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

ANNUAL REPORT 2022

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CORPORATE **INFORMATION**

BOARD OF DIRECTORS

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

Tay Ben Seng, Benson
Executive Director

Datuk Chong Loong Men
Executive Director
(Appointed on 21 October 2022)

Teh Beng Choon
Executive Director
(Appointed on 21 October 2022)

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

A3-3-8, Solaris Dutamas
No. 1, Jalan Dutamas 1
50480 Kuala Lumpur
W.P. Kuala Lumpur
Tel: (603) 6413 3271
Fax: (603) 6413 3270

CORPORATE OFFICE

Lot 742, 4th Mile Jalan Kapar
42100 Klang
Selangor Darul Ehsan
Tel: (603) 3291 2224 / 3291 2225
Fax: (603) 7612 6537
Email: info@greenoceancorp.com
Website: www.greenoceancorp.com

SHARE REGISTRAR

Workshire Share Registration Sdn Bhd
A3-3-8, Solaris Dutamas
No. 1, Jalan Dutamas 1
50480 Kuala Lumpur, W.P. Kuala Lumpur
Tel: (603) 6413 3271
Fax: (603) 6413 3270

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

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

100%
Ace Distributions Sdn. Bhd.
Reg. No. 202201000029
(1445726-W)

Trading, retails and distribution in all kind of food & beverages

FINANCIAL **HIGHLIGHTS**

Period Ended/Financial Year	30.6.2022 (12 months)	30.6.2021 (12 months)	30.6.2020 (15 months) *	31.3.2019 (12 months)	31.3.2018 (12 months)
Key Operating Results (RM'000)					
Revenue	7,607	36,278	222,844	361,477	154,672
Revenue growth	-79.03%	-83.72%	-38.35%	133.70%	-23.00%
Gross (loss)/profit	(250)	206	(6,582)	5,588	(4,633)
Gross (loss)/profit margin	-3.29%	0.57%	-2.95%	1.55%	-3.00%
(Loss)/Profit before interest and tax	(20,819)	(12,074)	(10,126)	3,201	(7,140)
Interest expense	(22)	(398)	(1,300)	(1,272)	(371)
(Loss)/Profit before tax	(20,841)	(12,472)	(11,426)	1,929	(7,511)
(Loss)/Profit for the year/period attributable to owners of the Company	(20,842)	(12,481)	(11,430)	1,925	(7,511)
Other Key Data (RM'000)					
Total assets	118,949	133,477	37,468	56,620	37,855
Total liabilities	1,300	2,978	26,905	34,627	17,788
Equity attributable to owners of the Company	117,649	130,499	10,563	21,993	20,067
Share Information					
Basic (loss)/earnings per share (sen)	(1.01)	(1.36)	(3.95)	0.66	(2.75)
Net asset per share attributable to owners of the Company (sen)	5.57	7.42	3.65	7.59	6.93
Market capitalisation (RM'000)	31,674	61,588	34,765	33,317	40,560
Financial Ratios					
Gross (loss)/profit margin (%)	-3.29%	0.57%	-2.95%	1.55%	-3.00%
Curent ratio	311.42	54.32	0.71	1.09	1.06
Quick ratio	308.86	54.28	0.58	0.70	0.46
Debt to equity ratio (%)	0.40%	0.26%	206.20%	125.70%	76.70%
Net debt to equity ratio (%)	N/A	N/A	173.98%	114.36%	64.22%

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

MANAGEMENT DISCUSSION AND ANALYSIS OF BUSINESS OPERATIONS AND FINANCIAL PERFORMANCE

OVERVIEW OF THE GROUP'S BUSINESS AND OPERATIONS

Green Ocean Corporation Berhad **("Green Ocean" / "the Company")** is a public limited liability company incorporated and based in Malaysia that has been listed on ACE Market of Bursa Malaysia Securities Berhad ("**Bursa Securities**") since year 2005.

Green Ocean is an investment holding company with the subsidiaries (collectively known as "**the Group**") principally involved in palm kernel crushing, refining of palm oil and palm kernel oil as well as trading of refined palm oil products, gloves manufacturing and trading as well as trading of biomass and alternative material, energy and fuels.

Historically, the Group is 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. 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 Board decided to cease its production of CPKO in August 2019 and was subsequently focusing on the trading and supply of refined palm oil products.

The outbreak of Coronavirus Disease 2019 ("**COVID-19**") pandemic has unfortunately disrupted the growth momentum of the Group in palm oil products business segment. In view of the business challenges faced by the Group in the palm oil products business segment, the Group has ventured into the manufacturing and trading of gloves business via its subsidiary namely G Rubber Sdn. Bhd during financial year end 30 June ("**FYE**") 2021. The Group believes that the demand for personal protective equipment to curb the pandemic has boosted the demand for gloves. By venturing into the glove business, this enables the Group to make the most out of the opportunities created by the COVID-19 pandemic.

The Group continues to undertake initiatives to improve its financial condition. On 3 January 2022, the Group had incorporated a new wholly owned subsidiary namely, Ace Distributions Sdn. Bhd. ("**ADSB**") with an issued share capital of 100 ordinary share at RM1 per share. The intended principal activities of ADSB are to carry out trading, retailers and distribution in all kind of food and beverages.

YEAR-ON-YEAR FINANCIAL REVIEW

	Audited FYE 2022 RM'000	**Audited FYE 2021 RM'000**	**Variance RM'000**	**Variance %**
Our financial performance				
Revenue	7,607	36,278	(28,671)	(79.0)
Gross (loss)/profit ("**GL/GP**")	(250)	206	(456)	(221.4)
Loss before tax ("**LBT**")	(20,841)	(12,472)	(8,369)	67.1
Loss after tax ("**LAT**")	(20,842)	(12,481)	(8,361)	67.0
GL/GP margin (%)	-3.3	0.6	(3.9) bp	(650.0)
LBT margin (%)	-274.0	-34.4	(239.6) bp	696.5
LAT margin (%)	-274.0	-34.4	(239.6) bp	696.5

MANAGEMENT DISCUSSION AND ANALYSIS OF BUSINESS OPERATIONS AND FINANCIAL PERFORMANCE (cont'd)

Revenue

Revenue by segment	Audited FYE 2022 RM'000	Audited FYE 2021 RM'000	Variance RM'000	%
Production and trading of palm kernel oil and palm kernel expeller	-	13,202	(13,202)	(100.0)
Trading of refined, bleached and deodorized olein	-	21,122	(21,122)	(100.0)
Trading of biomass material	-	9	(9)	(100.0)
Trading of gloves	6,509	1,945	4,564	234.7
Trading of food and beverages	1,098	-	1,098	100.0
	7,607	36,278	(28,671)	(79.0)

The Group's revenue for the FYE 2022 recorded at RM7.61 million, representing a contraction of RM28.67 million or approximately 79.0%, compared to FYE 2021 of RM36.28 million.

The decrease in revenue was largely resulted from the absence in trading of palm oil products amounted to RM34.33 million. This move is consistent with the Group's long term strategy to limit the trading activities related to palm oil products in order to reduce the Group's exposure arising from the uncertainty of COVID-19 pandemic.

Nonetheless, in view of the business challenges faced by the Group in the palm oil products business segment, the Group has obtained shareholders' approval in October 2020 to diversify into glove business. During FYE 2022, the glove business forms the lion share of the Group's total revenue, which was at 85.6% (FYE 2021: 5.4%) of the total revenue as the Group reported tremendous year-on-year ("**YoY**") increase of 234.7% in revenue from glove business.

The Group had incorporated a new wholly owned subsidiary namely, ADSB to venture into food and beverages business on 3 January 2022. Hence this business segment has recorded total revenue of RM1.1 million, which made up of 14.4% of total revenue in FYE 2022.

Gross loss

The Group recorded a GL of RM0.25 million, representing a contraction of RM0.46 million or 221.4% compared to FYE 2021 GP of RM0.21 million. This was mainly due to the downward trend in selling price of gloves.

Loss before tax

The Group reported LBT of RM20.84 million in FYE 2022, which was higher than RM12.47 million LBT in FYE 2021 by RM8.37 million. This was mainly due to higher LBT reported in palm oil business segment as a result of the loss from disposal of quoted investment of RM7.36 million and mark-to-market loss on investment in quoted investment of RM10.58 million.

MANAGEMENT DISCUSSION AND ANALYSIS
OF BUSINESS OPERATIONS AND FINANCIAL PERFORMANCE (cont'd)

Loss after tax

Consistent with the above analysed LBT, the Group recorded a LAT of RM20.84 million in FYE 2022 which was higher than the LBT of RM12.48 million in FYE 2021 by RM8.36 million.

	Audited 30 June 2022 RM'000	Audited 30 June 201 RM'000	Variance RM'000	%
Our financial position				
Non-current assets	20,229	20,817	(588)	(2.8)
Current assets	98,720	112,660	(13,940)	(12.4)
Non-current liabilities	983	904	79	8.7
Current liabilities	317	2,074	(1,757)	(84.7)
Equity attributable to owners of the Company	117,649	130,499	(12,850)	(9.8)

Assets

Non-current assets comprised mainly property, plant and equipment as well as right-of-use assets. The non-current assets reported a reduction from RM20.82 million as at 30 June 2021 to RM20.23 million as at 30 June 2022, which was mainly due to the depreciation charges for the current year.

Current assets decreased from RM112.66 million as at 30 June 2021 to RM98.72 million as at 30 June 2022, which was mainly contributed by the reduction in cash and bank balances of RM22.73 million. During the current financial year, the Group had invested in quoted investment with net investment of RM38.22 million. Nevertheless, this investment in quoted shares was reported at RM20.28 million as at 30 June 2022 with a reduction of RM17.94 million from net investment of RM38.22 million. The reduction was due to mark-to-market loss of RM10.58 million as well as loss on disposal of RM7.36 million.

Liabilities

Non-current liabilities comprise deferred tax liabilities and lease liabilities, which stood at RM0.98 million as at 30 June 2022, which was slightly higher than RM0.90 million reported as at 30 June 2021.

Current liabilities comprise mainly other payables and accruals, which decreased by RM1.76 million or 84.7% YoY to RM0.32 million as at 30 June 2022 (30 June 2021: RM2.07 million). The said decrease was largely due to the decrease in trade payables by RM1.90 million, which was in tandem with the decrease in cost of sales.

Liquidity, capital resources and gearing

As at 30 June 2022, cash and cash equivalents decreased by RM22.73 million or 87.2% compared to RM26.06 million as at 30 June 2021.

Net cash used in operating activities recorded at RM12.29 million in FYE 2022 which was partly due to loss from operation as abovementioned as well as increase in receivables of RM7.08 million due to prepayments paid to the supplier to purchase gloves.

On the other hand, net cash used in investing activities reported a reduction from RM62.12 million in FYE 2021 to RM18.36 million in FYE 2022 which mainly due to the reduction in investment in money market funds in FYE 2022.

MANAGEMENT DISCUSSION AND ANALYSIS OF BUSINESS OPERATIONS AND FINANCIAL PERFORMANCE (cont'd)

Net cash generated from financing activities reported at RM7.92 million in FYE 2022 as compared to RM111.49 million in FYE 2021, which mainly contributed by proceeds from rights issue, private placements and Employee Share Options Scheme (ESOS) exercise in FYE 2021.

The Group has no borrowings as at 30 June 2022. Our business operations are financed by a combination of internal and external sources of funds. Internal sources of funds comprise mainly shareholders' equity and cash generated from our operations, while external source of funds comprises corporate exercise and credit terms granted by our suppliers. Credit terms granted to us by our suppliers are 30 days (2021: range from 7 to 90 days).

The management believes that after taking into account our cash and bank balances as well as the funds envisaged to be generated from our business operations, we will have adequate working capital to meet our present and foreseeable day-to-day business operation requirements.

REVIEW OF OPERATING ACTIVITIES

Corporate Developments

On 3 January 2022, the Group had incorporated a new wholly owned subsidiary namely, ADSB with an issued share capital of 100 ordinary share at RM1 per share. The intended principal activities of ADSB are to carry out trading, retailers and distribution in all kind of food and beverages.

Corporate Exercise

The Company had on 1 July 2021 received approval from Bursa Securities on the proposal to undertake a private placement of up to 351,932,000 new ordinary shares in Company, representing 20% of the existing total number of issued shares of the Company to independent third party investor(s).

On 27 August 2021, the Company completed the private placement exercise 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 raised cash proceeds of RM8.13 million and the summary of the utilisation of proceeds up to the date are as follows: -

Purpose	Proposed utilisation RM'000	Amount utilised RM'000	Reallocation RM'000	Balance unutilised RM'000	Estimated time frame for the utilisation of proceeds
Capital expenditure for the gloves business	7,634	-	357	7,991	Within 36 months
Estimated expenses for the corporate exercise	495	(138)	(357)	-	Immediate
Total	**8,129**	**(138)**	**-**	**7,991**	

RISK PROFILES

Amid the backdrops of the COVID-19 pandemic**,** we highlight below the key anticipated or known risks that our Group is exposed to that may have a material effect on our operations, performance, financial condition and liquidity. Our plans and strategies to mitigate these risks, if any, have also been disclosed below:-

a) Business risks

Our Group is principally involved in the production and trading of palm oil products, trading of gloves as well as foods and beverages.

Hence, we are susceptible to the risks inherent to our industries. These include, amongst others, any outbreaks of diseases affecting local and global markets, rising costs of labour and raw materials, availability of skilled personnel, changes in laws and regulations applicable to our business, business and credit conditions as well as fluctuations in foreign exchange rates. There can be no assurance that any material changes to these factors will not have a material adverse effect on the business operations of our Group.

Nevertheless, our Group has been taking effective measures to mitigate the aforementioned risks such as prudent financial management and efficient operating procedures. Further, we constantly keep abreast of economic and regulatory changes relating to our business.

b) Operational risks

Due to the nature of our Group's operations, interruptions in our Group's operating capabilities through disruption in electricity supply or other disruptions to our business operations due to any outbreaks of diseases including pandemics may have an adverse effect on our Group's business and financial performance.

In 2022, we continued to implement strict safety measures and Standard Operating Procedures ("**SOPs**") to ensure that everyone could return to work safely. We encouraged staff to be vaccinated and as of 30 June 2022, 100% of our employees are fully vaccinated and we are in the process of ensuring all our employees complete their booster doses. We also have been providing self-test kits to our employees as we continue to be vigilant and encourage adherence to SOPs, while providing a safe workplace for our employees.

To avoid major breakdowns and disruptions to our operations, electricity supply and relevant equipment are constantly monitored and our operation machinery undergoes scheduled maintenance.

c) Credit risks

The COVID-19 pandemic has affected our Group's business as we are exposed to credit risk due to slowdown in the collection of payments.

The Group evaluated the likelihood of the severity and impact of COVID-19 pandemic and concluded that the COVID-19 pandemic would not significantly affect the expected credit loss of financial assets.

d) Competition risks

The Group's revenue and profitability are exposed to the risk of uncertainty arising from global and local economic conditions affected by the COVID-19 pandemic. Furthermore, we continue to face competition from existing and new competitors who may be capable of offering similar services and products. Whilst we strive to remain competitive, there can be no assurance that any changes in the competitive environment would not have any material and adverse impact on our business and financial performance.

Nevertheless, our Group strives to maintain our competitive edge by ensuring the quality of our products through stringent quality assurance procedures. We also continuously place importance on improving our products by investing in market research and product analysis activities.

MANAGEMENT DISCUSSION AND ANALYSIS OF BUSINESS OPERATIONS AND FINANCIAL PERFORMANCE (cont'd)

FORWARD-LOOKING STATEMENT

Malaysia's economy has been on a strong recovery path since the opening of borders in April 2022. It is projected that the recovery will extend into the second half of 2022, though at a slower pace tempered by global headwinds. The economic recovery was tempered by the conflict in Ukraine, intermittent coronavirus containment measures in the People's Republic of China and widespread inflationary pressures affecting many countries. These events have caused further strain on global supply chains which have in turn led to higher commodity and raw material prices.

Glove Landscape

The glove sector is faced with a higher operating costs due to rising inflationary pressure resulting from the higher electricity and natural gas tariffs, coupled with the new minimum wage policy in Malaysia which came into effect on 1 May 2022. In addition, the sector is also experiencing escalating market competition exacerbated by the continued oversupply situation in the global glove industry.

As the industry weathers an adjustment period, contending with the factors of oversupply coupled with excess stockpiling by customers during the pandemic, this has led to a slowdown in order placement and hence the average selling price have been on a downward trend since mid-2021 and is expected to decline further, following a mass rollout of vaccination programmes in major glove consuming countries, as the better vaccination coverage has greatly alleviated buyers' urgency to stock up on gloves. In the near term, the business environment is expected to remain challenging, as customers continue to deplete pipeline inventories and glove demand and supply gradually equilibrates.

Nonetheless, once customers' stockpiles are depleted and glove restocking resumes, the market will stabilise and be better positioned to absorb the additional supply. The Group foresees the demand of the gloves will slowly resume in the coming year. The glove sector is expected to see a structural step-up in demand in the longer term with increased glove usage as general protection against viruses and other diseases due to higher awareness of hygiene and health consciousness. Disposal gloves remain an essential item in the medical sector with no viable replacement and the demand is recurring in nature. Hence once the demand and supply mechanism strikes a balance, the glove demand is expected to resume its 10% growth per annum as projected by the Malaysian Rubber Glove Manufacturers Association (MARGMA).

