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and Analysis

Envision to **Expansion**

Transocean Group envisions possibility, expands greater progressively with commitment to quality. We serve globally and provide values in wide coverage of solutions to meet your unique needs, transforming challenges to opportunities together with you. Our reputation speaks for ourselves as our solutions exceed expectation, enabling our expansion towards greater future a certain.

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TRANSOCEAN HOLDINGS BHD.

NOTICE IS HEREBY GIVEN that the Forty-Fifth (45th) Annual General Meeting ("AGM") of Transocean Holdings Bhd. ("the Company") will be held at Dewan Bungaraya, Level 2, WP Hotel, 362, Jalan Tuanku Abdul Rahman, 50100 Kuala Lumpur on Thursday, 22 June 2023 at 10.00 a.m. for the following purposes: -

AGENDA

AS ORDINARY BUSINESS: -

- 1. To receive the Audited Financial Statements for the financial year ended 31 December 2022 (*Please refer to Note 1*) together with the Reports of the Directors and Auditors thereon.
- 2. To approve the payment of Directors' fee amounting to Ringgit Malaysia One Hundred and Sixty-Eight Thousand (RM168,000.00) only for the financial year ended 31 December 2022.

3. To approve the payment of benefits payable to the Directors of the Company up to an amount of Ringgit Malaysia Thirty Thousand (RM 30,000.00) only for the period from the conclusion of this AGM until the next AGM of the Company pursuant to Section 230(1) (b)

4. To re-elect the following Directors who are due to retire in accordance with the Company's Constitution and being eligible, offer themselves for re-election: -

Regulation 96

of the Companies Act 2016.

4.1 Mr. Woo Kok Boon Resolution 3

Regulation 103

4.2 Mr. Lee Chin Chuan
4.3 Ms. Tung Shao Yin
Resolution 4
Resolution 5

5. To re-appoint Messrs. Grant Thornton Malaysia PLT as Auditors of the Company, to hold office until the conclusion of the next AGM, at a remuneration to be determined by the Directors.

Resolution 6

Resolution 1

Resolution 2

AS SPECIAL BUSINESS: -

- 6. To consider and if thought fit, to pass the following as resolutions, with or without any modifications: -
 - Ordinary Resolution Authority to issue and allot shares

"THAT subject always to the Companies Act 2016 ("Act"), the Constitution of the Company and approvals from Bursa Malaysia Securities Berhad ("Bursa Securities") and any relevant governmental and/or regulatory authorities, if applicable, the Directors be and are hereby empowered to issue and allot shares in the Company, pursuant to the Act, at any time to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this Resolution does not exceed ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company for the time being and the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities;

AND THAT such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next Annual General Meeting ("AGM") of the Company, or the expiration of the period within which the next AGM is required by law to be held, whichever is earlier, unless such authority is revoked or varied by resolution passed by the shareholders in general meeting.

AS SPECIAL BUSINESS (Cont'd): -

- To consider and if thought fit, to pass the following as resolutions, with or without any modifications (Cont'd): -
 - (i) Ordinary Resolution
 Authority to issue and allot shares (Cont'd)

AND THAT pursuant to Section 85 of the Act to be read together with Regulation 57 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued shares arising from any issuance of new shares in the Company pursuant to Sections 75 and 76 of the Act."

(ii) Ordinary Resolution

Proposed Shareholders' Mandate for New Recurrent Related Party Transactions ("New RRPT")

"THAT subject to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company's subsidiaries to enter into and give effect to the new recurrent related party transactions of a revenue or trading nature as prescribed in Section 2.4(b) of the Circular to Shareholders dated 28 April 2023 (hereinafter referred as "New RRPT"), which are necessary for the day-to-day operations and undertaken in the ordinary course of business of the Company, on terms not more favourable to related parties than those generally available to the public and not detrimental to minority shareholders of the Company.

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

- the conclusion of the Company's next AGM, at which time it will lapse, unless the authority is renewed by a resolution passed at the general meeting;
- (b) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by resolution passed by the Company's shareholders in a general meeting,

whichever is earlier.

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

Resolution 7

Resolution 8

AS SPECIAL BUSINESS (Cont'd): -

- 6. To consider and if thought fit, to pass the following as resolutions, with or without any modifications (Cont'd): -
 - (iii) Ordinary Resolution
 Mandate for Mr. Woo Kok Boon who has served as Independent Non-Executive
 Director of the Company for a cumulative term of more than nine (9) years, to
 continue to act as an Independent Non-Executive Director of the Company

"THAT subject to the passing of Resolution 3 above, approval be and is hereby given to Mr. Woo Kok Boon, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years to continue to act as an Independent Non-Executive Director of the Company in compliance with the Malaysian Code on Corporate Governance."

Resolution 9

By Order of the Board,

YEOW SZE MIN (SSM PC No. 201908003120, MAICSA 7065735) CHEW PECK KHENG (SSM PC No. 202008001118, LS 0009559) Company Secretaries

Date: 28 April 2023 Kuala Lumpur

Notes: -

1. The first agenda of this meeting is meant for discussion only, as the provision of Section 340 (1) (a) of the Companies Act, 2016 ("Act") does not require a formal approval for the audited financial statements from the shareholders. Hence, this Agenda is not put forward to shareholders for voting.

2. Resolution 1 and 2 - Proposed payment of Directors' remuneration

Section 230(1) of the Act provides amongst others, that the fee of the Directors and any benefits payable to the Directors of a listed company shall be approved at the general meeting. Pursuant thereto, shareholders' approval is sought for the payment of fees and benefits payable to Directors, in two separate resolutions as follows:

Resolution 1 - Payment of Directors' fees in respect of the financial year 2022; and

Resolution 2 - Payment of Directors' Benefit for the period from the conclusion of this AGM until the next AGM.

The fees payable to the Directors in respect of financial year 2022, details of which are as follows: -

No.	Directors	Fees (RM)
1.	YBhg. Dato' Syed Budriz Putra	60,000.00
2.	Encik Muhammad Adib Bin Ariffin	36,000.00
3.	Mr. Woo Kok Boon	36,000.00
4.	Encik Faiz Bin Ishak	36,000.00

The benefits payable to Directors pursuant to Section 230(1)(b) of the Act have been reviewed by the Board of Directors of the Company, which recognises that the benefits payable is in the best interest of the Company for the applicable period from the conclusion of this AGM until the next AGM. The benefits comprised solely of meeting allowances, which will only be accorded based on actual attendance of meetings by the Directors.

The benefits payable to Directors for the period from the conclusion of this AGM until the next AGM, details of which are as follows: -

	Meeting Allowance
Non-Executive Chairman	500.00
Executive Director	500.00
Non-Executive Director	500.00

3. Resolution 3, 4 and 5 - Re-election of Directors who retire in accordance with the Company's Constitution

Regulation 96 of the Company's Constitution states that all directors shall retire from office once at least in each 3 years, but shall be eligible for re-election. An election of directors shall take place each year. A retiring Director shall retain office until the close of the meeting at which he retires.

Mr. Woo Kok Boon who retires by rotation in accordance with Article 96 of the Company's Constitution, being eligible, has offered himself for re-election.

Notes (Cont'd): -

3. Resolution 3, 4 and 5 - Re-election of Directors who retire in accordance with the Company's Constitution (Cont'd)

Regulation 103 of the Company's Constitution states that any Director who is appointed either to fill a casual vacancy or as addition to the existing Directors, shall hold office until the next AGM and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting.

Mr. Lee Chin Chuan and Ms. Tung Shao Yin who were appointed as Independent Non-Executive Directors of the Company on 1 March 2023 are subject to retirement pursuant to Regulation 103 of the Company's Constitution. The retiring Directors have consented to their re-election.

In determining the eligibility of the Directors to stand for re-election at the forthcoming AGM, the Nomination Committee ("NC") has considered the following: -

- (i) Evaluation on the effectiveness of the Directors in terms of character, experience, integrity, competency and time in discharging their roles as Directors of the Company; and
- (ii) For Independent Non-Executive Directors ("INEDs") only, the level of independence demonstrated by the INEDs and their ability to act in the best interest of the Company.

The Board (save for the retiring Directors who had abstained from deliberation and voting) accepted the NC's recommendation that the Directors who retire in accordance with regulation 96 and 103 of the Company's Constitution met the fit and proper criteria and are eligible to stand for re-election.

The profile of the Directors who are standing for re-election as per Agenda item 4 of the Notice of the 45th AGM are stated from pages 12 to pages 13 of the Annual Report 2022.

4. Resolution 6 - Re-appointment of Auditors

Pursuant to Section 271(3)(b) of the Act, shareholders shall appoint auditors who shall hold office until the conclusion of the next AGM in year 2024. The current auditors, Messrs. Grant Thornton Malaysia PLT has expressed their willingness to continue in office.

The Board and Audit and Risk Management Committee ("ARMC") of the Company have considered the re-appointment of Messrs. Grant Thornton Malaysia PLT as auditors of the Company and collectively agreed that Messrs. Grant Thornton Malaysia PLT has met the relevant criteria prescribed by Paragraph 15.21 of Main Market Listing Requirements of Bursa Securities ("Listing Requirements").

The Board wishes to seek shareholders' approval for the re-appointment of Messrs. Grant Thornton Malaysia PLT as external auditors of the Company to hold the office until the conclusion of the next AGM.

5. Explanatory Notes to Special Business: -

(i) Resolution 7 – Authority to issue and allot shares

The Ordinary Resolution proposed under item 6(i) is for the purpose of waiving the statutory pre-emptive rights of shareholders of the Company ("Waiver of Pre-Emptive Rights") and granting a renewed general mandate ("General Mandate") and empowering the Directors of the Company, pursuant to the Act, to issue and allot new shares in the Company from time to time provided that the aggregate number of shares issued pursuant to the General Mandate does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being. The General Mandate, unless revoked or varied by the Company in general meeting, will expire at the conclusion of the next AGM of the Company.

The Waiver of Pre-emptive Rights will allow the Directors of the Company to issue new shares of the Company which rank equally to existing issued shares of the Company, to any person without having to offer the new shares to all existing shareholders of the Company prior to issuance of new shares in the Company under the General Mandate.

Notes (Cont'd): -

5. Explanatory Notes to Special Business (Cont'd): -

(i) Resolution 7 – Authority to issue and allot shares (Cont'd)

The Company has been granted a general mandate by its shareholders at the last AGM held on 2 June 2022 (hereinafter referred to as the "Previous Mandate") and it will lapse at the conclusion of the 45th AGM.

As at the date of this Notice, the Previous Mandate granted by the shareholders had not been utilised and hence, no proceeds were raised therefrom.

The proceeds raised from the General Mandate will provide flexibility to the Company for any possible fundraising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), acquisitions, working capital and/or settlement of banking facilities.

(ii) Resolution 8 - Proposed Shareholders' Mandate for New RRPT

The proposed Ordinary Resolution 8, if approved by shareholders, will authorise the Proposed Shareholders' Mandate for New RRPT of a revenue or trading nature and allow the Company and its subsidiaries to enter into New RRPT of a revenue or trading nature as set out in Section 2.4(b) of the Circular dated 28 April 2023, with the related parties in the ordinary course of business which are necessary for the day-to-day operations based on terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company. This approval shall continue to be in force until the conclusion of the next AGM of the Company at which time it will lapse unless the authority is renewed by a resolution passed at the meeting; or the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or revoked/varied by resolutions passed by the shareholders of the Company in general meeting; whichever is the earlier. Further information on the Proposed Shareholders' Mandate for New RRPT is set out in the Circular dated 28 April 2023.

(iii) Resolution 9 – To retain Independent Non-Executive Director to continue to act as Independent Non-Executive Director of the Company

Pursuant to Malaysian Code on Corporate Governance ("MCCG"), the Company should seek shareholders' approval through two-tier voting process if intends to retain an independent director who has served the Company for a cumulative term of more than nine (9) years.

Both the NC and the Board have assessed the independence of Mr. Woo Kok Boon who has served as Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, and recommended him to continue to serve as Independent Non-Executive Director of the Company based on the following justifications:-

- a) He fulfilled the criteria under the definition of Independent Director as stated in the Listing Requirements, and thus, he would be able to function as check and balance, provide a broader view and bring an element of objectivity to the Board;
- b) His existing tenure in office does not impair his independence;
- c) He remains objective and independent in expressing his view and in participating in deliberation and decision making of the Board and Board Committee(s); and
- d) He continues to demonstrate conduct and behaviour that are essential indicators of independence.

In line with Practice 5.3 of the MCCG, the Company will seek shareholders' approval through two-tier voting process for Resolution 9.

Notes (Cont'd): -

6. Appointment of Proxy

- a) In respect of deposited securities, only members whose name appears on the Record of Depositors as at 15 June 2023 (General Meeting Record of Depositors) shall be eligible to attend, speak and vote at the meeting.
- b) A member entitled to attend and vote at the meeting is entitled to appoint one (1) or more proxies to attend and vote in his or her stead.
- c) A proxy may but need not to be a member of the Company. There shall be no restriction as to the qualification of the proxy. Where a member appoints two (2) or more proxies, the appointments shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
- d) A proxy appointed to attend and vote at the meeting shall have the same rights as the member to speak at the meeting.
- e) Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. Where a member is an authorised nominee as defined under SICDA, it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account. The appointment of two (2) or more proxies in respect of any particular securities account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.
- f) The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a duly notarised certified copy of that power or authority, shall be deposited at Suite 18.05, MWE Plaza, No. 8, Lebuh Farquhar, 10200 George Town, Pulau Pinang not less than 48 hours before the time appointed for holding the meeting or at any adjournment thereof.
- g) The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy.
- h) The lodging of a form of proxy does not preclude a member from attending and voting in person at the meeting should the member subsequently decide to do so.

7. **Poll Voting**

Pursuant to Paragraph 8.29A(1) of the Listing Requirements, all resolutions set out in this notice will be put to vote by way of a poll.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

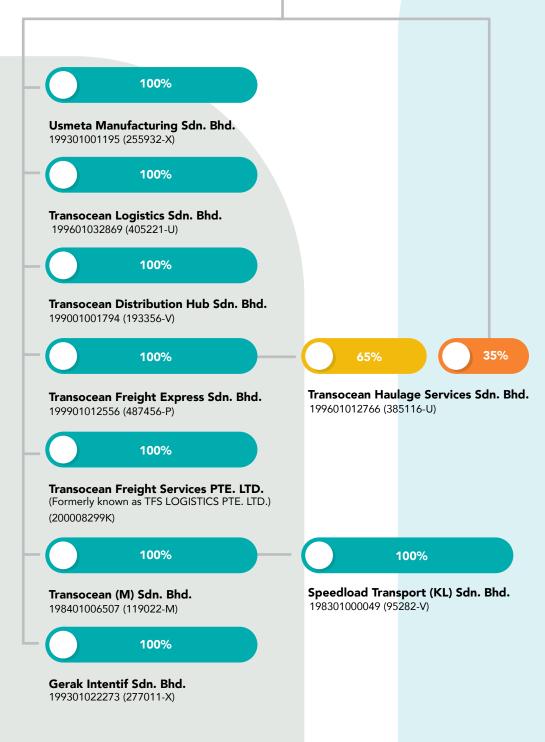
(Pursuant to Paragraph 8.27(2) of the Listing Requirements)

As at date of this notice, there are no individuals who are standing for election as Directors (excluding the above Directors who are standing for re-election or re-appointment) at this forthcoming Forty-fifth (45th) Annual General Meeting.

