for such further period, at the sole and absolute discretion of the Board upon recommendation by the ESOS Committee, provided always that the Initial Scheme period above and such extension of the scheme made pursuant to the By-Laws shall not in aggregate exceed a duration of ten (10) years or such other period as may be prescribed by Bursa Securities or any other relevant authorities from the effective date of the ESOS.

Information in relation to the ESOS was as follow: -

2.1 The total number of options granted, exercised and outstanding under the ESOS

	As at 30 June 2021	
	Grand Total	**Directors**
Total number of options granted	516,800,000	-
Total number of options exercised	(516,800,000)	-
Total options outstanding	**-**	**-**

During the Financial year, the Company also announced and offered a total of 763,708,000 share option to eligible employees of the Group (other than options granted as disclosed above), no share options were granted subsequent to the offer date as there are no acceptances from eligible employees.

2.2 Percentage of options applicable to the Directors and Key Management under the ESOS

Granted to Directors & Key Management	During the financial year	Since commencement up to 30 June 2021
Aggregate maximum allocation in percentage	70%	70%
Actual percentage granted	16.6%	16.6%

2.3 No options were granted to the Directors under the ESOS since it commencement up to the financial year ended 30 June 2021.

3.0 AUDIT AND NON-AUDIT FEES

For the Financial Year Ended 30 June 2021, the amount of audit and non-audit fees paid or payable to the External Auditors by the Group and Company respectively as follows: -

	Group (RM)	Company (RM)
Audit fees	101,000	48,000
Non-audit fees	77,000	77,000
Total	**178,000**	**125,000**

4.0 MATERIAL CONTRACTS

There were no material contracts entered into by the Company and its subsidiaries involving Directors' or major shareholders' interests, either still subsisting at the end of the financial year, or entered into since the end of the previous financial year.

5.0 RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE NATURE

The Company does not have any recurrent related party transactions of revenue or trading nature during the financial year ended 30 June 2021.

FINANCIAL CALENDAR

FINANCIAL YEAR ENDED 30 JUNE 2021

ANNOUNCEMENT OF RESULTS

FIRST QUARTER ENDED 30 SEPTEMBER 2020
Date Announced 17 November 2020

SECOND QUARTER ENDED 31 DECEMBER 2020
Date Announced 30 March 2021

THIRD QUARTER ENDED 31 MARCH 2021
Date Announced 31 May 2021

FOURTH QUARTER ENDED 30 JUNE 2021
Date Announced 29 September 2021

PUBLISHED ANNUAL REPORT AND FINANCIAL STATEMENT

NOTICE OF ANNUAL GENERAL MEETING
29 October 2021

18th Annual General Meeting
Wednesday
24 November 2021

REPORTS AND **FINANCIAL STATEMENTS**

for the Financial Year Ended 30 June 2021

DIRECTORS' REPORT

The Directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2021.

Principal activities

The Company is principally an investment holding company. The principal activities and other details of the subsidiaries are disclosed in Note 6 to the financial statements.

Results

	Group RM	Company RM
Net loss for the financial year attributable to the owners of the Company	(12,481,262)	(14,630,444)

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

Reserves and provisions

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

Dividends

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

Directors

The Directors of the Company who served during the financial year up to the date of this report are as follows:

Mak Siew Wei*	
Roy Winston George*	
Dato' Nik Ismail bin Dato' Nik Yusoff	
Kang Teik Yih	(Appointed on 16 August 2021)
Khoo Chee Siang	(Resigned on 19 May 2021)

*Also the Directors of the Company's subsidiaries.

The names of the Directors of the subsidiaries of the Company in office during the financial year and up to the date of this report (not including those Directors mentioned above), are as follows:

Datuk Seri Chiau Beng Teik	(Resigned on 1 October 2021)
Shelly Chiau Yee Wern	(Resigned on 1 October 2021)
Lock Pik Wah	(Appointed on 1 October 2021)

Directors' benefits

Since the end of the previous financial period, no Director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of fees and emoluments received or due and receivable by the Directors from the Company and its related corporations, or the fixed salary of a full time employee of the Company or of related corporations as disclosed in Note 30.2 to the financial statements) by reason of a contract made by the Company or its related corporations with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, except as disclosed in Note 30.1 to the financial statements.

Neither at the end of the financial year, nor at any time during that financial year, did there subsist any arrangement to which the Company was a party, being arrangements with the object of enabling Directors of the Company to acquire benefits by means of the acquisitions of shares in or debentures of the Company or any other body corporate.

Directors' interests

According to the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016, the interests of the Directors who held office at the end of the financial year in the ordinary shares and warrants of the Company are as follow:

(a) Shares in the Company

	Number of ordinary shares			
	As at 01.07.2020	**Bought**	**Sold**	**As at 30.06.2021**
Interest in the Company				
Direct interest				
Mak Siew Wei	-	50,452,950	-	50,452,950

(b) Warrants in the Company

	Number of Warrant B 2020/2025			
	As at 01.07.2020	**Bought**	**Sold**	**As at 30.06.2021**
Interest in the Company				
Direct interest				
Mak Siew Wei	-	750,000	-	750,000

By virtue of the direct interest in the shares and warrants of the Company, the above Director is deemed to have an interest in the shares and warrants of all the subsidiaries to the extent that the Company has interest.

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

Directors' remuneration

Details of Directors' remuneration during the financial year are disclosed in Note 30.2 to the financial statements.

Issues of shares and debentures

During the financial year, the Company increased its issued and paid-up ordinary share capital from 289,710,800 shares to 1,759,660,400 shares by way of issuance of 1,469,949,600 new ordinary shares pursuant to the following:

(i) 124,576,000 shares arising from two private placement exercises as disclosed in Note 15 to the financial statements;

(ii) 828,573,600 shares arising from rights issue on the basis of 4 rights shares together with 3 free detachable warrants for every 2 existing shares held in the Company on 2 December 2020 ("Rights Issue with Warrants B") as disclosed in Note 15 to the financial statements; and

(iii) 516,800,000 shares arising from the options exercised under Employees' Share Option Scheme ("ESOS") as disclosed in Note 16(c) to the financial statements.

The newly issued ordinary shares during the financial year ranked pari passu in all respects with the existing ordinary shares of the Company.

There were no issues of debentures by the Company during the financial year.

Employees' share option scheme ("ESOS")

At an extraordinary general meeting held on 27 October 2020, the Company's shareholders approved the establishment of an ESOS of up to 30% of the issued and paid-up share capital of the Company (excluding treasury shares, if any), to eligible Directors and employees ("Eligible Persons") of the Company and its subsidiaries.

Pursuant to Paragraph 6.44 of the ACE Market Listing Requirements, the effective date for the implementation of the ESOS has been fixed on 4 January 2021.

During the financial year, the Company granted and vested 516,800,000 option shares to the Eligible Persons under the ESOS.

Movements, salient features and other terms of the ESOS are disclosed in Note 16(c) to the financial statements.

Warrants B 2020/2025 ("Warrants B")

On 4 January 2021, the Company listed and quoted 621,430,198 free detachable Warrants B pursuant to the completion of Rights Issue with Warrants B exercise.

Warrants B of the Company were constituted by a Deed Poll dated 18 November 2020.

Movements and salient feature of the Company's Warrants B are disclosed in Note 16(a) to the financial statements.

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 proper action had been taken in relation to the writing off of bad debts and the making of impairments and had satisfied themselves that there are no known bad debts and that adequate impairments had been made; and

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

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

(i) which would render writing off of bad debts necessary or the impairments in the financial statements of the Group and of the Company inadequate to any material extent; or

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

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

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

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

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

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

In the opinion of the Directors:

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

(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 period in which this report is made.

DIRECTORS' **REPORT**
(cont'd)

Subsidiaries

(i) The details of the Company's subsidiaries are disclosed in Note 6 to the financial statements.

(ii) The auditors' report on the financial statements of the subsidiaries did not contain any qualification.

Significant events during the financial year

The details of significant events during the financial year are disclosed in Note 35 to the financial statements.

Subsequent events after the financial year

The details of subsequent events after the financial year are disclosed in Note 36 to the financial statements.

Indemnity and insurance for Directors, officers and auditors

No indemnity has been given to or insurance effected for the Directors, officers and auditors of the Company pursuant to Section 289 of the Companies Act 2016.

Auditors' remuneration

The details of auditors' remuneration are disclosed in Note 26 to the financial statements.

Auditors

The auditors, ECOVIS MALAYSIA PLT, have expressed their willingness to continue in office.

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

Mak Siew Wei
Director
20 October 2021

Dato' Nik Ismail bin Dato' Nik Yusoff
Director

STATEMENT BY DIRECTORS

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

We, **Mak Siew Wei** and **Dato' Nik Ismail bin Dato' Nik Yusoff**, being two of the Directors of **Green Ocean Corporation Berhad**, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 49 to 110 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2021 and of the financial performance and cash flows of the Group and of the Company for the financial year ended on that date.

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

Mak Siew Wei
Director
20 October 2021

Dato' Nik Ismail bin Dato' Nik Yusoff
Director

STATUTORY DECLARATION

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

I, **Lock Pik Wah**, being the Officer primarily responsible for the financial management of **Green Ocean Corporation Berhad**, do solemnly and sincerely declare that the accompanying financial statements set out on pages 49 to 110 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.

Subscribed and solemnly declared by
the abovenamed at Puchong in
the state of Selangor Darul Ehsan
on 20 October 2021

Lock Pik Wah

Before me,

Commissioner for Oaths

INDEPENDENT AUDITORS' **REPORT**

TO THE MEMBERS OF GREEN OCEAN CORPORATION BERHAD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Green Ocean Corporation Berhad ("the Company") and its subsidiaries ("the Group"), which comprise the statements of financial position as at 30 June 2021 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 49 to 110.

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 30 June 2021, 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 of auditing in Malaysia and International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

Key audit matter	How the matters was addressed in our audit
Impairment assessment of property, plant and equipment of a subsidiary, ACE Edible Oil Industries Sdn. Bhd. ("AEOI") Refer to Note 4.2(i) and Note 5 to the financial statements. AEOI had temporarily ceased its production activities since previous financial period and throughout the financial year. This has increased the risk that the carrying values of property, plant and equipment ("PPE") in AEOI, amounted to RM20,220,389 as at 30 June 2021, may be impaired. Due to the presence of impairment indicators on these PPE as at 30 June 2021, Management had carried out an impairment assessment to determine whether the recoverable amounts of these PPEs are less than the respective carrying amounts using the fair value less costs of disposal method. Management has concluded that there is no additional impairment required in respect of these PPE for the current financial year. This area is significant to our audit because of the significance of the carrying amounts of these PPE and significant management judgement involved in determining the recoverable amounts of these PPE.	Our audit procedures included the following: (a) performed sighting of PPE to ensure they are in working condition. (b) considered the professional qualifications, competency and independence of the independent valuer; (c) read the valuation report prepared by independent valuer and obtained an understanding of the techniques used in determining the valuation of freehold land; (d) evaluated the reasonableness of the selling price and estimated costs of disposal determined by Management. (e) recalculated Management's computation in arriving at the recoverable amount. (f) reviewed the adequacy of the related disclosures in the financial statements.

We have determined that there are no key audit matters in audit of the separate financial statements of the Company to be communicated in our auditors' report.

INDEPENDENT AUDITORS' **REPORT**
(cont'd)

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the Directors' Report and the information included in the Group's 2021 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 identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Responsibilities of the Directors for the Financial Statements

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

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or has 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 of auditing in Malaysia and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

(d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or on 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.

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

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

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

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

INDEPENDENT AUDITORS' REPORT
(cont'd)

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

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

OTHER MATTERS

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

ECOVIS MALAYSIA PLT
AF 001825
Chartered Accountants

YONG HUI NEE
03283/09/2022 J
Chartered Accountant

Kuala Lumpur
20 October 2021

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2021

		Group		Company	
		2021	2020	2021	2020
	Note	RM	RM	RM	RM
Non-current assets					
Property, plant and equipment	5	20,775,599	18,832,320	468,536	52,903
Investment in subsidiaries	6	-	-	20,192,216	50,000
Investment in a joint venture	7	41,428	81,288	-	-
Goodwill	8	-	-	-	-
		20,817,027	18,913,608	20,660,752	102,903
Current assets					
Inventories	9	80,564	3,294,066	-	-
Trade receivables	10	1,944,840	10,173,546	-	-
Other receivables, deposits and prepayments	11	23,942,574	1,672,712	8,340,129	8,751
Amount owing by subsidiaries	12	-	-	15,093,207	274,164
Tax recoverable		4,640	14,366	1,800	1,800
Money market instruments	13	60,628,780	-	60,628,780	-
Cash and bank balances	14	26,058,404	3,399,340	13,855,318	95,922
		112,659,802	18,554,030	97,919,234	380,637
Total assets		133,476,829	37,467,638	118,579,986	483,540
Equity and liabilities					
Equity					
Share capital	15	135,493,427	34,189,276	135,493,427	34,189,276
Reserves	16	40,043,329	8,930,000	31,113,329	-
Accumulated losses		(45,037,880)	(32,556,618)	(48,441,115)	(33,810,671)
Total equity		130,498,876	10,562,658	118,165,641	378,605
Non-current liabilities					
Lease liability	17	294,973	-	294,973	-
Deferred tax liabilities	18	608,750	608,750	-	-
		903,723	608,750	294,973	-
Current liabilities					
Trade payables	19	1,899,851	4,218,187	-	-
Other payables and accruals	20	129,127	274,567	74,120	77,935
Amount owing to Directors	21	-	27,000	-	27,000
Lease liability	17	45,252	-	45,252	-
Bank borrowings	22	-	21,776,476	-	-
		2,074,230	26,296,230	119,372	104,935
Total liabilities		2,977,953	26,904,980	414,345	104,935
Total equity and liabilities		133,476,829	37,467,638	118,579,986	483,540

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

		Group		Company	
	Note	01.07.2020 to 30.06.2021 RM	01.04.2019 to 30.06.2020 RM	01.07.2020 to 30.06.2021 RM	01.04.2019 to 30.06.2020 RM
Revenue	23	36,278,209	222,844,405	-	-
Cost of sales		(36,072,704)	(229,426,713)	-	-
Gross profit/(loss)		205,505	(6,582,308)	-	-
Other income	24	794,432	57,612	3,485,886	-
Administrative expenses		(5,697,093)	(3,106,606)	(3,041,199)	(816,600)
Selling and distribution costs		(65,759)	(525,087)	-	-
Other expenses		(7,301,565)	(28)	(15,070,056)	(24,409,671)
Loss from operations		(12,064,480)	(10,156,417)	(14,625,369)	(25,226,271)
Finance costs	25	(398,205)	(1,299,934)	(5,075)	-
Share of results of a joint venture		(9,573)	30,287	-	-
Loss before tax	26	(12,472,258)	(11,426,064)	(14,630,444)	(25,226,271)
Tax expense	28	(9,004)	(3,877)	-	(1,165)
Net loss/Total comprehensive loss for the financial year/period		(12,481,262)	(11,429,941)	(14,630,444)	(25,227,436)
Net loss attributtable to:					
Owners of the Company		(12,481,262)	(11,429,941)	(14,630,444)	(25,227,436)
Total comprehensive loss attributable to:					
Owners of the Company		(12,481,262)	(11,429,941)	(14,630,444)	(25,227,436)
Loss per ordinary share ("LPS")					
- Basic/Diluted (sen)	29	(1.36)	(3.95)		

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

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

	Attributable to owners of the Company					
	Non-distributable				*Distributable*	
	Share capital (Note 15) RM	Warrants reserve (Note 16) RM	Revaluation reserve (Note 16) RM	Share option reserve (Note 16) RM	Accumulated losses RM	Total equity RM
Group						
At 1 April 2019	34,189,276	-	8,930,000	-	(21,126,677)	21,992,599
Net loss/Total comprehensive loss for the financial period	-	-	-	-	(11,429,941)	(11,429,941)
At 30 June 2020/1 July 2020	34,189,276	-	8,930,000	-	(32,556,618)	10,562,658
Net loss/Total comprehensive loss for the financial year	-	-	-	-	(12,481,262)	(12,481,262)
Transaction with owners:						
Issuance of shares pursuant to:						
- Private placements	19,301,725	-	-	-	-	19,301,725
- Rights Issue with Warrants B	51,744,031	31,113,329	-	-	-	82,857,360
- Exercise of ESOS	28,081,000	-	-	-	-	28,081,000
Share options granted under ESOS	-	-	-	3,403,340	-	3,403,340
Transfer upon ESOS exercised	3,403,340	-	-	(3,403,340)	-	-
Share issuance expenses	(1,225,945)	-	-	-	-	(1,225,945)
At 30 June 2021	135,493,427	31,113,329	8,930,000	-	(45,037,880)	130,498,876