To ensure business sustainability and adaptability amidst the more challenging business landscape, the Group will continue to emphasize cost rationalisation and operational efficiency across our operations.

Food and Beverages Landscape

The food and beverage industry, especially that part of the section covering restaurants and hospitality, has been hard hit by COVID-19 through forced closures and other resrictions. The Group is anticipating a rebound in the food and beverages industry amidst the reopening of boarders and ease of restrictions. In anticipation of the picking up momentum, as mentioned above, on 3 January 2022, the Group had incorporated a new wholly-owned subsidiary namely, ADSB to venture into food and beverages business, and is expected contribute to the future earnings of the Group as well as improve the Group's financial performance in the coming years.

DIVIDENDS

The Group's ongoing initiatives to build a more resilient business operations will bear fruit in the longer term. Hence, it is instrumental for the Group to conserve fund for future expenditures as well as to maintain a strong buffer against any potential shocks, considering the increasing market challenges and economic slowdown. Henceforth, after due consideration, the Board has decided not to recommend the payment of any dividend for FYE 2022.

The Board also wishes to reiterate that the payment of dividends would be resumed at the earliest possible opportunity, once the Board deems the Group to be in a comfortable position to distribute dividends.

PROFILE OF **THE DIRECTORS**

DATO' NIK ISMAIL BIN DATO' NIK YUSOFF

Independent Non-Executive Chairman, Malaysian, aged 76, Male

Dato' Nik Ismail bin Dato' Nik Yusoff ("Dato' Nik Ismail") was appointed as Independent Non-Executive Chairman on 7 August 2020. Dato' Nik Ismail 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. Dato' Nik Ismail 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). Dato' Nik Ismail 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. Dato' Nik Ismail is also an Independent Non-Executive Director at Pasukhas Group Berhad.

Dato' Nik Ismail does not hold any shares in the Company. Dato' Nik Ismail 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. Dato' Nik Ismail does not have any conflict of interest in any business arrangement involving the Company.

TAY BEN SENG, BENSON

Executive Director, Malaysian, aged 38, Male

Mr. Tay Ben Seng, Benson ("Mr. Benson") was appointed to the Board as Executive Director on 6 December 2021.

Mr. Benson holds a bachelor of Commerce Degree with a double major in Marketing and Management in Curtin University Technology, Perth.

Mr. Benson appointed as a Director of Marquee International Sdn. Bhd., a wholly owned subsidiary of Focus Dynamics Group Berhad ("Focus") in 2012. Mr. Benson spearheaded the expansion of Focus and has been instrumental in conceiving and driving the success of the distinctive lifestyle F&B brands of the group. Mr. Benson was then subsequently appointed as the Executive Director of Focus in 2017, in which Mr. Benson is at present, extensively involved in developing the business further in the e-commerce, robotics, healthcare and technology space. Prior to joining Focus, Mr. Benson has had vast experiences in numerous fields ranging from event management to F&B operations and conceptualising new start-ups.

Mr. Benson currently also sits as the Executive Director of Saudee Group Berhad and Oversea Enterprise Berhad respectively.

Mr. Benson 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. Mr. Benson does not have any conflict of interest in any business arrangement involving the Company.

PROFILE OF THE DIRECTORS
(cont'd)

DATUK CHONG LOONG MEN

Executive Director,
Malaysian, aged 43, Male

Datuk Chong Loong Men ("Datuk Chong") was appointed to the Board as Executive Director on 21 October 2022.

Datuk Chong holds a Certificate of Legal Practice, Bachelor of Laws Degree in University of London and Diploma in Quantity Surveying, Institut Teknologi Pertama.

Datuk Chong started his career with the Attorney General's Chambers as a Deputy Public Prosecutor before joining the Enforcement Division of the Securities Commission Malaysia in 2007. Datuk Chong started his private practice as a lawyer in 2011 with Messrs Lim, Chong, Phang & Amy, Advocates & Solicitors, a legal firm that he co-found. Datuk Chong became a partner of Messrs Chong + Kheng Hoe in 2020 until he commenced sabbatical leave since 30 July 2022.

Datuk Chong currently also sits as the Executive Director of LKL International Berhad, Vizione Holdings Berhad, Parlo Berhad and Bioalpha Holdings berhad respectively.

Datuk Chong 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. Datuk Chong does not have any conflict of interest in any business arrangement involving the Company.

TEH BENG CHOON

Executive Director,
Malaysian, aged 39, Male

Mr. Teh Beng Choon ("Mr. Teh") was appointed to the Board as Executive Director on 21 October 2022.

Mr. Teh holds Postgraduate Diploma in Power and Control Engineering from Liverpool John Moores University, United Kingdom.

Mr. Teh began his career as a Production Engineer in 2009 with one of the pioneers in equipment supply and turnkey service provider in the dipped latex field.

In his 12-year stint in the organisation, Mr. Teh gained recognition by being promoted and playing key roles in the company, such as System & Product Development Manager and Project Manager. Mr. Teh led the technical division for projects and had been a consistent major contributor to the group's revenue. Mr. Teh left the company as the Business Unit Manager.

Being in the same industry for years and have been involved in major projects in the rubber glove, condom and balloon industry worldwide, Mr. Teh is sound in process instrumentation, electrical control system design and 3D modelling. Mr. Teh leverages on his past experience and is currently managing multiple projects from local and abroad mainly in automation and turnkey project service for rubber glove manufacturing field.

Mr. Teh 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. Mr. Teh 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 57, Male

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

Mr. Roy George is a Member of the Malaysian Institute of Accountants (MIA) and the Malaysian Institute of Certified Public Accountants. Mr. Roy George 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 George has no directorship in other public listed companies. Mr. Roy George does not hold any shares in the Company. Mr. Roy George 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. Mr. Roy George 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. Mr. Kang is also the Chairman of Audit Committee, and a Member of Nomination and Remuneration Committee.

Mr. Kang was graduated from Royal Melbourne Institute of Technology with a Bachelor of Business, majoring in Accountancy. Mr. Kang 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, Mr. Kang joined a ceramic tiles group of companies specialises in tiles and sanitary wares as an Accounts Executive. Subsequently in 2004, Mr. Kang joined HSBC Bank Berhad as a Personal Relationship Manager where Mr. Kang was in-charge of main customers portfolios. In 2006, Mr. Kang joined an established audit firm and since then, Mr. Kang 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 respectively.

Mr. Kang does not hold any shares in the Company. Mr. Kang 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. Mr. Kang does not have any conflict of interest in any business arrangement involving the Company.

KEY MANAGEMENT **TEAM PROFILE**

The executive directors of Green Ocean Corporation Berhad ("Green Ocean" or the "Company") are part of the key senior management of the group and their profiles are presented in the profile of directors on page 11-12 of this annual report.

LOCK PIK WAH

Chief Financial Officer,
Female, Malaysian, age 42

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

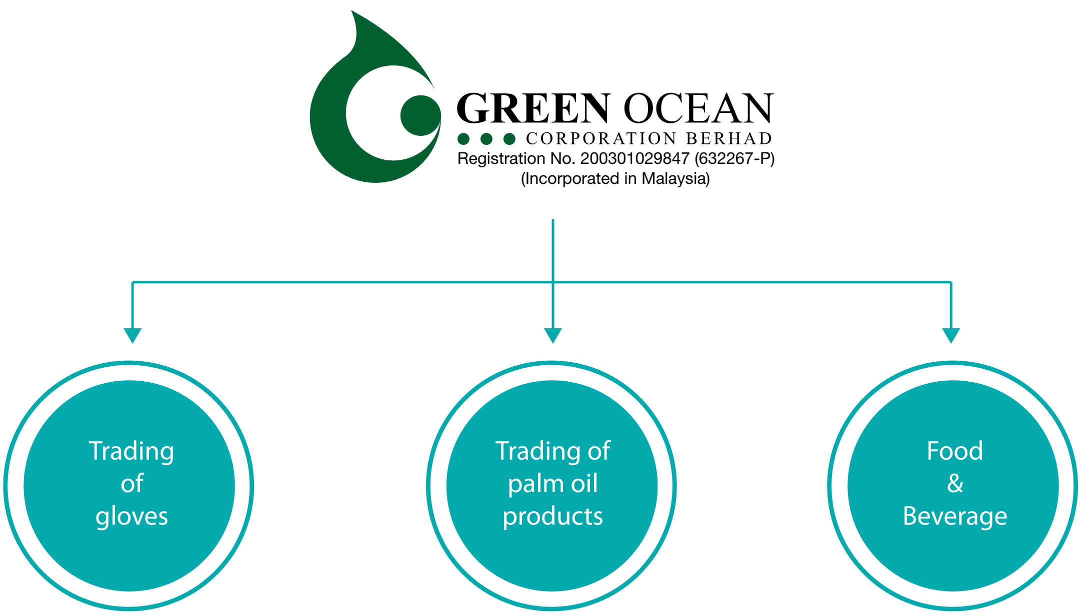
Ms. Lock does not hold any shares in the Company. Ms. Lock does not have any family relationship with any Director or major shareholder of the Company and has not been convicted of any offences within the past 5 years other than traffic offences, if any. Ms. Lock does not have any conflict of interest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

SUSTAINABILITY **STATEMENT**

This Sustainability Statement ("**Statement**") elaborates Green Ocean Corporation Berhad ("**Green Ocean**"/ "**Company**")'s concepts, practices and achievements of its sustainable development and social responsibility during the financial year ended 30 June ("**FYE**") 2022 from the economic, environmental and social ("**EES**") as well as governance aspects.

Scope of the Statement

The Statement covers Green Ocean and its subsidiaries. Information disclosed in this Statement encompasses our core activities related to trading of gloves, trading of palm oil products as well as food and beverages. This report covers data which had been compiled internally from 1 July 2021 to 30 June 2022.



COMMITMENT TO SUSTAINABILITY DEVELOPMENT

Sustainability has always been a pillar of culture for Green Ocean as we strive to achieve continuing growth and profitability in a safe, caring and sustainable environment. We recognise that the sustainability practices are one of the important criteria in investors' investment decisions.

In line with Bursa Malaysia Securities Berhad's Sustainability Reporting Guide (2nd Edition), the Group's sustainability practices are to ensure that EES risks and opportunities are tied in with our governance framework and social responsibilities. This enables our corporate success and behaviour to be judged and measured by the public.

Our mission, as a responsible corporate citizen, is to ensure high standards of governance across our business to promote responsible business practices, manage environmental impacts and meet the social needs of the community in which we operate, which is in line with our corporate culture.

SUSTAINABILITY STATEMENT
(cont'd)

OUR POLICY ON SUSTAINABILITY

1. Embrace Sustainability in Organisation Culture
2. Strengthen the Core Businesses and Diversification for Sustainable and Resilient Growth
3. Foster a High Performance Organisation
4. Build Regional Connectivity
5. Capitalise on Latest Technology and Information

The Group continued success in maintaining a sustainable business and generating long-term shareholder value is influenced by several internal and external factors. Each material factor presents unique risks and opportunities to our organisation and is a key consideration in our approach to strategies formulation and execution as it substantially influences the assessments and decisions of our stakeholders. We regularly review these factors to assess their impacts on our business model over the near, medium and long term.

ECONOMIC

- Sustaining our economy
- Delivering sustainable returns to our shareholders
- Delivering quality products and services to achieve customers' satisfaction

ENVIRONMENT

- Conserving our environment
- Protecting and preserving our environment

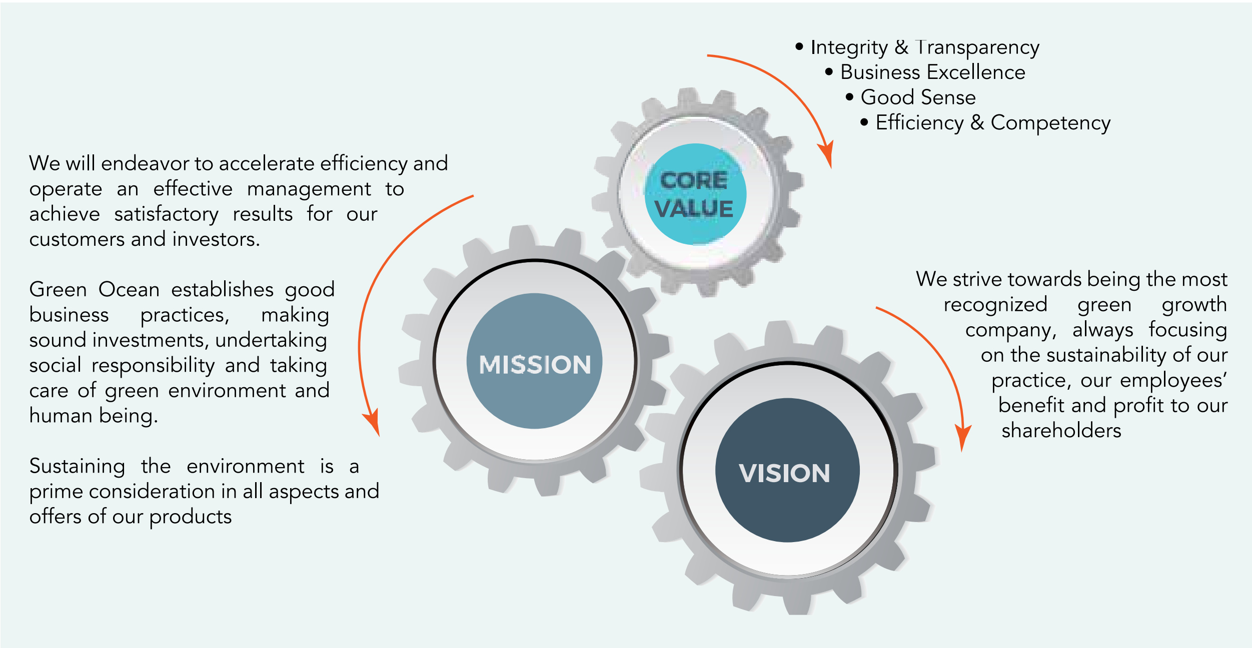
SOCIAL

- Building a resilient workforce
- Ensuring a positive workplace for our employees
- Serving our community
- Contributing to the well-being of the community around us

GOVERNANCE FRAMEWORK

Governance Structure

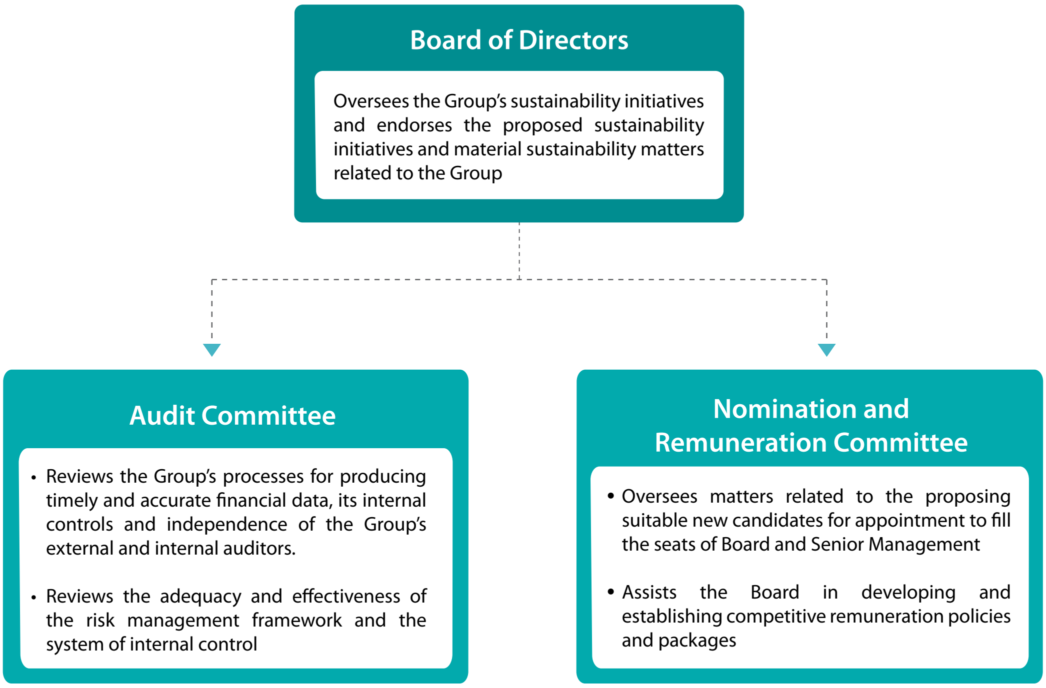
Our vision and mission are the cornerstones of our commitment to the sustainability of the Group. Our core values are the guiding principles that we uphold in day-to-day operations and conduct ourselves to support our vision and shape our culture.



Sustainability is embedded in our organisational approach and is led from the top. The Board of Directors ("**Board**") plays a vital guidance and oversight role in advancing sustainability across the organisation with the assistance from the Senior Management to oversee the implementation of the organisation's sustainability approach and ensures that key targets are being met.