Group OrganisationStructure **Y**



Registration No.: 197701005709 (36747-U) (Incorporated in Malaysia)



Corporate Information **\(\mathbf{J}\)**

Board of **Directors (**

Dato' Syed Budriz Putra

Non-Independent Non-Executive Chairman

Ibrahim Aiman Bin Mohd Nadzmi

Managing Director

Woo Kok Boon

Independent Non-Executive Director

Tung Shao Yin

Independent Non-Executive Director

Lee Chin Chuan

Independent Non-Executive Director

Company Secretaries

Yeow Sze Min (SSM PC No. 201908003120, MAICSA 7065735) Chew Peck Kheng (SSM PC No. 202008001118, LS 0009559)

Registered Office

Suite 18.05, MWE Plaza, No. 8, Lebuh Farquhar, 10200 George Town, Penang, Malaysia. T: 604-263 1966

F: 604-262 8544

Business Address

Lot 2955, 2956 & 2957, Jalan Perusahaan Sungai Lokan 3, Kawasan Perusahaan Sungai Lokan, 13400 Butterworth, Penang, Malaysia. T: 604-332 2650

F: 604-331 9771

W: www.transocean.com.my

Auditors

Grant Thornton Malaysia PLT (201906003682 & LLP0022494-LCA) Chartered Accountants (AF 0737) Level 11, Sheraton Imperial Court Jalan Sultan Ismail 50250 Kuala Lumpur.

T: 603-2692 4022

F: 603-2691 5229

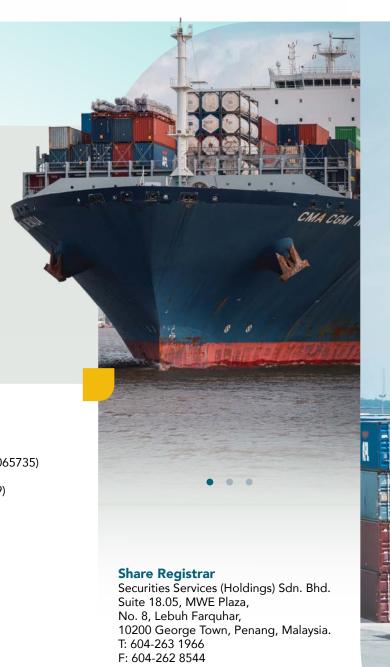
Principal Bankers

CIMB Bank Bhd RHB Bank Bhd

Stock Exchange Listing

Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") Stock Name: TOCEAN

Stock Code: 7218



Directors'Profile **Y**



YBhg. Dato' Syed Budriz Putra

Non-Independent Non-Executive Chairman

50 I Male I Malaysian

YBhg. Dato' Syed Budriz Putra, holds a Bachelor of Arts degree in Business Administration and Economics from Richmond University, The American International University in London.

He began his career in 1995 as a Senior Executive in the Business Development Department of Renong Berhad. In 2002, he ventured into the aviation industry by starting his own aviation consultancy company, Airectec Industries to represent the French/German aerospace leader 'European Aerospace Defense and Space Company' (EADS), now known as Airbus Group, in marketing their products, namely Airbus commercial planes and Airbus helicopters in Malaysia. In support of the Malaysian aviation industry, he went on to establish Sepang Aircraft Engineering Sdn. Bhd. (SAE) in partnership with Airbus and helmed SAE as its Chief Executive Officer. SAE was set up to provide maintenance, repair and overhaul (MRO) facilities for commercial aircrafts based in KLIA and AirAsia was its anchor customer.

YBhg. Dato' Syed Budriz Putra was appointed as the Non-Independent Non-Executive Chairman of the Company on 23 November 2021 and does not serve on any board committee. He is also a Director of Digital Planners Sdn. Bhd., Enfrasys Consulting Sdn. Bhd. and Enfrasys Solutions Sdn. Bhd.

He has no family relationship with any other Director. He is deemed to have interest in the Company by virtue of his shareholding in Digital Planners Sdn. Bhd. which in turn is the holding company of Enfrasys Consulting Sdn. Bhd., a major shareholder of the Company. He has no conflict of interest with Transocean Group of Companies and has never been charged for any offence other than traffic offences, if any and has not been imposed of any sanction and/or penalty by the relevant regulatory bodies in the past 5 years.



Encik Ibrahim Aiman Bin Mohd Nadzmi

Managing Director

27 I Male I Malaysian

Mr. Woo Kok Boon

Independent Non-Executive Director

45 I Male I Malaysian

Encik Ibrahim Aiman Bin Mohd Nadzmi graduated with a Bachelor's Degree in Economics from University of California, Santa Barbara USA in 2019. He started his career as the Special Officer at the Chairman's Office, Nadicorp Holdings Sdn. Bhd. Nadicorp Holdings Sdn. Bhd. was the substantial shareholder of two listed companies, Transocean Holdings Bhd and Konsortium Transnasional Berhad and thus Encik Ibrahim Aiman's primary duty as the Special Officer is to assist the former Executive Chairman/ Managing Director, YBhg. Tan Sri Dato' Sri Dr. Mohd Nadzmi Bin Mohd Salleh in supervising the said companies' subsidiaries' operations and also several private-owned subsidiaries under Nadicorp Holdings Sdn. Bhd. The diversification of businesses under Nadicorp Holdings Sdn. Bhd.'s Group of companies has given him the exposure to the manufacturing, transportation and logistics sectors.

Encik Ibrahim Aiman was appointed as the Executive Director of the Company on 1 March 2021 and promoted as the Managing Director of the Company on 1 March 2023. He is also a Director of Syarikat Kenderaan Melayu Kelantan Berhad, a public non-listed company. He has no shareholding, direct or indirect in the Company. He is the brother of Encik Muhammad Hariz Bin Mohd Nadzmi, a major shareholder of the Company. He is deemed interested in the Company by virtue of his relationship with Encik Muhammad Hariz Bin Mohd Nadzmi. He has no conflict of interest with Transocean Group of Companies and has never been charged for any offence other than traffic offences, if any and has not been imposed of any sanction and/or penalty by the relevant regulatory bodies in the past five (5) years.

Mr. Woo Kok Boon, holds a Bachelor of Arts (Major in Economics) from York University, Toronto, Canada. He is a Fellow of The Institute of Motor Industry (IMI), United Kingdom. He started his banking career with Multi-Purpose Bank Berhad. After the banking merger, he held the position of Manager of Sales and Marketing with Alliance Bank Malaysia Berhad. He then moved to Bumiputra-Commerce Finance Berhad and served as the Head of Risk Management Division and Head of Strategic Planning Division during his tenure.

He is currently the Managing Director and Chief Executive Officer of Vita Nova Malaysia Sdn. Bhd., a distributor for cancer treatment drugs for the Asean region and Executive Director of Vita Nova Holdings Sdn. Bhd., an investment company.

He was appointed as Director of the Company on 17 October 2011 and serves as the Chairman of Remuneration Committee and member of Audit and Risk Management Committee and Nomination Committee. He has no family relationship with any other Director and/ or major shareholder of the Company. He has no conflict of interest with Transocean Group of Companies and has never been charged for any offence other than traffic offences, if any and has not been imposed of any sanction and/or penalty by the relevant regulatory bodies in the past five (5) years.

Directors' Profile (Cont'd)

Mr. Lee Chin Chuan

Independent Non-Executive Director

49 I Male I Malaysian

Ms. Tung Shao Yin

Independent Non-Executive Director

48 I Female I Malaysian

Mr. Lee Chin Chuan holds a Bachelor of Commerce from University of Western Australia. He is a Chartered Accountant, CA registered with the Malaysian Institute of Accountants. He joined Ernst & Young in February 1996 and spent more than 3 years in the audit department. Subsequently, he was transferred to tax department in June 1999 and spent more than 4 years specializing in tax investigation.

In August 2003, he joined Pantai Tax Specialist Sdn Bhd specializing in tax investigation of companies and was also involved in tax advisory and other related matters. In March 2004, he joined Lembaga Hasil Dalam Negeri (LHDN) as Penolong Pengarah at Pusat Penyiasatan Shah Alam conducting tax investigation on companies and individuals. In April 2008, he started WAJ Advisory Sdn Bhd together with his partner specializing in handling tax investigation of companies and individuals.

He was appointed as Director of the Company on 1 March 2023 and serves as the Chairman of Audit and Risk Management Committee and member of Remuneration Committee and Nomination Committee. He sits on the Board of Magna Prima Berhad, a company listed on Bursa Malaysia. He has no family relationship with any other director and/ or major shareholder of the Company. He has no conflict of interest with Transocean Group of Companies and has never been charged for any offence other than traffic offences, if any and has not been imposed of any sanction and/or penalty by the relevant regulatory bodies in the past five (5) years.

Ms. Tung Shao Yin holds a Bachelor of Degree in Quantity Surveying from Universiti Teknologi Malaysia. She is currently the Chief Project Officer of Ritzy Gloss Sdn Bhd, a subsidiary of Suez Capital Sdn Bhd, after having joined the company in July 2021. She has more than 20 years of experience in the property development industry.

From 2013 to 2021, she was the Executive Director of Orientis Solutions Sdn Bhd. She spearheaded the development division in managing deliverables from all aspects of development management. This entails project feasibility studies, product research and development, development planning and strategies, project execution and business development. She also oversees the day-today operations of the organization.

Prior to Orientis Solutions Sdn Bhd, she was the Deputy Senior Manager, Development in UEM Sunrise Bhd where she was involved in award-winning residential and mixed-use developments, namely Mont'Kiara Aman, 10 Mont'Kiara and AngkasaRaya @ KLCC, Jalan Ampang. During her 11 years tenure there, her experience covers procurement and development management.

She was appointed as Director of the Company on 1 March 2023 and serves as the Chairman of Nomination Committee and member of Audit and Risk Management Committee and Remuneration Committee. She has no family relationship with any other director and/ or major shareholder of the Company. She has no conflict of interest with Transocean Group of Companies and has never been charged for any offence other than traffic offences, if any and has not been imposed of any sanction and/or penalty by the relevant regulatory bodies in the past five (5) years.

Profile of Senior Management 1

Mr. Chung Chee Khuen

Chief Financial Officer
(Joined on 3 February 2023)

Mr. Chung Chee Khuen is a Malaysian aged 54 (male). He is a Fellow Chartered Certified Accountant ("FCCA") registered with the Association of Chartered Certified Accountants ("ACCA") and a Chartered Accountant ("CA") registered with Malaysian Institute of Accountants.

Mr. Chung was appointed as the Company's Chief Financial Officer on 3 February 2023.

He has more than 29 years of work experience with extensive audit, financial, management knowledge and skills in various industries. He has worked in both listed and non-listed companies in Malaysia and Singapore.

Mr. Chung does not have any family relationship with any Directors and/or major shareholder of the Company. He has no conflict of interest with the Company and no conviction for offences within the past five (5) years other than traffic offences, if any. He does not hold any directorship in public and public listed companies.

Encik Ismail Bin Ibrahim

Chief Executive Officer of Logistics Division

(Joined on 2 April 2020)

Encik Ismail is a Malaysian aged 51 (male). He graduated with Bachelor in Business and Administrative (Hons) from Northern University of Malaysia (UUM) in 1998.

Encik Ismail joined the Company in April 2020 as a Chief Operations Officer and promoted to Chief Executive Officer of Logistics Division in December 2021. Prior to joining Transocean in April 2020, Encik Ismail served as a Vice President (Operations) with Pos Logistics Berhad and was Regional Manager of MISC Intergrated Logistics Sdn. Bhd. He has worked in various fields of logistics sectors in Malaysia, Singapore, Africa and Iraq over the period of more than 20 years.

Encik Ismail does not have any family relationship with any Directors and/or major shareholder of the Company. He has no conflict of interest with the Company and no conviction for offences within the past five (5) years other than traffic offences, if any. He does not hold any directorship in public and public listed companies.

Encik Khairuddin Bin Abdul Rahman

General Manager of Tyre Division Encik Khairuddin Bin Abdul Rahman is a Malaysian aged 52 years old (male) and graduated in Diploma of Accounts and Finance.

(Joined on 1 December 2008)

Encik Khairuddin has over 30 years of experience in manufacturing sector. He started his career as an Executive at purchasing department (1999) at Usmeta Manufacturing Sdn. Bhd. After that, he transferred to Badanbas Sdn. Bhd. (coach builder) and served as the Head of Purchasing department from 2005 until 2008. In year 2008, Encik Khairuddin was promoted as a manager in Usmesta Manufacturing Sdn. Bhd. and responsible for the company operation until now.

He does not have any family relationship with any Directors and/ or major shareholder of the Company, has no conflict of interest with the Company and has no conviction for offences within the past five (5) years other than traffic offences, if any. He does not hold any directorship in public and public listed companies.

Profile of Senior Management (Cont'd)

Mr. Suntharanagulan a/l Arumugam

General Manager of Logistics Division

(Joined on 1 February 2010)

Mr. Suntha is a Malaysian aged 62 (male). He is an Associate Member of Malaysian Chartered of Institute of Logistics and Transport since 2008 and Malaysian Certificate of Education holder.

Mr. Suntha joined the Company in February 2010 as a Haulage Manager and was promoted to Group Operation Manager in 2011. He left the Company in 2015 and rejoined in February 2016 as a Group Marketing Manager and promoted as a General Manager of Logistics Division in 2022. Prior to re-joining the Company, he served as a General Manager in a logistic company overseeing the business development and operations support. He has over 25 years of working experience in the field of business development, logistics operation and cross border trade.

He does not have any family relationship with any Directors and/ or major shareholder of the Company, has no conflict of interest with the Company and has no conviction for offences within the past five (5) years other than traffic offences, if any. He does not hold any directorship in public and public listed companies.

Encik Khairulnizam Zainol Abidin

Group Commercial Manager

(Joined on 15 April 2020)

Encik Khairulnizam Bin Zainol Abidin is a Malaysian aged 50 (male). He possesses a Diploma in Electronic Engineering and has over 30 years experience in logistics sector. He started his career in MISC Haulage Services Sdn. Bhd. in 1991 and later moved on to other logistic-based companies involving container depot, freight forwarding, Non Vessel Owning Common Carrier (NVOCC) and shipping line.