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

STATEMENT OF **CHANGES IN EQUITY**
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021
(cont'd)

	Attributable to owners of the Company				
	Non-distributable			*Distributable*	
	Share capital (Note 15) RM	**Warrants reserve (Note 16) RM**	**Share option reserve (Note 16) RM**	**Accumulated losses RM**	**Total equity RM**
Company					
At 1 April 2019	34,189,276	-	-	(8,583,235)	25,606,041
Net loss/Total comprehensive loss for the financial period	-	-	-	(25,227,436)	(25,227,436)
At 30 June 2020/1 July 2020	34,189,276	-	-	(33,810,671)	378,605
Net loss/Total comprehensive loss for the financial year	-	-	-	(14,630,444)	(14,630,444)
Transactions with owners:					
Issuance of shares pursuant to:					
- Private placements	19,301,725	-	-	-	19,301,725
- Rights Issue with Warrants B	51,744,031	31,113,329	-	-	82,857,360
- Exercise of ESOS	28,081,000	-	-	-	28,081,000
Share options granted under ESOS	-	-	3,403,340	-	3,403,340
Transfer upon ESOS exercised	3,403,340	-	(3,403,340)	-	-
Share issuance expenses	(1,225,945)	-	-	-	(1,225,945)
At 30 June 2021	135,493,427	31,113,329	-	(48,441,115)	118,165,641

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

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

		Group		Company	
		01.07.2020 to 30.06.2021	01.04.2019 to 30.06.2020	01.07.2020 to 30.06.2021	01.04.2019 to 30.06.2020
	Note	RM	RM	RM	RM
Cash flows from operating activities					
Loss before tax		(12,472,258)	(11,426,064)	(14,630,444)	(25,226,271)
Adjustments for:-					
Impairment losses on:					
- Trade receivables	10	7,289,294	-	-	-
- Investment in a subsidiary	6	-	-	15,057,785	9,549,330
- Amount owing by a subsidiary	12	-	-	-	14,860,340
Depreciation of property, plant and equipment	5	623,814	676,737	54,345	24,800
Distribution income from money market instruments		(697,614)	-	(697,614)	-
Fair value loss on money market instruments		12,271	-	12,271	-
Finance costs	25	398,205	1,299,934	5,075	-
Inventories written down	9	-	266,409	-	-
Interest income		(23,412)	-	(23,401)	-
Property, plant and equipment written off		-	28	-	-
Reversal of impairment on amount owing by a subsidiary	12	-	-	(2,764,285)	-
Share -based payment under ESOS		3,403,340	-	1,776,753	-
Share of results of a joint venture		9,573	(30,287)	-	-
Operating loss before changes in working capital		(1,456,787)	(9,213,243)	(1,209,515)	(791,801)
Changes in inventories		3,213,502	9,571,539	-	-
Changes in trade and other receivables		(21,330,450)	9,640,669	(8,331,378)	2,004
Changes in trade and other payables		(2,463,776)	(584,726)	(3,815)	6,654
Changes in amount owing by/(to) related party		-	(1,273,574)	-	-
Cash (used in)/generated from operations		(22,037,511)	8,140,665	(9,544,708)	(783,143)
Interest income received		23,412	-	23,401	-
Tax paid		-	(17,208)	-	(2,965)
Tax refunded		722	-	-	-
Net cash (used in)/generated from operating activities		(22,013,377)	8,123,457	(9,521,307)	(786,108)

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

STATEMENTS OF **CASH FLOWS**

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (cont'd)

	Note	Group 01.07.2020 to 30.06.2021 RM	Group 01.04.2019 to 30.06.2020 RM	Company 01.07.2020 to 30.06.2021 RM	Company 01.04.2019 to 30.06.2020 RM
Cash flows from investing activities					
Distribution received from money market instruments		697,614	-	697,614	-
Distribution from a joint venture		30,287	-	-	-
Investment in subsidiaries		-	-	(35,200,001)	-
Investment in a joint venture	7	-	(51,001)	-	-
Purchase of property, plant and equipment	(a)	(2,207,093)	-	(109,978)	-
Investment in money market instruments		(60,641,051)	-	(60,641,051)	-
Net cash used in investing activities		(62,120,243)	(51,001)	(95,253,416)	-
Cash flows from financing activities					
Proceeds from:					
- Private placements		19,301,725	-	19,301,725	-
- Rights Issue with Warrants B		82,857,360	-	82,857,360	-
- Exercises of ESOS		28,081,000	-	28,081,000	-
Proceeds from bank borrowings		-	17,081,675	-	-
Repayment of bank borrowings		(17,081,675)	(23,408,898)	-	-
Finance costs paid		(399,729)	(1,299,934)	(6,599)	-
Repayment to Directors		(27,000)	-	(27,000)	-
Repayment of lease liability		(18,251)	-	(18,251)	-
Share issuance expenses		(1,225,945)	-	(1,225,945)	-
Movement in amount owing from subsidiaries		-	-	(10,428,171)	786,108
Net cash generated from/(used in) financing activities		111,487,485	(7,627,157)	118,534,119	786,108
Net increase in cash and cash equivalents		27,353,865	445,299	13,759,396	-
Cash and cash equivalents at beginning of the financial year/period		(1,295,461)	(1,740,760)	95,922	95,922
Cash and cash equivalents at the end of the financial year/period	(b)	26,058,404	(1,295,461)	13,855,318	95,922

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

Notes:

(a) Purchases of property, plant and equipment

	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Cost of property, plant and equipment purchased (Note 5)	2,567,093	-	469,978	-
Acquired by means of lease	(360,000)	-	(360,000)	-
Cash disbursed for purchase of property, plant and equipment	2,207,093	-	109,978	-

(b) Cash and cash equivalents

	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Cash and bank balances (Note 14)	26,058,404	3,399,340	13,855,318	95,922
Bank overdraft (Note 22)	-	(4,694,801)	-	-
	26,058,404	(1,295,461)	13,855,318	95,922

(c) Movement in liabilities arising from financing activities

		Movement				
		Cash flows		Non-cash changes		
	At beginning of the year/ period RM	Principal movement RM	Interest paid RM	Interest cost RM	New leases RM	At end of the year/period RM
Group						
Year ended 2021						
Banker's acceptances	17,081,675	(17,081,675)	(280,681)	280,681	-	-
Amount owing to Directors	27,000	(27,000)	-	-	-	-
Lease liability	-	(18,251)	(6,599)	5,075	360,000	340,225
Period ended 2020						
Banker's acceptances	23,408,898	(6,327,223)	(901,651)	901,651	-	17,081,675
Amount owing to Directors	27,000	-	-	-	-	27,000
Company						
Year ended 2021						
Amount owing to Directors	27,000	(27,000)	-	-	-	-
Lease liability	-	(18,251)	(6,599)	5,075	360,000	340,225
Period ended 2020						
Amount owing to Directors	27,000	-	-	-	-	27,000

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

1. Corporate information

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

The registered office of the Company is located at 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, Malaysia.

The principal place of business of the Company is located at Lot 742, 4th Mile, Jalan Kapar, 42100 Klang, Selangor Darul Ehsan, Malaysia.

The Company is principally an investment holding company. The principal activities and other details of the subsidiaries are disclosed in Note 6 to the financial statements.

In the previous financial period, the Company changed its financial year end from 31 March to 30 June. The previous financial statements of the Group and the Company are prepared for the period of 15 months from 1 April 2019 to 30 June 2020. As a result, the comparative information stated in the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows and the related notes to the financial statements, which was prepared for a 15 month-period ended 30 June 2020, are not comparable.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 20 October 2021.

2. Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of Companies Act 2016 in Malaysia. The consolidated financial statements for the financial year ended 30 June 2021 comprise the financial statements of the Company and its subsidiaries and the Group's interest in a joint venture.

2.1 Adoption of amendments to MFRS and IC Interpretation to MFRSs during the current financial year

The accounting policies adopted by the Group and the Company are consistent with those of the previous financial period, except for the adoption of the following amendments to MFRSs and IC Interpretation:

MFRSs (Including the Consequential Amendments)		Effective Date
Amendments to MFRS 3	"Business Combinations" – Definition of a Business	1 January 2020
Amendments to MFRS 101 and MFRS 108	Definition of Material	1 January 2020
Amendments to MFRS 7, 9 and 139	Interest Rate Benchmark Reform	1 January 2020
Amendments to MFRS 16	Covid-19 – Related Rent Concessions Insurance	1 June 2020
Amendments to MFRS 4	Insurance Contracts – Extension of the Temporary Exemption from Applying MFRS 9	17 August 2020

The adoption of the above amendments to MFRSs and IC Interpretations did not result in significant changes in the accounting policies of the Group and the Company and has no significant effect on the financial performance or position of the Group and of the Company for the current financial year.

2. Basis of preparation (cont'd)

2.2 MFRSs and amendments to MFRSs that have been issued but not yet effective

The following are MFRSs and amendments to MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective and have not been adopted by the Group and the Company:

MFRS (Including the Consequential Amendments)		Effective Date
Amendments to MFRS 9, 139, 7, 4 and 16	Interest Rate Benchmark Reform – Phase 2	1 January 2021
Amendments to MFRS 16	Covid-19 – Related Rent Concessions Beyond 30 June 2021	1 April 2021
Amendments to MFRS 3	Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116	Proceeds Before Intended Use	1 January 2022
Amendments to MFRS 137	Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Amendments to MFRSs	Annual Improvements to MFRSs 2018 - 2020 Cycle	1 January 2022
MFRS 17 and amendments to MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current and Disclosures of Accounting Policies	1 January 2023
Amendments to MFRS 108	Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 10 and 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced

The Group and the Company plan to apply the abovementioned MFRSs and amendments to MFRSs from the beginning of the financial year where they become effective, if applicable to the Group and the Company.

The adoption of the above MFRSs and amendments to MFRSs is expected to have no material impact on the financial statements of the Group and of the Company in the period of initial application.

2.3 Basis of measurement

The financial statements have been prepared on the historical cost basis unless otherwise indicated in Note 3 to the financial statements.

2. Basis of preparation (cont'd)

2.4 Functional and presentation currency

These financial statements of the Group and of the Company are presented in Ringgit Malaysia ("RM"), which is the functional currency of the Group and of the Company.

2.5 Use of estimates and judgements

The preparation of the financial statements in conformity with MFRSs requires the management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The areas involving significant judgement and estimation uncertainty to the financial statements are disclosed in Note 4 to the financial statements.

3. Summary of significant accounting policies

3.1 Basis of consolidation

The consolidated financial statements consists of the financial statements of the Company and its subsidiaries as disclosed in Note 6 to the financial statements. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Company controls an investee if and only if the Company has:

(a) Power over the investee;
(b) Exposure, or rights, to variable returns from its involvement with the investee; and
(c) The ability to use its power over the investee to affect its returns.

If the Company has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) The contractual arrangement with the other vote holders of the investee;
(b) Rights arising from other contractual agreements; and
(c) The voting rights and potential voting rights of the Company.

Intragroup balances, transactions, income and expenses are eliminated in the consolidated financial statements. Unrealised gains arising from transactions with associates and jointly controlled entity are eliminated against the investment to the extent of the interest of the Group in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no impairment. The consolidated financial statements reflect external transactions only.

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

3.1 Basis of consolidation (cont'd)

The financial statements of the Group are prepared for the same reporting period, using consistent accounting policies.

Non-controlling interests (if any) represent equity in the Group that are not attributable, directly or indirectly, to the owners' of the Company, and is presented separately in the consolidated statement of profit or loss and other comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to the owners' of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners' of the Company and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Subsidiaries are consolidated from the date on which control is transferred to the Company up to the effective date on which control ceases, as appropriate. Assets, liabilities, income and expenses of a subsidiary disposed of during the financial period are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date the Company ceases to control the subsidiary.

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

When the Group losses control of a subsidiary, the profit or loss on disposal is calculated as the difference between:

(i) Aggregate of the fair value of the consideration received and the fair value of any retained interest; and
(ii) Previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income are accounted for as if the Group had directly disposed of the relevant assets (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable MFRSs). The fair value of any investments retained in the former subsidiaries at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 9 Financial Instruments or, where applicable, the cost on initial recognition of an investment in associate or jointly controlled entity.

<u>Subsidiaries</u>

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

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

3.2 Business combinations not under common control

Business combinations not under common control are accounted for by applying the acquisition method of accounting.

Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured at their fair value at the acquisition date, except that:

(a) Deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with MFRS 112 Income Taxes and MFRS 119 Employee Benefits respectively;

(b) Liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement by the Group of an acquiree's share-based payment transactions are measured in accordance with MFRS 2 Share-based Payment at the acquisition date; and

(c) Assets (or disposal groups) that are classified as held for sale in accordance with MFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Where the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration is measured at its acquisition-date fair value. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or liability is remeasured at subsequent reporting dates in accordance with MFRS 137 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

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

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

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

3.3 Joint venture

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

On acquisition of an investment in joint venture, any excess of the cost of investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill and included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities of the investee over the cost of investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the joint venture's profit or loss for the period in which the investment is acquired.

The financial statements of the joint venture is prepared for the same reporting period as the Group, using consistent accounting policies.

A joint venture is equity accounted for from the date on which the investee becomes a joint venture.

Under the equity method, on initial recognition the investment in a joint venture is recognised at cost, and the carrying amount is increased or decreased to recognise the Group's share of the profit or loss and other comprehensive income of the joint venture after the date of acquisition. When the Group's share of losses in a joint venture equal or exceeds its interest in the joint venture, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the joint venture.

Profits and losses resulting from transactions between the Group and its joint venture are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the joint venture. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognises the loss in the statement of profit or loss.

3.4 Goodwill

Goodwill is measured at cost less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill is allocated to each of the Group's cash generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then pro-rate to the other assets of the unit on the basis of the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent period.

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

3.4 Goodwill (cont'd)

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit of loss on disposal.

3.5 Foreign currencies

The financial statements of the Group and of the Company are measured using the currency of the primary economic environment in which each entity in the Group and the Company is operates ("functional currency").

In preparing the financial statements of the Group and of the Company, transactions in currencies other than the functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at the date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on the settlement of the monetary items, and on the translation of monetary items, are included in profit or loss for the period. Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for differences (if any) arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in other comprehensive income.

3.6 Property, plant and equipment and depreciation

Operating tangible assets that are used for more than one accounting period in the production and supply of goods and services, for administrative purposes are recognised as property, plant and equipment when the Group obtains control of the asset. These include assets constructed or acquired for environmental protection purposes and investment property measured on the cost model. The assets, including major spares, stand-by equipment and servicing equipment, are classified into appropriate classes based on their nature. Any subsequent replacement of a significant component in an existing asset is capitalised as a new component in the asset and the old component is derecognised.

All property, plant and equipment are initially measured at cost. For a purchased asset, cost comprises purchase price plus all directly attributable costs incurred in bringing the asset to its present location and condition for management's intended use. For a self-constructed asset, cost comprises all direct and indirect costs of construction (including provision for restoration and cost of major inspection) but excludes internal profits. For an exchange of non-monetary asset that has a commercial substance, cost is measured by reference to the fair value of the asset received. For an asset transferred from a customer or a grantor, cost is measured by reference to the fair value of the asset.

All property, plant and equipment are subsequently measured at cost less accumulated depreciation and accumulated impairment losses, except for freehold land which is carried at revalued amounts, being its fair value at the date of revaluation, less any subsequent accumulated impairment losses. Revaluation is made with sufficient regularity to ensure that carrying amount do not differ materially from that which would be determined using the fair value at the end of the reporting period.