The Board also acknowledges that risk management and internal control are integral to our corporate governance and it is responsible for establishing a sound risk management framework and internal control system as well as to ensure their adequacy and effectiveness. The review of the adequacy and effectiveness of the risk management framework and the system of internal control is delegated by the Board to the Audit Committee. Asides, the Group's performance is also tracked with the assistance of the Nomination Committee and Remuneration Committee.

SUSTAINABILITY **STATEMENT**
(cont'd)



The responsibility of the Board to promote and embed sustainability in the Group includes overseeing the following:

- Stakeholders' engagement
- Materiality assessment and identification of sustainability risks and opportunities relevant to us
- Management of material sustainability risks and opportunities
- Communication of sustainability strategies, priorities and targets as well as performance against targets to internal and external stakeholders

The Board also cascades sustainability matters to the respective departments in the form of policies, internal memos and updates to the Group's Standard Operating Procedures ("**SOPs**"), if necessary, to continue embedding sustainability in every aspect of the Group's daily operation. In addition to that, internal and external stakeholders remain informed of the Company's sustainability strategies, priorities as well as targets and performance against target through engagements and disclosures in the Company's website.

Ethical Business Practices and Anti-Bribery and Corruption Policy

The Board recognises the importance of ethical business conduct across the operations to maintain our stakeholders' trust. Code of Conduct is established to achieve a standard of ethical behaviour based on trustworthiness and values that can be accepted and uphold a spirit of responsibility. Our Whistleblowing Policy, uploaded on our website, provides all stakeholders a direct channel for reporting instances of misconduct that contradict to our Code of Conduct and/or other non-compliance offences. The policy ensures confidentiality for those filing the reports who can voice their concerns without fear of reprisal.

In line with Section 17(A) of Malaysian Anti-Corruption Commission (Amendment) Act 2018, the Group has also developed the Anti-Bribery and Corruption measures that will also enable the incorporation of the responsibilities for sustainability into the day-to-day operations of the Group. We are committed to a zero-tolerance approach in our efforts to prevent corrupt and bribery practices. We conduct our business ethically, as well as in conformity with all applicable laws.

Good governance is the bedrock of our business, led by ethical business practices and integrity. We have embedded the highest standards of governance in our business not only by complying with the law but through processes and directives that continue to reinforce the principles.

STAKEHOLDER ENGAGEMENT

We continued to engage our stakeholders actively throughout the fiscal year as part of our sustainability assessment process. Engagement with stakeholders allows us to gain a more complete understanding of our materiality issues and matters whilst, we are also able to capture the key aspects and impacts of our sustainability journey.

The table below lists our key stakeholder groups and their respective areas of interest as well as methods by which we engage them.

STAKEHOLDERS	ENGAGEMENT METHODS	ENGAGEMENT AREAS
Shareholders	• Annual & Extraordinary General Meetings • Bursa announcements • Quarterly report • Annual report • Timely update on corporate website	• Financial and operational performance • Return on investments
Government	• Compliances to laws and regulations • Compliances to standards and specifications	• Operation regulations • Bursa listing requirements • Companies Act • Labour law • Taxations
Board of directors	• Board meetings	• Corporate strategy • Corporate governance
Employees	• Trainings • Performance appraisal • Employee engagement activities	• Occupational safety & health • Remuneration policy • Career development • Performance review • Fair employment practices

SUSTAINABILITY STATEMENT
(cont'd)

STAKEHOLDERS	ENGAGEMENT METHODS	ENGAGEMENT AREAS
Financial Institutions	• Bursa announcements • Quarterly report • Annual report • Timely update on corporate website	• Financial and operational performance • Funding requirement
Customers	• Quality review • Payment terms and timeliness	• Customer satisfactions • Proposals and quotations • Quality assurance • Innovative product
Suppliers	• Quality review • Contract negotiation	• Products' quality • Proposal and quotations • Legal compliances
Communities	• Community events	• Social contribution • Job opportunities • Donation and financial aid
Analyst / Media	• Annual & Extraordinary General Meetings	• Financial and operational performance • General announcements

SUSTAINABILITY RISKS AND RESPONSES

The Board understands the importance of addressing sustainability risks and opportunities in an integrated and strategic manner to support the Group's long-term strategy and success. The Board proactively considers sustainability issues when overseeing the planning, performance and long-term strategy of the Company to ensure the Company remains resilient so as to deliver durable and sustainable value as well as maintain the confident of its stakeholders.

RISK	RISK ANALYSIS	RISK RESPONSES
Market demand risk	The needs of market-oriented approach to identify and respond to the changing need of the customers and aggressive competition.	The Group strives to take proactive measures to remain competitive in this business by, amongst others, constantly keeping abreast with the latest market conditions, and making efforts in maintaining a competitive edge in terms of cost efficiency, service quality, product quality and reliability. Furthermore, the Group intends to diversify its existing business by venturing into the food and beverage so as to provide an alternative source to the Group's existing business.
Operational safety and health risk	Health and safety awareness and monitoring that potentially result in violation of regulation.	The Group commits to comply to Occupational Safety and Health Act and approved industrial code of practice.

RISK	RISK ANALYSIS	RISK RESPONSES
People risk	Staff engagement: Transforming staff to evolving needs and supporting employment with limited resources without compromise is challenging Workplace wellness: Expectation on work-life balance and workplace health and safety are even higher after the pandemic	The Group continues to cultivate a high-performance culture and nurture a vibrant and diverse workforce with robust training and succession plan.

MATERIAL SUSTAINABILITY MATTERS

We conducted a materiality assessment, collecting views from our stakeholders on key material sustainability matters that may have a significant EES impact on our business or substantively influence the assessment and decisions of our stakeholders.

ECONOMIC

Shareholders

Our shareholders are the ultimate owners of the Company and as such, they are entitled to timely and quality information on the Group's financial performance and position. Apart from the Annual General Meeting where shareholders are encouraged to ask questions to the Board and Executive Management on business operations, and the financial performance and position of the Group, the Group's corporate website at www.greenoceancorp.com also provides a link on investor relations where quarterly and annual financial statements, announcements, financial information, annual reports, circulars/statements to shareholders and other pertinent information are uploaded on a timely basis when available.

Although engagement is largely governed by the Malaysian Code of Corporate Governance and the Listing Requirements by Bursa Malaysia, the Group enjoys indirect economic impacts of a goodwill, trust and loyalty and a mutually beneficial investment relationship.

Customers & Products

The Group is committed to see that not only our shareholders' interests are taken care of but also those of our customers and suppliers. The Group values its customers as they are a major reason for its profitability. The Group places great importance in providing quality assurance on our products quality. We strive for product excellence, prompt delivery and service at competitive pricing through continual improvement in our business and operations processes.

PRODUCTS AND SERVICES QUALITY
Well-recognised best practices
Experienced management that equipped with industry knowledge and comprehensive training
Prompt delivery and reliable customer service
Efficient after-sales service, create an integrated and resilient workforce

Our marketing and sales representatives schedule regular meetings, both formal and informal, with our customers to build a strong and conducive relationship. The objective of this is to promote a culture of open communication, trust and reliability.

SUSTAINABILITY **STATEMENT**
(cont'd)

Our Group recognises that customers' satisfaction is one of the key factors underlying the long-term sustainability of our Group's operations. It is the fundamental policy of our Group that our products and services must not contain any hazardous element and must be of high quality to ensure customers' satisfaction. We uphold the belief that customers rights should be preserved at all times and are on continuous endeavours to create value-for-money for our customers. We also wish to be a responsive and reliable partner to our customers within their respective markets.

The Group will continue to expand the customer base to strengthen our market position coupled with the expansion plans for revenue growth. As part of the sustainability move, the Group has ventured into the manufacturing and trading of gloves business via its subsidiary namely G Rubber Sdn. Bhd. The Group believes that the demand for personal protective equipment to curb the pandemic has boosted the demand for gloves. By venturing into the glove business, this enables the Group to make the most out of the opportunities created by the Coronavirus Disease 2019 ("**COVID-19**") pandemic.

To achieve sustainability in the long run, the Group opined that other diversification shall also be ventured into to enhance its financial performance and in turn its' shareholders' value in future. Hence, the Group had on 3 January 2022 incorporated a new wholly-owned subsidiary namely, Ace Distributions Sdn. Bhd. ("**ADSB**") to venture into food and beverages business, and is expected contribute to the future earnings of the Group as well as improve the Group's financial performance in the coming years

Amidst the pandemic, cybersecurity risk is intensifying, particularly with the widespread remote working and increased online interactions. In this environment, remaining cyber-resilient and building stakeholder trust in the company's data security and privacy practices are strategic imperatives. The Group views cyberattack risks as something to be reduced, if not eliminated. The Group strives to invest in IT team and send for training to embed and upgrade their skills in handling cybersecurity issues.

<u>Suppliers</u>

To our suppliers, we are committed to enhance our processes and engaging with our suppliers to identify and manage risks, underpinned by values of integrity and transparency. We look to create value, by looking for opportunities to collaborate and to share best practices with our suppliers.

<u>Regulatory Compliance</u>

Our Group believes that strict compliance with all relevant laws and regulations is a requisite to promote an ethical and responsible society. To this end, our Group strives to comply with all the relevant laws and regulations applicable to our business operations. Recognising the fact that tax is an important source of income for the government to finance the nation development activities and that everyone will stand to benefit as the nation and economy progress further, our Group places great emphasis in ensuring compliance with the applicable tax regulations and prompt settlement of our tax liabilities. Our Group's commitment to proper compliance with laws and regulations has proven to be favourable and value-enhancing for our stakeholders.

ENVIRONMENT

<u>Waste Management</u>

We recognise the importance of environmental protection for the long-term sustainability of our businesses. Sustainable waste management is vital to preserve the environment, help to address prevalent issues caused by landfills such as land contamination and heightened carbon emissions. We are conscious that part and parcel of the Group's activities can lead to emissions, effluents and industrial waste generation. To minimise our environmental impact, we remain committed to reduce overall waste, particularly waste disposed to landfills, and continuously enhancing our waste management strategies.

Various initiatives have been taken to promote recycling habits and responsible waste management among our staff. Paper recycling initiatives are already in progress by encouraging the employees to prioritise electronic means to share and store documents, and to reduce printing or photocopying, otherwise, to use double-sided printing. Additionally, the Group distribute memos via emails, instead of papers. Other materials such as furniture and fixture are recycled or reused where possible.

Waste segregation has been done by placing different bins in and around our office area. Waste segregation is planned to be fully implemented in the coming years throughout the Group where recycling stations will be set up in convenient locations.

All the measures taken have been successfully inculcated the environmental awareness in our employees and able to reduce our environmental footprint.

Energy and Emissions Management

If we don't tackle climate change, economic growth and progress of the business will be severely hampered. Although we generally do not generate any major environmental concerns, the Group is conscious of complying with all applicable environmental laws, guidelines and regulations. Action has also been taken internally to reduce the overall energy consumed by lighting. Where lighting in and around our office facilities and corridors need to be replaced, we have converted them to LED. The process is on-going and on stages. Furthermore, the Group will initiate the provision of reminders to switch off lighting, air-conditioner and computer when not in use.

SOCIAL

Training & Talent Management

In Green Ocean, employees are our greatest assets. We will continue to focus on human capital development to nurture our employees to their full potential. Training programs for skill development and improvement are conducted for our employees so that they can execute their roles and responsibilities efficiently as well as for their personal career development.

We are made up of people with vast experience and industry background. Building capability is key, hence we proactively provide opportunities for growth and development for talent in the organisation through targeted development plans and succession planning. Ensuring our long term sustainability, we continuously invest time and effort in recruiting (internal and external), upskilling, engaging and rewarding talents of the organisation accordingly.

The Group also recognises that the Industrial Revolution 4.0 will place pressure in organisations to continuously upskill and reskill our workforce, to stay relevant and productive, so that they can execute their roles and responsibilities efficiently. Employees are encouraged to attend internal or external training or pursue professional development to enhance their knowledge and skill for career enhancement and personal development, in the field of operational, financial, human resource management, technical skills, and others.

For critical and leadership roles, succession planning is vital to our long-term performance as part of our Group's sustainability move. Our Nomination and Remuneration Committee will review the Group's human resources plan including the succession management framework and activities, human resources initiatives such as jobs and salary review and the annual manpower budget. The succession planning across the Group is implemented by stages and training programmes are designed specifically for management staff.

For many years, we have recognised the importance of engaging with our workforce. Employees' engagement is important to an organisation because it motivates employees to do their best. We consider effective engagement a key element of the Company's ability to create value as we recognise that our people are our greatest asset. Management regularly engages with the workforce through a range of activities such as festive celebrations and etc.

SUSTAINABILITY **STATEMENT**
(cont'd)

Safe Workplace

The Group recognises that the safety and well-being of its employees is the foundation of its success. Hence, we strive to provide a safe and healthy environment for our employees and to ensure safe practices in all aspects of our business operations. The Group has in place a policy that highlights our commitment to ensure compliance with laws and regulations in relation to occupational safety and health.

As COVID-2019 has affected all areas of business throughout the world since 2020, it has become a social responsibility for the Group to act accordingly. It is our Group's immediate priority to protect the health and safety of our employees. Our frontline staff deserve most accolades, we ensure protective masks put on and body temperatures checked. We also practice social distancing with at least one metre and enhance cleaning measures such as more regular cleaning of common touchpoints with disinfectant. We have also provided self-test kits to our employees as we continue to be vigilant while providing a safe workplace for our employees.

Labour Practices

We are committed to provide and respect fundamental human rights and safeguard against violation of human rights. The freedoms enshrined in this include freedom from forced and child labour, adherence to minimum wages and fair compensation and provision of reasonable working hours per stipulated by Labour Law.

We guarantee an anti-discriminatory and anti-harassment workplace, one that is safe and healthy and above all, ethical in conduct. Employees are not restricted from unionising and are afforded the freedom of association per local laws and practice.

In addition to this, all employee benefits provided by the Group is above minimum statutory requirements and includes healthcare and insurance coverage, leaves, statutory payment and career development bonuses. Remuneration packages, while strictly private and confidential, are determined upon the employees' experience, expertise, qualifications and job grade.

Diversity & Inclusion

Diversity refers to the differences in workforce by gender, age, ethnicity and disability. This measure is considered across the Board, from the Directors to the Management and the rest of the workforce.

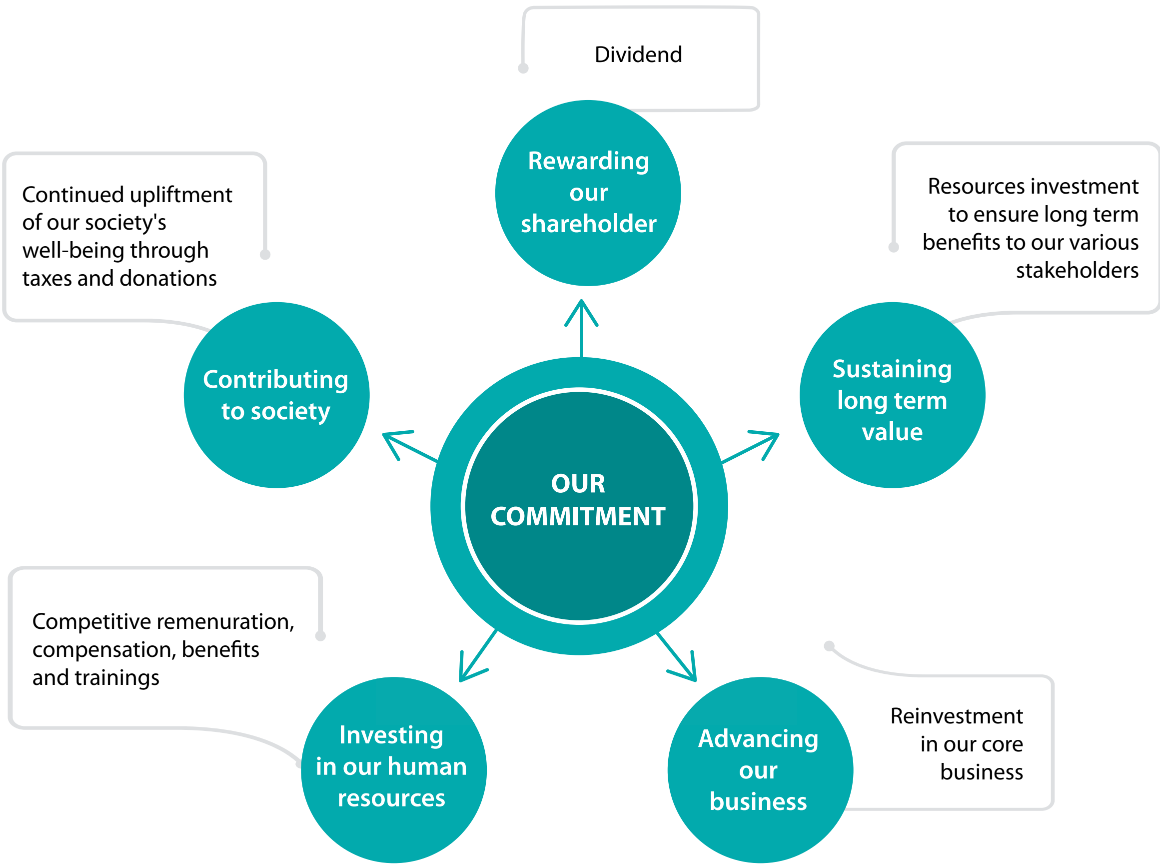
In the appointment and recruitment process, we pride ourselves on being an employer that provides equal opportunities and continuously seek to promote it regardless of religious belief, age, marital status, gender, family status or any disability. Our commitment in that respect applies to all areas of the work environment, all employment activities, resource allocation and all employment terms and conditions. Every employee is given equal opportunity to rise up in their careers through hard work and dedication.