He first joined the Company in 2012 and left in 2016 and re-joined the Company in 2020 as Group Head of Commercial, responsible for maintaining existing clients as well as to develop new customer base and also to create new development on business unit. He is also the Chairman for Transocean's Recreation Club.

He does not have any family relationship with any Directors and/ or major shareholder of the Company, has no conflict of interest with the Company and has no conviction for offences within the past five (5) years other than traffic offences, if any. He does not hold any directorship in public and public listed companies.

Puan **Theresa** a/p Micheal

Group Personnel & Administrative Manager

(Joined on 16 May 1995)

Puan Theresa Micheal is a Malaysian aged 46 (female). She holds a Bachelor of Arts with First Class Honours in Business Management (Human Resources Management) from University of Nottingham, United Kingdom.

She started her career with the Group in May 1995 as a clerk and was promoted to Personnel Manager in year 2011 and as a Group Personnel & Administrative Manager in year 2012. She holds this position for almost 8 years and has overall responsibility for the entire Company's Personnel and Administrative Department. She has almost 18 years of working experience in the field of Human Resources Management.

She is also an auditor for the ISO Audit Committee and also a member for the Safety and Health Committee for Transocean's Group of Companies.

She does not have any family relationship with any Directors and/or major shareholder of the Company, has no conflict of interest with the Company and has no conviction for offences within the past five (5) years other than traffic offences, if any. She does not hold any directorship in public and public listed companies.

Other Information Required >

By the Listing Requirements of the Bursa Malaysia Securities Berhad ("Bursa Securities)

Utilisation of Proceeds

There were no proceeds raised from any corporate proposals during the financial year ended 31 December 2022.

Material Contracts

There were no material contracts subsisting at the end of the financial year or entered into since the end of the previous financial year, by the Company or its subsidiaries, which involved the interest of the Director and major shareholders other than contracts entered into in the normal course of business.

Other Information

Required (Cont'd)

Recurrent Related Party Transactions ("RRPT") of revenue or trading nature for the year ended 31 December 2022

By the Listing Requirements of the Bursa Malaysia Securities Berhad ("Bursa Securities)

				Intere	Interested Related Parties-	ed Parties				^-	ı
Nature of transaction KT	KTB KKMB		Nadicorp NCSB	3 Trisilco	Ibroni	Tan Sri	LSSB	Park May	Tulus Hebat	Maracorp	Transacted Value during the financial year ended 31 December 2022
Provision of Freight Forwarding & Trucking Services From Transocean Logisitics to	g Services F	rom Transoc	ean Logisi	tics to							
Puspamara Sdn. Bhd.	•	•	•	•	•	•	•			•	•
Badanbas Sdn. Bhd.	•	•	•	•	•	•	•				•
Carefree Premium Sdn. Bhd.	•	•	•	•	•	•	•				1
Sales of tyres by Usmeta Manufacturing Sdn. Bhd. ("Usmeta") to	dn. Bhd. ("U	smeta") to									
SKMK Berhad	•	•	•	•	•	•	•				•
Kenderaan Langkasuka Sdn. Bhd.	•	•	•	•	•	•	•				•
Transnasional Express Sdn. Bhd.	•	•	•	•	•	•	•				181,618
Plusliner Sdn. Bhd.	•	•	•	•	•	•	•	•			124,553
Badanbas Sdn. Bhd.	•	•	•	•	•	•	•				49,033
Cityliner Sdn. Bhd.	•	•	•	•	•	•	•	•	•		•
Syarikat Rembau Tampin Sdn. Bhd.	•	•	•	•	•	•	•				•
Syarikat Tanjong Keramat Temerloh Utara Omnibus Berhad	•	•	•	•	•	•	•				ı
Syarikat Kenderaan Melayu Kelantan Berhad	•	•	•	•	•	•	•				•
Carefree Premium Sdn. Bhd.	•	•	•	•	•	•					

1. KKMB holds a total of 22.61% shareholdings in Transocean. As at 1 April 2022, KKMB has a direct interest of 4.79% in	Transocean and 17.82% indirect interest held through its subsidiary, namely LSSB in Transocean by virtue of Section 8(4)	of the Act. KKMB is a wholly owned subsidiary of Nadicorp who is in turn a wholly owned subsidiary of NCSB.
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Note:

Kumpulan Kenderaan Malaysia Berhad

Nadicorp Holdings Sdn. Bhd.

Nadicorp

KKMB NCSB

Nadi Corporation Sdn. Bhd. Trisilco Equity Sdn. Bhd.

Konsortium Transnasional Berhad

Ibrahim Aiman Bin Mohd Nadzmi

brahim Trisilco

lbroni LSSB

Ibroni Sdn. Bhd.

Lengkap Suci Sdn. Bhd Tulus Hebat Sdn. Bhd. Maracorp Sdn. Bhd.

Park May Berhad

Tulus Hebat Park May Maracorp

LSSB, a wholly owned subsidiary of KKMB is a Major Shareholder of Transocean holds 17.82% shareholdings in Transocean as at 1 April 2022. LSSB is also a major shareholder of KTB holds 19.73% shareholdings in KTB as at 1 April 2022

KTB, KKMB and LSSB holds 36.48% and 19.73% equity interest respectively in KTB.

Trisilco Equity Sdn. Bhd. holds 51% equity interest in NCSB, which in turn is the ultimate holding company of KKMB. Frisilco Equity Sdn. Bhd. is thus a Major Shareholder of the Company. ж 4

lbroni Sdn. Bhd. holds 15% equity interest in NCSB and is a major shareholder of NCSB, which in turn is the ultimate Nadicorp is deemed interested in shares of the Company by virtue of its shareholdings held in KKMB. Nadicorp is thus holding company of KKMB. Ibroni Sdn Bhd is thus a Major Shareholder of the Company 5 6.

NCSB, the holding company of Nadicorp, is deemed interested in the shares of the Company held through KKMB by virtue of its shareholdings in Nadicorp. NCSB is thus a Major Shareholder of the Company.

a Major Shareholder of the Company.

Carefree Premium Sdn. Bhd.

Carefree

YBhg. Tan Sri (Dr) Mohd Nadzmi Bin Mohd Salleh is a Major Shareholder of the Company and is deemed to have an interest in Transocean pursuant to Section 8(4) of the Act by virtue of his shareholdings held through Trisilco Equity Sdn. Bhd. and Ibroni Sdn. Bhd. in NCSB which in turn is the ultimate holding company of KKMB.

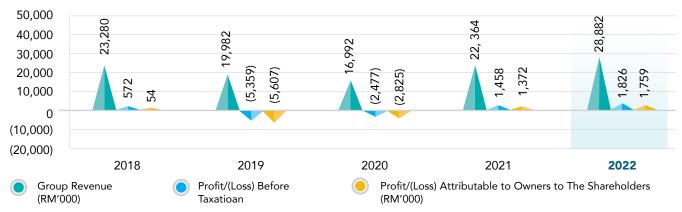
Park May Berhad is 100% owned subsidiary of KTB

Tulus Hebat Sdn. Bhd. is 100% owned subsidiary of Park May Berhad, which in turn a 100% owned subsidiary of KTB

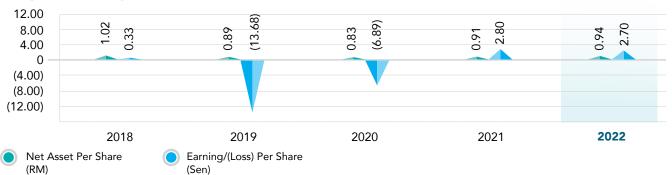
Maracorp Sdn. Bhd. is 100% owned subsidiary of Nadicorp 1.5

Financial Highlights >>

Financial Results



Group Basic Earnings Per Share and Net Asset Per Share



5-Year Group Financial Summary

	2018 RM'000	2019 RM'000	2020 RM'000	2021 RM′000	2022 RM'000
Revenue					
Operating Revenue	23,280	19,982	16,992	22,364	28,882
Profit/(Loss) before taxation	572	(5,359)	(2,477)	1,458	1,826
Profit/(Loss) after taxation	134	(5,607)	(2,825)	1,372	1,759
Profit/(Loss) attributable to the shareholders	54	(5,607)	(2,825)	1,372	1,759
Share Capital	40,999	40,999	40,999	64,719	64,719
Reserves/(Accumulated Losses)	941	(4,639)	(6,940)	(5,542)	6,650
Shareholders fund	41,940	36,360	34,059	59,177	61,068
Minority interest	1	1	1	1	-
Total Equity	41,941	36,361	34,060	59,178	61,068
Non-current assets	39,049	34,845	34,497	56,272	55,938
Current assets	12,751	11,773	7,363	12,112	14,654
Total Assets	51,800	46,617	41,860	68,384	70,592
Bank borrowings	2,557	1,479	737	775	745
Other liabilities	7,302	8,778	7,063	8,431	8,779
Total Liabilities	9,859	10,257	7,800	9,206	9,524
NTA RM/share	1.02	0.89	0.83	0.91	0.94

Chairman's Statement >

On behalf of the Board of Directors, I wish to present to you the Annual Report and Audited Financial Statements of Transocean Holdings Berhad (THB) and its group of companies (Group) for the financial year ended 31 December 2022.

The Group has pulled through year 2022 with marginally improved performance, amidst a volatile and competitive business environment. Two years since the onset of the COVID-19 pandemic, businesses across different industries are rebounding, albeit at a different pace, as the gradual reopening of the economies around the world spurred growth in trade and consumption.

As trade increases, demand for logistics services grew rapidly. As an established player in the logistic industry, we seized the opportunities from this positive market recovery by expanding the Group's current operations to reach different parts of Peninsular Malaysia and this has yielded favourable results. Our strategic diversification into the digital and IT business is also bearing fruits and we trust that this new addition to our core businesses will be beneficial to the Group's overall growth and performance in the long term.

In terms of financial performance, the Group's sales revenue has increased 29%, from RM22.36 mil in FY21 to RM28.88 million for the year ended 31 December 2022. Both the logistics and tyre divisions have registered higher revenue and this improvement is attributed to the increased sales of new tyres and new initiatives in warehousing and freight forwarding.

Similarly, profit after tax of RM1.76 mil in FY22 is higher by 28% compared to RM1.37 mil in FY21. Of this sum, 34% came from the new digital division while the balance were contributed by the Logistics and Tyre divisions. Cash profit or EBITDA (Earnings before Interest, Taxes, Depreciation and Amortisation) showed improvement at RM3.97 mil in FY22 compared to RM3.41 mil in FY21.

Apart from the major revenue contributors namely cross border consolidated trucking and warehousing operations, haulage has also shown improvement in its numbers. The newly-developed Kulim Logistics Hub (KLH) in Kulim, Kedah is highly utilised and KLH is now known to the market as the emerging key player for automotive warehousing. The growth in the automotive sector in 2022 is expected to contribute positively towards the Group's operations in Kedah. We will also continue to look into developing warehousing capability in Penang, Klang Valley and Johor by leveraging on the Group's existing assets as well as working with potential business partner or asset manager.

As part of our diversification efforts, the strategic acquisition of Enfrasys Solutions Sdn Bhd in FY21 further strengthened our venture into the digital business, in line with the Government's "MYDIGITAL" blueprint, an initiative that reflects the Government's aspiration to transform Malaysia into a high-income nation that is focused on digitalisation and is a regional pioneer in digital economy.

The Group, through Transocean (M) Sdn Bhd, has initiated business efforts in digital solutions on a cloud-neutral platform and will be working with connectivity partners, clouds service providers and other solution providers. New people with the required skills will be added to facilitate the operations and growth of this new business.

The Board does not recommend any dividend for the year ended 31 December 2022.

Before I end, I wish to thank my esteemed colleagues, the Management and staff of the Group for their continuous commitment and dedication to the Group. My sincere appreciation also goes to our valued shareholders, business partners and other stakeholders for their trust and confidence in our Group.

Last but not least, I wish to express my gratitude to Encik Muhammad Adib bin Ariffin and Encik Faiz bin Ishak, our former Independent Non-Executive Directors of Transocean Holdings Berhad for their leadership, professionalism and dedication to the Group.

Thank you.

Dato'Syed Budriz Putra Chairman

Management Discussion and Analysis 1

Overview of the Group's business and operations

Transocean Holdings Bhd is a holding company with diversified businesses in logistics, tyre and information technology. Logistics Division provides services covering Malaysia, Singapore, Thailand and beyond. The Company is well-known for its logistics services ranging from conventional and cross border trucking, container haulage, container depot, warehousing, freight forwarding and custom brokerage as well as project logistics. For its Tyre Division, the Group is focusing on tyre retreading business and trading of new tyres. The third division in the Group is Information Technology Division, known as Tech Division involving in providing cloud services and edge computing solution.

Back in 1977, the Group started its custom brokerage agency business for traders and small manufacturers in Penang and was considered as a pioneer and major key player in logistics in the area. Transocean did not stop at only doing custom agency but expanded its business into trucking, haulage and warehousing gradually over the span of 40 years. At present, Transocean main office is located at Sungai Lokan, Butterworth, Penang with its regional offices in Singapore (Singapore Hub), Pasir Gudang and Nusajaya, Johor (Southern Region) and in Shah Alam, Selangor (Central Region). In 2022, the Group further expanded its reach to the market by its operations and satellite office located in Kulim and Bukit Kayu Hitam, Kedah.

For Tyre Division, Usmeta Manufacturing Sdn Bhd, it operates from their tyre re-tread plant in Chemor, Perak and its management and sales office is located in Kajang, Selangor. Tyre Division's business focus are mainly tyre re-treading and selling of new tyres. At present, the main sector is tyres for heavy vehicle like trucks, trailers and bus.

Tech Division revolves around the Group's investment in Enfrasys Solutions Sdn Bhd and also its newly initiated Transocean (M) Sdn Bhd on its edge computing business. At present, Tech Division's business and management office is in Petaling Jaya, Selangor.

Operations Review

The Group is currently operating with three major divisions. Namely Logistics Division, Tyre Division and Information Technology Division.

LOGISTICS DIVISION

The multiple services under Logistics Division are currently being performed by four companies:

Transocean Logistics Sdn. Bhd

Transocean Logistics Sdn Bhd's (TLSB) range of services are Conventional and Cross Border Trucking, Freight Forwarding and Custom Brokerage, Container Depot and Heavy Lifting. Consolidation Cargo or LTL (Loose Truck Load) is TLSB's main operations and is considered as its forte. TLSB is well known for its reputation as one of the most reliable consolidated/loose cargo operators for Thailand-Malaysia-Singapore route. Customers' requirement in term of delivery timing, communication and documentation are the keys elements toward providing good service and TLSB is committed to it. Cross Border trucking between Singapore, Malaysia and Thailand is the major income generator for TLSB.