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

3.6 Property, plant and equipment and depreciation (cont'd)

Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss to the extent of the decrease previously expensed. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset carried in the asset revaluation reserve. The revaluation surplus included in the asset revaluation reserve in respect of an asset is transferred directly to retained earnings on retirement or disposal of the asset.

Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Freehold land is not depreciated but are subject to impairment test if there is any indication of impairment. All other property, plant and equipment are depreciated by allocating the depreciable amount of a significant component or of an item over the remaining useful life.

Depreciation is computed on the straight-line basis over the estimated useful lives of the assets as follows:

Freehold buildings and office renovation	4% - 10%
Plant and machinery, tools and equipment	10%
Electrical installation	10%
Motor vehicles	20%
Office equipment, furniture and fittings and computer equipment	10% - 20%

At the end of each reporting period, the residual values, useful lives and depreciation methods for the property, plant and equipment are reviewed, with any change in estimate is adjusted prospectively over its remaining useful life, commencing in the current period.

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

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The policy for recognition and measurement of impairment losses is in accordance with Note 3.9(b) to the financial statements.

Leased assets presented under property, plant and equipment are right-of-use assets within the scope of MFRS 16. The policy for recognition and measurement of right-of-use assets is in accordance with Note 3.11 to the financial statements.

3.7 Inventories

Inventories are measured at the lower of cost and net realisable value (which is the estimated selling price in the ordinary course of business less the estimated cost necessary to make the sale). Cost comprises purchase price and directly attributable costs of bringing the inventories to their present location and condition. For manufactured goods (if any), cost includes cost of raw material, conversion costs of labour and variable and a proportion of fixed production overheads. For homogeneous items of inventory, cost is determined by the weighted average cost formula. Net realisable value is determined on an item-by-item basis or on group of similar items basis.

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

3.8 Financial instruments

Financial assets and financial liabilities are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as financial assets, financial liabilities or equity instruments in accordance with the substance of the contractual arrangement and their definitions in MFRS 132. Interest, dividends, gains and losses relating to a financial instrument classified as a liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

(a) Financial assets

Classification

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

- those to be measured subsequently at fair value (either through other comprehensive income ('OCI') or through profit or loss), and
- those to be measured at amortised cost.

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group and the Company commit to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Measurement of financial asset at amortised cost

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

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

Subsequent to initial recognition, the financial assets that are held for collection of contractual cash flows where those cash flows represent SPPI are measured at amortised cost. Interest income from these financial assets is using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss.

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

3.8 Financial instruments (cont'd)

(a) Financial assets (cont'd)

Measurement of financial asset at fair value through profit or loss

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

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

This category includes derivative instruments and listed equity investments which the Group and the Company had not irrevocably elected (unless otherwise stated) to classify at fair value through OCI. Any dividend or interest earned on these financial assets is recognised as other income in the statements of profit or loss when the right of payment has been established.

(b) Financial liabilities

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

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

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

The Group and the Company have not designated any financial liabilities at fair value through profit or loss.

Other financial liabilities are recognised initially at fair value, net of directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are classified as current liabilities unless the Group and the Company have an unconditional right to defer settlement of the liabilities for at least twelve months after the reporting date.

A financial liability is derecognised when the obligation under the liability is extinguished and the resulting gains or losses are recognised in profit or loss.

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

3.8 Financial instruments (cont'd)

(c) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statements of financial position when, and only when, there is a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

3.9 Impairment

(a) Impairment of financial assets

Financial assets carried at amortised cost

The Group and the Company assess on a forward looking basis the expected credit loss ('ECL') associated with its debt instruments carried at amortised cost. ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months ("a 12-month ECL"). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default ("a lifetime ECL").

The assessment of whether credit risk has increased significantly is based on quantitative and qualitative information that include financial evaluation of the creditworthiness of the debtors or issuers of the instruments, ageing of receivables, defaults and past due amounts, past experiences with the debtors, current conditions and reasonable forecast of future economic conditions. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportable forward looking information.

The ECL approach can be classified into the categories below:

(a) Trade receivables

The Group applies the MFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all trade receivables.

Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date, if material. The Group has established a provision matrix that is based on its historical credit loss experience. The Group considers forward-looking factors do not have significant impact to its credit risk given the nature of its industry and the amount of ECLs is insensitive to changes to forecast economic conditions.

(b) Other receivables and intercompany receivables

At each reporting date, the Group or the Company measure ECL through loss allowance at an amount equal to 12 months ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition. For all other financial instruments, a loss allowance at an amount equal to lifetime ECL is required.

Cash and cash equivalents are also subject to the impairment requirements of MFRS 9, which the credit risk associated with it is low.

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

3.9 Impairment (cont'd)

(b) Impairment of non-financial assets

The carrying amount of assets, other than those to which MFRS 136 – Impairment of Assets does not apply, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

Goodwill that have an indefinite useful life are tested annually for impairment or more frequently if events or changes in circumstances indicate that the goodwill might be impaired.

The recoverable amount of an asset is estimated for an individual asset. Where it is not possible to estimate the recoverable amount of the individual asset, the impairment test is carried out on the CGU to which the asset belongs. Goodwill acquired in a business combination is from the acquisition date, allocate to each of the CGU or groups of CGU of the Group and the Company that are expected to benefit from the synergies of the combination giving rise to the goodwill irrespective of whether other assets or liabilities of the acquire are assigned to those units or groups of units.

Goodwill acquired in a business combination shall be tested for impairment as part of the impairment testing of CGU to which it relates. The CGU to which goodwill is allocated shall represent the lowest level within the Group at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

The recoverable amount of an asset or CGU is the higher of its fair value less costs of disposal and its value in use.

In estimating the value in use, the estimated future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. An impairment loss is recognised in profit or loss when the carrying amount of the asset or the CGU, including the goodwill, exceeds the recoverable amount of the asset or the CGU. The total impairment loss is allocated, first, to reduce the carrying amount of any goodwill allocated to the CGU and then to the other assets of the CGU on a pro-rata basis of the carrying amount of each asset in the CGU.

The impairment loss is recognised in profit or loss immediately.

An impairment loss on goodwill is not reversed in subsequent periods. An impairment loss for other assets is reversed if, and only if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised.

An impairment loss is reversed only to extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Such reversals are recognised as income immediately in profit or loss.

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

3.10 Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss in the period in which they are incurred.

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

The capitalisation of borrowing costs as part of the cost of qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sales are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sales are interrupted or completed.

3.11 Leases

The Group and the Company as lessee

The Group and the Company assess whether a contract is or contains a lease, at inception of a contract. The Group and the Company recognise a right-of-use asset and corresponding lease liability with respect to all lease agreements in which it is the lessee, except for low-value assets and short-term leases with 12 months or less. For these leases, the Group and the Company recognise the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The Group and the Company recognise a lease liability at the lease commencement date. As disclosed in Note 3.6 to the financial statements, the right-of-use assets is presented under property, plant and equipment. The associated lease liability is presented as a separate line item in the statements of financial position.

The right-of-use asset is initially measured at cost. Cost includes the initial amount of the corresponding lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred less any incentives received.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses, and adjustment for any remeasurement of the lease liability. The depreciation starts from the commencement date of the lease. If the lease transfers ownership of the underlying asset to the Group and the Company or the cost of the right-of-use asset reflects that the Group and the Company expect to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Otherwise, the Group and the Company depreciate the right-of-use asset to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those property, plant and equipment.

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

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in the future lease payments (other than lease modification that is not accounted for as a separate lease) with the corresponding adjustment is made to the carrying amount of the right-of-use asset or is recognised in profit or loss if the carrying amount has been reduced to zero.

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

3.12 Share capital and dividends

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

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity.

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

Distributions to holders of an equity instruments is recognised directly in equity.

3.13 Taxes

(a) Current tax

Current tax expenses are determined according to the tax laws of the jurisdiction in which the Group and the Company operates and include all taxes based upon taxable profit and real property gains taxes payable on disposal of properties, if any.

Current income tax assets and liabilities are the expected amount to be recovered from or paid to the taxation authorities at the end of the reporting period.

(b) Deferred tax

Deferred tax is recognised in full using the liability method on temporary differences arising between the carrying amount of an asset or liability in the statements of financial position and its tax base.

Deferred tax is recognised for all temporary differences, unless the deferred tax arises from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of transaction, affects neither accounting profit nor taxable profit.

A deferred tax asset is recognised only to the extent that it is probable that taxable profit would be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amount of a deferred tax asset is reviewed at the end of each reporting period. If it is no longer probable that sufficient taxable profit would be available to allow the benefit of part or all of that deferred tax asset to be utilised, the carrying amount of the deferred tax asset would be reduced accordingly. When it becomes probable that sufficient taxable profit would be available, such reductions would be reversed to the extent of the taxable profit.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Deferred tax would be recognised as income or expense and included in profit or loss for the period unless the tax related to items that are credited or charged, in the same or a different period, directly to equity, in which case the deferred tax would be charged or credited directly to equity.

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

3.13 Taxes (cont'd)

(b) Deferred tax (cont'd)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on the announcement of tax rates and tax laws by the Government which have the substantive effect of actual enactment by the end of each reporting period.

(c) Sales and service tax ("SST")

Revenue are recognised net of the amount of SST.

The amount of SST incurred in a purchase of assets or services is not recoverable from the taxation authority and is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

The amount of SST payable to the taxation authority is included as part of payables in the statements of financial position.

3.14 Contingencies

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

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

3.15 Cash and cash equivalents

Cash and bank balances comprise cash in hand and balances with licensed banks and financial institution. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts.

3.16 Revenue from contracts with customers

Revenue from contracts with customers is recognised by reference to each distinct performance obligation promised in the contract with customer when or as the Group transfers control of the goods or services promised in a contract and the customer obtains control of the goods or services. Revenue from contracts with customers is measured at its transaction price, being the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of tax, returns, rebates and discounts. The transaction price is allocated to each distinct good or service promised in the contract. Depending on the terms of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

Sales of goods

The Group and the Company contract with its customers for sales of oil palm products and gloves. Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Revenue is recognised at an amount that reflects the consideration to which the Group and the Company expect to be entitled in exchange for those goods.

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

3.17 Revenue from other sources

(a) Interest income

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

(b) Dividend income

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

3.18 Employee benefits

(a) Short-term employee benefits

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

Bonuses are recognised as an expense when there is a present, legal or constructive obligation to make such payments, as a result of past events and when a reliable estimate can be made of the amount of the obligation.

(b) Defined contribution plans

The Group make contributions to the Employees Provident Fund in Malaysia, a defined contribution pension scheme. Contribution to defined contribution pension schemes are recognised as an expenses in the period in which the related service is performed.

(c) Share-based payments

<u>Employees' share options scheme ("ESOS")</u>

The Company operates an equity-settled, share-based compensation plan under which the Group receives services from eligible Directors and employees as consideration for equity options over ordinary shares of the Company. Share options represent the right of a Director or/and an employee to acquire share at predetermined exercise price.

The fair value of the share options are recognised as employee benefit expense with a corresponding increase to share option reserve within equity respectively. The total amount to be expensed is determined by reference to the fair value of the share options granted:

- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and

- including the impact of any non-vesting conditions.

Non-market vesting conditions and service conditions are included in assumptions about the number of options that are expected to vest.

For share options granted with non-vesting condition, the fair value on grant date is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

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

3.18 Employee benefits (cont'd)

(c) Share-based payments (cont'd)

Employees' share options scheme ("ESOS") (cont'd)

The total expense is recognised over the vesting period (if any), which is the period over which all of the specified vesting conditions are to be satisfied. At the end of the reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to share option reserve in equity.

When the share options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital when the share options are exercised. When share options are not exercised and lapsed, the share option reserve is transferred to retained earnings.

In its separate financial statements of the Company, the grant by the Company of options over its equity instruments to the employees of subsidiaries in the Group is treated as amounts owing by subsidiaries. The fair value of share options grants to employees of the subsidiaries in exchange for the services of the employees to the subsidiaries are recognised as amounts owing by subsidiaries, with a corresponding credit to equity of the Company.

3.19 Earnings per ordinary share ("EPS")

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

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

3.20 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to 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 Board of Directors that makes strategic decisions.

3.21 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts has recognised as income in profit or loss over the period of the guarantee. If the debtor fails to make payment relating to financial guarantee contract when it is due and the Company, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

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

3.22 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market's participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;

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

Level 3: Inputs are unobservable inputs for the asset or liability.

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

3.23 Related parties

A party is related to an entity (referred to as the "reporting entity") if:

(i) A person or a close member of that person's family:

- (a) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity;
- (b) has control or joint control over the reporting entity; or
- (c) has significant influence over the reporting entity.

(ii) Any one of the following condition applies:

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

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

3.23 Related parties (cont'd)

A party is related to an entity (referred to as the "reporting entity") if: (cont'd)

(iii) Directly, or indirectly through one or more intermediaries, the party:

- (a) controls, is controlled by, or is under common control with, the Company (this includes parents, subsidiaries, fellow subsidiaries and fellow associates and joint ventures);
- (b) has an interest in the entity that gives it significant influence over the entity; or
- (c) has joint control over the entity.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

Close members of the family of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with entity and include:

- (i) that person's children and spouse or domestic partner;
- (ii) children of that person's spouse or domestic partner; and
- (iii) dependants of that person or that person's spouse or domestic partner.

3.24 Current versus non-current classification

Assets and liabilities in statement of financial position are presented based on current/non-current classification. An asset is current when it is:

- (i) Expected to be realised or intended to sold or consumed in normal operating cycle;
- (ii) Held primarily for the purpose of trading;
- (iii) Expected to be realised within twelve months after the reporting period; or
- (iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at twelve months after the reporting period.

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

- (i) It is expected to be settled in normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is due to be settled within twelve months after the reporting period; or
- (iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

4. Significant accounting estimates and judgements

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

4.1 Critical judgements made in applying accounting policies

Management believes that there are no instances of application of critical judgement in applying the Group's accounting policies which will have a significant effect on the amounts recognised in the financial statements.

4.2 Key sources of estimation uncertainty

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

(i) Impairment of non-financial assets

The Group and the Company assess whether there are any indicators of impairment for non-financial assets at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

Property, plant and equipment ("PPE")

Management has carried out an impairment assessment on the PPE of a subsidiary, ACE Edible Oil Industries Sdn Bhd ("AEOI"), in consequence of the temporary ceasing of AEOI's production activities during the prior financial period and throughout the current financial year.

The recoverable amount of the PPE is determined using the fair value less costs of disposal method, based on a recent valuation carried out by an independent valuer engaged by the Management on AEOI's properties and indicative price offers from interested parties.

The fair value of freehold land was determined by the independent valuer based on selling price of comparable properties in similar locations adjusted for location and accessibility, land size, improvement, and other related factors.

Management believes that the carrying amount of the PPE of AEOI of RM20,220,389 as of 30 June 2021 (2020: RM18,779,417) is recoverable.

Investment in a subsidiary, AEOI

As of 30 June 2021, the carrying amount of the Company's investment in AEOI is RM20,142,215 (2020: RM NIL). The Company has further impaired its investment in AEOI by RM15,057,785 (2020: RM9,549,330) during the current financial year based on AEOI's net assets, which is the expected recoverable amount from its investment in the subsidiary.

4. Significant accounting estimates and judgements (cont'd)

4.2 Key sources of estimation uncertainty (cont'd)

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

(ii) Expected credit losses of amounts owing by subsidiaries, trade receivables and other receivables

The Group and the Company assess the credit risk at each reporting date, whether there have been significant increases in credit risk since initial recognition on an individual basis. To determine whether there is a significant increase in credit risks, the Group and the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtors.

Where there is a significant increase in credit risk, the Group and the Company determine the lifetime expected credit losses by considering the loss given default and the probability of default assigned to each counterparty customer. The financial assets are impaired either partially or in full when there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amount subject to the impairment. The Group also considers any trade debtors having financial difficulty or in default with significant balances outstanding for more than 365 days are deemed credit impaired and assess for their risk of loss individually.