Community Care

Our Group strongly believes in giving back to society and hence Green Ocean had always devoted to philanthropy. We are deeply rooted in the community we operate and hence we actively engage in community outreach programmes and activities. We are proud of having the privilege to serve various segments of the community towards providing for social empowerment and helping to make a positive difference for people across all walks of life. We have from time to time made donations to various charitable organisation, helping the less fortunate members of our community is our way of giving back to society.

OUR COMMITMENT

As a responsible corporate citizen, the Group shall endeavour to undertake sustainable and responsible practices to add value to sustainable business growth, environmental stewardship and social responsibility.



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 ("MCCG") and should be read together with the Corporate Governance Report 2022 ("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 during the financial year ended 30 June 2022 ("FYE 2022"). Other than Practice 1.4, 4.4, 5.6, 5.9, 8.2 and 13.6, the Board is of the view that Green Ocean and its group of companies ("the Group") has substantially complied with the recommendations of MCCG.

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.

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 2022. 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
Tay Ben Seng, Benson *(Appointed on 6 December 2021)*	Executive Director	2/2	100
Roy Winston George	Independent Non-Executive Director	5/5	100
Kang Teik Yih	Independent Non-Executive Director	5/5	100
Mak Siew Wei *(Resigned on 6 December 2021)*	Executive Director	3/3	100
* Mahfuz bin Omar *(Appointed on 22 April 2022; resigned on 29 April 2022)*	Executive Director	-	-
** Datuk Chong Loong Men *(Appointed on 21 October 2022)*	Executive Director	-	-
** Teh Beng Choon *(Appointed on 21 October 2022)*	Executive Director	-	-

* Encik Mahfuz was appointed on 22 April 2022 and resigned on 29 April 2022, he has not attended any Board meeting held during the financial period.
** Datuk Chong and Mr. Teh were appointed as Directors on 21 October 2022, they have not attended any Board meeting held during the financial period.

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.

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

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 2022 were as follows:-

No.	Director	Training Programmes/Seminar/Conference
1	Dato' Nik Ismail bin Dato' Nik Yusoff	– Key Amendments to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad Relating to Director Appointment, Independence and Other Amendments – KSY 101 : AMLA, Market Misconduct and Compliance Requirement"
2	Mr. Tay Ben Seng, Benson	– SC's Audit Oversight Board Conversation with Audit Committees – KSY 101 : AMLA, Market Misconduct and Compliance Requirement"
3	Mr. Roy Winston George	– KSY 101 : AMLA, Market Misconduct and Compliance Requirement"
4	Mr. Kang Teik Yih	– Common Pitfalls in Transaction & RPT Rules – KSY 101 : AMLA, Market Misconduct and Compliance Requirement" – Advocacy Sessions for Directors and Senior Management of ACE MarketListed Corporation

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 of Directors 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 38 to 76 years to ensure that diverse viewpoints are considered in the decision making process.

The profile of each Director is set out in Pages 11 to 13 of this Annual Report.

The Board currently has six (6) 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.

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

(b) BOARD COMPOSITION (CONT'D)

During the FYE 2022, 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.

The Board noted the Practice 5.3 of the MCCG 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 beyond nine (9) years, the Board should provide justification and seek annual shareholders' approval through a two-tier voting process as prescribed under the MCCG. 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 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 Annual General Meeting ("AGM"). The above provisions are adhered to by the Board at every AGM.

At the forthcoming 2022 AGM, Mr. Roy Winston George is due to retire under Clause 134 of the Constitution and being eligible has offered himself for re-election. Mr. Tay Ben Seng, Benson 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 six (6) 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 2022 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

	Salaries and allowances (RM)	Bonus (RM)	Fees (RM)	Defined contribution plan (RM)	SOCSO & EIS (RM)	Total (RM)
Company						
Mak Siew Wei *(Resigned on 6 December 2021)*	50,000		-	6,000	385	56,385
Dato' Nik Ismail bin Dato' Nik Yusoff	3,000	-	36,000	-	-	39,000
Roy Winston George	3,000	-	35,000	-	-	38,000
Tay Ben Seng, Benson *(Appointed on 6 December 2021)*	70,000	10,000	-	9,600	462	90,062
Kang Teik Yih *(Appointed on 16 August 2021)*	3,000	-	31,500	-	-	34,500
Mahfuz bin Omar *(Appointed on 22 April 2022; resigned on 29 April 2022)*	-	-	-	-	-	-
Datuk Chong Loong Men *(Appointed on 21 October 2022)*	-	-	-	-	-	-
Teh Beng Choon *(Appointed on 21 October 2022)*	-	-	-	-	-	-
Sub-total	**129,000**	**10,000**	**102,500**	**15,600**	**847**	**257,947**
Subsidiary						
Mak Siew Wei	70,000	10,000	-	9,600	539	90,139
Tay Ben Seng, Benson *(First Director)*	40,000	-	-	4,800	308	45,108
Lim Ming Chang *(Appointed on 1 April 2022; resigned on 24 May 2022)*	10,000	-	-	1,200	77	11,277
Datuk Chong Loong Men *(Appointed on 1 April 2022; resigned on 24 May 2022)*	10,000	-	-	1,200	77	11,277
Sub-total	**130,000**	**10,000**	**-**	**16,800**	**1,001**	**157,801**
Grand total	**259,000**	**20,000**	**102,500**	**32,400**	**1,848**	**415,748**

Remuneration of Senior Management

The profile of the Senior Management personnel is disclosed in Page 14 of this Annual Report. Senior 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 8.2 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.

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

(c) REMUNERATION (CONT'D)

Remuneration of Senior Management (Cont'd)

The Group's Senior Management includes One (1) Executive Director of the Company (of which their detailed remuneration has been disclosed in this Corporate Governance Overview Statement) for FYE 2022. Whilst for the remaining Senior 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 Senior 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 Senior 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 Senior 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 Board noted the Practice 9.2 of the MCCG requires the AC to have a policy that requires a former partner of the external audit firm of the Company to observe a cooling-off period of at least three (3) years before being appointed as a member of the AC. The AC will update the TOR to include a provision governing a requirement of a three-year cooling-off period prior to a former audit partner being appointed as a member of the AC.

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 34 to 37 of this Annual Report.

(b) RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

During FYE 2022, 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.

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

(b) RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (CONT'D

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 38 to 39 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.

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.

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 18th AGM held on 24 November 2021. Barring unforeseen circumstances, all Directors (which include the Chairs of all mandated Board committees) shall be attending the forthcoming 19th 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 19th 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.

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

(b) CONDUCT OF GENERAL MEETINGS (CONT'D)

The 19th 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. 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 2022.

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:-

Kang Teik Yih
Chairman, Independent Non-Executive Director

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 2022 ("FYE 2022") are as follows:

AC Member	Designation	Number of Committee Mentings Attended
Kang Teik Yih	Chairman	5/5
Dato' Nik Ismail bin Dato' Nik Yusoff	Member	5/5
Roy Winston George	Member	5/5

The quorum of the meeting is two (2).

MEETINGS AND MINUTES (CONT'D)

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 of Directors' (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 2022, 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 CGRM Infocomm Sdn. Bhd. as outsources Internal Auditors to carry out the internal audit function of the Company and its group of companies ("Group") for the FYE 2022.

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 Internal Audit Review Plan in respect of Corporate Governance Review of Green Ocean for of period Quarter 2, 2022 and Enterprise Risk Management of Green Ocean for period Quarter 4, 2022

ii) Review on the Internal Audit Plan in respect of proposed 2-year risk-based internal audit plan for the Company for financial years ending 30 June 2022 to 2023.

SUMMARY OF ACTIVITIES (CONT'D)

a) Internal Audit (Cont'd)

iii) Review on Financial Control Management for the period 30 May 2021 to 3 June 2022. The audit scope includes budgeting process, budget monitoring and variance analysis, cash & bank management, Accounts payable management, payment processing and treasury management

FYE 2022, the cost incurred for internal audit function was RM22,000.

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 2021, 31 December 2021, 31 March 2022 and 30 June 2022 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 Reporting Financial 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 Listing Requirements;

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

iv. Reviewed the External Auditors' Audit Plan for the FYE 2022 which covered the engagement and reporting requirements, audit approach, areas of audit emphasis, significant events during the financial year, communication with the management, 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 2022;

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 Listing Requirements; 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.

SUMMARY OF ACTIVITIES (CONT'D)

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, Corporate Governance Overview Statement, CG Report and Statement on Risk Management and Internal Control for inclusion in the 2022 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 three (3) AC meetings held during the FYE 2022. The External Auditors were encouraged to raise with the AC any matters they considered important to bring to the AC's attention. For FYE 2022, one (1) private sessions were held between the AC with the External Auditors without the presence of the Executive Director 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 non-audit fees paid to the External Auditors amounting to RM20,000 for the FYE 2022. The non-audit fees were in respect of services rendered in respect of review of the Statement on Risk Management and Internal Control and reporting requirements as requested by principal auditor of a substantial shareholder.

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 2023.

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 Malaysian Code on Corporate Governance, other applicable laws, rules, directives and guidelines.

The AC discussed and reviewed the Corporate Governance Overview Statement and CG Report for the FYE 2022.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

Pursuant to Paragraph 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 2022, 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 of Corporate Governance ("MCCG").

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

The Group's Internal Audit function is currently outsourced to an independent professional firm, CGRM Infocomm Sdn. Bhd., which reviews and evaluates the adequacy and effectiveness of the Group's risk management and internal control systems and reports functionally to the Audit Committee ("AC") of its audit findings. The Internal Audit provides independent advisory services and reasonable assurance of the orderly and effective of the operations of the Group.

The internal audit fieldwork and reporting are carried out with reference to the International Standards for the Professional Practice of Internal Auditing issued by The Institute of Internal Auditors and the COSO (Committee of Sponsoring Organisations of the Treadway Commission) Framework for Internal Controls.

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. Based on the results of the reviews, discussions are held with the Management to deliberate the risk areas identified, control gaps, and recommendations for improvement actions to be undertaken by the Management to address the internal control weaknesses. 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 RM22,000.

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

INTRODUCTION (CONT'D)

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 3 ("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 2022. Based on their procedures performed, nothing has come to their attention that caused them to believe that this statement is not prepared, in all material respect, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Controls: Guidance for Directors of Listed Issuers to be set out, nor is factual inaccurate.

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 2022, 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 2022.

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 (the Company) and 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 Company keeps 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.

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

ADDITIONAL
COMPLIANCE INFORMATION DISCLOSURES

1.0 UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

1.1 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 30 Aug 2022 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	By 3 July 2023
Capital expenditure for the gloves business	41,100	(15,000)	26,100	Within 36 months
Working capital for the gloves business	18,557	(16,901)	1,656	Within 24 months
Estimated expenses for the corporate exercise	900	(900)	-	Immediate
Total	82,857	(42,198)	40,659	

1.2 Private Placement

On 27 August 2021, the Company completed Private Placement Exercise 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. The status of the utilisation of these proceeds is as set out below:-

Purpose	Proposed utilisation RM'000	Amount Utilised As At 30 Aug 2022 RM'000	Balance unutilised RM'000	Reallocation RM'000	Estimated time frame for the utilisation of Proceeds
Capital expenditure for the gloves business	7,634	-	357	7,991	Within 36 months
Estimated expenses for the corporate exercise	495	(138)	(357)	-	Immediate
Total	8,129	(138)	-	7,991	

ADDITIONAL COMPLIANCE INFORMATION DISCLOSURES
(cont'd)

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.

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

During the Financial year, the Company announced and offered a total of 116,500,000 share option to eligible employees of the Group, no share options were granted subsequent to the offer date as there are no acceptances from eligible employees.

2.2 No options were granted to the Directors under the ESOS since its commencement up to the financial year ended 30 June 2022.

3.0 AUDIT AND NON-AUDIT FEES

For the Financial Year Ended 30 June 2022, 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	136,000	80,000
Non-audit fees	20,000	20,000
Total	156,000	100,000

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 2022.

FINANCIAL **CALENDAR**

FINANCIAL YEAR ENDED 30 JUNE 2022

ANNOUNCEMENT OF RESULTS

FIRST QUARTER ENDED 30 SEPTEMBER 2021
Date Announced 29 November 2021

SECOND QUARTER ENDED 31 DECEMBER 2021
Date Announced 22 February 2022

THIRD QUARTER ENDED 31 MARCH 2022
Date Announced 27 May 2022

FOURTH QUARTER ENDED 30 JUNE 2022
Date Announced 30 August 2022

PUBLISHED ANNUAL REPORT AND FINANCIAL STATEMENT

NOTICE OF ANNUAL GENERAL MEETING
31 OCTOBER 2022

19th Annual General Meeting
Tuesday
20 December 2022

REPORTS AND **FINANCIAL STATEMENTS**

for the Financial Year Ended 30 June 2022

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 2022.

Principal activities

The Company is principally an investment holding company.

The principal activities and other details of the subsidiaries are disclosed in Note 7 to the financial statements.

Results

	Group RM	Company RM
Net loss for the financial year attributable to the owners of the Company	(20,841,679)	(51,487,686)

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 year. 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 and up to the date of this report are as follows:

Roy Winston George*	
Dato' Nik Ismail Bin Dato' Nik Yusoff	
Kang Teik Yih	
Tay Ben Seng, Benson*	(Appointed on 6 December 2021)
Mahfuz Bin Omar	(Appointed on 22 April 2022 and resigned on 29 April 2022)
Mak Siew Wei*	(Resigned on 6 December 2021)

*Also the Directors of the Company's subsidiaries.

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

Directors (cont'd)

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:

Mak Siew Wei	
Lock Pik Wah	
Datuk Chong Loong Men	(Appointed on 1 April 2022 and resigned on 24 May 2022)
Lim Ming Chang	(Appointed on 1 April 2022 and resigned on 24 May 2022)

Directors' benefits

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, other than those arising from the share options granted under the Company's Employees' Share Options Scheme.

Since the end of the previous financial year, 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 below) 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.

The Directors' remuneration and other benefits during the financial year are as follows:

	Group RM	Company RM
Fees	102,500	102,500
Salaries, bonuses and other emoluments	279,000	139,000
Post-employment benefits	34,248	16,447
	415,748	257,947

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 01.07.2021	Bought	Sold	As at 30.06.2022
Interest in the Company				
Direct interest				
Mak Siew Wei*	50,452,950	-	(49,452,950)	1,000,000

Directors' interests (cont'd)

(b) Warrants in the Company

	Number of Warrants B 2020/2025			
	As at 01.07.2021	**Bought**	**Sold**	**As at 30.06.2022**
Interest in the Company				
Direct interest				
Mak Siew Wei*	750,000	-	(750,000)	-

* resigned on 6 December 2021

Other than as disclosed above, the other Directors in office at the end of the financial year do not hold any interest in the shares and warrants of the Company or its related corporations during the financial year.

Issues of shares and debentures

During the financial year, the Company increased its issued and paid-up ordinary share capital from 1,759,660,400 shares to 2,111,592,400 shares by way of issuance of 351,932,000 new ordinary shares arising from a private placement exercise as disclosed in Note 17 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")

On 27 October 2020, the shareholders of the Company approved the establishment of an ESOS of up to 30% of the total number of issued shares of the Company (excluding treasury shares) at any one time to eligible Directors and employees ("Eligible persons") of the Company and its subsidiary companies.

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.

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.

(ii) The actual number of ESOS shares which may be offered to Eligible Persons 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.

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

(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.

During the financial year, no ESOS has been issued by the Company. The details of the ESOS issued by the Company as at 30 June 2022 are disclosed in Note 18(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.

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 details of unexercised Warrants B are disclosed in Note 18(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.

Subsidiaries

(i) The details of the Company's subsidiaries are disclosed in Note 7 to the financial statements.

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

DIRECTORS' REPORT
(cont'd)

Significant events during the financial year

The details of significant events during 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 of the Group and of the Company for the financial year ended 30 June 2022 are as follow:

	Group RM	Company RM
Auditors' remuneration:		
- Statutory audit services	136,000	80,000
- Other services	20,000	20,000
	156,000	100,000

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,

Tay Ben Seng, Benson
Director

Dato' Nik Ismail Bin Dato' Nik Yusoff
Director

20 October 2022

STATEMENT BY **DIRECTORS**

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

We, **Tay Ben Seng, Benson** 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 57 to 122 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 2022 and of the financial performance and cash flows of the Group and of the Company for the financial year ended on that date.

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

Tay Ben Seng, Benson
Director

Dato' Nik Ismail Bin Dato' Nik Yusoff
Director

20 October 2022

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 57 to 122 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 2022

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 2022 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 57 to 122.