In 2022, delivery of Electrical and Electronic (E&E) products contributed 38.2% or RM593.5 billion to Malaysia's export volume of manufactured goods of RM1.6 trillion. Delivery of E&E goods from Bayan Lepas, Penang to and from Singapore either in form of parts, raw materials or finished products contributed as the major activity for the operations. Multinational E&E companies are among TLSB's major customers and is one of main players servicing this route.

TLSB is operating with 22 units of 40' size truck (mother truck) and 10 units of smaller truck (feeder trucks). Trucks are operational 7 days a week and 24 hours daily servicing the selected route. The feeder trucks stationed at Butterworth are tasked to collect cargoes from local factories within northern states to feed the mother trucks. The cargos would be loaded and consolidated into the waiting mother trucks servicing long-haul trip to Singapore, Johor and Klang Valley.

There are 5 units of mother trucks which are stationed at Shah Alam to perform delivery from Klang Valley to various location in Malaysia and Singapore, vice-versa. TLSB's consolidated trucking business is the major revenue contributor to TLSB and the reliability of the services offered by TLSB are well known to the market.

For Freight Forwarding and Custom Brokerage, TLSB's custom trained/licenced agents are stationed at Penang Port, Bayan Lepas Airport, Free Trade Zone (FTZ), Tambak Johor and Second-Link as well as Bukit Kayu Hitam to support custom clearance requirement for cargoes transported by TLSB's truck. Further to that, TLSB is also the sole agent for a leading multinational industrial gas producer in Malaysia for all their FTZ custom clearance requirement.

LOGISTICS DIVISION (Cont'd)

Transocean Logistics Sdn. Bhd (Cont'd)

TLSB's container depot business at Mak Mandin, Penang has now come to its third year. The depot provides storage space, handling and repair services for container liners which use Penang Port as their sea freight gateway to Northern Malaysia and Southern Thailand. The depot storage size is 5.2 acres and equipped with 2 units of container lifter and PTI station (pretrip inspection) for reefer container. Experienced low volume from container liner during start-up, the depot is now gaining momentum. In February 2023, TLSB signed a year contracts with two major international shipping lines to provide handling, PTI and repair services and storage facility for their shipping containers.

Transocean Freight Services Pte Ltd (Singapore)

Transocean Freight Services (TFS) is a logistics hub located at Tuas, Singapore. TFS provides warehousing services to customers in Singapore and operates with 17 office staffs and drivers. TFS provides services such as loose cargoes collection, repacking, palletizing, loading-unloading and permit preparation for Singapore Custom. TFS' competitive advantage is that it guarantees customers that cargo delivered to TFS logistics hub before noon would reach any Peninsular Malaysian town on the next working day.

Transocean Distribution Hub Sdn. Bhd

Transocean Distribution Hub (TDH) is certified with Custom Bonded licence and is providing warehousing services to customers for both bonded and non-bond storage. TDH offers 111,000 square feet of storage space with 80,000 square feet is under Bonded status and 31,000 square feet is under non-bond status. Out of 80,000 square feet of bonded area, 11,000 square feet is equipped with temperature control units and is currently being used for climate sensitive cargo. Cargos from the market which are still under custom control are to be stored at bonded area where tax is allowed to remain unpaid until 2 years. TDH offers full range of warehouse services such as storage (bonded, non-bond), handling, labelling, re-packing, cross-docking and distribution. For warehouse operations, the team is equipped with 2 units 2.5mt forklift and 1 units of reach stacker. Loading bay is equipped with 11 units of dock leveller. At present, the warehouse space is 100% utilised by 3 major customers.

Kulim Industrial Areas (Kulim Industrial Estate, Kulim Hi-tech Park, Padang Meha Industrial Area) and surrounding industrial area are attracting domestics and foreign investors. One of the leading automotive assemblers in Malaysia is located at Kulim. In recent years, the assembler has attracted few car makers from Japan, Korea, Germany and China. This also includes car makers from sport and luxury car segment. Leveraging on this, Transocean has taken the advantage from its capability, knowledge and experience in warehouse management to provide solutions to the industry. Through TDH's Kulim warehouse with 150,000 square feet storage space capacity, the Group has been providing storage, handling and transportation services to the assembler since June 2021.

Gerak Insentif Sdn. Bhd

Gerak Intensif Sdn Bhd (GI) provides haulage services to the market with 10 prime movers (PM) and 70 trailers. Servicing import and export customers located in Prai, Bayan Lepas, Kulim, Sungai Petani, Mak Mandin, Bukit Kayu Hitam, Sungai Bakap, Taiping and Ipoh. Penang Port is the major port beside Bukit Kayu Hitam and Padang Besar as the entry point to Malaysia from Thailand via land. Haulage operations also provides services for non-port related delivery (point to point delivery) servicing cross border container carrying cargo from Thailand to Malaysia by working closely with GI's partner in Thailand.

For the past 2 years until today, haulage and trucking industry is experiencing shortage of drivers supply in the market. Due to high demand for drivers, drivers are now becoming choosy and would prefer to drive for company which operates more reliable and comfortable trucks like Scania, Volvo and Mercedes (European trucks).

Transocean is currently operating with its own haulage and trucking permit, own forwarding licence and own bonded licence for its warehousing business. Besides operating with its own fleets, Transocean is also working together with logistics partners and vendors especially the small operators to create greater coverage and to increase its capacity. Having such capacity and capability especially in providing full spectrum of logistics offering to the market is an added advantage for Transocean.

TYRE DIVISION

Usmeta Manufacturing Sdn. Bhd

Usmeta Manufacturing Sdn Bhd (Usmeta) is in tyre re-treading and selling of new tyres. Usmeta's re-tread tyre factory is located at Chemor, Perak. The factory is equipped with one cure chamber. The plant at Chemor runs with 21 staffs with 14 drivers, with management and sales office located at Kajang, Selangor.

Chemor's factory has the cold cure equipment and facilities to produce re-tread tires. Production process started from collecting branded used tyre casing from customers. The used tyre casing goes through the process of quality inspection, repair, buffing and cementing with new pre-cured liner before put into curing chambers to cement the pre-cured liner onto the old tyre casing.

Its trading arm for new tyres is the authorised agent for Bridgestone and Continental tires. Usmeta is also the appointed re-tread tyre partner for Continental brand's used tyres. Post Covid-19 pandemic, Usmeta changed its focus to private sector and started not to depend entirely on its tyre sale from the Group.

INFORMATION TECHNOLOGY DIVISION

Enfrasys Solutions Sdn Bhd

The Group had bought a 40% stake in Enfrasys Solutions Sdn Bhd (ES) from Enfrasys Consulting Sdn Bhd in September 2021 with the purchase consideration to be settled via the issuance of new shares. ES involves in providing cloud solution to private sector and government agencies. For 2022, the Group's investment in the associate company, ES proved to be fruitful with a 36% contribution to the Group's profit.

Transocean (M) Sdn Bhd

Formed in the fourth quarter of FY2022. Transocean (M) Sdn Bhd (TMSB) will be offering edge digital solutions on a cloud-neutral platform. TMSB will be working together with key connectivity partners, Clouds Service Providers and other solution providers.

FINANCIAL PERFORMANCE

Total revenue for the Group increased RM6.518 million (29%) to RM28.88 million for FY2022 compared to RM22.36 million in FY2021. Revenue for Logistics Division increased by 25% to RM26.47 million in FY2022 as compared to RM21.16 million in FY2021. Tyre Division which was badly hit by the Covid-19 pandemic in FY2020 and FY2021 rebounded positively. Usmeta's revenue increased by 39% to RM6.35 million in FY2022 compared to RM4.55 million in FY2021.

The Group's net profit registered 28% improvement at RM1.76 million for FY2022 as compared to Net Profit of RM1.37 million for FY2021. Profit from Logistics Division rose to RM1.11 million that is 64% from the total profit while Tech Division, Transocean's investment in associate company and the setting-up of Transocean (M) Sdn Bhd registered at RM0.600 million, 34% from total group profit.

The Group EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation) rose significantly to RM3.97 million as compared to RM3.41 million in FY2021. Average collection period remains good at 61 days.

FINANCIAL PERFORMANCE (Cont'd)

Contributing Factors to Higher Revenue and higher profit

- Transocean's major consolidation trucking route which are Singapore and Thailand increased it import from Malaysia by 33.7% and 26.2% respectively.
- Additional income from share of profit of the investment from the associate's company, Enfrasys Solutions Sdn Bhd.
- Higher volume generated from existing contracts:
 - » Second year contract with a leading industrial gas producer in Malaysia. Contract value is MYR3.6 million.
 - Warehouse and Handling contract in Kulim, Kedah for automotive customer.
 - » Total tyre management contract from a logistics company for their nationwide tyre supply and breakdown services.
- Revenue generated from newly secured contract :
 - » Specialised transport of dangerous good to carry nitrous oxide from Bukit Kayu Hitam, Kedah to Banting, Selangor.
 - » Specialised transport for truck with open platform trailer to carry dissolved acetylene (DA) from Rayong, Thailand to Prai, Penang.
- Sales and marketing initiatives that were taken in 2021 and 2022 to approach the potential market started to bear fruit and give positive outcomes.
- Marketing and sales effort were focused on potential market that matched the Group's capability and capacity.
- Continuous implementation of cost saving initiative on variable operating cost, overhead cost and sub-contractor's
 cost.
- Credit control management and debt collection which reduced the risk of bad debt for FY2022.

BALANCE SHEET

The Group net tangible assets increased to RM0.94 per share. The Group's land and building which located at Prai are valued at RM28.06 million while total assets is at RM70.592 million.

ISO AUDIT COMMITTEE

The Group is certified with ISO 90012008 SIRIM System Standards. During the year, SIRIM Auditors and the in-house ISO Audit Committee had conducted IQA internal audit and SIRIM surveillance audit with program as follows:

- Reviewed and revised the Standard Operating Procedures (SOP);
- Audited the work's procedures of certain departments;
- Discussed, reviewed and implementation on SIRIM Auditor's findings and recommendations;
- Conducted training sessions to the staff involves for Quality Management System ISO9001:2015 QMS;
- Conducted Comprehensive Internal Audit on Quality; and
- Registered Group Policies:
 - » Information Technology Policy
 - » Drug and Alcohol Policy
 - » Road Transport Safety Policy
 - » Quality Policy
 - » Anti-Corruption and Bribery Policy
 - » Safety, Health and Environment Policy

QUALITY, SAFETY, HEALTH AND ENVIRONMENT COMMITTEE (QSHE COMMITTEE)

Safety and health for its employee, vendors sub-contractor and the public would continue to be given top priority. QSHE committee members are selected among the employees to instil ownership on safety among them. Safety Key Performance Indicator (KPI) is implemented and monitored throughout financial year 2022.

Emergency Response Team (ERT) is strengthened with various training module. A staff with the role of Road Transport Safety Officer (RTSO) was appointed to oversee road transport safety elements among drivers. Defensive Driving Technique (DDT) training and re-fresher were being conducted every 6 months or whenever is necessary. Training for traffic emergency response and fire drill exercise are conducted annually. Road accident cases are investigated and the outcomes and findings from the investigation are shared with all the drivers during DDT training and during drivers engagement session.

The Group will continue to enhance the implemented and on-going driver's driving behaviour monitoring initiatives. The monitoring will be focusing on driving behaviour especially on speeding, hard breaking, harsh acceleration and fatigue management. Awareness campaign is conducted regularly and counselling session will be provided to the drivers involved.

CORPORATE SOCIAL RESPONSIBILITY

Throughout 2022, the Group organised and involved in a few corporate social responsibility (CSR) program in the effort to give something back to the community:

- Program 'Sumbangan cermin mata murid B40' organised by Sekolah Kebangsaan Sungai Puyu, Butterworth, Penang. The program was to provide spectacles for under privilege pupils or pupils from lower income family (B40).
- Program with orphanage children from Pusat Jagaan Kasih Abadi, Permatang Pauh, Pulau Pinang and Pertubuhan Kebajikan Rumah Anak Kesayangan Pulau Pinang, Kepala Batas, Pulau Pinang.
- Donation to Malaysian Ex-Police Charitable Fund organised by Ex-Police Association of Malaysia
- Misi Bantuan Banjir di Pantai Timur

PEOPLE MANAGEMENT

People management is an important element not to be left out. To continue boosting the morale and talent of the employee, management had planned series of training, programs and engagements during the year. The Group organised few initiatives and events for the employees as follow;

- Training and program to enhance employee skills and knowledge
 - » Team building Program 'Developing High Performance Team' at Bukit Merah Laketown Resort, involving all drivers and office staff
 - » Away day Program involving the Management and key personnel at Central Seaview Hotel, Tanjung Bungah, Pulau Pinang. The program involved key personnel from operations, commercial and support services. The objectives were to look into process improvement, operational excellence, commercial strategies as well as cost saving initiatives.
 - » Organisasi Keselamatan Kebakaran training with Jabatan Bomba dan Penyelamat Pulau Pinang.
 - » Kursus Ejen Kastam Bukan Eksekutif with Universiti Utara Malaysia.
 - » Kursus Cukai Perkhidmatan with Persatuan Pegawai Kanan Kastam Malaysia.
 - » Comprehensive Internal Quality Audit with consultant from Newrise Learning.
 - » Licensed Manufacturing Warehouse with Persatuan Pegawai Kanan Kastam Malaysia.
 - » Container inspection and repair training with consultant from Twenty Forty Container Sdn Bhd.
- Townhall session with Chief Executive Officer and all employee conducted every 6 months.
- Performance Management System (PMS) full scale implementation for 2022 employees' performance appraisal.
- Organised majlis solat hajat and bacaan doa selamat bersama Madrashah Tahfiz Fadhul Ulum, Surau Al-Hidayah, Bagan Jermal, Pulau Pinang concurrent with prayer session for non-Muslim performed by non-muslim employees collaboration with Muniswarar Temple, Kulim, Kedah
- Friendly bowling tournament between the Group and Royal Malaysian Custom, Pulau Pinang.
- Ramadan 'bubur lambuk gotong royong' program at main office yard/main gate. 300 'bubur lambuk' packets were cooked and distributed to the staff and the public.
- Program 'Raya open house' for all customers, government agencies and other Penang logistics community.

MATERIAL LITIGATION

The Group has no material litigation during the year.

PROSPECT

The business plan and strategic initiatives is put forward as a plan for business growth within the Group.