(iii) Share-based payments

The Company grants share options to eligible employees and Directors of the Group who have met the specified conditions. The share options granted are measured at fair value at grant date using a Black-Scholes model. The key assumptions or inputs used in the Black-Scholes model include: (a) the share price at grant date, (b) exercise price, (c) expected life of option, (d) risk-free interest rate, (e) volatility of the share price and (f) dividend yield (if any). As the volatility of the share price is estimated based on past price movements, the actual volatility may not coincide with the estimates made. These differences may affect the fair value measurement of the options granted but they are not adjusted retrospectively because the equity component of the options granted is not remeasured to fair value subsequent to their initial recognition.

The movements of share option reserve and assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 16(c) to the financial statements.

5. Property, plant and equipment

	Freehold land RM	Freehold buildings and office renovation RM	Plant and machinery, tools and equipment RM	Electrical installation RM	Motor vehicles RM	Office equipment, furniture and fittings and computer equipment RM	Total RM
Group							
Cost/Valuation							
At 1 April 2019	17,000,000	3,998,079	10,381,497	1,179,491	89,726	294,562	32,943,355
Written off	-	(59,764)	-	(29,500)	-	(199,729)	(288,993)
At 30 June 2020/1 July 2020	17,000,000	3,938,315	10,381,497	1,149,991	89,726	94,833	32,654,362
Additions	-	2,097,115	-	-	460,781	9,197	2,567,093
At 30 June 2021	17,000,000	6,035,430	10,381,497	1,149,991	550,507	104,030	35,221,455
Accumulated depreciation							
At 1 April 2019	-	2,432,291	8,092,391	852,431	16,450	271,146	11,664,709
Depreciation charge for the period	-	215,386	343,318	88,098	22,432	7,503	676,737
Written off	-	(59,763)	-	(29,500)	-	(199,702)	(288,965)
At 30 June 2020/1 July 2020	-	2,587,914	8,435,709	911,029	38,882	78,947	12,052,481
Depreciation charge for the year	-	227,966	267,004	70,478	53,442	4,924	623,814
At 30 June 2021	-	2,815,880	8,702,713	981,507	92,324	83,871	12,676,295
Group							
Accumulated impairment losses							
At 1 April 2019/30 June 2020/ 1 July 2020/30 June 2021	-	1,141,216	606,397	21,657	-	291	1,769,561
Net carrying amounts							
At 30 June 2021	17,000,000	2,078,334	1,072,387	146,827	458,183	19,868	20,775,599
At 30 June 2020	17,000,000	209,185	1,339,391	217,305	50,844	15,595	18,832,320

5. Property, plant and equipment (cont'd)

	Office equipment, furniture and fittings and computer equipment RM	Motor vehicles RM	Total RM
Company			
Cost			
At 1 April 2019/30 June 2020/1 July 2020	25,407	89,726	115,133
Additions	9,197	460,781	469,978
At 30 June 2021	34,604	550,507	585,111
Accumulated depreciation			
At 1 April 2019	20,980	16,450	37,430
Depreciation charge for the period	2,368	22,432	24,800
At 30 June 2020/1 July 2020	23,348	38,882	62,230
Depreciation charge for the year	903	53,442	54,345
At 30 June 2021	24,251	92,324	116,575
Net carrying amounts			
At 30 June 2021	10,353	458,183	468,536
At 30 June 2020	2,059	50,844	52,903

(a) Security

The freehold land of the Group is being pledged as security for banking facilities as disclosed in Note 22 to the financial statements.

(b) Freehold land carried at valuation

An independent valuation of the Group's freehold land was performed by independent qualified valuers, PPC International Sdn. Bhd. to determine the fair value of the freehold land as of 29 January 2018. The valuers have the appropriate qualifications and recent experience in the fair value measurement of properties in the relevant locations.

The Directors are of the view that the carrying amount of the freehold land as at 30 June 2021 approximates its current fair value.

Had the Group's freehold land been measured on a historical cost basis, its carrying amounts would have been RM7,600,000 (2020: RM7,600,000).

5. Property, plant and equipment (cont'd)

(c) Fully depreciated assets

Included in property, plant and equipment of the Group and of the Company are fully depreciated property, plant and equipment, which are still in use, at cost as follows:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Office equipment, furniture and fittings and computer equipment	29,936	28,886	21,168	21,168
Plant and machinery, tools and equipment	234,996	234,996	-	-

(d) Impairment

The Group has recognised in prior years, a provision for impairment of RM1,769,561 for property, plant and equipment held by a subsidiary company, AEOI. Current financial year assessment showed that no further impairment loss is required for the carrying amount of these assets assessed. The valuation method used to determine the recoverable amount of these assets are disclosed in Note 4.2(i) to the financial statements.

(e) Right-of-use asset

Right-of-use assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 17 to the financial statements.

6. Investment in subsidiaries

	Company	
	2021 RM	2020 RM
Unquoted shares, at cost		
At beginning of the year/period	11,330,489	11,330,489
Add:		
Incorporation of a subsidiary	1	-
Additional investment in a subsidiary	35,200,000	-
	46,530,490	11,330,489
Less: Accumulated impairment losses	(26,338,274)	(11,280,489)
At end of the year/period	20,192,216	50,000

6. Investment in subsidiaries (cont'd)

(a) Movement in accumulated impairment losses on investment in subsidiaries are as follow:

	Company 2021 RM	2020 RM
At beginning of the year/period	11,280,489	1,731,159
Impairment loss during the year/period (Note 26)	15,057,785	9,549,330
At end of the year/period	26,338,274	11,280,489

(b) The subsidiaries, all incorporated in Malaysia, are as follows:

Name of subsidiaries	Group's interest 2021 %	2020 %	Principal activities
ACE Edible Oil Industries Sdn. Bhd. ("AEOI") [1]	100	100	Palm kernel crushing, crude palm kernel oil, palm kernel expeller and trading of variety of palm oil products.
ACE Green Energy Sdn. Bhd. ("AGESB")	100	100	Wholesale trading of variety of biomass and alternative material, energy and fuels and services.
G Rubber Sdn. Bhd. ("GRSB") [2]	100	-	Manufacturing and trading of gloves

Notes:

[1] On 30 June 2021, the Company has increased its investment in AEOI via subscription of 35,200,000 new shares at RM 1 each, by way of capitalisation of amount owing from AEOI amounted to RM35,200,000.

[2] On 30 July 2020, the Company had newly incorporated a wholly-owned subsidiary, GRSB with a paid-up share capital of RM1 comprising 1 ordinary share.

7. Investment in a joint venture

	Group 2021 RM	2020 RM
Unquoted shares, at cost		
At beginning of the year/period	51,001	-
Addition during the financial year/period	-	51,001
	51,001	51,001
Share of post acquisition reserves	(9,573)	30,287
At end of the year/period	41,428	81,288

(a) The details of the joint venture, which is incorporated in Malaysia, is as follow:

Name of joint venture	Group's interest 2021 %	2020 %	Principal activities
Joint venture of AGESB			
NSN ACE Joint Venture Sdn. Bhd. ("NASB")	51	51	To secure contracts to operate the handling of coal, to purchase coal and any other materials locally and/or overseas.

(b) The summarised financial information of the joint venture, not adjusted for the proportion of the ownership interest held by the Group, is as follows:

	2021 RM	2020 RM
Assets and liabilities		
Current assets, representing total assets	86,232	186,104
Current liabilities, representing total liabilities	5,000	26,716

	01.07.2020 to 30.06.2021 RM	01.04.2019 to 30.06.2020 RM
Results		
Revenue	-	1,254,211
Cost of sales	-	(1,139,095)
Other income	-	4,311
Total expenses	(18,770)	(60,041)
Net (loss)profit/Total comprehensive (loss)/income	(18,770)	59,386
Group's share of net assets	41,428	81,288
Group's share of results	(9,573)	30,287
Distribution received by the Group	30,287	-

8. Goodwill

	Group 2021 RM	Group 2020 RM
Cost		
At beginning/end of the year/period	736,384	736,384
Accumulated impairment losses		
At beginning/end of the year/period	(736,384)	(736,384)
Net carrying amount	-	-

(a) Goodwill acquired in a business combination is allocated, at acquisition, to the cash-generating unit ("CGU") that is expected to benefit from that business combination. Before recognition of any impairment losses, the carrying amount of goodwill had been allocated to the following business segment as an independent CGU.

	Group 2021 RM	Group 2020 RM
Biotechnology related products	736,384	736,384

(b) In 2012, the Group assessed the recoverable amount of goodwill, and determined that goodwill was fully impaired.

9. Inventories

	Group 2021 RM	Group 2020 RM
At cost:		
Spare parts	80,564	80,564
At net realisable value:		
Finished goods	-	3,213,502
	80,564	3,294,066
Inventories recognised as cost of sales	35,484,727	227,604,945
Inventories written down	-	266,409

10. Trade receivables

	Group 2021 RM	Group 2020 RM
Trade receivables	9,234,134	10,173,546
Less: accumulated impairment losses	(7,289,294)	-
	1,944,840	10,173,546

(a) Movement in accumulated impairment losses on trade receivables are as follow:

	Group 2021 RM	Group 2020 RM
Group		
At beginning of the year/period	-	-
Impairment losses during the year/period (Note 26)	(7,289,294)	-
At end of the year/period	(7,289,294)	-

(b) Trade receivables are non-interest bearing and the normal trade credit terms granted ranges from 7 to 90 days (2020: 7 to 30 days). Other credit terms are assessed and approved on a case-by-case basis. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

11. Other receivables, deposits and prepayments

	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Other receivables	197,903	1,248,210	-	-
Less: Accumulated impairment losses	(27,094)	(55,495)	-	-
	170,809	1,192,715	-	-
Deposits	23,655,564	415,565	8,250,000	-
Prepayments	116,201	64,432	90,129	8,751
	23,942,574	1,672,712	8,340,129	8,751

11. Other receivables, deposits and prepayments (cont'd)

(a) Movement in accumulated impairment losses on other receivables are as follow:

	Group 2021 RM	Group 2020 RM
At beginning of the year/period	55,495	55,495
Less: Reversal during the year/period	(28,401)	-
At end of the year/period	27,094	55,495

(b) On 30 June 2021, the Group had awarded a project involving set up of a glove making facility for the production of rubber gloves and to commission the installation of 8 production lines producing Nitrile gloves ("Project") amounted to RM65,179,664 to AE Multi Industries Sdn. Bhd. ("AEM") and has paid a deposit of RM15,000,000 to AEM.

The Group is expected to enter into a definitive agreement with AEM in relation to the Project within 120 days from 30 June 2021 or any extension thereof. The details of capital commitment of the Group for the Project is disclosed in Note 34 to the financial statements.

12. Amount owing by subsidiaries

	Company 2021 RM	Company 2020 RM
Amount owing by subsidiaries	27,189,262	15,134,504
Less: Accumulated impairment losses	(12,096,055)	(14,860,340)
	15,093,207	274,164

(a) Movement in accumulated impairment losses on amount owing by subsidiaries are as follow:

	Company 2021 RM	Company 2020 RM
At beginning of the year/period	14,860,340	-
Add: Impairment during the year/period (Note 26)	-	14,860,340
Less: Reversal of impairment (Note 24)	(2,764,285)	-
At end of the year/period	12,096,055	14,860,340

(b) Amount owing by subsidiaries is non-trade in nature, which arose mainly from advances and expenses paid on behalf. Amount owing by subsidiaries are unsecured, interest-free and repayable on demand in cash and cash equivalents.

13. Money market instruments

	Group/Company 2021 RM	2020 RM
Financial assets designated at FVTPL:		
Short term funds in Malaysia	60,628,780	-

Short term funds represent investment in unit trust funds that invest only in low risk, high liquid short term money market instruments. Distribution income from these funds are tax exempted and recognised as other income.

Short term funds are valued with reference to the quoted net asset value of the underlying funds as at the reporting date. The fair value of the funds is classified under Level 1 of the fair value hierarchy.

14. Cash and bank balances

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Cash in hand	339	2,438	-	-
Balances with:				
- Local licensed banks	14,058,065	3,396,902	13,855,318	95,922
- Overseas financial institution	12,000,000	-	-	-
	26,058,404	3,399,340	13,855,318	95,922

The currency exposure profile of cash and bank balances are as follow:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Ringgit Malaysia	26,051,989	3,392,924	13,855,318	95,922
United States Dollar	6,415	6,416	-	-
	26,058,404	3,399,340	13,855,318	95,922

15. Share capital

	Number of shares		RM	
	2021	2020	2021	2020
Group/Company				
Issued and fully paid ordinary shares with no par value:				
At beginning of financial year/period	289,710,800	289,710,800	34,189,276	34,189,276
Issuance of shares pursuant to:				
- private placements	124,576,000	-	19,301,725	-
- Rights Issue with Warrants B	828,573,600	-	51,744,031	-
- exercise of ESOS	516,800,000	-	28,081,000	-
Transfer from share option reserves	-	-	3,403,340	-
Share issuance expenses	-	-	(1,225,945)	-
At end of financial year/period	1,759,660,400	289,710,800	135,493,427	34,189,276

During the financial year, the Company issued 1,469,949,600 new ordinary shares by way of the following:

(a) Private placement completed on 26 August 2020 ("Private Placement A")

On 26 August 2020, the Company had completed Private Placement A which involved listing and quotation of 28,971,000 new ordinary shares at RM0.261 each.

(b) Private placement completed on 11 November 2020 ("Private Placement B")

On 11 November 2020, the Company had completed Private Placement B which involved listing and quotation of 95,605,000 new ordinary shares at RM0.1228 each.

(c) Rights issue with Warrants B completed on 4 January 2021 ("Rights Issue with Warrants B")

On 4 January 2021, the Company had completed Rights Issue with Warrants B which involved listing and quotation of 828,573,600 new ordinary shares at RM0.10 each together with 621,430,198 free detachable warrants of the Company as disclosed in Note 16(a) to the financial statements.

(d) Exercise of Employee share options scheme ("ESOS") granted

516,800,000 share options exercised by eligible employees of the Company and a subsidiary under ESOS granted in several tranches at their respective exercise price, as disclosed in Note 16(c) to the financial statements.

All newly issued ordinary shares during the financial year ranked pari passu in all respect with the existing ordinary shares of the Company.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitle to one vote per share at meeting of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

16. Reserves

		Group		Company	
	Note	2021 RM	2020 RM	2021 RM	2020 RM
Non-distributable					
Warrants reserves	(a)	31,113,329	-	31,113,329	-
Revaluation reserve	(b)	8,930,000	8,930,000	-	-
Share options reserve	(c)	-	-	-	-
		40,043,329	8,930,000	31,113,329	-

(a) Warrants reserve

Warrant reserve arose from the rights issues together with free detachable warrants, which is measured at fair value on the date of issuance. Warrants reserve is transferred to the share capital account upon the exercise of warrants and the warrant reserve in relation to unexercised warrants at the expiry of the warrant periods will be transferred to retained earnings.

Warrants B 2020/2025

On 4 January 2021, the Company listed and quoted 621,430,198 free detachable Warrants B pursuant to the completion of Rights Issue with Warrants B exercise.

Warrants B of the Company were constituted by a Deed Pool dated 18 November 2020. ("Deed Poll B")

The salient terms of Warrants B are as follows:

(i) The issue date of Warrants B is 28 December 2020 and will expire on 27 December 2025.
(ii) The Warrants B can be exercised at any time during the period commencing on and inclusive of the date of issue up to and including the expiry date. Any Warrants B not exercised during the exercise period will lapse and cease to be valid.
(iii) Each Warrant B entitles the registered holder to subscribe for 1 new ordinary share of the Company at the exercise price of RM0.10 at any time during the exercise period and the exercise price is subject to adjustments in accordance with the terms and provisions of the Deed Poll B.
(iv) The new ordinary shares arising from the exercise of Warrants B shall, upon allotment and issue, rank pari passu with the existing issued ordinary shares of the Company, save and except that they will not be entitled to any right, allotment, dividend and/or any other distribution that may be declared, made or paid before the date of allotment and issue of the new ordinary shares of the Company.

The number of Warrants B remained unexercised at the end of the financial year is as follows:

	Number of units 2021
Group/Company	
At beginning of financial year	-
Issuance of Warrants B	621,430,198
At end of financial year	621,430,198

16. Reserves (cont'd)

(a) Warrants reserve (cont'd)

Warrants A 2014/2019

The Company had previously issued 65,843,362 free warrants on the basis of 1 free warrant for every 4 ordinary shares held by the entitled shareholders on the entitlement date. The issuance was completed upon admission of the warrants to the Official List of Bursa Malaysia Securities Berhad ("Bursa") and the listing of and quotation for the warrants on the ACE Market of Bursa on 18 August 2014 ("Warrants A").