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 2022, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards 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.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

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 matter 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(a) and Note 5 to the financial statements. AEOI had temporarily ceased its production activities since previous financial years and throughout the current financial year. This has increased the risk that the carrying values of property, plant and equipment ("PPE") in AEOI, amounted to RM19,504,498 as at 30 June 2022, may be impaired. Due to the presence of impairment indicators on these PPE as at 30 June 2022, Management had carried out an impairment assessment to determine whether the recoverable amounts of these PPE 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 (amongst others) included the following: (a) performed physical sighting of the PPE; (b) considered the professional qualifications, competency and independence of the independent valuer; (c) read the valuation report prepared by independent valuer; (d) discussed and obtained an understanding from the representatives of independent valuer on the methodology, key assumptions and input used in estimating the fair value of the PPE; (e) performed sensitivity analysis on certain key assumptions used by the independent valuer; and (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)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (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 2022 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.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

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

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

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

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

OTHER MATTERS

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

ECOVIS MALAYSIA PLT
AF 001825
Chartered Accountants

YONG HUI NEE
03283/09/2024 J
Chartered Accountant

Kuala Lumpur
20 October 2022

STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Assets					
Non-current assets					
Property, plant and equipment	5	20,061,375	20,775,599	457,048	468,536
Right-of-use assets	6	167,390	-	141,762	-
Investment in subsidiaries	7	-	-	1,873,764	20,192,216
Investment in a joint venture	8	-	41,428	-	-
Goodwill	9	-	-	-	-
		20,228,765	20,817,027	2,472,574	20,660,752
Current assets					
Inventories	10	812,255	80,564	-	-
Trade receivables	11	3,797,676	1,944,840	-	-
Other receivables, deposits and prepayments	12	29,164,413	23,942,574	55,043	8,340,129
Amount owing by subsidiaries	13	-	-	31,111,131	15,093,207
Tax recoverable		13,656	4,640	1,800	1,800
Investment in quoted securities	14	20,275,422	-	-	-
Money market instruments	15	41,325,426	60,628,780	41,325,426	60,628,780
Cash and bank balances	16	3,331,774	26,058,404	262,365	13,855,318
		98,720,622	112,659,802	72,755,765	97,919,234
Total assets		118,949,387	133,476,829	75,228,339	118,579,986
Equity and liabilities					
Equity					
Share capital	17	143,485,268	135,493,427	143,485,268	135,493,427
Reserves	18	40,043,329	40,043,329	31,113,329	31,113,329
Accumulated losses		(65,879,559)	(45,037,880)	(99,928,801)	(48,441,115)
Total equity		117,649,038	130,498,876	74,669,796	118,165,641
Non-current liabilities					
Lease liabilities	19	374,397	294,973	355,775	294,973
Deferred tax liabilities	20	608,750	608,750	-	-
		983,147	903,723	355,775	294,973
Current liabilities					
Trade payables	21	-	1,899,851	-	-
Other payables and accruals	22	196,728	129,127	80,910	74,120
Amount owing to a subsidiary	13	-	-	38,160	-
Amount owing to a Director	23	29,386	-	-	-
Lease liabilities	19	91,088	45,252	83,698	45,252
		317,202	2,074,230	202,768	119,372
Total liabilities		1,300,349	2,977,953	558,543	414,345
Total equity and liabilities		118,949,387	133,476,829	75,228,339	118,579,986

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 2022

		Group		Company	
	Note	2022 RM	2021 RM	2022 RM	2021 RM
Revenue	24	7,606,902	36,278,209	-	-
Cost of sales		(7,856,686)	(36,072,704)	-	-
Gross (loss)/profit		(249,784)	205,505	-	-
Other income	25	877,697	794,432	873,283	3,485,886
Administrative expenses		(3,456,495)	(5,697,093)	(1,253,537)	(3,041,199)
Selling and distribution costs		-	(65,759)	-	-
Other expenses		(17,947,461)	(7,301,565)	(51,086,259)	(15,070,056)
Loss from operations		(20,776,043)	(12,064,480)	(51,466,513)	(14,625,369)
Finance costs	26	(22,031)	(398,205)	(21,173)	(5,075)
Share of results of a joint venture		(43,341)	(9,573)	-	-
Loss before tax	27	(20,841,415)	(12,472,258)	(51,487,686)	(14,630,444)
Tax expense	29	(264)	(9,004)	-	-
Net loss/Total comprehensive loss for the financial year		(20,841,679)	(12,481,262)	(51,487,686)	(14,630,444)
<u>Net loss attributtable to:</u>					
Owners of the Company		(20,841,679)	(12,481,262)	(51,487,686)	(14,630,444)
<u>Total comprehensive loss attributable to:</u>					
Owners of the Company		(20,841,679)	(12,481,262)	(51,487,686)	(14,630,444)
Loss per ordinary share ("LPS")					
- Basic/Diluted (sen)	30	(1.01)	(1.36)		

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 2022

	Attributable to owners of the Company					
	Non-distributable				*Distributable*	
	Share capital (Note 17) RM	**Warrants reserve (Note 18) RM**	**Revaluation reserve (Note 18) RM**	**Share option reserve (Note 18) RM**	**Accumulated losses RM**	**Total equity RM**
Group						
At 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 2021/1 July 2021	135,493,427	31,113,329	8,930,000	-	(45,037,880)	130,498,876
Net loss/Total comprehensive loss for the financial year	-	-	-	-	(20,841,679)	(20,841,679)
Transaction with owners:						
Issuance of shares pursuant to:						
- Private placement	8,129,629	-	-	-	-	8,129,629
Share issuance expenses	(137,788)	-	-	-	-	(137,788)
At 30 June 2022	143,485,268	31,113,329	8,930,000	-	(65,879,559)	117,649,038

STATEMENT OF **CHANGES IN EQUITY**
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (cont'd)

	← *Attributable to owners of the Company*			→	
	← *Non-distributable*		→	*Distributable*	
	Share capital (Note 17) RM	**Warrants reserve (Note 18) RM**	**Share option reserve (Note 18) RM**	**Accumulated losses RM**	**Total equity RM**
Company					
At 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 2021/1 July 2021	135,493,427	31,113,329	-	(48,441,115)	118,165,641
Net loss/Total comprehensive loss for the financial year	-	-	-	(51,487,686)	(51,487,686)
Transactions with owners:					
Issuance of shares pursuant to:					
- Private placement	8,129,629	-	-	-	8,129,629
Share issuance expenses	(137,788)	-	-	-	(137,788)
At 30 June 2022	143,485,268	31,113,329	-	(99,928,801)	74,669,796

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 2022

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Cash flows from operating activities					
Loss before tax		(20,841,415)	(12,472,258)	(51,487,686)	(14,630,444)
Adjustments for:-					
Impairment losses on:					
- Trade receivable	11	-	7,289,294	-	-
- Investment in subsidiaries	7	-	-	18,318,552	15,057,785
- Amount owing by subsidiaries	13	-	-	32,767,707	-
Depreciation of property, plant and equipment	5	835,008	623,814	118,178	54,345
Depreciation of right-of-use assets	6	33,479	-	28,353	-
Distribution income from money market instruments		(331,852)	(697,614)	(331,852)	(697,614)
(Gain)/Loss on fair value changes of:					
- Money market instruments		(351,482)	12,271	(351,482)	12,271
- Quoted securities		10,583,493	-	-	-
Finance costs	26	22,031	398,205	21,173	5,075
(Gain)/Loss on disposal of:					
- Investment in a joint venture		(1,964)	-	-	-
- Quoted securities		7,363,968	-	-	-
Interest income	25	(190,456)	(23,412)	(189,949)	(23,401)
Reversal of impairment on amount owing by a subsidiary	13	-	-	-	(2,764,285)
Share-based payment under ESOS		-	3,403,340	-	1,776,753
Share of results of a joint venture		43,341	9,573	-	-
Operating loss before changes in working capital		(2,835,849)	(1,456,787)	(1,107,006)	(1,209,515)
Changes in inventories		(731,691)	3,213,502	-	-
Changes in trade and other receivables		(7,074,675)	(21,330,450)	8,285,086	(8,331,378)
Changes in trade and other payables		(1,832,250)	(2,463,776)	6,790	(3,815)
Cash (used in)/generated from operations		(12,474,465)	(22,037,511)	7,184,870	(9,544,708)
Interest income received		190,456	23,412	189,949	23,401
Tax paid		(9,280)	-	-	-
Tax refunded		-	722	-	-
Net cash (used in)/generated from operating activities		(12,293,289)	(22,013,377)	7,374,819	(9,521,307)

STATEMENTS OF **CASH FLOWS**
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (cont'd)

		Group		Company	
	Note	2022 RM	2021 RM	2022 RM	2021 RM
Cash flows from investing activities					
Distribution received from money market instruments		331,852	697,614	331,852	697,614
Distribution from a joint venture		-	30,287	-	-
Investment in quoted securities		(47,135,809)	-	-	-
Proceed from disposal of quoted securities		8,912,926	-	-	-
Investment in subsidiaries	7	-	-	(100)	(35,200,001)
Proceeds from disposal of investment in a joint venture		51	-	-	-
Purchase of property, plant and equipment	(a)	(120,784)	(2,207,093)	(106,690)	(109,978)
Uplift/(Placement) of money market instruments, net		19,654,836	(60,641,051)	19,654,836	(60,641,051)
Net cash (used in)/generated from investing activities		(18,356,928)	(62,120,243)	19,879,898	(95,253,416)
Cash flows from financing activities					
Proceeds from:					
- Private placements		8,129,629	19,301,725	8,129,629	19,301,725
- Rights Issue with Warrants B		-	82,857,360	-	82,857,360
- Exercises of ESOS		-	28,081,000	-	28,081,000
Repayment of bank borrowings		-	(17,081,675)	-	-
Repayment of lease liability		(75,346)	(18,251)	(70,604)	(18,251)
Finance costs paid		(22,294)	(399,729)	(21,436)	(6,599)
Share issuance expenses		(137,788)	(1,225,945)	(137,788)	(1,225,945)
Movement in amount owing by/(to) subsidiaries		-	-	(48,747,471)	(10,428,171)
Movement in amount owing to Directors		29,386	(27,000)	-	(27,000)
Net cash generated from/(used in) financing activities		7,923,587	111,487,485	(40,847,670)	118,534,119

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (cont'd)

		Group		Company	
	Note	2022 RM	2021 RM	2022 RM	2021 RM
Net (decrease)/increase in cash and cash equivalents		(22,726,630)	27,353,865	(13,592,953)	13,759,396
Cash and cash equivalents at beginning of the financial year		26,058,404	(1,295,461)	13,855,318	95,922
Cash and cash equivalents at the end of the financial year	16	3,331,774	26,058,404	262,365	13,855,318

Notes:

(a) Purchases of property, plant and equipment

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Cost of property, plant and equipment purchased (Note 5)	120,784	2,567,093	106,690	469,978
Acquired by means of lease	-	(360,000)	-	(360,000)
Cash disbursed for purchase of property, plant and equipment	120,784	2,207,093	106,690	109,978

Notes: (cont'd)

(b) Movement in liabilities arising from financing activities

		Movement				
		Cash flows		Non-cash changes		
	At beginning of the year RM	Principal movement RM	Interest paid RM	Interest cost RM	New leases RM	At end of the year RM
Group						
Year ended 2022						
Amount owing to a Director	-	29,386	-	-	-	29,386
Lease liabilities	340,225	(75,346)	(22,294)	22,031	200,869	465,485
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
Company						
Year ended 2022						
Amount owing to a subsidiary	-	38,160	-	-	-	38,160
Lease liabilities	340,225	(70,604)	(21,436)	21,173	170,115	439,473
Year ended 2021						
Amount owing to Directors	27,000	(27,000)	-	-	-	-
Lease liability	-	(18,251)	(6,599)	5,075	360,000	340,225

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 2022

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 has changed from No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, Malaysia to A1-2-2, Solaris Dutamas, No. 1, Jalan Dutamas 1, 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 7 to the financial statements.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 20 October 2022.

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 2022 comprise the financial statements of the Company and its subsidiaries.

2.1 Adoption of amendments 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 year, except for the adoption of the following amendments to MFRSs:

MFRSs (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

The adoption of the above amendments does not have significant impact on the financial statements of the Group and of the Company.

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 MFRSs	Annual Improvements to MFRSs 2018 – 2020 Cycle	1 January 2022
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
MFRS 17 and amendments to MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 – Comparative Information	1 January 2023
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current and Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108	Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112	Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction	1 January 2023
Amendments to MFRS 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.

2.4 Functional and presentation currency

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

2. Basis of preparation (cont'd)

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 7 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.

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.

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

3.1 Basis of consolidation (cont'd)

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.

3.2 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;

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

3.2 Business combinations not under common control (cont'd)

(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 was prepared for the same reporting period as the Group, using consistent accounting policies.

A joint venture was 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 was 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 were 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 determined whether it is necessary to recognise an impairment loss on its investment in its joint venture. At each reporting date, the Group determined 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.

Upon disposal, the difference between the net disposal proceeds and the carrying amount of the joint venture disposed of is included in profit or loss.

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

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.

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.

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

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

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.

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.

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

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.

3.8 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

<u>Classification</u>

The Group 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.

<u>Recognition and derecognition</u>

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits 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.

<u>Measurement of financial asset at amortised cost</u>

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.

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

3.9 Impairment (cont'd)

(a) Impairment of financial assets (cont'd)

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

(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 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at banks, fixed deposits with a licensed bank, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts, and pledged deposits, if any.

3.11 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.

3.12 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 right-of-use asset and a lease liability at the lease commencement date. 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.

In assessing whether a lessee is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, the Group and the Company consider all relevant facts and circumstances that create an economic incentive for the lessee to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group and the Company revise the lease term if there is a change in the non-cancellable period of a lease.

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. 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 in accordance to Note 3.6 to the financial statements. Otherwise, the Group and the Company depreciate the right-of-use asset to the earlier of the end of the lease term or the end of the useful life of the right-of-use asset.

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 and the Company use its incremental borrowing rate.

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

3.12 Leases (cont'd)

The Group and the Company as lessee (cont'd)

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.

The Group and the Company also apply the recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and lease of low-value assets. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

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.

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

3.13 Taxes (cont'd)

(b) Deferred tax (cont'd)

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.

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 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 and the Company transfer 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 and the Company expect 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

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)

3.16 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.

3.17 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 and the Company. 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 and the Company make contributions to the Employees Provident Fund in Malaysia, a defined contribution pension scheme. Contribution to defined contribution pension schemes is recognised as an expense in the period in which the related service is performed.

(c) Share-based payments

Employees' share options scheme ("ESOS")

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.

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

3.17 Employee benefits (cont'd)

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

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

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.

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.

3.18 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 to prepare the qualifying asset for its intended use or sales are interrupted or completed.

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. Summary of significant accounting policies (cont'd)

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 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.

3.22 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).

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

3.22 Related parties (cont'd)

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

(ii) Any one of the following condition applies: (cont'd)

(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.

(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.

3.23 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:

(a) 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 throughout the current financial year and past few years.

The recoverable amount of the PPE is determined using the fair value less costs of disposal method, based on recent valuation carried out by an independent valuer engaged by the Management.

The valuation of freehold land and building is prepared on Cost Method of Valuation which takes into account the following:

- freehold land: based on the selling price of comparable properties in similar locations adjusted for location and accessibility, land size and other related factors; and

- freehold building: based on the estimation of the reconstruction cost of the building or structures with a similar, modern substitute, net of any deduction to be made for use, and disrepair, age and obsolescence.

The valuation of plant and equipment is prepared on the Cost Approach which takes into account various assumptions regarding physical, functional and economic obsolescence.

Actual results may vary and may cause significant adjustment to the Group's assets within the next financial year.

The Directors believe that the carrying amount of the PPE of AEOI of RM19,504,498 as of 30 June 2022 (2021: RM20,220,390) is recoverable. Further details are disclosed in Note 5 to the financial statements.

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)

(a) Impairment of non-financial assets (cont'd)

Investment in subsidiaries

As of 30 June 2022, the carrying amount of the Company's investment in AEOI and Ace Green Energy Sdn. Bhd. ("AGESB") are RM1,868,393 and RM5,270 (2021: RM20,142,215 and RM50,000) respectively. The Company has further impaired its investment in AEOI and AGESB by RM18,273,822 and RM44,730 (2021: RM15,057,785 and Nil) during the current financial year based on their respective net assets, which is the expected recoverable amount from its investment in these subsidiaries.