In 2022 and 2023, the Management has lined up and implemented a few strategic initiatives as follows:

- The Group is now registered as Bumiputera status contractor with Ministry of Finance, Malaysia.
- Sales and marketing effort to sell integrated logistics solutions to customers.
- Truck replacement program for 2023 to continue and the plan is to purchase 4 additional new trucks for the trucking operations in 2023.
- 4th phase of industrial land development in Kulim Hi-tech is rapidly being developed. Setting a strong footing in Kulim would be one of the Group's main agenda for 2023.
- 2 new Nissan UD trucks would be injected to perform dedicated cross border trucking from Bukit Kayu Hitam, Kedah to Banting, Selangor.
- Marketing and sales efforts are now being geared-up for container depot business at Butterworth. In February 2023, TLSB signed a year contract with one major international shipping line. TLSB is targeting to sign-up with another 2 shipping lines in 2023.
- Sea and Air Freighting Unit commenced its operations, main focus during this start-up is on business spin-off opportunity from existing haulage and trucking's customers.
- IT equipment replacement program for 2023 to replace aging office personal computers (desktop and laptop).
- Through Transocean (M) Sdn Bhd (TMSB), the Group will be offering edge digital solutions on a cloud-neutral platform. Key partners and key talent are being identified and is expected to commence its business in the second/third quarters of 2023.

The Management will continue to put focus in diversifying its business and strengthening the effort in sales and business development. Assets and cost optimisation will be another area of focus while getting the best out of its Employee, Business Partners and Vendors.

This statement is made in accordance with the resolution of the Board of Directors on 27 April 2023.

Sustainability Statement **Y**

INTRODUCTION

This sustainability statement is prepared as required under the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and in accordance with the Sustainability Reporting Guide ("Guide") issued by Bursa Malaysia.

The Company and its subsidiaries ("Group") have relied on the guidance provided under the Guide for its sustainability practices. The Guide provides guidance on how to embed sustainability in our organisation and helps us to identify, evaluate and manage our material, economic, environmental and social ("EES") risk and opportunities. Our sustainability practices aim to generate long term benefits to our stakeholders in terms of business continuity and value creation.

SCOPE OF REPORTING

This statement covers the sustainability performance of our core business operations for the financial year ended 31 December 2022 unless stated otherwise.

Our core revenue operations comprised of two divisions:

- 78% of revenues derived from total logistics services sector providing cross border trucking, container haulage, custom clearance & forwarding and warehouse services and investment holding activities; and
- 22% of revenues derived from manufacturing and trading in re-tread tyres and trading in new tyres.

COMMITMENT TO SUSTAINABILITY

Pursuant to the Practice Note 9 of MMLR, the sustainability statement is prepared to enable stakeholders to have an understanding of the EES risks and opportunities that are material to the Group's business activities. This statement provides an insight to our approach in achieving sustainability across our operations.

The Group is committed to promote sustainability and has embedded policies in its operations to minimize the impacts of our logistics activities on the environment and communities where we carry out our operations.

The responsibility to ensure that sustainability is a priority in the group's business strategy lies with the Board of Directors. Senior Management is tasked to incorporate sustainability considerations in the day to day operations of the Group. Underlying these efforts are commitments which the Group has towards good governance which includes sound business ethics, viable policies and stewardship.

In line with the Guide, sustainability is viewed in the context of EES, as good governance is regarded as one of the underlying foundations that underpin the focus on performance along the aforementioned dimensions. The terms economic, environmental and social can be explained as follows:

Economic



Environmental



Social



economic conditions of its stakeholders non-living natural systems, including social systems within which it operates. and on economic systems at local, land, air, water and ecosystems. national, and global levels. It does not focus on the financial condition of the organisation.

Note: These may include the organisation's procurement practices, or community investment.

An organisation's impacts on the An organisation's impact on living and The impacts an organisation has on the

Note: These may include the organisation's usage of energy and

water, discharge of emissions, or loss of biodiversity, etc.

Note: These may include the organisation's relationships with communities, employees, consumers,

(Source: Adapted from the GRI Standards)

Stakeholder Engagement

A stakeholder is essentially an individual or a group that has an effect on, or is affected by our Group and our activities. Naturally, our stakeholders influence the way we carry out our business activities and how we formulate our strategies to meet their expectations and to generate long term benefits to our stakeholders in terms of business sustainability and value

The table below lists the needs of our different stakeholder groups and how we engaged and addressed their needs.

Stakeholder Groups	Areas of Interest	Engagement Methods
Investors	Return on investmentBusiness prospects	 Engagement with shareholders during the Company's Annual General Meeting Quarterly reporting Dissemination of information through the Company's website
Customers	Service qualityReliable deliveryCompetitive prices	Customers' feedbackAfter sales servicesSales and marketing visits
Employees	 Competitive salary and benefits package Clear line of reporting and proper communication channel Work-life balance Career path and opportunities 	 Employee's handbook Survey on HR practices in the market Internal training Engagement with employees Sports and recreation programme Occupational safety and health
Vendors	 Procurement policy and procedures Prompt payments within credit period Business prospects and financial stability 	 Disseminate procurement policy and procedures Assessment on suitability of vendors Reinforcement of code of conduct for ethical practices
Communities	 Impact of operations on surrounding environment Corporate social responsibility 	 Engagement with local communities Provide job opportunities Pay attention to polluting emissions and effluents
Regulatory authorities	Compliance with existing lawsStandards and certification	 Updates on rules and regulations Consultation with authorities Attendance at relevant seminars and conferences

Material Sustainability Matters

Sustainability matters are the risks and opportunities arising from the EES impacts of an organisation's operations and activities and sustainability matters are considered material if they (a) reflect our Group's significant EES impacts; or (b) substantively influence the assessments and decisions of our stakeholders.

Based on existing policies and practices, we have identified and prioritised the following material sustainability matters which have the greatest impacts on our business operations and stakeholders.

Economic

We have formulated sustainability practices which aim to generate long term benefits to all our stakeholders in terms of business continuity and value creation.

Our view to business excellence is the focus on strong corporate governance and prudence in financial management by adapting to the challenges from market changes. We strive to achieve the followings:

- Healthy turnover and strong operating cash flows;
- Maximizing vehicles utilization to enhance operation efficiency and productivity; and
- Retain customers by providing quality and prompt services.

The Group acknowledges its shortcomings as follow:

- Small capital base with limited income generating assets.
- Succession and ageing problems.

❖ Marketplace

We are committed to conduct our business activities ethically and in a transparent manner so as to build a lasting and trusting business relationship with all our stakeholders.

Service quality

Our reputation is built upon the quality, prompt and secured services delivered to our customers. Our services meet regulatory, safety and quality standards and expectation of our customers.

Customer satisfaction

We recognise and believe in the slogan of "the customer is always right". In line with this slogan, our operation staffs are well trained to give high priority to customer's satisfaction and to achieve this attribute, our service staffs are required to attend training in marketing and soft skills development.

Market presence

To constantly build up our market share, we participate in structured program related to logistics activities. Further we have visited customers to engage with them and to obtain feedback which will form part of our data base to formulate our business strategy to expand our market share.

IT system

We are supported by Qubit Enterprise Resource Planning (ERP) which is an integrated computer-based system used to manage our logistics operation. ERP system provides real time details on ordering of services, GPS tracking on cargo movements, invoicing and etc. Maintenance and services of ERP system is outsourced to reputable computer service provider. Our IT system has all the necessary security features in place to secure our data base and to protect against malware attacks.

❖ Workplace

Our employees are our greatest asset and managing them is our priority. We have in place our Employee's Handbook which spelt out our HR policies and practices and comply with the Employment Act, 1955. In order to retain our talents we have come out with competitive remuneration package which is comparable in the industry, as well as creating a healthy and conducive workplace. This strategy will provide us with a stable and productive workforce which will contribute to our sustainability efforts. Further, we have in place our code of conduct to govern the ethics and behaviour of our employees in the discharge of their duties in the workplace as well as in our business dealings with customers, vendors and service providers.

Economic (Cont'd)

❖ Recruitment

We have implemented a standard recruitment procedure which will ensure the proper identification and recruitment of new talent to join our organisation to contribute to the growth of our business.

Career path

In order to retain our talents, we provide opportunities for high-potential employees to develop and progress to senior positions in the Group. Priority is given to existing employees for promotions rather than getting fresh candidates from outside.

Training

We believe in empowering our employees by having in place a standard operating procedure on training and personnel development. By providing appropriate training to our employees will result in better customer service, productivity improvements, better efficiency and better workplace safety practices. During the year, we carried out training sessions for our employees. Ultimately, we hope to achieve better business performance and profitability and improve staff morale.

Employee engagement

In engaging our employees, we employ a "two-way" approach where we give opportunity for the employees to make known their grievances and also to give suggestions to improve or resolve their concerns and unhappiness. We have placed a "suggestion box" to facilitate this practice.

We embrace diversities by celebrating the various major festivals with our employees to promote understanding of each other's culture and thereby creating harmony, peace and joy in our organisation.

Safety and health

Our policy is to create a safe and healthy workplace for our employees where they have a peace of mind whenever they are working in our factory premises. We have complied to the best of our ability with the existing laws and regulations relevant to our operations such as Occupational Safety and Health Act, 1994, Environmental Quality Act, 1974, and Fire Services Act, 1988.

Some of the more important measures which we have implemented to complement the compliance of the aforementioned laws and regulations are:

- Establishing a Safety Committee to oversee and monitor ongoing safety and health initiatives which have been undertaken.
- Regular maintenance of fire extinguishers and proper layout location and signage plan for the fire extinguishers for easy identification in the event of emergency.
- Invite fire fighting authority to conduct training on fire fighting and safety operation.

Work and business ethics and anti-corruption policy

Our work ethics require all our employees to discharge their duties and responsibilities in accordance to their job functions professionally, honestly, productively and efficiently. Likewise for those conducting business on behalf of the Group are required to observe generally accepted business ethics such as engaging in fair negotiations with our customers and vendors and adopting a "win-win" strategy when closing business deals.

Premised on the aforementioned, we will not tolerate bribery and corruption practices among our employees irrespective of ranks and status. As bribery and corruption practices fall under criminal activities, anyone caught will be reported to the police for their further action.

Economic (Cont'd)

Certification

We have acquired the certification of ISO 9001:2015 – Quality Management Systems which sums up the high standard of management practices in our organisation. This certification ensures our customers consistently receive high quality services, which in turns bring many benefits, including satisfied customers, management and employees.

Environment

The Group regularly reviews its environmental policies to address pressing environment concern, and explore measure to reduce the impact of its operation on the environment.

The Board and management are following closely on the technology developments on the two major problems faced by the trucking industries:

- Carbon emissions from vehicles; and
- Road safety and accidents.

We are following closely on technology improvement for the green vehicles or environmentally friendly vehicles. Green vehicles include vehicles types that function fully or partly on alternative energy sources other than fossil fuel or less carbon intensive than gasoline or diesel. Our Government is actively promoting the use of 10% B10 diesel to mix with conventional fossil fuel based vehicles, making them function partially on renewable energy resources. These latest developments are helping to improve energy efficiency and reduce carbon emissions.

For the time being, the majority of our trucks are equipped with environmentally friendly euro 2 engines.

- On road safety and vehicles accident, development on self-driving vehicles or driverless vehicles controlled by AI technology or robotics moving on designated routes has reached the testing on waste management.
- We store our production waste in a proper storage area and the waste is regularly disposed of as scraps. We do not
 have any scheduled waste which requires special handling pursuant to the Environmental Quality Act, 1974.

Social Responsibilities

The Group takes responsibility to ensure that our employees have a safe and healthy working environment that vehicles are inspected on regular basis and drivers are sent for training on driving skills as well as road safety awareness. Sales and management staff are asked to attend seminars and technical training to create opportunities for them to seek challenges and grow. Employees' wellbeing is a key issue that the Group thrives to address to ensure that our employees remain happy and motivated at work.

The Group provides internship program which give undergraduate students the opportunities to gain practical experience. These students are attached with our operation for 6 months period to allow them to gain valuable working experience that will allow them to excel in their academic and professional pursuits.

Corporate governance is a crucial element towards realizing our sustainability goals. It provides us with a foundation to implement sustainability strategies across the Group, while ensuring that we remain steadfast in fulfilling our obligations to stakeholders. We strive to maintain high standards of corporate governance throughout the Group by embracing transparency, integrity, accountability and discipline in all our practices.

This statement was approved by the Board of Directors on 27 April 2023.

Audit and Risk Management Committee Report >

The Audit and Risk Management Committee ("ARMC") of TRANSOCEAN HOLDINGS BHD comprises of three members, all of whom are Independent Non-Executive Directors:-

Chairman	No of meeting	Attended	% of attendance
Mr. Lee Chin Chuan (Independent Non-Executive Director) (Appointed on 1 March 2023)	N/A	N/A	N/A
Encik Muhammad Adib Bin Ariffin (Independent Non-Executive Director) (Resigned on 1 March 2023)	5	5	100%
Members			
Mr. Woo Kok Boon (Independent Non-Executive Director)	5	4	80%
Encik Faiz Bin Ishak (Independent Non-Executive Director) (Resigned on 1 March 2023)	5	5	100%
Ms. Tung Shao Yin (Independent Non-Executive Director) (Appointed on 1 March 2023)	N/A	N/A	N/A

The former ARMC Chairman, Encik Muhammad Adib Bin Ariffin ("En. Adib") is a member of the Malaysian Institute of Accountants ("MIA") and the Australian Society of Certified Practising Accountants. Mr. Lee Chin Chuan who was appointed as ARMC Chairman on 1 March 2023, is a Chartered Accountant registered with MIA.

The composition of ARMC meets the requirements of paragraph 15.09(1)(c) of the Main Market Listing Requirements ("MMLR") which stipulates that at least one member of the ARMC must be a qualified accountant. All members of the ARMC are financially literate and are able to analyse and interpret financial statements to effectively discharge their duties and responsibilities as members of the ARMC.

Terms of Reference

The Board will review the Terms of Reference ("TOR") of the ARMC from time to time (if so required) to ensure the ARMC continues to carry out its functions effectively. The last review of TOR by the Board was conducted in February 2022. The updated TOR of the ARMC is available on the Company's website www.transocean.com.my.

Summary of Activities of the ARMC during the Financial Year

During the financial year ended 31 December 2022, the ARMC carried out the following works in discharging its functions and duties in accordance with the TOR:-

Financial Reporting

- Reviewed the unaudited quarterly financial results with Management and made recommendations to the Board for approval of the same, and
- Reviewed the annual audited financial statements of the Group and Company and the Annual Report and made recommendations to the Board for approval of the same.