The Warrants A of the Company were constituted by a Deed Poll dated 9 July 2014. ("Deed Poll A")

The salient features of the Warrants A were as follows:

(i) The issue date of the Warrants A was 8 August 2014 and the expiry date was 7 August 2019.
(ii) The Warrants can be exercised at any time during the period commencing on and inclusive of the date of issue of the Warrants A up to and including the expiry date. Any Warrants A not exercised during the exercise period will lapse and cease to be valid.
(iii) Each Warrant A entitles the registered holder to subscribe for 1 new ordinary share of the Company at the exercise price of RM0.34 at any time during the exercise period and the exercise price was subject to adjustments in accordance with the terms and provisions of the Deed Poll A.
(iv) The new ordinary shares arising from the exercise of the Warrants A shall, upon allotment and issue, rank pari passu with the existing issued ordinary shares of the Company, save and except that they will not be entitled to any right, allotment, dividend and/or any other distribution that may be declared, made or paid before the date of allotment and issue of the new ordinary shares of the Company.

Warrants A of the Company had expired on 7 August 2019.

The movement in the Company's Warrants A in previous financial period are as follows:

	Number of units 2020
Group/Company	
At beginning of financial period	65,843,362
Cancellation upon expiry	(65,843,362)
At end of financial period	-

(b) Revaluation reserve

The revaluation reserve represents increase in the fair value of freehold land, net of tax.

(c) Share options reserve

The share option reserve comprises the cumulative value of employee services received for the issue of share options by the Company. The fair value, measured at grant date of the share options granted to these eligible Directors and employees is recognised as an employee expense in profit or loss and a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options.

16. Reserves (cont'd)

(c) Share options reserve (cont'd)

The details of the options over the ordinary shares of the Company, are as follows:

Grant date	Exercise price (per share)	← Number of options over ordinary shares → 01.07.2020	Granted	Exercised	30.06.2021
02.02.2021	RM 0.065	-	20,000,000	(20,000,000)	-
11.02.2021	RM 0.060	-	30,000,000	(30,000,000)	-
16.02.2021	RM 0.068	-	30,000,000	(30,000,000)	-
18.02.2021	RM 0.065	-	60,000,000	(60,000,000)	-
24.02.2021	RM 0.065	-	60,000,000	(60,000,000)	-
03.03.2021	RM 0.060	-	60,000,000	(60,000,000)	-
20.04.2021	RM 0.045	-	100,000,000	(100,000,000)	-
23.04.2021	RM 0.045	-	120,800,000	(120,800,000)	-
07.05.2021	RM 0.045	-	36,000,000	(36,000,000)	-
		-	516,800,000	(516,800,000)	-

<u>Fair value of share options granted</u>

Fair value of the share options granted during the financial year were estimated by using a Black-Scholes Valuation model, taking into account the terms and conditions upon which the options were granted. The key inputs of the options are as follow:

Grant date	Share price at grant date (per share)	Exercise price (per share)	Expected life of option	Risk-free interest rate	Volatility
02.02.2021	RM 0.065	RM 0.065	1 month	2.71%	95.10%
11.02.2021	RM 0.060	RM 0.060	1 month	2.78%	86.50%
16.02.2021	RM 0.075	RM 0.068	1 month	2.95%	98.50%
18.02.2021	RM 0.065	RM 0.065	1 month	2.99%	96.60%
24.02.2021	RM 0.070	RM 0.065	1 month	2.98%	106.80%
03.03.2021	RM 0.060	RM 0.060	1 month	1.77%	104.22%
20.04.2021	RM 0.045	RM 0.045	1 month	1.77%	91.70%
23.04.2021	RM 0.045	RM 0.045	1 month	1.77%	84.21%
07.05.2021	RM 0.045	RM 0.045	1 month	1.77%	87.90%

Employees' Share Option Scheme ("ESOS")

On 27 October 2020, the shareholders of the Company have at extraordinary general meeting approved the establishment of a ESOS of up to 30% of the total number of issued shares of the Company (excluding treasury shares) at any one time for the Directors and employees of the Company and its subsidiary companies.

The salient terms of the ESOS are as follow:

(i) The maximum number of shares to be allotted and issued pursuant to the ESOS shall not at any point in time in aggregate exceed 30% of the total number of issued shares of the Company (excluding treasury shares) at any one time.

16. Reserves (cont'd)

(c) Share options reserve (cont'd)

Employees' Share Option Scheme ("ESOS") (cont'd)

The salient terms of the ESOS are as follow: (cont'd)

(ii) The actual number of ESOS shares which may be offered to an eligible employees and Directors ("Eligible Person") pursuant to ESOS shall be determined entirely at the discretion of the ESOS Committee, provided that the number of ESOS shares offered shall not be more than the maximum allowable allocation of such Eligible Person.

(iii) Not more than 70% of the ESOS shares available under the ESOS on any date shall be allocated in aggregate to the Directors and senior management of the Group.

(iv) The allocation to any individual eligible Director or employee of who, either singly or collectively through persons connected with the Eligible Director or employee, holds 20% or more of the issued and paid-up share capital (excluding treasury shares) of the Company, does not exceed 10% of the shares available under the ESOS.

(v) The exercise price shall be discounted by not more than 10% from the weighted average of the market price of the shares as shown in the daily official list issued by Bursa Securities for the five trading days immediately preceding the date of offer.

(vi) The new shares to be allotted and issued upon any exercise of the options shall rank pari passu in respect with the existing shares of the Company except that the new shares will not be entitled to any dividends, rights, allotments and other distributions in which entitlement date precedes the date of allotment of the said shares.

(vii) The ESOS shall be in force for a period of five years from the date of implementation of the ESOS. On or before the date of expiry, the Board of Directors shall have the discretion to extend the duration of the ESOS without having to obtain approval of the Company's shareholders and such extension is subject to an aggregate duration of 10 years from the date of implementation of ESOS.

17. Lease

(a) Carrying amounts of right-of-use asset classified with property, plant and equipment

	Motor vehicle RM
Group/Company	
Cost	
At 1 April 2019/30 June 2020/1 July 2020	-
Addition	402,781
At 30 June 2021	402,781

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (cont'd)

17. Lease (cont'd)

(a) Carrying amounts of right-of-use asset classified with property, plant and equipment (cont'd)

	Motor vehicle RM
Accumulated depreciation	
At 1 April 2019/30 June 2020/1 July 2020	-
Depreciation charge for the year	33,565
At 30 June 2021	33,565
Net carrying amount	
At 30 June 2021	369,216
At 30 June 2020	-

(b) Lease liability

	Group/Company 2021 RM	2020 RM
At beginning of the year/period	-	-
Additions during the year/period	360,000	-
Lease interest	5,075	-
Less: lease payments	(24,850)	-
At end of the year/period	340,225	-
Future lease payments payables:		
- Not later than one year	54,670	-
- More than one year to five years	238,560	-
- More than five years	99,376	-
Total future minimum lease payments	392,606	-
Less: Future finance charges	(52,381)	-
Present value of minimum lease payments	340,225	-
Payments due within 12 months, presented as current	(45,252)	-
Non-current portion of lease liability	294,973	-
Present value of lease liability		
- Not later than one year	45,252	-
- More than one year to five years	204,183	-
- More than five years	90,790	-
	340,225	-

The lease liability of the Group and the Company bear weighted average lessee's incremental borrowing rate at 2.28% (2020: Nil) per annum.

18. Deferred tax liabilities

	Group 2021 RM	Group 2020 RM
At beginning of the year/period	608,750	608,750
(Charged)/Credited to profit or loss:		
Property, plant, equipment	40,503	134,621
Other receivables	6,817	-
Inventories	184,314	103,578
Unabsorbed capital allowances	(49,005)	(48,692)
Unutilised tax losses	(182,629)	(189,507)
At end of the year/period	608,750	608,750
Deferred tax liabilities (before offsetting):		
Temporary difference arising from:		
Property, plant and equipment	1,572,399	1,531,896
Revaluation of freehold land	470,000	470,000
	2,042,399	2,001,896
Offsetting	(1,433,649)	(1,393,146)
Deferred tax liabilities (after offsetting):	608,750	608,750
Deferred tax assets (before offsetting):		
Temporary difference arising from:		
Other receivables	6,502	13,319
Inventories	-	184,314
Unabsorbed capital allowances	97,697	48,692
Unutilised tax losses	1,329,450	1,146,821
	1,433,649	1,393,146
Offsetting	(1,433,649)	(1,393,146)
Deferred tax assets (after offsetting):	-	-

The amounts of unutilised tax losses for which no deferred tax asset is recognised in the statements of financial position are as follows:

	Group 2021 RM	Group 2020 RM
Unutilised tax losses	21,740,592	20,254,978

18. Deferred tax liabilities (cont'd)

Deferred tax asset has not been recognised in respect of the above unutilised tax losses due to uncertainty of its realisation.

The unutilised tax assets are available to offset against future taxable profits of the Group, subject to the requirements under Income Tax Act 1967 and guidelines issued by Inland Revenue Board of Malaysia.

With effect from the year of assessment ("YA") 2019, unutilised tax losses in a YA can only be carried forward for a maximum period of 7 consecutive YAs. Unutilised tax losses for YA 2020 can be set off against income from any business source for 7 YAs and will be disregarded in YA 2028. Unutilised tax losses accumulated up to YA 2018 can be utilised for another 7 YAs and will be disregarded in YA2026.

Details of unutilised tax losses are as follow:

	RM
Year of assessment	
Prior and up to YA 2018	15,055,055
2020	9,978,344
2021	2,246,568
	27,279,967

19. Trade payables

Trade payables of the Group are non-interest bearing and the normal trade credit terms granted range from 7 to 90 (2020: 7 to 30) days terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

20. Other payables and accruals

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Other payables	25,212	15,981	25,212	9,823
Accruals	103,915	258,586	48,908	68,112
	129,127	274,567	74,120	77,935

21. Amount owing to Directors

Amount owing to Directors represented Directors' remuneration payable to Directors, which were unsecured, interest-free and payable on demand in cash and cash equivalents.

22. Bank borrowings

	Group	
	2021 RM	2020 RM
Secured:		
Banker's acceptances	-	17,081,675
Bank overdraft	-	4,694,801
	-	21,776,476

Bank borrowings obtained by a subsidiary from a banking institution was secured by the following:

(a) First party legal charge over the Group's freehold land as disclosed in Note 5 to the financial statements;
(b) A joint and several guarantee by Directors of AEOI; and
(c) Corporate guarantee by the Company.

Save for the freehold land pledged as legal charge for the bank borrowings, of which the Group is in the midst of applying for discharge, the corporate guarantee and joint and several guarantees are fully discharged as at the date of approval of the financial statements.

The banker's acceptance weighted average effective interest rate at reporting date is Nil (2020: 3.46%) per annum.

The bank overdraft bore effective interest rate at the reporting date of Nil (2020: 5.45%) per annum.

23. Revenue

	Group	
	01.07.2020 to 30.06.2021 RM	01.04.2019 to 30.06.2020 RM
Sales of:		
- Production and trading of palm kernel oil and palm kernel expeller	13,202,007	98,150,088
- Trading of refined, bleached and deodorised olein	21,121,930	124,522,713
- Trading of biomass material	9,432	171,604
- Trading of gloves	1,944,840	-
	36,278,209	222,844,405
Timing of revenue recognition:		
Goods transferred at a point in time	36,278,209	222,844,405

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (cont'd)

24. Other income

	Group		Company	
	01.07.2020 to 30.06.2021 RM	01.04.2019 to 30.06.2020 RM	01.07.2020 to 30.06.2021 RM	01.04.2019 to 30.06.2020 RM
Discount received	-	35,000	-	-
Distribution income from money market instruments	697,614	-	697,614	-
Interest income	23,412	-	23,401	-
Sales of scrap	71,695	22,612	-	-
Reversal of impairment on amount owing by a subsidiary	-	-	2,764,285	-
Others	1,711	-	586	-
	794,432	57,612	3,485,886	-

25. Finance costs

	Group		Company	
	01.07.2020 to 30.06.2021 RM	01.04.2019 to 30.06.2020 RM	01.07.2020 to 30.06.2021 RM	01.04.2019 to 30.06.2020 RM
Bank overdraft interest	112,449	398,283	-	-
Banker's acceptances interest	280,681	901,651	-	-
Lease interest	5,075	-	5,075	-
	398,205	1,299,934	5,075	-

26. Loss before tax

Loss before tax is arrived at after charging:

	Group		Company	
	01.07.2020 to 30.06.2021 RM	**01.04.2019 to 30.06.2020 RM**	**01.07.2020 to 30.06.2021 RM**	**01.04.2019 to 30.06.2020 RM**
Auditors' remuneration	101,000	130,000	48,000	42,000
Depreciation of property, plant and equipment (1)	623,814	676,737	54,345	24,800
Fair value loss on money market instruments	12,271	-	12,271	-
Impairment losses on:				
- Trade receivables	7,289,294	-	-	-
- Investment in a subsidiary (Note 6)	-	-	15,057,785	9,549,330
- Amount owing by a subsidiary (Note 12)	-	-	-	14,860,340
Inventories written down	-	266,409	-	-
Property, plant and equipment written off	-	28	-	-
Realised foreign exchange loss	-	922	-	-
Rental of equipment	5,990	7,950	-	-

Note (1):

Depreciation recognised in line items of profit or loss:				
- Cost of sales	494,605	580,092	-	-
- Administrative expenses	129,209	96,645	54,345	24,800
	623,814	676,737	54,345	24,800

27. Employee benefits expenses

	Group		Company	
	01.07.2020 to 30.06.2021 RM	01.04.2019 to 30.06.2020 RM	01.07.2020 to 30.06.2021 RM	01.04.2019 to 30.06.2020 RM
Salaries, wages and bonuses	704,067	2,043,856	562,710	135,000
Defined contribution plans	73,955	184,237	55,887	-
Social security contribution plans	5,962	13,500	3,484	-
Share-based payments under ESOS	3,403,340	-	1,776,753	-
Other staff related expenses	13,608	3,309	11,899	-
	4,200,932	2,244,902	2,410,733	135,000
Employee benefits expenses recognised in line items of profit or loss:				
- Cost of sales	-	149,357	-	-
- Administrative expenses	4,200,932	2,095,545	2,410,733	135,000
	4,200,932	2,244,902	2,410,733	135,000

Included in employee benefits expenses of the Group and of the Company are Directors' remuneration. The details of Directors' remuneration are disclosed in Note 30.2 to the financial statements.

28. Tax expense

	Group		Company	
	01.07.2020 to 30.06.2021 RM	01.04.2019 to 30.06.2020 RM	01.07.2020 to 30.06.2021 RM	01.04.2019 to 30.06.2020 RM
Income tax expense				
Current tax expense	9,004	3,190	-	-
Underprovision in prior years	-	687	-	1,165
	9,004	3,877	-	1,165

28. Tax expense (cont'd)

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

	Group		Company	
	01.07.2020 to 30.06.2021 RM	01.04.2019 to 30.06.2020 RM	01.07.2020 to 30.06.2021 RM	01.04.2019 to 30.06.2020 RM
Loss before tax:	(12,472,258)	(11,426,064)	(14,630,444)	(25,226,271)
Tax at statutory tax rate of 24%	(2,993,342)	(2,742,255)	(3,511,307)	(6,054,305)
Tax effect in respect of:				
Non-taxable income	(12,588)	(13,503)	-	-
Non-deductible expenses	2,658,387	553,653	3,511,307	6,054,305
Deferred tax assets not recognised during the financial year	356,547	2,205,295	-	-
Underprovision in prior years	-	687	-	1,165
Tax expense for the financial year/period	9,004	3,877	-	1,165

29. Loss per share

	Group	
	01.07.2020 to 30.06.2021	01.04.2019 to 30.06.2020
Basic loss per share		
Loss for the financial year/period (RM):	(12,481,262)	(11,429,941)
Weighted average number of ordinary shares in issue (units)	916,299,020	289,710,800
Basic loss per ordinary share (sen)	(1.36)	(3.95)

Diluted loss per share

The diluted loss per share of the Group is equals the basic loss per share as the assumed conversion from the exercise of Warrants B would be anti-dilutive.