(b) Expected credit losses of amounts owing by subsidiaries, trade 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 consider 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 and the Company also consider 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (cont'd)

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 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 2021/1 July 2021	17,000,000	6,035,430	10,381,497	1,149,991	550,507	104,030	35,221,455
Additions	-	99,095	-	-	-	21,689	120,784
At 30 June 2022	17,000,000	6,134,525	10,381,497	1,149,991	550,507	125,719	35,342,239
Accumulated depreciation							
At 1 July 2020	-	2,587,914	8,435,709	911,029	38,882	78,947	12,052,481
Charge for the year	-	227,966	267,004	70,478	53,442	4,924	623,814
At 30 June 2021/1 July 2021	-	2,815,880	8,702,713	981,507	92,324	83,871	12,676,295
Charge for the year	-	386,094	260,272	70,478	110,101	8,063	835,008
At 30 June 2022	-	3,201,974	8,962,985	1,051,985	202,425	91,934	13,511,303
Accumulated impairment losses							
At 1 July 2020/30 June 2021/ 1 July 2021/30 June 2022	-	1,141,216	606,397	21,657	-	291	1,769,561
Net carrying amounts							
At 30 June 2022	17,000,000	1,791,335	812,115	76,349	348,082	33,494	20,061,375
At 30 June 2021	17,000,000	2,078,334	1,072,387	146,827	458,183	19,868	20,775,599

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

	Office equipment, furniture and fittings and computer equipment RM	Motor vehicle RM	Office renovation RM	Total RM
Company				
Cost				
At 1 July 2020	25,407	89,726	-	115,133
Additions	9,197	460,781	-	469,978
At 30 June 2021/1 July 2021	34,604	550,507	-	585,111
Additions	7,595	-	99,095	106,690
At 30 June 2022	42,199	550,507	99,095	691,801
Accumulated depreciation				
At 1 July 2020	23,348	38,882	-	62,230
Depreciation charge for the year	903	53,442	-	54,345
At 30 June 2021/1 July 2021	24,251	92,324	-	116,575
Depreciation charge for the year	3,122	110,101	4,955	118,178
At 30 June 2022	27,373	202,425	4,955	234,753
Net carrying amounts				
At 30 June 2022	14,826	348,082	94,140	457,048
At 30 June 2021	10,353	458,183	-	468,536

(a) Freehold land carried at valuation

An independent valuation of the Group's freehold land was performed by an independent qualified valuer, PPC International Sdn. Bhd., to determine the fair value of the freehold land as of 29 January 2018 using the market comparable method. The valuer has the appropriate qualifications and experience in valuing the fair value of the properties within the locality.

The Directors are of the view that the carrying amount of the freehold land as at 30 June 2022 approximates its current fair value based on the recent valuation carried out by an independent professional valuer engaged by the Management.

<u>Level 3 fair value</u>

Fair value of freehold land was derived by using the Comparison Approach.

Comparison Approach entails comparing the Property with comparable properties which have been sold or are being offered for sale and making adjustments for factors which affect value such as location and accessibility, market conditions, size, shape and terrain of land, tenurial interest and restrictions if any, availability of infrastructure, vacant possession and development approval and other relevant characteristics.

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

(a) Freehold land carried at valuation (cont'd)

Had the Group's freehold land been measured on a historical cost basis, its carrying amounts would have been RM7,600,000 (2021: RM7,600,000).

(b) Fully depreciated assets

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

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Office equipment, furniture and fittings and computer equipment	29,936	29,936	21,168	21,168
Plant and machinery, tools and equipment	400,138	234,996	-	-

(c) Impairment of property, plant and equipment

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.

The recoverable amount of the significant property, plant and equipment is determined by an independent professional valuer ("Valuer") engaged by the Management. The Valuer has adopted the Cost Method of Valuation in valuing the freehold land and building (on the assumption the Certificate of Completion and Compliance will be issued by the local authority); and the Cost Approach in valuing the machineries ("the Plant").

The Management is in the midst of applying the Certificate of Completion and Compliance from the local authority.

The Cost Method of Valuation entails the value of the land is on the basis of comparing with vacant industrial land within the locality and the building is determined by the cost of constructing the factory, warehouse, office and other out buildings with similar construction and finishes.

The Cost Approach considers the cost to replace or reproduce the Plant in accordance with current market prices of similar plants, with allowance for accrued depreciation arising from condition, utility, age, wear and tear, or obsolescence present (physical, functional or economic), taking into consideration past and present maintenance policy and rebuilding history. Adjustments are then made to reflect depreciation resulting from physical deterioration and obsolescence to arrive at a reasonable valuation.

The Directors are of the view that based on current financial year assessment, no further impairment loss is required for the carrying amount of these assets assessed.

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

(d) Right-of-use asset included as property, plant and equipment

Right-of-use assets acquired under leasing arrangements are presented together with the owned assets of the same class as follows:

	Group/Company	
	2022	**2021**
	RM	**RM**
Carrying amounts		
Motor vehicle under lease	288,660	369,216

Details of lease liabilities of the above asset is disclosed in Note 19 to the financial statements.

6. Right-of-use assets

	Leased office premises RM
Group	
Cost	
At 1 July 2020/30 June 2021/1 July 2021	-
Additions	200,869
At 30 June 2022	200,869
Accumulated depreciation	
At 1 July 2020/30 June 2021/1 July 2021	-
Charge for the year	33,479
At 30 June 2022	33,479
Net carrying amounts	
At 30 June 2022	167,390
At 30 June 2021	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (cont'd)

6. Right-of-use assets (cont'd)

	Leased office premises RM
Company	
Cost	
At 1 July 2020/30 June 2021/1 July 2021	-
Addition	170,115
At 30 June 2022	170,115
Accumulated depreciation	
At 1 July 2020/30 June 2021/1 July 2021	-
Charge for the year	28,353
At 30 June 2022	28,353
Net carrying amounts	
At 30 June 2022	141,762
At 30 June 2021	-

The offices under lease contain extension options exercisable by the Group and the Company of 2 years before end of the lease period of 2 years. The Group and the Company had included the extension options at the respective lease commencement date or date of initial application of MFRS (whichever is earlier) as it is reasonably certain to exercise options.

7. Investment in subsidiaries

	Company	
	2022 RM	**2021 RM**
Unquoted shares, at cost		
At beginning of the year	46,530,490	11,330,489
Add:		
Incorporation of a subsidiary	100	1
Additional investment in a subsidiary	-	35,200,000
	46,530,590	46,530,490
Less: Accumulated impairment losses	(44,656,826)	(26,338,274)
At end of the year	1,873,764	20,192,216

7. Investment in subsidiaries (cont'd)

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

	Company	
	2022	**2021**
	RM	**RM**
At beginning of the year	26,338,274	11,280,489
Impairment losses during the year (Note 27)	18,318,552	15,057,785
At end of the year	44,656,826	26,338,274

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

	Group's interest		
	2022	**2021**	
Name of subsidiaries	**%**	**%**	**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") [1]	100	100	Manufacturing and trading of gloves.
ACE Distributions Sdn. Bhd. ("ADSB") [2,3]	100	-	Trading, retails and distribution in all kind of food and beverages.

Notes:

1 The auditors' report of these subsidiaries contains a material uncertainty relating to the appropriateness of the going concern in view of their capital deficiency and/or net current liabilities position as at 30 June 2022. The financial statements were prepared on a going concern basis as the Company has undertaken to provide continued financial support to these subsidiaries.

2 On 3 January 2022, the Company had newly incorporated a wholly-owned subsidiary, ADSB with a paid-up share capital of RM100 comprising 100 ordinary shares.

3 The audited financial statements are not available and the management's financial statements were used in the preparation of the consolidated financial statements.

8. Investment in a joint venture

	Group	
	2022 RM	2021 RM
Unquoted shares, at cost		
At beginning of the year	51,001	51,001
Disposal during the financial year	(51,001)	-
	-	51,001
Share of post acquisition reserves	-	(9,573)
At end of the year	-	41,428

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

	Group's interest		
Name of joint venture	2022 %	2021 %	Principal activities
Joint venture of AGESB			
NSN ACE Joint Venture Sdn. Bhd. ("NASB")	-	51	To secure contracts to operate the handling of coal, to purchase coal and any other materials locally and/or overseas.

(b) On 23 June 2022, the Group entered into a Share Sale Agreement with an acquirer for the disposal of its entire shareholding of 51% in the joint venture with a cash consideration of RM51. The Group's gain on disposal was recognised in the profit or loss.

(c) The summarised financial information of NASB has not been presented as the financial results of NASB for the current and previous financial year are immaterial to the Group.

9. Goodwill

	Group	
	2022 RM	2021 RM
Cost		
At beginning and end of the year	736,384	736,384
Accumulated impairment losses		
At beginning and end of the year	(736,384)	(736,384)
Net carrying amount	-	-

9. Goodwill (cont'd)

(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	
	2022	**2021**
	RM	**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.

10. Inventories

	Group	
	2022	**2021**
	RM	**RM**
<u>At cost:</u>		
Trading goods	127,198	-
Inventories in transit	604,493	-
Spare parts	80,564	80,564
	812,255	80,564
Recognised in profit or loss:		
Inventories recognised as cost of sales	7,843,495	35,484,727

11. Trade receivables

	Group	
	2022	**2021**
	RM	**RM**
Trade receivables, gross	11,086,970	9,234,134
Less: Accumulated impairment losses	(7,289,294)	(7,289,294)
Trade receivables, net	3,797,676	1,944,840

11. Trade receivables (cont'd)

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

	Group 2022 RM	Group 2021 RM
Group		
At beginning of the year	7,289,294	-
Impairment losses during the year (Note 27)	-	7,289,294
At end of the year	7,289,294	7,289,294

(b) Trade receivables are non-interest bearing and the normal trade credit terms granted ranges from 7 to 90 days (2021: 7 to 90 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.

12. Other receivables, deposits and prepayments

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Other receivables, gross		197,301	197,903	-	-
Less: Accumulated impairment losses	(a)	(27,094)	(27,094)	-	-
Other receivables, net		170,207	170,809	-	-
Deposits	(b)	19,357,738	23,655,564	22,700	8,250,000
Prepayments	(c)	9,636,468	116,201	32,343	90,129
		29,164,413	23,942,574	55,043	8,340,129

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

	Group 2022 RM	Group 2021 RM
At beginning of the year	27,094	55,495
Less: Reversal during the year	-	(28,401)
At end of the year	27,094	27,094

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

(b) Deposits of the Group mainly consist of the following:

(i) Design, fabricate, install, test and commission of glove dipping lines

On 30 June 2021, the Group had awarded a project to AE Multi Industries Sdn. Bhd. ("AEM"), 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 and has paid a deposit of RM15,000,000 to AEM. The Group is expected to enter into a definitive agreement within 120 days from the date of award or any extension thereof.

The execution of the definitive agreement had been extended to 31 October 2023 and agreed by both parties, the Group and AEM.

The details of capital commitment of the Group for the Project as of the financial year end are disclosed in Note 34 to the financial statements.

(ii) Acquisition of leasehold land

On 29 October 2021, the Group offered to purchase six pieces of leasehold land at Alor Gajah, Melaka, and paid a refundable earnest deposit of RM3,000,000 to the vendor. Subsequently, the offer was called off and the vendor undertakes to make a full refund of the earnest deposit on 30 November 2022.

(iii) Acquisition of a property

On 3 June 2022, the Group entered into a sale and purchase agreement to acquire a unit of commercial property at Troika, Persiaran KLCC Kuala Lumpur at the purchase price of RM6,861,660, and paid a 10% earnest deposit of RM686,166.

The details of the capital commitment of this acquisition as of the financial year end are disclosed in Note 34 to the financial statements.

The acquisition is completed on 30 September 2022.

(c) During the current financial year, the Group made an advance payment of RM16,000,000 to a trade supplier to purchase gloves. As of 30 June 2022, the advance payment remained in the prepayment amounted to RM9,564,058 (2021: Nil), which the Group is required to fully utilise the prepayment by 31 August 2023.

13. Amount owing by/(to) subsidiaries

	Company	
	2022	2021
	RM	RM
Amount owing by subsidiaries		
At beginning of the year	75,974,893	27,189,262
Less: Accumulated impairment losses	(44,863,762)	(12,096,055)
At end of the year	31,111,131	15,093,207
Amount owing to a subsidiary	38,160	-

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

	Company	
	2022	2021
	RM	RM
At beginning of the year	12,096,055	14,860,340
Add: Impairment during the year (Note 27)	32,767,707	-
Less: Reversal of impairment (Note 25)	-	(2,764,285)
At end of the year	44,863,762	12,096,055

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

14. Investment in quoted securities

	Group	
	2022	2021
	RM	RM
Financial assets designated at FVTPL:		
Quoted securities, in Malaysia	20,275,422	-

Fair values of the above quoted securities are determined by reference to the published quoted price in an active market as of the reporting date.

15. Money market instruments

	Group/Company 2022 RM	Group/Company 2021 RM
Financial assets designated at FVTPL:		
Short term funds in Malaysia	41,325,426	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.

16. Cash and bank balances

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Cash in hand	1,554	339	1,500	-
Balances with:				
- Local licensed banks	3,330,220	14,058,065	260,865	13,855,318
- Overseas financial institution	-	12,000,000	-	-
	3,331,774	26,058,404	262,365	13,855,318

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

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Ringgit Malaysia	3,331,774	26,051,989	262,365	13,855,318
United States Dollar	-	6,415	-	-
	3,331,774	26,058,404	262,365	13,855,318

17. Share capital

	Number of shares		RM	
	2022	2021	2022	2021
Group/Company				
Issued and fully paid ordinary shares with no par value:				
At beginning of the year	1,759,660,400	289,710,800	135,493,427	34,189,276
Issuance of shares pursuant to:				
- private placements	351,932,000	124,576,000	8,129,629	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	-	-	(137,788)	(1,225,945)
At end of the year	2,111,592,400	1,759,660,400	143,485,268	135,493,427

On 1 July 2021, the Company obtained approval from Bursa Securities for listing of and quotation of up to 351,932,000 new ordinary shares via private placement. The private placement was completed and shares were issued for cash at RM0.0231 each on 27 August 2021.

The newly issued ordinary shares during the financial year in respect of the private placement 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.

18. Reserves

		Group		Company	
	Note	2022 RM	2021 RM	2022 RM	2021 RM
Non-distributable					
Warrants reserves	(a)	31,113,329	31,113,329	31,113,329	31,113,329
Revaluation reserve	(b)	8,930,000	8,930,000	-	-
Share options reserve	(c)	-	-	-	-
		40,043,329	40,043,329	31,113,329	31,113,329

18. Reserves (cont'd)

(a) Warrants reserve (cont'd)

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	
	2022	**2021**
Group/Company		
At beginning of the year	621,430,198	-
Issuance of Warrants B	-	621,430,198
At end of the year	621,430,198	621,430,198

(b) Revaluation reserve

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

18. Reserves (cont'd)

(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.

During the financial year, no options has been issued by the Company.

In last financial year, the details of the options issued over the ordinary shares of the Company are as follows:

		Number of options over ordinary shares			
Grant date	**Exercise price (per share)**	**At beginning of the year**	**Granted**	**Exercised**	**At end of the year**
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)	-

Fair value of share options granted

Fair value of the share options granted in last 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%

18. Reserves (cont'd)

(c) Share options reserve (cont'd)

Employees' share option scheme ("ESOS")

On 27 October 2020, the shareholders of the Company have at an extraordinary general meeting approved the establishment of an ESOS of up to 30% of the total number of issued shares of the Company (excluding treasury shares) at any one time to eligible Directors and employees ("Eligible persons") 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.

(ii) The actual number of ESOS shares which may be offered to Eligible Persons 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.

19. Lease liabilities

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
At beginning of the year	340,225	-	340,225	-
New lease liabilities during the year	200,869	360,000	170,115	360,000
Finance lease interest (Note 26)	22,031	5,075	21,173	5,075
Lease payments:				
- Principal	(75,346)	(18,251)	(70,604)	(18,251)
- Interest	(22,294)	(6,599)	(21,436)	(6,599)
At end of the year	465,485	340,225	439,473	340,225
Future lease payments payables:				
- Not later than one year	111,670	54,670	103,270	54,670
- More than one year to five years	371,560	238,560	351,960	238,560
- More than five years	39,736	99,376	39,736	99,376
Total future minimum lease payments	522,966	392,606	494,966	392,606
Less: Future finance charges	(57,481)	(52,381)	(55,493)	(52,381)
Present value of minimum lease payments	465,485	340,225	439,473	340,225
Payments due within 12 months, presented as current	(91,088)	(45,252)	(83,698)	(45,252)
Non-current portion of lease liabilities	374,397	294,973	355,775	294,973
Present value of lease liability				
- Not later than one year	91,088	45,252	83,698	45,252
- More than one year to five years	337,027	204,183	318,405	204,183
- More than five years	37,370	90,790	37,370	90,790
	465,485	340,225	439,473	340,225

The lease liabilities of the Group and the Company bear weighted average lessee's incremental borrowing rate at 3.88% and 3.84% (2021: 2.28%) per annum respectively.

19. Lease liabilities (cont'd)

(a) The net carrying amount of right-of-use assets under lease arrangement at the end of the financial year are as follows:

	Group		**Company**	
	2022 RM	**2021 RM**	**2022 RM**	**2021 RM**
Net carrying amounts included in:				
- Property, plant and equipment (Note 5)	288,660	369,216	288,660	369,216
- Right-of-use assets (Note 6)	167,390	-	141,762	-

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

	Group		**Company**	
	2022 RM	**2021 RM**	**2022 RM**	**2021 RM**
Depreciation of right-of-use assets	114,035	33,565	108,909	33,565
Lease liabilities interest	22,031	5,075	21,173	5,075
Lease expense:				
- Low value assets	4,680	5,990	-	-
	140,746	44,630	130,082	38,640

During the financial year, the Group and the Company had total cash outflows for lease liabilities of RM97,640 and RM92,040 (2021: RM24,850 and RM24,850) respectively.