Audit and Risk Management Committee Report (Cont'd)

External Audit

- i. Reviewed the independence and competence of the external auditors and their services, including non-audit services and the professional fees, so as to ensure a proper balance between objectivity and value for money.
- ii. Recommended the proposed re-appointment of external auditors.
- iii. Reviewed the audit plan for the financial year ended 31 December 2022, the nature and scope of the audit procedures, significant accounting and auditing issues, impact of new or proposed changes in the accounting standards and regulatory requirements.
- iv. Held meetings and dialogues with the external auditors without the presence of any executive Board members and Management staff, and
- v. Reviewed the external auditor findings and audit report.

Internal Audit

- i. Reviewed the internal auditor's performance throughout the financial year to oversee the adequacy and effectiveness of the internal audit function, and
- ii. Reviewed the audit plan, audit report, findings and recommendations of the internal auditors and Management's response and follow-up actions taken by management on recommendation.

Recurrent Related Party Transactions ("RRPT")

Reviewed the report of RRPT to ensure the actual transacted amounts were within the prescribed approved limit.

Others

Reviewed the Statement on Risk Management and Internal Control for inclusion in the Annual Report for the financial year ended 31 December 2022 which provided an overview of the state of internal controls within the Group prior to the Board's approval.

Internal Audit Function

The Group's internal audit function is outsourced to an independent professional firm which specialised in internal audit and risk management. The Internal Auditors report directly to the ARMC. They assist the Board by reviewing the adequacy and the effectiveness of the internal control system, set up by the management based on scopes approved by the ARMC.

During the financial year under review, Internal Auditors had conducted the assurance review on the following subsidiaries:

- i. Anti-Bribery and Anti-Corruption Policies and Procedures
- ii. Credit Control, Sale and Marketing
- iii. Cash management

The Internal Auditors had reported that they have discussed with the management on each of the audit findings raised in their report together with recommendations, and on overall, they are satisfied with the management's comments and proposed corrective actions towards their audit findings and recommendations.

The total amount of expenses incurred for the internal audit function for the financial year under review is RM 11,000.

Audit and Risk Management Committee Report (Cont'd)

Risk Management Function

The Board had engaged the service of independent consultant to assist the ARMC to provide assurance to the Board as to whether the Company's risk management is operating adequately and effectively. This is in accordance to Bursa Malaysia Securities Berhad's guidelines on the status of the Group's compliance with the principles and best practices relating to risk management and internal control as stipulated in the Malaysian Code of Corporate Governance.

The scope of work undertaken was to assess the current state of the Risk Management Framework adopted by the Group and encompasses the assessment of the Group's principal risks, as well as the potential losses.

The key features and state of internal control and risk management of the Group are furnished in the Statement on Risk Management and Internal Control in this Annual Report.

This statement was approved by the Board of Directors on 27 April 2023.

Corporate Governance Overview Statement

The Board of Directors ("Board") of TRANSOCEAN HOLDINGS BHD ("Company") recognises the importance of good corporate governance and the need to ensure that the principles and best practices on corporate governance are observed and practiced throughout the Company and its subsidiaries ("Group"). The Board is committed to continue improving and enhancing the Group's procedures from time to time to ensure that the principles and best practices in corporate governance recommended in the Malaysian Code on Corporate Governance ("the Code") are applied within the Group to protect and enhance shareholders' value.

The Board presents this Corporate Governance Overview Statement ("Statement") to provide shareholders an overview of the corporate governance practices of the Company during the financial year ended 31 December 2022 and up to the latest practicable date of 30 March 2023. This statement should be read in conjunction with the Corporate Governance Report ("CG Report") of the Company, which provided the details on how the Company has applied each practice as set out in the Code. The CG Report is available for reference at the Company's website at www. transocean.com.my.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Roles and Responsibilities

1. Clear Roles of Responsibilities

The Board, comprising the Executive and Independent Non-Executive Directors takes full responsibility for the overall governance of the Group by ensuring the strategic direction, control and succession plan of the Group, the effective monitoring of performance goals and accountability, the shareholders and all other stakeholders, as well as formalising documentation on matters specifically reserved for its decision and ensuring that the Group's internal controls, risk management and reporting procedures are well in place. The Management is responsible for the day to day operations of the business and effective implementation of the Board decisions.

The Board recognises the importance of reviewing and adopting strategic business plans and overseeing the conduct of the business in order to ensure that the business is being properly managed.

All the directors are to act in the best interest of the Company and shall disclose to the Board of any interest or potential interest as soon as he becomes aware of such interest. The Company Secretary shall keep a record of such declarations.

The Board recognises the key role it plays in charting the strategic direction of the Company and has assumed the following principal responsibilities in discharging its fiduciary and leadership functions;

- a. Reviewing and adopting a strategic plan for the Company.
- b. Approving Business Plan and Annual budgets presented by the Management.
- c. Overseeing the conduct of the Group's business.
- d. Identifying business risks and the implementation of appropriate internal controls.
- e. Overseeing the development and implementation of a shareholder communication policy.
- f. Reviewing the adequacy and integrity of the Group's internal control and management information systems.
- g. Succession planning.

Overall, the internal organisation structure is designed to have clear lines of authority and responsibility for the business and operation strategy, promote fast and accurate decisions, and enhance management transparency and efficiency. The Board regularly reviews the operational and financial reports which are tabled at the Board meetings held at least 4 times a year.

2. Board Meetings & Attendance

Board meetings are scheduled in advance to enable Directors to plan ahead and maximise their attendance. All Directors are provided with agenda together with the Board papers at least 5 working days in advance. This is to enable the Directors to have ample time to review, consider and to deliberate knowledgeably on all issues and to facilitate informed decision making. The Board papers circulated include quarterly reports and annual financial statements, minutes of meetings, management reports, update from regulatory authorities, related party transactions, internal and external audit reports. The Directors have access to all information within the Group to enable them to discharge their responsibilities.

Corporate Governance Overview Statement (Cont'd)

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

I. Board Roles and Responsibilities (Cont'd)

2. Board Meetings & Attendance (Cont'd)

During the financial year ended 31 December 2022, the Board held a total of five (5) Board meetings. Details of the attendance record of the Board for the financial year ended 31 December 2022 is set out below:-

Name	Attendance
Non-Independent Non-Executive Chairman YBhg. Dato' Syed Budriz Putra	5 of 5
Managing Director Encik Ibrahim Aiman Bin Mohd Nadzmi (Redesignated on 1 March 2023)	5 of 5
Non-Executive Directors	
Encik Muhammad Adib Bin Ariffin (Resigned on 1 March 2023)	5 of 5
Mr. Woo Kok Boon	4 of 5
Encik Faiz Bin Ishak (Resigned on 1 March 2023)	5 of 5
Mr. Lee Chin Chuan (Appointed on 1 March 2023)	N/A
Ms. Tung Shao Yin (Appointed on 1 March 2023)	N/A

Senior Management staffs are invited to attend Board Meetings. The Board also notes the decisions and salient issues deliberated by the Audit and Risk Management Committee.

All Directors whether as a full Board or in their individual capacity, have full and unrestricted access to the advice and services of the Company Secretaries and Senior Management staffs and if necessary, may seek independent professional advice at the Company's expense, to assist them in forming their opinion and findings in the lead up to Board's decision.

3. Supported by Qualified and Competent Company Secretaries

The Board is supported by qualified and competent Company Secretaries who satisfy the qualification prescribed under Section 235 (2) of the Companies Act 2016 and have the requisite experience and competency in company secretarial services.

Directors have unrestricted access to the advice and services of the Company Secretaries to enable them to discharge their duties effectively. The Board is regularly updated and advised by the Company Secretaries on any updates relating to new statutory and regulatory requirements pertaining to the duties and responsibilities of Directors. The Company Secretaries promptly disseminates communications received from the relevant regulatory and/ or governmental authorities.

The Company Secretaries organise and attend all Board meetings and is responsible to ensure that meetings are properly convened and proper records of the proceedings and resolutions passed are taken accurately and maintained at the Registered Office of the Company.

4. Board Charter

The Board has established clear function to provide guidance for Directors and Management regarding the responsibilities of the Board, its Committees and Management, reserved for the Board and those delegated to Management, the requirement of Directors in carrying out their stewardship role and in discharging their duties towards the Company as well as boardroom activities and which is publicly available, on the Company's website at www. transocean.com.my. The Board Charter is subject to periodic review by the Board as and when required.

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

I. Board Roles and Responsibilities (Cont'd)

4. Board Charter (Cont'd)

There is a clear division of responsibilities between the Chairman and Managing Director. YBhg. Dato' Syed Budriz Putra, the Non-Independent Non-Executive Chairman of the Company is primarily responsible for matters pertaining to the Board and overall conduct of the Group. The Chairman is responsible for leading the Board to ensure its effectiveness and the entrenchment of good corporate governance practices within the Group. While, the Managing Director is responsible for the implementation of the Board's decision and policies, overseeing of day to day management and coordination of business and strategic decisions. The Independent Non-Executive Directors play a significant role in bringing objectivity and scrutiny to the Board's deliberations and decision making. Any material and important proposals that will significantly affect the policies, strategies, directions and assets of the Group will be subject to approval by the Board. None of the members of the Board has unfettered powers of decision.

5. Code of Conduct and Ethics

The Board strongly believes in applying good working ethics and code of conduct in all business dealings. The Directors of the Group are guided by the Code of Ethics issued by the Companies Commission of Malaysia for Company Directors. The Code of Ethics sets out the principles in relation to sincerity, integrity, responsibility and corporate social responsibility.

Any person who wishes to report a suspected impropriety may submit his/her report to the Chairman of the Audit and Risk Management Committee. The Board will address the disclosure in an appropriate and timely manner and give fair treatment to the alleged wrongdoer.

6. Whistle-blower and Anti-Corruption Policy

The Board has adopted a Whistle-blower Policy and is committed to conduct its business and working with all stakeholders including employees, suppliers, customers, and shareholders in a manner that is lawful and ethically responsible. It expects wrongdoings such as fraud, corruption, serious financial impropriety and gross mismanagement to be reported and actions to be taken where appropriate. The Board will address the disclosure in an appropriate and timely manner and give fair treatment to the alleged wrongdoer.

Pursuant to the amendments to the Malaysian Anti-Corruption Commission Act 2009, the Company has established and adopted an Anti-Corruption and Bribery Policy to prevent corrupt practices. The said Anti-Corruption and Bribery Policy was adopted on 17 June 2020 and is available on the Company's website at www.transocean.com.my.

7. Sustainability of Business

The Board is mindful of the importance of business sustainability and, in conducting the Group's business, the impact of the Group's business on the economic, environmental, and social ("EES") aspects is taken into consideration. Whilst the Group embraces sustainability in its operations and supply chain, the Board has formalised a Sustainability Policy, addressing the EES aspects to be incorporated in the Group's strategy.

II. Board Composition

1. Board Composition and Balance

The Board consists of five (5) Board members, comprising one (1) Non-Independent Non-Executive Chairman, one (1) Managing Director and three (3) Independent Non-Executive Directors. Two Independent Non-Executive Directors of the Company, namely Encik Muhammad Adib Bin Ariffin and Encik Faiz Bin Ishak had resigned on 1 March 2023 and Ms. Tung Shao Yin and Mr. Lee Chin Chuan were appointed as Independent Non-Executive Directors of the Company on the even day.

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

II. Board Composition (Cont'd)

Board Composition and Balance (Cont'd)

The Company takes serious effort to have a balance Board which comprises members with suitable academic and professional qualifications, skills, expertise and wide exposure to drive the Group forward. The Board has more than 1/3 Independent Directors as its members. A brief profile of each Director is presented in the Profile of Directors section of this Annual Report. The composition of the members of the Board reflects a good mix of experience, backgrounds, skills and qualifications which are vital to the sustainability and growth of the Group.

The Group is led by a strong and experienced Board under the Chairman. The role of Chairman is assumed by YBhg. Dato' Syed Budriz Putra in recognition of his entrepreneurial leadership. YBhg. Dato Syed Budriz Putra is assisted by 3 INED and 1 MD.

The Board is of the opinion that the 3 INED will provide the necessary check and balance and such composition will be assesses annually.

Pursuant to Practice 5.3 of the Code, the Company is required to provide justification and seek annual shareholders' approval through a two-tier voting process if it intends to retain the independent status of a director who has served the Company for a cumulative term of more than nine (9) years.

The Board had at the annual assessment assessed the independence of Mr. Woo Kok Boon, the INED who has served the Board for more than nine (9) years, and were of the view that he remains objective and independent in expressing his views and in participating in deliberation and decision making of the Board and Board Committee. His length of service on the Board do not in any way interfere with his independent judgment and ability to act in the best interests of the Company. The Company has hence sought its shareholders' approval at the forthcoming Annual General Meeting ("AGM") to retain him as INED.

2. Board Committee

In discharging its fiduciary duties, the Board has delegated specific responsibilities to the following three (3) Board Committees, which operate within the approved Terms of Reference ("TOR"). Notwithstanding the above, all Board Committees do not have executive powers but only the power to make recommendations to the Board. The ultimate responsibility for the final decision lies with the entire Board. These committees are:

- Nomination Committee ("NC");
- Remuneration Committee ("RC"); and
- Audit and Risk Management Committee ("ARMC")

a. Nomination Committee (NC) - Selection and Assessment of Directors

The NC currently comprises entirely of INED as follows:-

CHAIRMAN

Ms. Tung Shao Yin (Appointed on 1 March 2023) Encik Faiz Bin Ishak (Resigned on 1 March 2023)

COMMITTEE MEMBERS

Mr. Woo Kok Boon

Encik Muhammad Adib Bin Ariffin (Resigned on 1 March 2023)

Mr. Lee Chin Chuan (Appointed on 1 March 2023)

The Board had in May 2022 established a Directors' Fit and Proper Policy which sets out the approach, guidelines and procedures to ensure a formal, rigorous and transparent process is being adhered to for the appointment, reappointment and re-election of Directors. The said policy is published on the Company's website at www.transocean.com.my.

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

- II. Board Composition (Cont'd)
- 2. Board Committee (Cont'd)
- a. Nomination Committee (NC) Selection and Assessment of Directors (Cont'd)

The Board has stipulated specific TOR for the NC which cover, inter-alia, to oversee the selection and assessment of Directors to ensure that the board composition meets the needs of the Company. During the year, the NC carried out the following activities:-

- Assessed and recommended the re-election and re-appointment of the Directors at the AGM;
- b) Reviewed the independence of the Independent Directors of the Company;
- c) Reviewed the required mix of skills, experience, composition and size of the Board, contribution of each Director, the effectiveness of the Board Committees and Board as whole;
- d) Recommended the retention of an Independent Director as an Independent Director pursuant to recommendation of the Code;
- e) Reviewed the performance of key officers of the Company;
- Reviewed the term of office and performance of ARMC.

The TOR of the NC is available on the Company's website.

In recommending suitable candidates for directorships and Board committees to the Board, the NC takes into consideration the candidate's experience, competency, character, time commitment and potential contribution to the Group. Any new nomination received is recommended to the Board after a comprehensive assessment and the NC's endorsement.