30. Related party disclosures

30.1 Related party transactions

The related party of the Group represents a company in which a former Director (resigned in previous financial period) of a subsidiary company is also a Director and has a financial interest.

During the financial year/period, significant related party transactions undertaken between the Group with the related party, which are negotiated based on agreed terms and conditions, are as follows:

	Group	
	01.07.2020 to 30.06.2021	01.04.2019 to 30.06.2020
Purchases from a related party	-	(90,319,124)

30.2 Key management personnel compensation

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any Director (whether executive or otherwise) of the Company. The remunerations of Directors and other key management personnel during the financial year/period are as follows:

	Group		Company	
	01.07.2020 to 30.06.2021 RM	01.04.2019 to 30.06.2020 RM	01.07.2020 to 30.06.2021 RM	01.04.2019 to 30.06.2020 RM
Directors				
Executives:				
Salaries and other emoluments	110,000	426,573	110,000	-
Defined contribution plans and social security contribution	13,970	34,389	13,970	-
Non-executives:				
Fees	93,000	135,000	93,000	135,000
	216,970	595,962	216,970	135,000
Other key management personnel				
Salaries, allowance and bonus	280,551	611,534	280,551	-
Defined contribution plans and social security contribution	35,261	74,908	35,261	-
Share-based payment under ESOS	781,020	-	781,020	-
	1,096,832	686,442	1,096,832	-
Total key management personnels compensation	1,313,802	1,282,404	1,313,802	135,000

NOTES TO **THE FINANCIAL STATEMENTS**
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (cont'd)

31. Financial instruments

31.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised under MFRS 9 as follows:

	2021 RM	2020 RM
Group		
Financial asset		
At amortised cost:		
Trade receivables	1,944,840	10,173,546
Other receivables and deposits (exclude GST recoverable)	23,656,009	1,199,015
Cash and bank balances	26,058,404	3,399,340
	51,659,253	14,771,901
At FVTPL:		
Money market instruments	60,628,780	-
Financial liabilities		
At amortised cost:		
Trade payables	1,899,851	4,218,187
Other payables and accruals	129,127	274,567
Amount owing to Directors	-	27,000
Lease liability	340,225	-
Bank borrowings	-	21,776,476
	2,369,203	26,296,230
Company		
Financial assets		
At amortised cost:		
Deposits	8,250,000	-
Amount owing by subsidiaries	15,093,207	274,164
Cash and bank balances	13,855,318	95,922
	37,198,525	370,086
At FVTPL:		
Money market instruments	60,628,780	-
Financial liabilities		
At amortised cost:		
Other payables and accruals	74,120	77,935
Amount owing to Directors	-	27,000
Lease liability	340,225	-
	414,345	104,935

31. Financial instruments (cont'd)

31.2 Net gains/(losses) arising from financial instruments

	Group		Company	
	01.07.2020 to 30.06.2021 RM	01.04.2019 to 30.06.2020 RM	01.07.2020 to 30.06.2021 RM	01.04.2019 to 30.06.2020 RM
Net gain/(loss) arising from:				
Financial assets measured at amortised cost	(7,265,882)	-	2,787,686	(14,860,340)
Financial assets measured at FVTPL	685,343	-	685,343	-
Financial liabilities measured at amortised cost	(398,205)	(1,299,934)	(5,075)	-
	(6,978,744)	(1,299,934)	3,467,954	(14,860,340)

31.3 Capital risk management

The Group manages its capital to ensure that entities in the Group and the Company will be able to continue as a going concern while maximising the return to shareholders.

The Group and the Company monitor and review their capital structure based on their business and operating requirements.

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

Under the requirement of Bursa Malaysia Guidance Note No. 3, the Group is required to maintain consolidated shareholders' equity equal to or not less than 25% of the issued and paid-up capital (excluding treasury shares), otherwise the Group will be classified under GN3. The Group has complied with this requirement.

31.4 Financial risk management objectives and policies

The operations of the Group are subject to a variety of financial risks, including credit risk, interest rate risk, liquidity risk and commodity price risk in connection with its use or holding of financial instruments. The Group and the Company manage their exposure to risks and/or costs associated with the financing, investing and operating activities of the Group and of the Company closely on an ongoing basis.

At the end of the financial year, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position of the Group and of the Company.

31. Financial instruments (cont'd)

31.4 Financial risk management objectives and policies (cont'd)

(i) Credit risk management

The Group is exposed to credit risk mainly from trade and other receivables. The Group has concentration of credit risks and manages these risks by monitoring credit ratings to any individual counterparty. The Group extends credit to its customers based upon careful evaluation of the customer's financial condition and credit history.

(a) Credit risk concentration

As of 30 June 2021, one (2020: two) of the Group's customers accounted for 100% (2020: 97%) of total outstanding trade receivables as at the reporting date.

(b) Assessment of impairment losses

At each reporting date, the Group assesses whether any of the financial assets at amortised cost are credit impaired.

The gross carrying amounts of financial assets are written off when there is no reasonable expectation of recovery (i.e. the debtor does not have assets or sources of income to generate sufficient cash flows to repay the debt).

Trade receivables

The Group applies the simplified approach to measuring expected credit losses using a lifetime expected credit loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

For certain large customers or customers with a high risk of default, the Group assesses the risk of loss of each customer individually based on their financial information, past trends of payments and external credit rating, where applicable.

Also, the Group considers any trade receivables having financial difficulty or in default with significant balances outstanding for more than 365 days are deemed credit impaired and assesses for their risk of loss individually.

The expected credit loss rates are based on the payment profiles of sales over a period of 1 year from the measurement date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle their debts.

31. Financial instruments (cont'd)

31.4 Financial risk management objectives and policies (cont'd)

(i) Credit risk management (cont'd)

(b) Assessment of impairment losses (cont'd)

Trade receivables (cont'd)

The information about the exposure to credit risk and the loss allowances calculated under MFRS 9 for trade receivables are summarised below:

	Gross amount RM	Loss allowance RM	Carrying amount RM
Group			
2021			
Neither past due nor impaired	1,944,840	-	1,944,840
Individually assessed	7,289,294	(7,289,294)	-
	9,234,134	(7,289,294)	1,944,840
2020			
Neither past due nor impaired	803,883	-	803,883
Past due, not impaired			
- 0 to 30 days	2,629,832	-	2,629,832
- 31 to 60 days	-	-	-
- 61 to 90 days	5,321	-	5,321
- > 90 days	6,734,510	-	6,734,510
	10,173,546	-	10,173,546

Other receivables and deposits

Other receivables and deposits are also subject to the impairment requirements of MFRS 9, the identified accumulated impairment losses of the Group, based on 12 months ECL, is amounted to RM27,094 (2020: RM55,495).

Cash and bank balances

The Group considers these banks and financial institutions have low credit risks. Therefore, the Group is of the view that the loss allowance is immaterial.

31. Financial instruments (cont'd)

31.4 Financial risk management objectives and policies (cont'd)

(i) Credit risk management (cont'd)

(c) Intercompany balances

The maximum exposure to credit risk is represented by their carrying amount in the Company's statement of financial position.

The Company provides unsecured advance to subsidiaries (unless otherwise stated as capital contribution) and monitors the results of the subsidiaries regularly.

Generally, the Company considers loans and advances to subsidiaries have low credit risks. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the subsidiaries' loan and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiaries are not able to pay when demanded. The Company considers a subsidiary's loan or advance to be credit impaired when the subsidiary is unlikely to repay its loan or advance in full or the subsidiary is continuously loss making or the subsidiary is having a deficit in its total equity.

As at 30 June 2021, the accumulated loss allowances provided for loans and advances to subsidiaries are amounted to RM12,096,055 (2020: RM14,860,340).

The movements in the loss allowances are disclosed in Note 12 to the financial statements.

(ii) Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in the market interest rates. The Group's exposure to interest rate risk arise primarily from its bank borrowings which bore interest at floating rates.

Sensitivity analysis for interest rate risk

The sensitivity analysis below has been determined based on the exposure to interest rate for bank borrowings bearing interest at floating rates at the end of the reporting period. At the end of the reporting period, if interest rate had been 50 basis points lower/higher, with all other variables held constant, the Group's profit after tax would have been approximately RM Nil higher/lower (2020: RM43,000 higher/lower), arising mainly as a result of higher/lower interest expense on floating rate bank borrowings.

(iii) Liquidity risk management

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations when they fall due. The Group's and the Company's exposure to liquidity risk arise primarily from mismatches of the maturities between financial assets and liabilities, the Group's and the Company's exposure to liquidity risk arise principally from trade payables, lease liability and bank borrowings.

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

31. Financial instruments (cont'd)

31.4 Financial risk management objectives and policies (cont'd)

(iii) Liquidity risk management (cont'd)

The following table set out 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 cash flows:

	Carrying amount RM	Contractual undiscounted cash flows RM	On demand or within one year RM	One to five years RM	More than five years RM
Group					
2021					
Trade payables	1,899,851	1,899,851	1,899,851	-	-
Other payables and accruals	129,127	129,127	129,127	-	-
Lease liability	340,225	392,606	54,670	238,560	99,376
	2,369,203	2,421,584	2,083,648	238,560	99,376
2020					
Trade payables	4,218,187	4,218,187	4,218,187	-	-
Other payables and accruals	274,567	274,567	274,567	-	-
Amount owing to Directors	27,000	27,000	27,000	-	-
Bank borrowings*	21,776,476	22,772,865	22,772,865	-	-
	26,296,230	27,292,619	27,292,619	-	-

* The Group had been granted a moratorium of 6 months by a licensed bank to defer the payment of its banker's acceptances amounted to RM9,991,919 until 30 September 2020.

31. Financial instruments (cont'd)

31.4 Financial risk management objectives and policies (cont'd)

(iii) Liquidity risk management (cont'd)

The following table set out 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 cash flows: (cont'd)

	Carrying amount RM	Contractual undiscounted cash flows RM	On demand or within one year RM	One to five years RM	More than five years RM
Company					
2021					
Other payables and accruals	74,120	74,120	74,120	-	-
Lease liability	340,225	392,606	54,670	238,560	99,376
	414,345	466,726	128,790	238,560	99,376
2020					
Other payables and accruals	77,935	77,935	77,935	-	-
Amount owing to Directors	27,000	27,000	27,000	-	-
	104,935	104,935	104,935	-	-

(iv) Commodity price risk management

The Group is exposed to the risk fluctuations in prevailing market commodity prices on the mix of palm kernel purchases and crude palm kernel oil it produces/purchases. The Group's policy is to manage the risk of crude palm kernel oil price fluctuations through the use of contract based prices with suppliers and customers.

31. Financial instruments (cont'd)

31.5 Fair values of financial instruments

The fair values of the financial assets and financial liabilities of the Group and of the Company which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms, except for money market instruments which are carried at fair value as disclosed in Note 13 to the financial statements.

32. Segment reporting

Segment analysis has not been prepared for the current financial year and previous financial period as the Group is primarily engaged in palm kernel crushing, refining of palm oil and palm kernel oil and trading of refined palm oil and this forms the focus of the Group's internal reporting systems.

The financial contributions from ACE Green Energy Sdn. Bhd. ("AGESB"), which involved in wholesale trading of biomass and alternative material, energy and fuels and services; and G Rubber Sdn. Bhd. ("GRSB"), which involved in trading of gloves are insignificant for the current financial year, except for deposits paid by the Group as at 30 June 2021 amounting to RM23,250,000 for setting up of glove business for GRSB.

Revenue from major customers

During the financial year, major customer contributing more than 10% of the Group's total revenue are amounted to RM29,803,162 (2020: RM158,810,393), which relates to 3 (2020: 3) customers.

33. Corporate guarantee

On 8 January 2019, the Company has furnished a corporate guarantee to Cargill Palm Products Sdn. Bhd. ("CPPSB") for all liabilities, full compliance and performance of AEOI, a wholly-owned subsidiary, in respect of its obligations under the contract entered between CPPSB and AEOI.

On 12 December 2019, the Company had provided a corporate guarantee to a licensed bank for banking facilities granted to AEOI. Details of the banking facilities are disclosed in Note 22 to the financial statements.

As of 30 June 2021, the above corporate guarantees were fully discharged.

34. Capital commitment

	Group	
	2021 RM	2020 RM
Approved and contracted for:		
Design, fabricate, install, test and commission of glove dipping lines	50,179,664	-

35. Significant events during the financial year

In addition to those disclosed elsewhere in the financial statements, the Group has the following significant events during the financial year ended 30 June 2021:

(a) On 1 September 2020, the Company proposed to undertake the following:

(i) Proposed diversification of the existing business of the Group to include the glove business;
(ii) Proposed private placement of up to 95,605,000 new ordinary shares ("Private Placement B") in the Company, representing 30% of the total number of issued shares of the Company, to independent third-party investor(s) to be identified later at an issue price to be determined later;
(iii) Proposed renounceable rights issue of up to 828,573,600 new shares ("Rights Issue") together with up to 621,430,200 free detachable warrants in the Company ("Warrants B") on the basis of 4 Rights Shares together with 3 free Warrants B for every 2 existing shares held by the entitled shareholders on an entitlement date to be determined ("Rights Issue with Warrants B"); and
(vi) Proposed establishment of an Employees' Share Options Scheme ("ESOS") involving up to 30% of the total number of issued shares of the Company (excluding treasury shares, if any) for eligible Directors and employees of the Group.

On 6 October 2020, the Company received the approval letter from Bursa Securities for the above proposals subject to certain conditions.

On 27 October 2020, the Company obtained its shareholders' approval for the above proposals at an extraordinary general meeting.

The completion of Private Placement B and Rights Issue with Warrants B are disclosed in Note 15(b) and 15(c) to the financial statements.

(b) On 4 January 2021, subject to the terms and conditions of ESOS established on 4 January 2021, the Company announced and offered a total of 200,000,000 share options at the option price of RM0.0908 to eligible employees of the Group. No share options were granted subsequent to the offer date as there are no acceptances from the eligible employees.

(c) On 18 January 2021, subject to the terms and conditions of ESOS established on 4 January 2021, the Company announced and offered a total of 172,858,000 share options at the option price of RM0.0750 to eligible employees of the Group. No share options were granted subsequent to the offer date as there are no acceptances from the eligible employees.

(d) On 27 January 2021, subject to the terms and conditions of ESOS established on 4 January 2021, the Company announced and offered a total of 200,000,000 share options at the option price of RM0.0725 to eligible employees of the Group. No share options were granted subsequent to the offer date as there are no acceptances from the eligible employees.

(e) On 16 March 2021, subject to the terms and conditions of ESOS established on 4 January 2021, the Company announced and offered a total of 190,850,000 share options at the option price of RM0.0575 to eligible employees of the Group. No share options were granted subsequent to the offer date as there are no acceptances from the eligible employees.

35. Significant events during the financial year (cont'd)

In addition to those disclosed elsewhere in the financial statements, the Group has the following significant events during the financial year ended 30 June 2021: (cont'd)

(f) The World Health Organisation declared the Coronavirus ("COVID-19") outbreak as a pandemic on 11 March 2020. Following the declaration, the Malaysian Government has on 18 March 2020 imposed the movement control order ("MCO") and subsequently entered into various phases of the MCO to curb the spread of the COVID-19 pandemic in Malaysia.

The Group's operations have been disrupted by a series of precautionary and control measures taken by the government and private corporations in response to the emergency of the pandemic. The Group believes that the demand for personal protective equipment to curb the pandemic has boosted the demand for gloves coupled with the business challenges faced by the Group in the palm oil business, the Group has during the financial year venture into the trading of gloves business. Nevertheless, the management has assessed the overall impact and of the opinion that there were no other major adverse impacts arising from the pandemic for the financial year ended 30 June 2021.

At the date of the approval of financial statements, given the widespread nature of the outbreak and the unpredictability of future development of COVID-19, the Group is unable to reasonably estimate the potential financial impact of COVID-19 outbreak on the Group's 2022 financial statements reliably at this juncture. Nevertheless, The Group will continue to monitor the situation surrounding the pandemic and will be taking appropriate and timely measures to minimise the potential adverse impact arising from the pandemic on the Group's operations.