20. Deferred tax liabilities

	Group 2022 RM	Group 2021 RM
At beginning of the year	608,750	608,750
(Charged)/Credited to profit or loss:		
Property, plant, equipment	(59,234)	40,503
Other receivables	-	6,817
Inventories	-	184,314
Unutilised capital allowances	(43,635)	(49,005)
Unabsorbed tax losses	102,869	(182,629)
At end of the year	608,750	608,750
Deferred tax liabilities (before offsetting):		
Temporary difference arising from:		
Property, plant and equipment	1,513,165	1,572,399
Revaluation of freehold land	470,000	470,000
	1,983,165	2,042,399
Offsetting	(1,374,415)	(1,433,649)
Deferred tax liabilities (after offsetting):	608,750	608,750
Deferred tax assets (before offsetting):		
Temporary difference arising from:		
Other receivables	6,502	6,502
Unutilised capital allowances	141,332	97,697
Unabsorbed tax losses	1,226,581	1,329,450
	1,374,415	1,433,649
Offsetting	(1,374,415)	(1,433,649)
Deferred tax assets (after offsetting):	-	-

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

	Group 2022 RM	Group 2021 RM
Unabsorbed tax losses	30,886,980	21,740,592

20. Deferred tax liabilities (cont'd)

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

The unabsorbed 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, unabsorbed tax losses in a YA can only be carried forward for a maximum period of 10 consecutive YAs. Unabsorbed tax losses for YA 2020 can be set off against income from any business source for 10 YAs and will be disregarded in YA 2031. Unabsorbed tax losses accumulated up to YA 2018 can be utilised for another 10 YAs and will be disregarded in YA2029.

The unabsorbed tax losses can only be carried forward until the following YAs:

	RM
Prior and up to YA 2028	15,055,055
2030	9,964,874
2031	2,246,568
2032	8,731,237
	35,997,734

21. Trade payables

Trade payables of the Group are non-interest bearing and the normal trade credit terms granted are 30 (2021: 7 to 90) days terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

22. Other payables and accruals

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Other payables	56,700	25,212	2	25,212
Accruals	140,028	103,915	80,908	48,908
	196,728	129,127	80,910	74,120

23. Amount owing to a Director

Amount owing to a Director represents advances and payment on behalf by a Director, which is unsecured, interest-free and payable on demand in cash and cash equivalents.

24. Revenue

	Group	
	2022 RM	2021 RM
Sales of:		
- Production and trading of palm kernel oil and palm kernel expeller	-	13,202,007
- Trading of refined, bleached and deodorised olein	-	21,121,930
- Trading of biomass material	-	9,432
- Trading of gloves	6,508,604	1,944,840
- Trading of food and beverages	1,098,298	-
	7,606,902	36,278,209
Timing of revenue recognition:		
Goods transferred at a point in time	7,606,902	36,278,209

25. Other income

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Distribution income from money market instruments	331,852	697,614	331,852	697,614
Gain on fair value changes of money market instruments	351,482	-	351,482	-
Gain on disposal of investment in a joint venture	1,964	-	-	-
Interest income	190,456	23,412	189,949	23,401
Sales of scrap	-	71,695	-	-
Realised gain on foreign exchange	145	-	-	-
Reversal of impairment on amount owing by a subsidiary	-	-	-	2,764,285
Others	1,798	1,711	-	586
	877,697	794,432	873,283	3,485,886

26. Finance costs

	Group		Company	
	2022 RM	**2021 RM**	**2022 RM**	**2021 RM**
Bank overdraft interest	-	112,449	-	-
Banker's acceptances interest	-	280,681	-	-
Lease interest	22,031	5,075	21,173	5,075
	22,031	398,205	21,173	5,075

27. Loss before tax

Loss before tax is arrived at after charging:

	Group		Company	
	2022 RM	**2021 RM**	**2022 RM**	**2021 RM**
Auditors' remuneration:				
- Statutory audit services	136,000	101,000	80,000	48,000
- Other services	20,000	-	20,000	-
Depreciation of property, plant and equipment [(1)]	835,008	623,814	118,178	54,345
Depreciation of right-of-use assets	33,479	-	28,353	-
Loss on fair value changes of:				
- Money market instruments	-	12,271	-	12,271
- Quoted securities	10,583,493	-	-	-
Impairment losses on:				
- Trade receivables (Note 11)	-	7,289,294	-	-
- Investment in subsidiaries (Note 7)	-	-	18,318,552	15,057,785
- Amount owing by subsidiaries (Note 13)	-	-	32,767,707	-
Lease expense:				
- Low value assets	4,680	5,990	-	-
Loss on disposal of quoted securities	7,363,968	-	-	-

Note [(1)]:

Depreciation recognised in line items of profit or loss:				
- Cost of sales	-	494,605	-	-
- Administrative expenses	835,008	129,209	118,178	54,345
	835,008	623,814	118,178	54,345

28. Employee benefits expenses

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Salaries, bonuses and allowances	812,507	704,067	546,031	562,710
Defined contribution plans	81,423	73,955	48,526	55,887
Social security contribution plans	6,742	5,962	3,617	3,484
Share-based payments under ESOS	-	3,403,340	-	1,776,753
Other staff related expenses	20,781	13,608	5,187	11,899
	921,453	4,200,932	603,361	2,410,733

Included in employee benefits expenses of the Group and of the Company are Directors' remuneration. The details of Directors' remuneration are disclosed in Note 31.1 to the financial statements.

29. Tax expense

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Income tax expense				
Current tax expense	-	9,004	-	-
Underprovision in prior year	264	-	-	-
	264	9,004	-	-

29. 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	
	2022 RM	**2021 RM**	**2022 RM**	**2021 RM**
Loss before tax:	(20,841,415)	(12,472,258)	(51,487,686)	(14,630,444)
Tax at statutory tax rate of 24% (2021: 4%)	(5,001,940)	(2,993,342)	(12,357,045)	(3,511,307)
Tax effect in respect of:				
Non-taxable income	-	(12,588)	-	-
Non-deductible expenses	2,905,428	2,658,387	12,357,045	3,511,307
Deferred tax assets not recognised during the financial year	2,096,512	356,547	-	-
Underprovision in prior year	264	-	-	-
Tax expense for the financial year	264	9,004	-	-

30. Loss per share

	Group	
	2022 RM	**2021 RM**
Basic loss per share		
Loss for the financial year (RM):	(20,841,679)	(12,481,262)
Weighted average number of ordinary shares in issue (units)	2,056,633,156	916,299,020
Basic loss per ordinary share (sen)	(1.01)	(1.36)

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (cont'd)

31. Related party disclosures

31.1 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 are as follows:

	Group		Company	
	2022 RM	**2021 RM**	**2022 RM**	**2021 RM**
Directors				
Executives:				
Salaries, bonuses and other emoluments	279,000	110,000	139,000	110,000
Defined contribution plans and social security contribution	34,248	13,970	16,447	13,970
Non-executives:				
Fees	102,500	93,000	102,500	93,000
	415,748	216,970	257,947	216,970
Other key management personnel				
Salaries, allowance and bonus	162,500	280,551	162,500	280,551
Defined contribution plans and social security contribution	20,423	35,261	20,423	35,261
Share-based payment under ESOS	-	781,020	-	781,020
	182,923	1,096,832	182,923	1,096,832
Total key management personnels compensation	598,671	1,313,802	440,870	1,313,802

32. Financial instruments

32.1 Categories of financial instruments

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

	Group		Company	
	2022 RM	**2021 RM**	**2022 RM**	**2021 RM**
Financial assets				
At amortised cost:				
Trade receivables	3,797,676	1,944,840	-	-
Other receivables and deposits ^	18,412,907	23,656,009	22,700	8,250,000
Amount owing by subsidiaries	-	-	31,111,131	15,093,207
Cash and bank balances	3,331,774	26,058,404	262,365	13,855,318
	25,542,357	51,659,253	31,396,196	37,198,525
At FVTPL:				
Investment in quoted securities	20,275,422	-	-	-
Money market instruments	41,325,426	60,628,780	41,325,426	60,628,780
	61,600,848	60,628,780	41,325,426	60,628,780

^ Excluding prepayment and GST recoverable

	Group		Company	
	2022 RM	**2021 RM**	**2022 RM**	**2021 RM**
Financial liabilities				
At amortised cost:				
Trade payables	-	1,899,851	-	-
Other payables and accruals	196,728	129,127	80,910	74,120
Amount owing to a Director	29,386	-	-	-
Amount owing to a subsidiary	-	-	38,160	-
Lease liabilities	465,485	340,225	439,473	340,225
	691,599	2,369,203	558,543	414,345

32. Financial instruments (cont'd)

32.2 Net gains/(losses) arising from financial instruments

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Net gains/(losses) arising from:				
Financial assets measured at amortised cost	190,456	(7,265,882)	(32,767,707)	2,787,686
Financial assets measured at FVTPL	(17,264,127)	685,343	683,334	685,343
Financial liabilities measured at amortised cost	(22,031)	(398,205)	(21,173)	(5,075)
	(17,095,702)	(6,978,744)	(32,105,546)	3,467,954

32.3 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.

32.4 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 equity 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.

32. Financial instruments (cont'd)

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

(i) Credit risk

The Group and the Company are exposed to credit risk mainly from trade and other receivables. The Group and the Company have concentration of credit risks and manages these risks by monitoring credit ratings to any individual counterparty. The Group and the Company extend 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 2022, one (2021: one) of the Group's customer accounted for 95% (2021: 100%) 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 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.

32. Financial instruments (cont'd)

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

(i) Credit risk (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			
2022			
Neither past due nor impaired	3,797,676	-	3,797,676
Individually assessed	7,289,294	(7,289,294)	-
	11,086,970	(7,289,294)	3,797,676
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

Other receivables and refundable deposits

Other receivables and refundable 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 (2021: RM27,094).

Cash and bank balances

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

32. Financial instruments (cont'd)

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

(i) Credit risk (cont'd)

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

Intercompany balances

The Company assumes that there is a significant increase in credit risk only when a subsidiary's financial position deteriorates significantly. The Company considers the advances to subsidiaries have low credit risks and of the view that the loss allowance is immaterial.

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

As at 30 June 2022, the accumulated loss allowances provided for loans and advances to subsidiaries are amounted to RM44,863,762 (2021: RM12,096,055).

The movements in the loss allowances are disclosed in Note 13 to the financial statements.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in the market interest rates. The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the financial year would not affect profit or loss.

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on the carrying amounts as at end of the financial year is as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Fixed rate instruments				
Financial liability				
Lease liabilities	465,485	340,225	439,473	340,225

<u>Sensitivity analysis for interest rate risk</u>

Sensitivity analysis for fixed rate instruments is not presented as fixed rate instruments are not affected by changes in interest rates.

32. Financial instruments (cont'd)

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

(iii) Liquidity risk (cont'd)

Liquidity risk is the risk that the Group and 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 objective is to maintain a level of cash and cash equivalents and banking facilities (if necessary) 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.

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 year 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					
2022					
Other payables and accruals	196,728	196,728	196,728	-	-
Amount owing to a Director	29,386	29,386	29,386	-	-
Lease liabilities	465,485	522,966	111,670	371,560	39,736
	691,599	749,080	337,784	371,560	39,736
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

32. Financial instruments (cont'd)

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

(iii) Liquidity risk (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 year 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					
2022					
Other payables and accruals	80,910	80,910	80,910	-	-
Amount owing to a subsidiary	38,160	38,160	38,160	-	-
Lease liabilities	439,473	494,966	103,270	351,960	39,736
	558,543	614,036	222,340	351,960	39,736
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

32. Financial instruments (cont'd)

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

(iv) Other price risk

Other price risk is the risk that the fair value of the financial instruments of the Group and the Company would fluctuate because of changes in market price.

The Group's principal exposure to market price risk mainly arising from quoted investments and money market instruments, which are classified as FVTPL.

Other price risk sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the market prices of the quoted investments and money market instruments at the end of the reporting period, with all other variables held constant:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Effect on Profit/(Loss) After Taxation and Equity				
Increase of 10%	6,160,085	6,062,878	4,132,543	6,062,878
Decrease of 10%	(6,160,085)	(6,062,878)	(4,132,543)	(6,062,878)

32. Financial instruments (cont'd)

32.5 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.

Fair value of financial instruments that are measured at fair value in the statements of financial position at the end of the reporting period are as follows:

	Carrying amount RM	Fair value of financial insruments carried at fair value Level 1 RM	Level 2 RM	Level 3 RM	Total fair value RM
<u>At fair value through profit or loss</u>					
Group					
2022					
Quoted securities, in Malaysia	20,275,422	20,275,422	-	-	20,275,422
Money market instruments	41,325,426	41,325,426	-	-	41,325,426
2021					
Money market instruments	60,628,780	60,628,780	-	-	60,628,780
Company					
2022					
Money market instruments	41,325,426	41,325,426	-	-	41,325,426
2021					
Money market instruments	60,628,780	60,628,780	-	-	60,628,780

32. Financial instruments (cont'd)

32.5 Fair values of financial instruments (cont'd)

Fair value of financial instruments that are not measured at fair value in the statements of financial position at the end of the reporting period (but fair value disclosures are required) are as follows:

	Carrying amount RM	Fair value of financial insruments not carried at fair value Level 1 RM	Level 2 RM	Level 3 RM	Total fair value RM
At amortised cost					
Group					
2022					
Lease liabilities	465,485	-	480,538	-	480,538
2021					
Lease liabilities	340,225	-	368,797	-	368,797
Company					
2022					
Lease liabilities	439,473	-	455,310	-	455,310
2021					
Lease liabilities	340,225	-	368,797	-	368,797

There was no transfer in fair value measurement hierarchy during the current and previous financial years.

33. Segment reporting

Segment analysis has not been prepared for the current and previous financial year as the Group is primarily engaged in trading sector and this forms the focus of the Group's internal reporting systems.

Except for the deposits paid by the Group as at 30 June 2022 amounting to RM18,000,000 (2021: RM23,250,000) for the purpose of setting up of glove business for GRSB, the financial contributions from subsidiaries of the Company are insignificant for the current financial year.

Revenue from major customers

During the financial year, major customer contributing more than 10% of the Group's total revenue are amounted to RM6,503,904 (2021: RM29,803,162), which relates to 1 (2021: 3) customers.

34. Capital commitment

	Group	
	2022 RM	**2021 RM**
Approved and contracted for:		
- Design, fabricate, install, test and commission of glove dipping lines	50,179,664	50,179,664
- Acquisition of a property	6,175,494	-

35. Covid-19 outbreak

The World Health Organisation declared the Coronavirus ("COVID-19") outbreak as a pandemic on 11 March 2020. Following the declaration, the Malaysian Government has imposed various phases of movement control order including lockdowns and curfew and are now at the recovery phases.

The glove sector is experiencing escalating market competition exacerbated by the continued oversupply situation in the global glove industry. As the industry weathers an adjustment period, contending with the factors of oversupply coupled with excess stockpiling by customers during the pandemic, this has led to a slowdown in order placement and hence the average selling price have been on a downward trend since year 2021, as better vaccination coverage has greatly alleviated buyers' urgency to stock up on gloves in major glove consuming countries. The business environment is challenging, as customers continue to deplete pipeline inventories and glove demand and supply gradually equilibrates, which resulted the Group in temporary gross loss position from trading of gloves for the current financial year.

The food and beverage industry, especially that part of the section covering restaurants and hospitality, has been hard hit by COVID-19 through forced closures and other resrictions. The Group is anticipating a rebound in the food and beverages industry amidst the reopening of boarders and ease of restrictions. In anticipation of the picking up momentum, on 3 January 2022, the Group had incorporated a new wholly-owned subsidiary namely, ADSB to venture into food and beverages business.

In addition, the Group has performed an assessment of the overall impact of the situation on the Group's operations, including the recoverability of the carrying amount of assets and measurements of assets and liabilities and concluded that there is no material adverse effect on the financial statements for the financial year ended 30 June 2022.

36. 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 2022:

(a) 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 ("Private Placement") in the Company, representing 20% of the total number of issued shares of the Company, to independent third-party investor(s) to be identified later and at an issue price to be determined later.

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 subject to certain conditions.