The process of assessing the directors is an on-going responsibility of the entire Board. The Board has put in place a formal evaluation process to annually assess the effectiveness of the Board as a whole and the Board Committees, as well as the contribution and performance of each individual director. The criteria used, amongst others, for the annual assessment of individual director includes the assessment of their roles, duties, responsibilities, competency, expertise and contribution (fit and proper criteria). Whereas, the criteria for the assessment of the performance of the Board and Board Committees cover composition, processes, accountability, responsibilities as well as the fulfillment of duties. Overall, it was concluded that the Board and Board Committees have met the fit and proper criteria in discharging their duties and responsibilities adequately during the financial year 2022.

The Board is mindful of the recommendation of the Code on the establishment of a gender diversity policy for the Board and senior management. A woman Director, Ms. Tung Shao Yin was appointed to the Board on 1 March 2023. The NC shall ensure that women candidates are sought during the recruitment exercise and would consider the requirement of gender diversity in its recommendation to the Board.

b. Remuneration Committee ("RC")

The RC comprises of the following members and all of whom are INED:

CHAIRMAN

Mr. Woo Kok Boon

COMMITTEE MEMBERS

Encik Muhammad Adib Bin Ariffin (Resigned on 1 March 2023) Encik Faiz Bin Ishak (Resigned on 1 March 2023) Mr. Lee Chin Chuan (Appointed on 1 March 2023) Ms. Tung Shao Yin (Appointed on 1 March 2023)

The RC carries out the annual review of the overall remuneration for Directors and Key Senior Management Personnel whereupon recommendations are submitted to the Board for approval.

The Board has not formulated a remuneration policy for the Directors, but the RC decides on the suitable remuneration package which is linked to performance, responsibility levels and is comparable with the market norm.

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

II. Board Composition (Cont'd)

2. Board Committee (Cont'd)

b. Remuneration Committee Remuneration Committee ("RC") (Cont'd)

However, the RC ensures that the Senior Management Personnel's remuneration package is fair and able to attract and retain talent.

The remuneration package for the Non-Executive Directors is determined by the Board which comprises of the following:

Director's Fees The fees are payable to the Non-Executive Directors and are recommended by the Board

for approval of the shareholders at each AGM.

attendance of the Board and Committee meetings which shall subject to shareholders'

approval pursuant to Section 230(1)(b) of the Companies Act, 2016.

3. Directors Remuneration

The details of the Directors' remuneration paid/payable to all Directors of the Company for the financial year ended 31 December 2022 are set out as below:

	Salaries RM	Allowance RM	Fee RM	Benefit In-Kind RM	Total RM
Executive Director	120,000	3,000	-	25,600	148,600
Non-Executive Directors	_	10,500	168,000	-	178,500

The details of the Directors' remuneration paid/payable to all Directors of the Company for the financial year ended 31 December 2022 are set out as below:

Company

	Salaries RM	Allowances RM	Fees RM	Benefit In-Kind RM	Total RM
Executive Directors					
Encik Ibrahim Aiman Bin Mohd Nadzmi	120,000	3,000	-	25,600	148,600
Non-Executive Directors					
YBhg. Dato' Syed Budriz Putra	-	3,000	60,000	-	63,000
Encik Muhammad Adib Bin Ariffin (Resigned on 1 March 2023)	-	2,500	36,000	-	38,500
Mr. Woo Kok Boon	-	2,000	36,000	-	38,000
Encik Faiz Bin Ishak (Resigned on 1 March 2023)	-	3,000	36,000	-	39,000

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

- II. Board Composition (Cont'd)
- 3. Directors Remuneration (Cont'd)

Directors Training

The Group recognises the need to upgrade and enhance the skills of the Board members. All existing Directors of the Company have successfully completed the Mandatory Accreditation Programme as required by Bursa Malaysia Securities Berhad ("Bursa Securities") for all Directors of listed companies.

The Directors will continue to undergo other relevant training programmes to keep themselves abreast with the relevant changes in laws, regulation and the business development. In addition, the Directors are kept informed with the relevant updates on statutory and regulatory requirements from time to time by the Company Secretaries during Board meetings.

The training programme attended by the existing Directors during the financial year under review among others, were as follows:-

Name of Directors Title of Seminar/ Course Organizer

- 1. YBhg. Dato' Syed Budriz Putra
- 2. Encik Ibrahim Aiman Bin Mohd Nadzmi
- 3. Encik Muhammad Adib Bin Ariffin (Resigned on 1 March 2023)
- 4. Mr. Woo Kok Boon
- 5. Encik Faiz Bin Ishak (Resigned on 1 March 2023)

Key Amendments to Listing Requirements

CKM Advisory Sdn Bhd

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

1. Audit and Risk Management Committee ("ARMC")

The ARMC comprises three members, all of whom are INED, as follows:

CHAIRMAN

Mr. Lee Chin Chuan (Appointed on 1 March 2023) Encik Muhammad Adib Bin Ariffin (Resigned on 1 March 2023)

COMMITTEE MEMBERS

Mr. Woo Kok Boon

Encik Faiz Bin Ishak (Resigned on 1 March 2023)

Ms. Tung Shao Yin (Appointed on 1 March 2023)

The principal function of the ARMC is to assist the Board in the effective discharge of its fiduciary responsibilities in relation to corporate governance, ensure timely and accurate financial reporting, proper implementation of risk management policies and strategies in relation to the Group's business strategies and the development of sound internal control system and effective risk management framework.

The Company outsourced the risk management and internal audit functions to independent consultants to identify the principal or potential risks exposed to the Group in pursuing its business objectives and strategies.

In accordance with the best practices of corporate governance, the ARMC presents its report contained in this Annual Report.

All ARMC members are financially literate and the ARMC's composition and performance are reviewed by the NC annually and tabled to the Board for its notation.

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

2. Relationship with External Auditors

The Board has established a transparent and appropriate relationship with the external auditors through the ARMC, which has been accorded with the power to communicate directly with the external auditors towards ensuring compliance with the accounting standards and other related regulatory requirements. The role of the ARMC in relation to the external auditors is described in the ARMC Report.

The ARMC performed an annual assessment on the performances, suitability and independence of the external auditors as well as reviewing the non-audit services provided by the external auditors, if any, based on the four keys areas: -

- Quality of services;
- Sufficiency of resources;
- Communication and interaction; and
- Independence and objectivity.

During the financial year ended 31 December 2022, the amount of audit and non-audit fees paid/payable to the external auditors by the Company and the Group respectively were as follows:-

	Group	Company
Statutory audit fees paid/payable to: - Grant Thornton Malaysia PLT	RM118,500	RM51,000
Non-audit fees paid/payable to: - Grant Thornton Malaysia PLT Grant Thornton Tax Consultants Sdn. Bhd.	RM5,000 RM21,200	RM5,000 RM4,500
	RM26,200	RM9,500

3. Risk Management and Internal Control Framework

The ARMC together with Internal Audit function, oversees the Enterprise Risk Management ("ERM") Framework of the Group. The ARMC reviews and identifies areas of potentials high risk faced by the Group and advises the Management, make recommendations to the Board to establish adequate compliance and control over the organisation. The ARMC also reviews risk management policies and makes recommendations to the Board for approval.

The Statement on Risk Management and Internal Control which has been reviewed by the external auditors and included in the Annual Report provides an overview of the state of risk management and internal control within the Group by Risk Management and Internal Control Framework.

4. Internal Audit Function

The internal audit function of the Group is outsourced to an independent professional services firm to provide the ARMC and the Board with the assurance they require pertaining to the adequacy and effectiveness of internal audit control and risk management. The audit personnel are free from any relationships or conflicts of interest, which could impair the objectivity and independence.

The internal audit function is effective and remains independent all the time. The internal audit function is set out in the Statement on Risk Management and Internal Control and ARMC report.

The internal auditors report functionally to the ARMC and has unrestricted access to them. Its function is independent of the activities or operations of other operating units.

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

1. Communication with stakeholders

The Group believes in, and emphasizes, the importance of communication among shareholders, stakeholders and the Company. Adequate communication generates and builds public confidence towards the Company. The Board endeavors to ensure that pertinent information such as annual reports, quarterly reports, and announcements are released on a timely basis via:

- i. Electronic facilities provided by Bursa Securities; and
- ii. Corporate website.

Shareholders, investors and members of the public who wish to contact the Group on any enquiry, comment or proposal can channel them through e-mail to the following persons: -

 Name
 Position
 Email Address

 Chung Chee Khuen
 Chief Financial Officer
 enquiry@transocean.com.my

Shareholders and investors can obtain the Group's latest announcements such as quarterly financial results at Bursa Securities' website (www.bursamalaysia.com) and the Group's website (www.transocean.com.my)

2. Shareholders' Participation at General Meeting

In addition to communicating and engaging shareholders through annual reports, AGM, continuing and timely disclosures of information, the Group welcomes dialogues with shareholders and investors at general meeting of the Company.

At each AGM, the Directors of the Company would be present to answer any questions from the shareholders. The Chairman of the meeting provided time for the shareholders to ask questions for each agenda in the notice of the AGM. The external auditors will also be present to answer any questions from the shareholders relating to their audit. The shareholders and proxies are also able to engage with the Directors after the meeting.

Notices of AGM are dispatched at least 28 days before the AGM to accord sufficient time for the shareholders to make the necessary arrangements to attend and participate in person or by proxy. In conjunction with this, Annual Reports are dispatched together with all relevant information supporting each proposed resolution to enable the shareholders to evaluate and vote accordingly.

This Corporate Governance Overview statement was approved by the Board of Directors on 27 April 2023.

Statement on Risk Management and Internal Control

INTRODUCTION

The Board of Directors is pleased to present the Statement on Risk Management and Internal Control for the financial year ended 31 December 2022, which has been prepared pursuant to paragraph 15.26(b) of Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and as guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers and the Malaysian Code on Corporate Governance ("the Code").

Pursuant to the Guidelines and the Code, the Board is committed to establish a sound risk management framework and internal control system. The internal control is designed to manage rather than to eliminate the risk of failure to meet the Group's business objectives. Therefore it can only provide reasonable but not absolute assurance against material misstatement, operational failure, fraud or loss and this is achieved through a combination of directive, preventive, detective and corrective measures.

THE BOARD RESPONSIBILITIES

The Board recognises the importance of sound risk management practices and internal controls to safeguard shareholders interest and assets of the Group. The Board has undertaken the appropriate initiatives to strengthen the transparency, accountability, and efficiency of the operations. The Board acknowledges its responsibility for the adequacy and the integrity of the Group's system of risk management and internal control which includes the establishment of the appropriate control environment and risk framework, as well as reviewing its adequacy and effectiveness. By virtue of the nature of its business activities, the Board considers its strategic risk appetite and seeks to minimize risks at operational level.

The risk management and internal control system have been in place for the financial year under review and up to the date of approval of this statement. The Board is of the opinion that risk management and internal control system were adequate to address the risk of the Group.

GROUP RISK MANAGEMENT OBJECTIVES

- Ensure the continuity of business and quality services to customers.
- Safeguard the assets of the Group and the interest of all shareholders.
- Provide a happy working environments and take care of the safety and health of employees
- Ensure compliance of applicable laws, regulations and the code.

RISK MANAGEMENT FRAMEWORK

The Board has established a risk management framework with the objective of setting clear guidelines in relation to the levels of risk acceptance to the Group. The system of Risk Management and Internal Control is designed to meet the Group's objectives and strategies, and the risks to which it is exposed. The key aspects of our risk management framework are as follows:

Identification of specific risk areas

Annual risk survey is carried out with the involvement of Head of Department for identifying risks posed to the Group. Risks identified are assessed and discussed by the Audit and Risk Management Committee ("ARMC") based on the Group's business environment, incident analysis, findings of internal audits and analysis of the Group's performance relative to the business growth and strategy.

Evaluation of the causes and consequences

Risk analysis and evaluation is carried out using scenario based assessments to assess the potential impact to the Group.

Managing and rating of risk

Risks identified are assessed based on their likelihood of occurrence and their impact to the Group.

Risk mitigation and action plan

Implementation of tactical solutions to soften or mitigate risks, including preventive and detective controls and measures.

In providing oversight of risk management framework and policies of the Group, the Board is assisted by the ARMC which had identified the following risks that are significant to the business operations.

Statement on Risk Management and Internal Control (Control (Contro

RISK MANAGEMENT FRAMEWORK (Cont'd)

Market Risks

- Loss of key customers due to macroeconomic downturn, other market conditions and stiff competition.
- Escalating cost of services and diesel price fluctuation Fluctuation of diesel price, depreciation of Ringgits and other
 cost escalations.

Operation Risks

- Warehouse management the risk of fire, theft & burglary.
- Road accidents road accident and rough handling causing damage to customers' cargo.

Financial Risks

Credit risk – close monitoring on the performance of customers to avoid bad debts.

The management has come out with the appropriate internal controls to mitigate the above identified risks and the Board is satisfied with the results of the controls in place.

INTERNAL CONTROL STRUCTURE

The Board acknowledges the importance of maintaining a sound internal control system. The Group's system of internal control is embedded in the day to day operational and management process as follows:

• **Credit policies and control** - new customers must go through the credit evaluation process before customers' profiles, credit terms and limits are keyed into the master data base to kick start the trading process.

The Credit Control Committee reviews the performance of the customers and status of credit on weekly basis. Exceptions are highlighted to senior management for the necessary actions on debts recovery.

- **Billing and documents** the Group operates with cloud based Enterprise Resource Planning System (ERP) with live data connectivity for cross border activities. Warehousing, haulage and manufacturing sectors are operated with server based system. Delivery orders, invoices and custom declaration forms are generated from the system. Monitoring on mileage and fuel consumption is managed from Prai control room.
- **Protection on customers' cargo** warehouse is covered with fire and warehouse liabilities insurance. Goods in transit are covered by Transporters Liabilities Insurance and also Goods in Transit Insurance.
- **Road Safety** drivers are given continuous training on safer ways to drive truck, handling of goods and trucking documents.

The Board has engaged an independent professional firm, which reports to the ARMC to provide internal audit services to assist the Board in providing the assurance it requires on the effectiveness as well as the adequacy and integrity of the Group's system of internal control.

The Board recognises that the internal audit function is an important and integral component of the governance process. The principal responsibility of the internal audit function is to assist the ARMC in monitoring compliance with policies and procedures and the effectiveness and adequacy of the risk management and internal control systems in operation.

Assurance from Management

The Board has obtained assurance from senior management that the risk management and internal system of the Group are operating adequately and effectively in all material aspects, based on the risk management framework adopted by the Group.