(g) On 14 June 2021, on behalf of the Directors, Mercury Securities has announced that the Company proposed to undertake a private placement of up to 351,932,000 new ordinary shares in the Company, representing 20% of the existing total number of issued shares ("Private Placement C").

The updates of the proposed Private Placement C is set out in Note 36(a) to the financial statements.

36. Subsequent events after the financial year

The following are significant events subsequent to the end of the financial year ended 30 June 2021:

(a) On 1 July 2021, the Company received the approval from Bursa Securities for the listing and quotation of up to 351,932,000 new ordinary shares to be issued pursuant to the proposed Private Placement C subject to certain conditions.

On 27 August 2021, the Company completed the Private Placement C following the listing and quotation for 351,932,000 new ordinary shares, on the ACE Market of Bursa Securities.

The Private Placement C has raised a gross proceeds of approximately RM8.13 million, at issue price of RM0.0231 each.

(b) On 27 August 2021, subject to the terms and conditions of ESOS established on 4 January 2021, the Company announced and offered a total of 116,500,000 share options at the option price of RM0.0275 to eligible employees of the Group. No share options were granted subsequent to the offer date as there are no acceptances from the eligible employees.

LIST OF PROPERTIES

The Group owns the following properties as at 30 June 2021:-

Location of Property	Description (Existing Use)	Land Area/ Built-up Area (Sq.Ft.)	Tenure	Age of Building	Net Book Value as at 30.06.2021 (RM'000)	Date of Revaluation/ Acquisition
Lot 742, 4th Mile, Jalan Kapar, 42100 Klang, Selangor Darul Ehsan. (HSM 43704, Lot No PT 71256, Batu 3 ½, Jalan Kapar, District of Klang, Selangor.)	Land	210,424 sq.ft. (19,549 m2)	Freehold	–	17,000	25.01.2018 (Date of Revaluation)
	(i) Factory and stores	38,750 sq.ft. (3,600 m2)	–	9 years	2,078	
	(ii) Factory, refinery, office and distillation plant	21,305 sq.ft. (1,970 m2)	–	12 years		

ANALYSIS OF SHAREHOLDINGS
as at 30 SEPTEMBER 2021

SHARE CAPITAL

Issued and Fully Paid-up Capital	:	2,111,592,400
Class of Shares	:	Ordinary shares
Voting Rights	:	One vote per ordinary share

SHAREHOLDING DISTRIBUTION SCHEDULE (BASED ON THE RECORD OF DEPOSITORS)

No. of Shareholders	Size of Shareholdings	No. of Shares Held	% of Shares
19	Less than 100	984	*
295	100 to 1,000	163,006	0.01
1,896	1,001 to 10,000	12,951,110	0.61
4,302	10,001 to 100,000	199,980,700	9.47
2,188	100,001 to less than 5% of issued shares	1,546,564,600	73.24
1	5% and above of the issued shares	351,932,000	16.67
8,701	**TOTAL**	**2,111,592,400**	**100.00**

* Less than 0.01%

LIST OF 30 LARGEST SECURITIES ACCOUNT HOLDERS (BASED ON THE RECORD OF DEPOSITORS) (WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNT BELONGING TO THE SAME REGISTERED HOLDER)

	Name of Shareholders	No. of Shares Held	Percentage (%)
1.	M & A Nominee (Tempatan) Sdn. Bhd. -Sanston Financial Group Limited for Focus Dynamics Centre Sdn. Bhd.	351,932,000	16.67
2.	Citigroup Nominees (Asing) Sdn. Bhd. -UBS AG for Maybank Kim Eng Securities Pte Ltd	66,995,100	3.17
3.	Cartaban Nominees (Asing) Sdn. Bhd. -Exempt An for Standard Chartered Bank Singapore (EFGBHK-ASING)	62,000,000	2.94
4.	CGS-CIMB Nominees (Asing) Sdn. Bhd. -Exempt An for CGS-CIMB Securities (Hong Kong) Limited (FOREIGN CLIENT)	46,050,000	2.18
5.	VM Team Engineering Sdn. Bhd.	35,005,700	1.66
6.	DB (Malaysia) Nominee (Asing) Sdn. Bhd. -Exempt An for Nomura PB Nominees Ltd	30,793,900	1.46
7.	Yap Swee Sang	30,000,000	1.42
8.	Public Nominees (Tempatan) Sdn. Bhd. -Pledged Securities Account for Tan Kong Han (SS2/PIV)	23,015,400	1.09
9.	Tan Kong Han	22,421,400	1.06
10.	HSBC Nominees (Asing) Sdn. Bhd. -Exempt An for Credit Suisse AG (DUB CLT N-TREAT)	19,017,700	0.90
11.	Cartaban Nominees (Asing) Sdn. Bhd. -Barclays Bank PLC (RE EQUITIES)	16,000,000	0.76
12.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. -Pledged Securities Account for Ng Geok Wah (B BRKLANG-CL)	15,000,000	0.71
13.	Public Nominees (Tempatan) Sdn. Bhd. -Pledged Securities Account for Ng Tee Yew (E-SRB)	14,000,000	0.66

ANALYSIS OF SHAREHOLDINGS
as at 30 SEPTEMBER 2021 (cont'd)

LIST OF 30 LARGEST SECURITIES ACCOUNT HOLDERS (BASED ON THE RECORD OF DEPOSITORS) (WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNT BELONGING TO THE SAME REGISTERED HOLDER) (CONT'D)

	Name of Shareholders	No. of Shares Held	Percentage (%)
14.	Hu Xin	12,500,000	0.59
15.	Kenanga Nominees (Tempatan) Sdn. Bhd. -Pledged Securities Account for Chan Chun Ket	11,700,000	0.55
16.	Yeoh Guan Fook	11,100,000	0.53
17.	Ho Heng Chuan	10,150,000	0.48
18.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. -Pledged Securities Account for Goh Tian Chuan (MQ0008)	9,600,000	0.45
19.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Tay Hock Soon (MY1055)	9,075,400	0.43
20.	Ng Wooi Ying	8,700,000	0.41
21.	AMSEC Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account - Ambank (M) Berhad for Lau Ngee Tack (SMART)	7,600,000	0.36
22.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. -Pledged Securities Account for Ng Wai Yuan (T CHERAS-CL)	7,207,800	0.34
23.	Lim Ah Eng	7,033,600	0.33
24.	Maybank Nominees (Tempatan) Sdn. Bhd. -Pledged Securities Account for Teo Ker-Wei	7,000,000	0.33
25.	Maybank Nominees (Tempatan) Sdn. Bhd. -Lee See Leong	6,900,000	0.33
26.	Public Nominees (Tempatan) Sdn. Bhd. -Pledged Securities Account for Lim Chung Toung (E-KKU)	6,300,000	0.30
27.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. -Pledged Securities Account for Lim Teck Huat	6,200,000	0.29
28.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. -Pledged Securities Account for Chou Sing Hoan	6,000,000	0.28
29.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. -Pledged Securities Account for Chow Yee Chin (KEBUN TEH-CL)	5,700,000	0.27
30.	Lim Poh Fong	5,337,500	0.25
	TOTAL	**870,335,500**	**41.22**

LIST OF SUBSTANTIAL SHAREHOLDERS (BASED ON THE REGISTER OF SUBSTANTIAL SHAREHOLDERS)

		NO. OF SHARES HELD			
	NAME OF SHAREHOLDERS	DIRECT	%	INDIRECT	%
1.	Focus Dynamics Centre Sdn. Bhd.	351,932,000	16.67	-	-
2.	Focus Dynamics Group Berhad	-	-	351,932,000	16.67

LIST OF DIRECTORS' SHAREHOLDINGS (BASED ON THE REGISTER OF DIRECTORS' SHAREHOLDINGS)

		NO. OF SHARES HELD			
	NAME OF SHAREHOLDERS	DIRECT	%	INDIRECT	%
1.	Dato' Nik Ismail bin Dato' Nik Yusoff	-	-	-	-
2.	Mak Siew Wei	50,452,950	2.39	-	-
3.	Roy Winston George	-	-	-	-
4.	Kang Teik Yih	-	-	-	-

ANALYSIS OF **WARRANT B HOLDINGS**
as at 30 SEPTEMBER 2021

SHARE CAPITAL

No. of Warrants	:	621,430,198
Exercise Price of Warrants	:	RM0.10
Exercise Period of Warrants	:	28 December 2020 to 27 December 2025
Voting Rights in the meeting of warrants holders	:	One vote per warrant holder on a show of hands

SHAREHOLDING DISTRIBUTION SCHEDULE

No. of Warrants B Holders	Size of Warrants B Holdings	No. of Warrants B Held	% of Warrants B
57	Less than 100	2,599	*
51	100 to 1,000	22,288	*
256	1,001 to 10,000	1,706,799	0.28
1,169	10,001 to 100,000	54,795,237	8.82
810	100,001 to less than 5% of warrants	564,903,275	90.90
-	5% and above of the warrants	-	-
2,343	**TOTAL**	**621,430,198**	**100.00**

* Less than 0.01%

LIST OF 30 LARGEST WARRANTS B ACCOUNT HOLDERS (BASED ON THE RECORD OF DEPOSITORS) (WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNT BELONGING TO THE SAME REGISTERED HOLDER)

	Name of Shareholders	No. of Shares Held	Percentage (%)
1.	Choo Kwang Wah	18,800,000	3.03
2.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Lim Teck Huat	17,315,550	2.79
3.	Public Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Tan Kong Han (SS2/PIV)	15,349,050	2.47
4.	Tan Kong Han	14,941,050	2.40
5.	Martin Pau Kin Loong	10,945,600	1.76
6.	Lim Kean Ghee	10,000,000	1.61
7.	W Mohd Sharif bin Wan Muda	9,500,000	1.53
8.	Public Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Ng Tee Yew (E-SRB)	8,250,000	1.33
9.	Md Nor bin Mansor	7,800,000	1.26
10.	Oh Gaik Im	7,175,300	1.15
11.	Lum Yin Mui	7,000,000	1.13
12.	Ng Wooi Ying	6,600,000	1.06
13.	Pak Liew Mei	6,500,000	1.05
14.	Gan Keng Meng	6,079,400	0.98

ANALYSIS OF WARRANT B HOLDINGS
as at 30 SEPTEMBER 2021 (cont'd)

LIST OF 30 LARGEST WARRANTS B ACCOUNT HOLDERS (BASED ON THE RECORD OF DEPOSITORS) (WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNT BELONGING TO THE SAME REGISTERED HOLDER) (CONT'D)

	Name of Shareholders	No. of Shares Held	Percentage (%)
15.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Krishna Kumar A/L Manikam (KR011 STS)	6,000,000	0.97
16.	Hu Xin	5,550,000	0.89
17.	Yeoh Guan Fook	5,550,000	0.89
18.	Lim Tuan Guan	5,000,000	0.80
19.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Goh Tian Chuan (MQ0008)	4,800,000	0.77
20.	Kenanga Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Chan Chun Ket	4,425,900	0.71
21.	Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Jalisam bin Hamzah	4,000,000	0.64
22.	Rajiv A/L M.Sammanthan	3,500,000	0.56
23.	Maybank Nominees (Tempatan) Sdn. Bhd. - Lee See Leong	3,450,000	0.56
24.	Inter-Pacific Equity Nominees (Asing) Sdn. Bhd. - Pledged Securities Account for Tok Boon Seong	3,150,000	0.51
25.	Chai Wee Kiong	3,000,000	0.48
26.	Lau Ching Fong	3,000,000	0.48
27.	Maybank Nominees (Tempatan) Sdn. Bhd. - Lee Aik Kuan	3,000,000	0.48
28.	Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Teo Ker-Wei	3,000,000	0.48
29.	See Kok Guan	3,000,000	0.48
30.	Voon Seng Keong	3,000,000	0.48
	TOTAL	**209,681,850**	**33.74**

LIST OF DIRECTORS' WARRANTS B HOLDINGS (BASED ON THE REGISTER OF DIRECTORS' WARRANTHOLDINGS)

		No. of Warrants B Holder Held			
	Name of Directors	DIRECT	%	INDIRECT	%
1.	Dato' Nik Ismail bin Dato' Nik Yusoff	-	-	-	-
2.	Mak Siew Wei	750,000	0.12	-	-
3.	Roy Winston George	-	-	-	-
4.	Kang Teik Yih	-	-	-	-

NOTICE OF **ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN THAT the Eighteenth ("**18th**") Annual General Meeting ("**AGM**") of **GREEN OCEAN CORPORATION BERHAD** ("**GREEN OCEAN**" or the "**COMPANY**") will be held on a virtual basis through live streaming and online remote participation and voting from the Broadcast Venue at Lot 18.2, 18th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on **Wednesday**, **24 November 2021** at **10.30 a.m.** or at any adjournment thereof for the purpose of considering and, if thought fit, passing the following business with or without any modifications:-

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements of the Company for the financial year ended 30 June 2021 and the Directors' and Auditors' Reports thereon. **(See Explanatory Note 10)**

2. To approve the payment of Directors' Fees of RM138,500.00 for the financial year ending 30 June 2022. **(Ordinary Resolution 1)**

3. To approve the payment of Directors' Fees up to RM144,000.00 for the financial year ending 30 June 2023. **(Ordinary Resolution 2)**

4. To approve the payment of Directors' Benefits amounting to RM14,000.00 for the financial year ending 30 June 2022. **(Ordinary Resolution 3)** **(See Explanatory Note 11)**

5. To approve the payment of Directors' Benefits amounting to RM14,000.00 for the financial year ending 30 June 2023. **(Ordinary Resolution 4)** **(See Explanatory Note 11)**

6. To re-elect Mr. Mak Siew Wei as Director who retires by rotation pursuant to Clause 134 of the Company's Constitution. **(Ordinary Resolution 5)**

7. To re-elect Mr. Kang Teik Yih as Director who retire pursuant to Clause 119 of the Company's Constitution. **(Ordinary Resolution 6)**

8. To re-appoint Messrs Ecovis Malaysia PLT as Auditors of the Company for the financial year ending 30 June 2022 and to authorise the Board of Directors to fix their remuneration. **(Ordinary Resolution 7)**

AS SPECIAL BUSINESS

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

9. **Authority to Issue and Allot Shares Pursuant to Sections 75 and 76 of the Companies Act 2016 ("CA 2016")** **(Ordinary Resolution 8)** **(See Explanatory Note 12)**

   "**THAT** pursuant to Sections 75 and 76 of the CA 2016 and subject to the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered to allot and issue shares of the Company from time to time and upon such terms and conditions and for such purposes as the Directors may deem fit provided always that the aggregate number of shares issued pursuant to this resolution does not exceed twenty percent (20%) of the total number of issued shares of the Company for the time being to be utilised until 31 December 2021 as empowered by Bursa Malaysia Securities Berhad (**"Bursa Securities"**) pursuant to Bursa Malaysia Berhad's letter dated 16 April 2020 to grant additional temporary relief measures to listed issuers and thereafter does not exceed ten percent (10%) of the total number of issued shares of the Company for the time of issuance and such authority under this resolution shall continue in force until the conclusion of the 19th AGM or when it is required by law to be held, whichever is earlier, **AND THAT** the Directors be and are empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities."

10. To transact any other business for which due notice shall have been given in accordance with the Company's Constitution and/or the CA 2016.