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

The Private Placement 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 2022:-

Location of Property	Description (Existing Use)	Land Area/ Built-up Area (Sq.Ft.)	Tenure	Age of Building	Net Book Value as at 30.06.2022 (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)	–	10 years	2,078	
	(ii) Factory, refinery, office and distillation plant	21,305 sq.ft. (1,970 m2)	–	13 years		

ANALYSIS OF **SHAREHOLDINGS**
as at 30 SEPTEMBER 2022

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
20	Less than 100	1,005	*
298	100 to 1,000	166,186	0.01
1,754	1,001 to 10,000	11,918,710	0.56
3,923	10,001 to 100,000	182,656,499	8.65
2,134	100,001 to less than 5% of issued shares	1,288,850,000	61.04
1	5% and above of the issued shares	628,000,000	29.74
8,130	**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 PERSON)

	Name of Shareholders	No. of Shares Held	Percentage (%)
1.	Amsec Nominees (Tempatan) Sdn. Bhd. *- Exempt An for KGI Securities (Singapore) Pte.Ltd (66581 T CL)*	628,000,000	29.74
2.	Yap Swee Sang	33,400,000	1.58
3.	Public Nominees (Tempatan) Sdn. Bhd. *- Pledged Securities Account for Tan Kong Han (SS2/PIV)*	23,015,400	1.09
4.	Tan Kong Han	22,421,400	1.06
5.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. *- Pledged Securities Account for Ng Geok Wah (B BRKLANG-CL)*	15,000,000	0.71
6.	Public Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Ng Tee Yew (E-SRB)	14,000,000	0.66
7.	Kenanga Nominees (Tempatan) Sdn. Bhd. *- Pledged Securities Account for Chan Chun Ket*	11,700,000	0.55
8.	Hu Xin	11,500,000	0.54
9.	Ho Heng Chuan	11,150,000	0.53
10.	Yeoh Guan Fook	11,100,000	0.53
11.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. *- Pledged Securities Account for Goh Tian Chuan (MQ0008)*	9,600,000	0.45
12.	Yap Koon Huat	9,200,000	0.44
13.	Ng Wooi Ying	8,700,000	0.41
14.	Lim Poh Fong	8,337,500	0.39
15.	Lim Ah Eng	7,033,600	0.33

ANALYSIS OF **SHAREHOLDINGS**
as at 30 SEPTEMBER 2022 (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 PERSON) (CONT'D)

	Name of Shareholders	No. of Shares Held	Percentage (%)
16.	Maybank Nominees (Tempatan) Sdn. Bhd. *- Pledged Securities Account for Teo Ker-Wei*	7,000,000	0.33
17.	Maybank Nominees (Tempatan) Sdn. Bhd. *- Lee See Leong*	6,900,000	0.33
18.	Tnay Meng Chon	6,550,000	0.31
19.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. *- Pledged Securities Account for Lim Teck Huat*	6,200,000	0.29
20.	Teo Kwee Hock	5,906,000	0.28
21.	Public Nominees (Tempatan) Sdn. Bhd. *- Pledged Securities Account for Lim Chung Toung (E-KKU)*	5,800,000	0.27
22.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. *- Pledged Securities Account for Chow Yee Chin (KEBUN TEH-CL)*	5,700,000	0.27
23.	Yin Yit Fun	5,005,000	0.24
24.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. *- Pledged Securities Account for Chou Sing Hoan*	5,000,000	0.24
25.	Amsec Nominees (Tempatan) Sdn. Bhd. *- Pledged Securities Account for Lim Jeh Ming*	5,000,000	0.24
26.	Ouek Yong Wah	5,000,000	0.24
27.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. *- Pledged Securities Account for Tay Hock Soon (MY1055)*	4,575,400	0.22
28.	Chung Kin Chuan	4,500,000	0.21
29.	Teo Ah Seng	4,495,600	0.21
30.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. *- Pledged Securities Account for Wong Wai Sum (7005166)*	4,463,400	0.21
	TOTAL	906,253,300	42.92

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.	628,000,000	29.74	-	-
2.	Focus Dynamics Group Berhad	-	-	628,000,000	29.74

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.	Tay Ben Seng, Benson	-	-	-	-
3.	Roy Winston George	-	-	-	-
4.	Kang Teik Yih	-	-	-	-

ANALYSIS OF **WARRANT B HOLDINGS**
as at 30 SEPTEMBER 2022

SHARE CAPITAL

No. of Warrants B	: 621,430,198
Exercise Price of Warrants B	: RM0.10
Exercise Period of Warrants B	: 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

WARRANTS B HOLDINGS DISTRIBUTION SCHEDULE (BASED ON THE RECORD OF DEPOSITORS)

No. of Warrants B Holders	Size of Warrants B Holdings	No. of Warrants B Held	% of Warrants B
68	Less than 100	3,074	*
49	100 to 1,000	22,088	*
238	1,001 to 10,000	1,562,249	0.25
1,070	10,001 to 100,000	51,090,987	8.22
778	100,001 to less than 5% of warrants	568,751,800	91.52
-	5% and above of the warrants	-	-
2,203	**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 PERSON)

	Name of Warrants B Holders	No. of Warrants B Holder 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.	Apex Nominees (Tempatan) Sdn. Bhd. *- Pledged Securities Account for Chen Teck Long (STA 2)*	10,561,900	1.70
7.	Lim Kean Ghee	10,000,000	1.61
8.	W Mohd Sharif bin Wan Muda	10,000,000	1.61
9.	Lum Yin Mui	8,757,000	1.41
10.	Public Nominees (Tempatan) Sdn. Bhd. *- Pledged Securities Account for Ng Tee Yew (E-SRB)*	8,250,000	1.33
11.	Md Nor bin Mansor	7,800,000	1.26
12.	Lim Tuan Guan	7,006,000	1.13
13.	Ng Wooi Ying	6,600,000	1.06
14.	Gan Keng Meng	6,079,400	0.98

ANALYSIS OF **WARRANT B HOLDINGS**
as at 30 SEPTEMBER 2022 (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 PERSON) (CONT'D)

	Name of Warrants B Holders	No. of Warrants B Holder Held	Percentage (%)
15.	Yeoh Guan Fook	5,550,000	0.89
16.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. *- Pledged Securities Account for Goh Tian Chuan (MQ0008)*	4,800,000	0.77
17.	Rajiv A/L M.Sammanthan	4,500,000	0.72
18.	Kenanga Nominees (Tempatan) Sdn. Bhd. *- Pledged Securities Account for Chan Chun Ket*	4,425,900	0.71
19.	Maybank Nominees (Tempatan) Sdn. Bhd. *- Pledged Securities Account for Jalisam bin Hamzah*	4,000,000	0.64
20.	Poh Sin Ee	4,000,000	0.64
21.	Kenanga Nominees (Tempatan) Sdn. Bhd. *- Pledged Securities Account for Mashayu Binti Mohd Rahim*	3,982,000	0.64
22.	Maybank Nominees (Tempatan) Sdn. Bhd. *- Lee See Leong*	3,450,000	0.56
23.	Chua Lai Hong	3,219,100	0.52
24.	Inter-Pacific Equity Nominees (Asing) Sdn. Bhd. *- Pledged Securities Account for Tok Boon Seong*	3,150,000	0.51
25.	Hu Xin	3,050,000	0.49
26.	Chai Wee Kiong	3,000,000	0.48
27.	Lau Ching Fong	3,000,000	0.48
28.	Maybank Nominees (Tempatan) Sdn. Bhd. *- Lee Aik Kuan*	3,000,000	0.48
29.	See Kok Guan	3,000,000	0.48
30.	Voon Seng Keong	3,000,000	0.48
	TOTAL	**211,532,550**	**34.04**

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

	Name of Directors	No. of Warrants B Holder Held			
		DIRECT	%	INDIRECT	%
1.	Dato' Nik Ismail bin Dato' Nik Yusoff	-	-	-	-
2.	Tay Ben Seng, Benson	-	-	-	-
3.	Roy Winston George	-	-	-	-
4.	Kang Teik Yih	-	-	-	-

NOTICE OF **ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN THAT the Nineteenth (**"19th"**) Annual General Meeting **("AGM"**) of **GREEN OCEAN CORPORATION BERHAD** (**"GREEN OCEAN"** or **"COMPANY"**) will be conducted on a virtual basis through live streaming and online remote participation and voting from a Broadcast Venue at Lot 4.1, 4th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on **Tuesday, 20 December 2022** 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 2022 ("**FYE 2022**") and the Directors' and Auditors' Reports thereon. **(See Explanatory Note 10)**

2. To approve the payment of Directors' Fees up to RM150,000.00 for the financial year ending 30 June 2024. **(Ordinary Resolution 1)**

3. To approve the payment of Directors' Benefits amounting to RM14,000.00 for the financial year ending 30 June 2024. **(Ordinary Resolution 2)** **(See Explanatory Note 11)**

4. To re-elect Mr. Roy Winston George as Director who retires pursuant to Clause 134 of the Company's Constitution. **(Ordinary Resolution 3)** **(See Explanatory Note 12)**

5. To re-elect the following Directors who retire pursuant to Clause 119 of the Company's Constitution:

   i. Mr. Tay Ben Seng, Benson **(Ordinary Resolution 4)**
   ii. Datuk Chong Loong Men **(Ordinary Resolution 5)**
   iii. Mr. Teh Beng Choon **(Ordinary Resolution 6)**
   (See Explanatory Note 12)

6. To re-appoint Messrs Ecovis Malaysia PLT as Auditors of the Company for the financial year ending 30 June 2023 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 resolution:

7. **Authority to Issue and Allot Shares Pursuant to Sections 75 and 76 of the Companies Act 2016 ("CA 2016") ("Proposed General Mandate")** **(Ordinary Resolution 8)** **(See Explanatory Note 13)**

   "**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 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 Twentieth (20th) 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 Malaysia Securities Berhad (**"Bursa Securities"**).

THAT the existing shareholders of the Company hereby waive their pre-emptive rights to be offered New Shares ranking equally to the existing issued shares in the Company pursuant to Section 85 of the CA 2016 read together with Clause 65 of the Constitution of the Company arising from any issuance of new shares of the Company pursuant to Sections 75 and 76 of the CA 2016.

AND THAT the Directors of the Company, be and are hereby authorised to implement, finalise, complete and take all necessary steps and to do all acts (including execute such documents as may be required), deeds and things in relation to the Proposed General Mandate."

8. 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: 31 October 2022

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 A3-3-8, Solaris Dutamas, No. 1, Jalan Dutamas 1, 50480 Kuala Lumpur, W.P. Kuala Lumpur or e-mail to infosr@wscs.com.my or fax to 03-6413 3270 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 13 December 2022, 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 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.*

NOTICE OF **ANNUAL GENERAL MEETING**
(cont'd)

Explanatory Notes on Ordinary Business

10. ***Audited Financial Statements for FYE 2022***

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 Resolution 2, 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 2024, pursuant to the requirements of Section 230 of CA 2016.

12. ***Re-election of Directors***

Mr. Roy Winston George ("Mr. Roy George"), Mr. Tay Ben Seng, Benson, Datuk Chong Loong Men and Mr. Teh Beng Choon being eligible, have offered themselves for re-election at this AGM pursuant to the Constitution of the Company.

The Board (with exception of the retiring Directors who abstained) recommended the retiring directors be re-elected as the Directors of the Company as they have character, experience, integrity, competence and time to effectively discharge their role as a Director of the Company.

The Board was further satisfied that Mr. Roy George has complied with the criteria of independence based on the Listing Requirements and remain independent in exercising his judgement and carry out his roles as independent non-executive director.

Explanatory Note on Special Business

13. ***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 proposed Ordinary Resolution 8, if passed, will give the Directors of the Company authority to allot and issue 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 10% of the total number of issued shares of the Company.

By approving the allotment and issue of the Company's shares pursuant to the Proposed General Mandate which will rank the equally with the existing issued shares in the Company, the shareholders of the Company are deemed to have waived their pre-emptive rights pursuant to Section 85 of the CA 2016 and Clause 65 of the Constitution of the Company to be first offered the Company's Shares which will result in a dilution to their shareholdings percentage in the Company.

As at the date of this notice, no shares had been allotted and issued since the general mandate granted to the Directors at the last AGM held on 24 November 2021 and this authority will lapse as the conclusion of the 19th AGM of the Company.

The Board, having considered the current and prospective financial position, needs and capacity of the Group, is of the opinion that the Proposed General Mandate is in the best interests of the Company and its shareholders.

ADMINISTRATIVE GUIDE FOR THE **19TH ANNUAL GENERAL MEETING (AGM)**

Date	**Time**	**Broadcast Venue**
20 December 2022 (Tuesday)	10.30 a.m.	Lot 4.1, 4th 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 a 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 present at the broadcast venue of the AGM. Shareholders of Green Ocean Corporation Berhad ("the Company") ("Shareholders") are **NOT REQUIRED** to be physically present **NOR ADMITTED** at the broadcast venue on the day of the AGM.

Shareholders whose names appear on the General Meeting Record of Depositors on 14 December 2022 shall be eligible 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. Shareholders are encouraged to participate in the AGM by using the RPV Facilities. With the RPV Facilities, Shareholders may exercise their rights to participate (including to pose questions to the Board of Directors ("Board") and the management of the Company 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 participate the AGM, he/she is encouraged to appoint a proxy(ies) or the Chairman of the meeting to participate 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 Representative(s) 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 will be required to provide the following documents to the Share Registrar's office at A3-3-8, Solaris Dutamas, No. 1, Jalan Dutamas 1, 50480 Kuala Lumpur, W.P. Kuala Lumpur no later than **Sunday, 18 December 2022** at **10.30 a.m.**:

i. Certificate of Appointment of its Corporate Representative or Form of Proxy under the seal of the Corporation;

ii. Copy of the Corporate Representative's or proxy's MyKad (front and back) / Passport; and

iii. Corporate Representative's or proxy's email address and mobile phone number.

If a Corporate Member (through Corporate Representative(s) or appointed proxy(ies)) is unable to participate in 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 19TH ANNUAL GENERAL MEETING (AGM)** (cont'd)

In respect of Nominee Company Members, the beneficiaries 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. Nominee Company Members 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. Nominee Company will be required to provide the following documents to the Share Registrar's office at A3-3-8, Solaris Dutamas, No. 1, Jalan Dutamas 1, 50480 Kuala Lumpur, W.P. Kuala Lumpur no later than **Sunday, 18 December 2022** at **10.30 a.m.**:

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.

If a Nominee Company Member 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 in respect of the live streaming and remote voting at the AGM is as follows:-

Procedures		**Action**
Before AGM		
1.	Register as participant in Virtual 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). 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 p.m.** on **31 October 2022** and the registration will close at **10.30 a.m.** on **18 December 2022**. • 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 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 **13 December 2022**, the system will send you an email to notify you if your registration is approved or rejected after **18 December 2022**. • If your registration is rejected, you can contact the Company's Poll Administrator for clarifications or to appeal.

ADMINISTRATIVE GUIDE **FOR 19TH ANNUAL GENERAL MEETING (AGM)** (cont'd)

On the day of AGM		
3.	Attending AGM	• Two reminder emails will be sent to your inbox. First email is one day before the AGM day, while the second email will be sent 1 hour before the AGM session. • Click **Join Event** in the reminder email to participate the RPV.
4.	Participate with live video	• You will be given a short brief about the system. • Your microphone is muted throughout the whole session. • If you have any questions for the Chairman/Board, you may use the **Q&A panel** to send your questions. 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 RPV Facilitity	Upon the announcement by the Chairman on the closure of the AGM, the live session will end.

PROXY

Shareholders who appoint proxies to participate via RPV Facilities in the AGM must ensure that the duly executed proxy forms are deposited in a hard copy form at A3-3-8, Solaris Dutamas, No. 1, Jalan Dutamas 1, 50480 Kuala Lumpur, W.P. Kuala Lumpur or fax to 03-6413 3270 or email to infosr@wscs.com.my,) no later than **Sunday, 18 December 2022** at **10.30 a.m.**

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 the Company's share registrar at 03-6413 3271 to revoke the appointment of his/her proxy no later than **Sunday, 18 December 2022** at **10.30 a.m.**

POLL VOTING

The voting at the AGM will be conducted by poll in accordance with Rule 8.31A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company has appointed Workshire Share Registration Sdn. Bhd. as Poll Administrator to conduct the poll by way of electronic means.

The Scrutineers will verify the poll results and the Chairman will declare whether the resolutions are duly passed or otherwise.

NO RECORDING OR PHOTOGRAPHY

Strictly **NO** recording or photography of the proceedings of the AGM is allowed.

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 Shareholders 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 6.00 p.m. on Monday to Friday (except public holidays) at:

For registration, logging in and system related:

Mlabs Research Sdn. Bhd.
Name : Ms. Eris / Ms. Jey
Telephone : 03-7688 1013
Email : vgm@mlabs.com

For Proxy and other matters:

Workshire Share Registration Sdn. Bhd.
Name : Mr. Tee Yee Loon
Telephone : 012-371 8858
Email : infosr@wscs.com.my

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

PROXY FORM

CDS Account No.	- -
No. of Shares Held	

I/We...
(FULL NAME IN BLOCK LETTERS)

(NRIC No./Passport No./Company Registration No...)

of...
(FULL ADDRESS)

Email Address .... Contact No. ....

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 Nineteenth Annual General Meeting of the Company will be held on a virtual basis through live streaming and online remote participation and voting from the Broadcast Venue at Lot 4.1, 4th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on **Tuesday**, **20 December 2022** 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 2024		
2.	Payment of Directors' Benefits for the financial year ending 30 June 2024		
3.	Re-election of Mr. Roy Winston George		
4.	Re-election of Mr. Tay Ben Seng, Benson		
5.	Re-election of Datuk Chong Loong Men		
6.	Re-election of Mr. Teh Beng Choon		
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 .... 2022.

....
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 A3-3-8, Solaris Dutamas, No. 1, Jalan Dutamas 1, 50480 Kuala Lumpur, W.P. Kuala Lumpur or e-mail to infosr@wscs.com.my or fax to 03-6413 3270 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 13 December 2022, 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.*

Please fold here

Affix Stamp

The Company Secretary
Green Ocean Corporation Berhad
Registration No. 200301029847 (632267-P)
A3-3-8, Solaris Dutamas
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