By Order of the Board
GREEN OCEAN CORPORATION BERHAD

WONG YUET CHYN
(MAICSA 7047163) (SSM PC 202008002451)
Company Secretary

Kuala Lumpur
Date: 29 October 2021

Notes:-

1. *A member of the Company entitled to attend and vote is entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote in his stead.*

2. *A member of the Company may appoint not more than two (2) proxies to attend the meeting, provided that the member specifies the proportion of the members shareholdings to be represented by each proxy, failing which, the appointments shall be invalid.*

3. *A proxy may but need not be a member and there shall be no restriction as to the qualification of the proxy.*

4. *Where a member is an Authorised nominee as defined under The Securities Industry (Central Depositories) Act 1991, it may appoint at least one proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account. Where a member 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**") there shall be 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 shall be in writing, and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, shall be deposited at the Registered Office of the Company situated at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, Wilayah Persekutuan (KL) or e-mail to ir.greenocean@shareworks.com.my or fax to 03-6201 3121 not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting at which the person named in such instrument proposes to vote, or, in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.*

6. *An instrument appointing a proxy shall in the case of an individual, be signed by the appointor or by his attorney duly authorised in writing and in the case of a corporation, be either under its common seal or signed by its attorney or in accordance with the provision of its constitution or by an officer duly authorised on behalf of the corporation.*

7. *In respect of deposited securities, only members whose names appear on the Record of Depositors on 17 November 2021, shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.*

8. *Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements ("**AMLR**") of Bursa Securities, all resolutions set out in this Notice will be put to vote by way of poll.*

9. *The members are encouraged to refer the Administrative Guide on registration and voting process for the meeting.*

Explanatory Note on Ordinary Business

10. ***Audited Financial Statements for financial year ended 30 June 2021***

    The Audited Financial Statements are laid in accordance with Section 340(1)(a) of the CA 2016 for discussion only under Agenda 1. They do not require shareholders' approval and hence, will not be put for voting.

11. ***Proposed Directors' Benefits***

    The proposed Ordinary Resolutions 3 and 4, if passed, will authorise and approve the payment of Directors' Benefits comprised of meeting allowances payable to the Non-Executive Directors, where applicable, for their attendance of Board and Committee Meetings during the financial year ending 30 June 2022 and 30 June 2023, pursuant to the requirements of Section 230 of CA 2016.

Explanatory Notes on Special Business

12. ***Authority to Issue and Allot Shares Pursuant to Sections 75 and 76 of the CA 2016***

The proposed Ordinary Resolution 8, is proposed for the purpose of renewing the general mandate for issuance of shares by the Company under Sections 75 and 76 of the CA 2016. The Ordinary Resolution 8, if passed, will give the Directors of the Company authority to issue and allot shares at any time to such persons in their absolute discretion without convening a general meeting provided that the aggregate number of the shares issued does not exceed 20% of the total number of issued shares of the Company for the time being to be utilised until 31 December 2021, after that, the 10% limit under Rule 6.04 of AMLR of Bursa Securities will be reinstated (hereinafter referred to as the ***"General Mandate"****).*

As part of the initiative from Bursa Securities to aid and facilitate listed issuers in sustaining their business or easing their compliance with Bursa Securities' rules, amid the unprecedented uncertainty surrounding the recovery of the COVID-19 outbreak and Movement Control Order imposed by the Government, Bursa Securities had vide Bursa Malaysia Berhad's letter dated 16 April 2020 allow a listed issuer to seek a higher general mandate under Rule 6.04 of AMLR of Bursa Securities of not more than 20% of the total number of issued shares (excluding treasury shares) for the general issue of new securities.

The General Mandate will provide flexibility to the Company to raise additional funds expeditiously and efficiently during this challenging time, to meet its funding requirements including but not limited to funding future investment project(s), working capital and/or acquisitions.

The Board, having considered the current and prospective financial position, needs and capacity of the Group, is of the opinion that the General Mandate is in the best interests of the Company and its shareholders.

Private Placement 2021

A private placement of 351,932,000 new Green Ocean's Shares at the issue price of RM0.0231 per placement share had been completed 27 August 2021, which raised a total of approximately RM8,129,629.20.

The utilisation of the proceeds from the above private placement is as follows:

Details of Utilisation	***Proposed Utilisation (RM'000)***	***Actual Utilisation (RM'000)***	***Balance Utilisation (RM'000)***	***Estimated time frame for the utilisation of proceeds***
Capital expenditure for the Gloves Business	*7,634*	*-*	*7,634*	*Within 36 months*
Estimated expenses for the corporate exercise	*495*	*(132)*	*363*	*Immediate*
Total	***8,129***	***(132)***	***7,997***	-

ADMINISTRATIVE GUIDE FOR THE EIGHTEENTH ANNUAL GENERAL MEETING

Date	Time	Broadcast Venue
24 November 2021 (Wednesday)	10.30 a.m.	Lot 18.2, 18th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan.

MODE OF MEETING

In view of the Covid-19 outbreak and as part of the safety measures, the AGM will be conducted entirely through live streaming from the Broadcast Venue.

The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which stipulates that the Chairman of the Meeting shall be at the main venue of the AGM. Shareholders of the Company ("**Shareholders**" or "**Members**") are **NOT REQUIRED** to be physically present **NOR ADMITTED** at the Broadcast Venue on the day of the AGM. Shareholders will have to register to participate in the AGM remotely by using the Remote Participation and Voting ("**RPV**") Facilities as per the details set out below.

RPV

The AGM will be conducted entirely through live streaming and online remote voting. Members are encouraged to participate in the AGM by using the RPV Facilities. With the RPV Facilities, you may exercise your rights as a shareholder to participate (including to pose questions to the Board of Directors of the Company ("**Board**")) and vote at the AGM.

Individual Members are strongly encouraged to take advantage of RPV Facilities to participate and vote remotely at the AGM.

If an Individual Member is unable to attend the AGM, he/she is encouraged to appoint proxy(ies) or the Chairman of the Meeting on his/her behalf and indicate the voting instructions in the Form of Proxy in accordance with the notes and instructions printed therein.

Corporate Members (through Corporate Representatives or appointed proxy(ies)) are also strongly advised to participate and vote remotely at the AGM using the RPV Facilities. Corporate Members, who wish to participate and vote remotely at the AGM, shall contact the Poll Administrator, ShareWorks Sdn. Bhd., according to the details set out below and you are required to provide the following documents to the Company not later than **10.30 a.m., 22 November 2021**:

i. Certificate of Appointment of Corporate Representative or Form of Proxy under the Seal of the Corporation;
ii. Copy of the Corporate Representative's or Proxy(ies) MyKad (front and back) / Passport; and
iii. Corporate Representative's or Proxy(ies) email address and mobile phone number.

Upon receipt of such documents, ShareWorks Sdn. Bhd. will respond to your remote participation request.

If a Corporate Member (through Corporate Representative(s) or appointed Proxy(ies)) is unable to attend the AGM, the Corporate Member is encouraged to appoint the Chairman of the Meeting as its proxy and indicate the voting instructions in the Form of Proxy in accordance with the notes and instructions printed therein.

ADMINISTRATIVE GUIDE **FOR THE EIGHTEENTH ANNUAL GENERAL MEETING** (cont'd)

In respect of **Members** who is **Authorised Nominee** and **Exempt Authorised Nominee** ("**Nominee Company**"), the beneficial owners of the shares under a Nominee Company's CDS account are also strongly advised to participate and vote remotely at the AGM using RPV Facilities. Beneficial owners who wish to participate and vote remotely at the AGM can request its Nominee Company to appoint him/her as a proxy to participate and vote remotely at the AGM. A Nominee Company shall contact the Poll Administrator, ShareWorks Sdn. Bhd., according to the details set out below and are required to provide the following documents to the Company not later than **10.30 a.m., 22 November 2021**:

i. Form of Proxy under the Seal of the Nominee Company;
ii. Copy of the Proxy's MyKad (front and back) / Passport; and
iii. Proxy's email address and mobile phone number.

Upon receipt of such documents, ShareWorks Sdn. Bhd. will respond to your remote participation request.

If a beneficial owner is unable to participate in the AGM, it is encouraged to request its Nominee Company to appoint the Chairman of the Meeting as its proxy and indicate the voting instructions in the Form of Proxy in accordance with the notes and instructions printed therein.

The procedures for the RPV Facilities in respect of the live streaming and remote voting at the AGM are as follows:

Procedures		**Action**
Before AGM		
1.	Register as participant for the AGM	• Using your computer, access the registration website at https://rebrand.ly/GreenOceanAGM • If you are using mobile devices, you can also scan the QR provided on the left to access the registration page. Click "**Register**" and enter your email followed by "**Next**" to fill in your details to register for the AGM session. • Upon submission of your registration, you will receive an email notifying you that your registration has been received and is pending verification. • The event is powered by Cisco Webex. You are recommended to download and install Cisco Webex Meetings (available for PC, Mac, Android and iOS). Please refer to the tutorial guide posted on the same page for assistance.
2.	Submit your online registration	• Shareholders who wish to participate and vote remotely at the AGM via RPV Facilities are required to register prior to the meeting. The registration will open from **5.00 p.m.** on **29 October 2021** and close at **10.30 a.m.** on **22 November 2021**. • Clicking on the link mentioned in item 1 will redirect you to the AGM event page. Click on the **Register** link for the online registration form. • Complete your particulars in the registration page. Your name **MUST** match with your CDS account name (not applicable for proxy). • Insert your CDS account number(s) and indicate the number of shares you hold. • Read and agree to the Terms & Conditions and confirm the Declarations. • Please ensure all information given is accurate before you click **Submit** to register your remote participation. Failure to do so will result in your registration being rejected. • System will send an email to notify that your registration for remote participation is received and will be verified. • After verification of your registration against the General Meeting Record of Depositors of the Company as at **17 November 2021**, the system will send you an email to notify you if your registration is approved or rejected after **18 November 2021**. • If your registration is rejected, you can contact the Company's Poll Administrator for clarification or to appeal.

ADMINISTRATIVE GUIDE FOR THE EIGHTEENTH ANNUAL GENERAL MEETING (cont'd)

Procedures		Action
On the day of AGM		
3.	Attending Virtual AGM	• Two reminder emails will be sent to your mailbox. The first email will be sent on a day before the date of the AGM, while the second mail will be sent an hour before the AGM session. • Click Join Event in the reminder email to participate the AGM.
4.	Participate through Live Streaming	• You will be given a short brief about the system. • Your microphone is muted throughout the whole session. • If you have question(s) for the Chairman/Board, you may use the **Q&A panel** to send your question(s). The Chairman/Board will try to respond to relevant questions if time permits. All relevant questions will be collected throughout the session and replied later through your registered email. • The session will be recorded. • Take note that the quality of the live streaming is dependent on the bandwidth and stability of the internet connection at your location.
5.	Online remote voting	• The Chairman will announce the commencement of the voting session and the duration allowed at the respective AGM. • The list of resolutions for voting will appear at the right-hand side of your computer screen. You are required to indicate your votes for the resolutions within the given stipulated time frame. Click on the **Submit** button when you have completed. • Votes cannot be changed once it is submitted.
6.	End of Remote Participation	Upon the announcement by the Chairman on the closure of the AGM, the live session will end.

APPOINTMENT OF PROXY

Shareholders who appoint proxy(ies) to participate via RPV Facilities in the AGM shall deposit the completed duly executed Forms of Proxy at the Registered Office of the Company at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, Wilayah Persekutuan (KL) or fax to 03-6201 3121 or by email to ir.greenocean@shareworks.com.my, not later than **10.30 a.m., Monday**, **22 November 2021**.

Please note that if an Individual Member who has submitted his/her Form of Proxy prior to the AGM and subsequently decides to personally participate in the AGM via RPV Facilities, the Individual Member shall proceed to contact ShareWorks Sdn. Bhd. using the contact details set out below to revoke the appointment of his/ her proxy(ies) not later than **10.30 a.m., Monday, 22 November 2021**.

POLL VOTING

The voting at the AGM will be conducted entirely by poll in accordance with Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company has appointed ShareWorks Sdn. Bhd. as Poll Administrator to conduct the poll by way of electronic means and SharePolls Sdn Bhd as Scrutineers to verify the poll results.

The Scrutineers will verify and announce the poll results and the Chairman will declare whether the resolution is duly passed or otherwise.

NO RECORDING OR PHOTOGRAPHY

Strictly **NO recording or photography** of the proceedings of the AGM is allowed.

ADMINISTRATIVE GUIDE **FOR THE EIGHTEENTH ANNUAL GENERAL MEETING** (cont'd)

NO BREAKFAST/LUNCH PACKS, DOOR GIFTS OR FOOD VOUCHERS

There will be **NO** distribution of breakfast / lunch packs, door gifts or food vouchers to the Shareholder or Proxy(ies) who participate in the AGM.

ENQUIRY

If you have any enquiry prior to the meeting, please contact the following officers during office hours (from 9.00 a.m. to 5.30 p.m. on Mondays to Fridays (except public holidays) at:

For registration, logging in and system related:

Mlabs Research Sdn. Bhd.

Name	:	Mr. Bryan/ Mr. Hong / Ms. Eris
Telephone	:	03-7688 1013
Email	:	vgm@mlabs.com

For Proxy and other matters:

ShareWorks Sdn. Bhd.

Name	:	Mr. Vemalan a/l Naraynan or Mr. Kou Si Qiang or Madam Maria Fong
Telephone	:	03-6201 1120
Email	:	ir@shareworks.com.my

PROXY FORM

GREEN OCEAN
CORPORATION BERHAD
Registration No. 200301029847 (632267-P)
(Incorporated in Malaysia)

CDS Account No.				-				-									
No. of Shares Held																	

I/We..
(FULL NAME IN BLOCK LETTERS)

(NRIC No./Passport No./Company Registration No...)

of..
(FULL ADDRESS)

being a member/members of **GREEN OCEAN CORPORATION BERHAD ("Company")**, hereby appoint

Name of Proxy	NRIC No./Passport No.	% of Shareholding to be Represented
Address		
Email Address	**Contact No.**	

and/or failing him/her

Name of Proxy	NRIC No./Passport No.	% of Shareholding to be Represented
Address		
Email Address	**Contact No.**	

or failing him/her, the **CHAIRMAN OF THE MEETING** as my/our proxy to vote for me/us on my/our behalf at the 18th Annual General Meeting ("**18th AGM**") of the Company Company will be held on a virtual basis through live streaming and online remote participation and voting from the Broadcast Venue at Lot 18.2, 18th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on **Wednesday, 24 November 2021** at **10.30 a.m.** or at any adjournment thereof.

ORDINARY RESOLUTIONS		FOR	AGAINST
1.	Payment of Directors' Fees for the financial year ending 30 June 2022		
2.	Payment of Directors' Fees for the financial year ending 30 June 2023		
3.	Payment of Directors' Benefits for the financial year ending 30 June 2022		
4.	Payment of Directors' Benefits for the financial year ending 30 June 2023		
5.	Re-election of Mr. Mak Siew Wei		
6.	Re-election of Mr. Kang Teik Yih		
7.	Re-appointment of Auditors		
8.	Authority to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016		

(Please indicate with an "X" in the space provided on how you wish to cast your vote. If you do not do so, the proxy will vote or abstain from voting at his discretion.)

Dated this ………… day of ………………………… 2021.

……………………………………………
Signature(s) of member(s)

Notes:-

1. *A member of the Company entitled to attend and vote is entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote in his stead.*
2. *A member of the Company may appoint not more than two (2) proxies to attend the meeting, provided that the member specifies the proportion of the members shareholdings to be represented by each proxy, failing which, the appointments shall be invalid.*
3. *A proxy may but need not be a member and there shall be no restriction as to the qualification of the proxy.*
4. *Where a member is an Authorised nominee as defined under The Securities Industry (Central Depositories) Act 1991, it may appoint at least one proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account. Where a member 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**") there shall be 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 shall be in writing, and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, shall be deposited at the Registered Office of the Company situated at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, Wilayah Persekutuan (KL) or e-mail to ir.greenocean@shareworks.com.my or fax to 03-6201 3121 not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting at which the person named in such instrument proposes to vote, or, in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.*
6. *An instrument appointing a proxy shall in the case of an individual, be signed by the appointor or by his attorney duly authorised in writing and in the case of a corporation, be either under its common seal or signed by its attorney or in accordance with the provision of its constitution or by an officer duly authorised on behalf of the corporation.*
7. *In respect of deposited securities, only members whose names appear on the Record of Depositors on 17 November 2021, shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.*
8. *Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice will be put to vote by way of poll.*
9. *The members are encouraged to refer the Administrative Guide on registration and voting process for the meeting.*

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Affix Stamp

The Company Secretary
Green Ocean Corporation Berhad
Registration No. 200301029847 (632267-P)
No. 2-1, Jalan Sri Hartamas 8
Sri Hartamas, 50480 Kuala Lumpur
Wilayah Persekutuan (KL)

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Fax : +603 3290 4388
Email : info@greenoceancorp.com

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