Statement on Risk Management and Internal Control (Cont'd)

INTERNAL CONTROL STRUCTURE (Cont'd)

Board's Statement on Risk Management and Internal Control

The Board of Directors is of the view that the risk management and internal control system are satisfactory and have not resulted in any material losses that would require disclosure in the Annual Report for the year ended 31 December 2022 up to the date of this statement.

The external auditors have reviewed this statement pursuant to the scope set out in 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 the Annual Report, issued by the Malaysian Institute of Accountants for inclusion in the Annual Report of the Company for the year ended 31 December 2022. Based on the procedures performed, the external auditors have reported to the Board that nothing has come to their attention that cause them to believe that the statement is not prepared in all material respects, in accordance with the disclosures required by paragraphs 41 to 42 of the Guidelines, nor is this statement factually incorrect.

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 the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board. The auditors are also not required to consider whether the processes decribed to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact, remedy the problems.

This statement was approved by the Board of Directors on 27 April 2023.

Statement of Directors' Responsibility 1

In Relation to Audited Financial Statements for the Financial Year Ended 31 December 2022

This statement is prepared pursuant to Part 15.26 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Board of Directors is responsible for ensuring that the financial statements for the financial year under reviewed are prepared in accordance with Malaysian Financial Reporting Standards (MFRS), International Financial Reporting Standards (IFRS) and the provisions of the Companies Act 2016 so as to give a true and fair view of the state of financial position of the Group and of the Company as at 31 December 2022 and of their financial performance and cash flows for the financial year then ended.

In preparing the financial statements, the Directors have ensured that appropriate accounting policies have been consistently applied, take reasonable and prudent judgments and estimates and that all applicable MFRS and IFRS and provisions of the Companies Act 2016 are complied with.

The Directors have also ensured that the Group and the Company have kept proper accounting records which disclose with reasonable accuracy, the financial position of the Group and of the Company and which enable them to ensure that the financial statements comply with the MFRS, IFRS and the provisions of the Companies Act 2016.

The Directors have also taken such steps as are reasonable to safeguard the assets of the Group and of the Company to prevent and to detect fraud and other irregularities.

This statement is made in accordance with the resolution of the Board of Directors passed on 27 April 2023.

Directors' Report 1

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

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding, provision of management services and letting of properties. The principal activities of the subsidiaries are disclosed in Note 6 to the financial statements.

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

RESULTS

	Group	Company
	RM	RM
Profit/(Loss) for the financial year	1,758,761	(238,284)
Attributable to:		
Owners of the Company	1,758,761	

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

DIVIDENDS

The Company is not in a position to pay any dividend in view of the accumulated losses as at the reporting date.

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

There were no changes in the issued and paid-up share capital of the Company during the financial year.

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

DIRECTORS

The Directors of the Company in office since the end of the previous financial year to the date of this report are:

Directors of the Company:

Dato' Syed Budriz Putra Jamalullail Ibrahim Aiman Bin Mohd Nadzmi Woo Kok Boon Lee Chin Chuan (appointed on 1 March 2023) Tung Shao Yin (appointed on 1 March 2023) Faiz Bin Ishak (resigned on 1 March 2023) Muhammad Adib Bin Ariffin (resigned on 1 March 2023)

The names of the Directors of certain subsidiary companies other than those named above are as follows:

Ahmad Izwan Bin Ibrahim
Chung Chee Khuen
Ismail Bin Ibrahim
Khairuddin Bin Abdul Rahman
Melvin Tjahaja Hai Yang
Muhammad Aznan Bin Abdul Rahman
Muhammad Hariz Bin Mohd Nadzmi
Omar Fakhruddin Bin Mohd Nadzmi

Directors' Report (Cont'd)

DIRECTORS' INTERESTS IN SHARES

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, the interests and deemed interests in the shares of the Company and its related corporations (other than wholly-owned subsidiary companies) of those who were Directors at the end of the financial year (including their spouses or children) are as follows:-

	At 1.1.2022	Bought	Sold	At 31.12.2022
Indirect interests				
Dato' Syed Budriz Putra Jamalullail#	20,000,000	-	-	20,000,000

Deemed interest by virtue of his shares in Digital Planners Sdn. Bhd. which holds 100% of the equity of Enfrasys Consulting Sdn. Bhd..

By virtue of Dato' Syed Budriz Putra Jamalullail's substantial interests in the shares of the Company, he is also deemed to have interests in the shares of all the subsidiary companies to the extent that the Company has an interest under Section 8 of the Companies Act 2016.

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

DIRECTORS' REMUNERATION AND BENEFITS

During the financial year, the fees and other benefits received and receivable by the Directors of the Company are as follows:

	Group and Company
	RM
Salaries, bonus and allowance	140,500
Defined contribution plans	15,600
Fees	168,000
Social security contributions	1,002
	325,102

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors as shown above) by reason of a contract made by the Company or a related corporation with a 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, other than those related party transactions disclosed in the notes to the financial statements.

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

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

Directors' Report (Cont'd)

OTHER STATUTORY INFORMATION

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

- (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
- (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company have 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 the amounts written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading, or
- (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or
- (iv) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

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

- (i) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person, and
- (ii) any contingent liability in respect of the Group and 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, and
- (ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the current financial year in which this report is made.

Directors' Report (Cont'd)

AUDITORS

The Auditors, Grant Thornton Malaysia PLT, have expressed their willingness to continue in office.

The amount of audit and other fees paid or payable to the external auditor and its member firms by the Group and the Company for the financial year ended 31 December 2022 amounted to RM144,700 and RM65,700 respectively. Further details are disclosed in Note 26 to the financial statements.

The Group and the Company have agreed to indemnify the Auditors, Grant Thornton Malaysia PLT to the extent permissible under the provision of the Companies Act 2016 in Malaysia. However, no payment has been made arising from this indemnity for the financial year.

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

DATO' SYED BUDRIZ PUTRA JAMALULLAIL)	DIRECTORS
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28 April 2023

Directors' Statement >

In the opinion of the Directors, the financial statements set out on pages 55 to 116 are properly drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022 and of their financial performance and cash flows for the financial year then ended.

DATO' SYED BUDRIZ PUTRA JAMALULLAIL	IBRAHIM AIMAN BIN MOHD NADZMI
28 April 2023	

Statutory Declaration

I, Ibrahim Aiman Bin Mohd Nadzmi, the Director primarily responsible for the financial management of Transocean Holdings Bhd. do solemnly and sincerely declare that the financial statements set out on pages 55 to 116 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 in Kuala Lumpur in the)	
Federal Territory this day of)	
28 April 2023)	
•	·	IBRAHIM AIMAN BIN MOHD NADZMI

Before me,

Commissioner for Oaths

Independent Auditors' Report 1

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of Transocean Holdings Bhd. ("the Company"), which comprise the statements of financial position as at 31 December 2022 of the Group and of the Company, and the statements of 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 accounting policies, as set out on pages 55 to 116.

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

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

Key Audit Matter

How our audit addressed the Key Audit Matter

Impairment of trade receivables (Note 8 to the financial statements)

The Group has significant trade receivables as at the reporting date and is subject to credit risk exposures.

We focus on this area as the assessment of the expected credit losses of trade receivables involves management's judgement and estimation uncertainty in determining the probability of default occurring by considering the ageing of trade receivables, historical loss experience and forward-looking information.

Our audit procedures in relation to the impairment of trade receivables included, amongst others, the following:

- Obtaining an understanding of:
 - the Group's internal control over the trade receivables' collection process;
 - how the Group identifies and assesses the impairment of trade receivables; and
 - how the Group makes the accounting estimates for impairment of trade receivables.
- Reviewing the application of the Group's policy for calculating the expected credit losses and whether it complies with MFRS 9;
- Reviewing the ageing analysis of the trade receivables and testing the reliability thereon;
- Reviewing subsequent collections for major customers and overdue amounts;
- Making inquiries of management regarding the action plans to recover overdue balances;
- Examining other relevant evidence; and
- Assessing the recoverability of balances and the adequacy of impairment loss for significant outstanding balances based on the expected credit loss model applied by the Group.

There is no key audit matter to be communicated in our audit of the separate financial statements of the Company.

Independent Auditors' Report (Cont'd)

Report on the Audit of 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 information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors report thereon.

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

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

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

Directors' responsibilities for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company so as to 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 have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatements of the financial statements of the Group and of the Company,
 whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence
 that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement
 resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional
 omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

Independent Auditors' Report (Cont'd)

Report on the Audit of 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 on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also (Cont'd):

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiary of which we have not acted as auditors, is disclosed in Note 6 to the financial statements.

Other Matter

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.

GRANT THORNTON MALAYSIA PLT (201906003682 & LLP0022494-LCA) CHARTERED ACCOUNTANTS (AF 0737) ALEX KINGSLEY CHUA (NO.: 03629/12/2023 J) CHARTERED ACCOUNTANT

Kuala Lumpur

28 April 2023

Statements of Financial Position >

As at 31 December 2022

		(Group	Со	Company	
	N	2022	2021	2022	2021	
	Note	RM	RM	RM	RM	
ASSETS						
Non-current assets						
Property, plant and equipment	4	31,133,415	30,957,769	28,081,795	28,315,215	
Right-of-use assets	5	2,268,486	3,014,616	-	-	
Investment in subsidiaries	6	-	-	10,403,261	10,396,261	
Investment in an associate	7	22,477,018	21,085,750	20,000,000	20,000,000	
Trade receivables	8	-	1,213,905	-	-	
Deferred tax assets	9	59,111				
		55,938,030	56,272,040	58,485,056	58,711,476	
Current assets						
Inventories	10	338,831	180,374	-	-	
Trade receivables	8	8,031,731	6,706,412	-	-	
Contract assets	11	73,086	102,652		-	
Other receivables	12	1,219,470	1,675,415	12,230	49,585	
Amount due from subsidiaries	13	-	-		-	
Current tax assets		546,183	442,158	79,799	62,807	
Fixed deposits with a licensed bank	14	3,545	3,230	-	-	
Cash and bank balances	15	4,441,002	3,001,487	195,815	284,010	
		14,653,848	12,111,728	287,844	396,402	
TOTAL ASSETS		70,591,878	68,383,768	58,772,900	59,107,878	
EQUITY AND LIABILITIES		_	_		_	
Share capital	16	64,718,664	64,718,664	64,718,664	64,718,664	
Other reserves	17	11,191,591	11,128,030	10,577,650	10,646,243	
Accumulated losses		(14,841,774)	(16,670,005)	(22,363,673)	(22,193,982)	
		61,068,481	59,176,689	52,932,641	53,170,925	
Non-controlling interests			877			
Total equity		61,068,481	59,177,566	52,932,641	53,170,925	

Statements of Financial Position (Cont'd)

As at 31 December 2022

		Group Compa			mpany
	Note	2022 RM	2021 RM	2022 RM	2021 RM
Non-current liabilities					
Deferred tax liabilities	9	2,011,006	1,896,667	2,113,205	1,998,866
Lease liabilities	5	87,954	820,456	-	-
Borrowings	18	501,630	441,459		
		2,600,590	3,158,582	2,113,205	1,998,866
Current liabilities					
Trade payables	19	2,929,416	2,630,749	-	-
Other payables	20	2,914,872	2,266,568	564,846	426,678
Lease liabilities	5	835,489	816,410	-	-
Borrowings	18	243,030	333,893	-	-
Amount due to subsidiaries	13			3,162,208	3,511,409
		6,922,807	6,047,620	3,727,054	3,938,087
Total liabilities		9,523,397	9,206,202	5,840,259	5,936,953
TOTAL EQUITY AND LIABILITIES		70,591,878	68,383,768	58,772,900	59,107,878

Statements of Profit or Loss and Other Comprehensive Income >

For the Financial Year ended 31 December 2022

		G	iroup	Company	
		2022	2021	2022	2021
	Note	RM	RM	RM	RM
Revenue	21	28,881,350	22,363,922	1,844,400	1,738,400
Other income	22	275,677	440,692	6,004	107,000
Finance income		7,184	136,305	-	-
Share of profit of an associate		1,391,268	1,085,750	-	-
Cost of inventories consumed		(4,528,064)	(3,359,904)	-	-
Crane and forklift charges		(2,003,669)	(1,471,910)	-	-
Depreciation of property, plant and equipment		(1,024,614)	(907,307)	(233,420)	(233,421)
Depreciation of right-of-use assets		(922,886)	(818,173)	-	-
Lease modification		(79,312)	-	-	-
Allowance for expected credit losses on receivables	;				
- additions		(90,979)	-	(134,200)	(1,882,369)
- reversal		-	48,154	83,066	3,188
Employee benefits expense	23	(8,431,291)	(6,957,919)	(913,332)	(964,645)
Fuel and freight expenses		(2,711,531)	(2,522,692)	-	-
Levies		(829,498)	(919,118)	-	-
Repairs and maintenance of premises		(334,205)	(203,128)	(141,282)	(105,158)
Repairs and maintenance of motor vehicles		(1,322,790)	(983,828)	(2,501)	(3,151)
Expenses relating to short-term leases		(2,137,925)	(1,090,384)	-	-
Expenses relating to lease of low-value assets		(4,950)	(1,890)	-	-
Other operating expenses		(4,112,783)	(3,155,296)	(632,680)	(1,124,062)
Operating profit/(loss)		2,020,982	1,683,274	(123,945)	(2,464,218)
Finance costs	25	(194,924)	(225,330)		
Profit/(loss) before tax	26	1,826,058	1,457,944	(123,945)	(2,464,218)
Tax expense	27	(67,297)	(85,845)	(114,339)	(31,661)
Net profit/(loss) for the financial year		1,758,761	1,372,099	(238,284)	(2,495,879)

Statements of Profit or Loss and Other Comprehensive Income (cont'd)

For the Financial Year ended 31 December 2022

		(Group	Col	mpany
	Note	2022 RM	2021 RM	2022 RM	2021 RM
Other comprehensive income, net of tax					
Item that will be reclassified subsequently to profit or loss:					
Foreign currency translation differences for foreign operation		132,154	25,462	<u> </u>	
Total other comprehensive income, net of tax	-	132,154	25,462	<u> </u>	
Total comprehensive income/(loss) for the financial year		1,890,915	1,397,561	(238,284)	(2,495,879)
Net profit/(loss) attributable to:					
Owners of the Company		1,758,761	1,372,142	(238,284)	(2,495,879)
Non-controlling interests	-	-	(43)	<u>-</u>	
		1,758,761	1,372,099	(238,284)	(2,495,879)
Total comprehensive income/(loss) attributable to:					
Owners of the Company		1,890,915	1,397,604	(238,284)	(2,495,879)
Non-controlling interests	-		(43)	<u>-</u>	
		1,890,915	1,397,561	(238,284)	(2,495,879)
Earnings per share attributable to owners of the Company (sen)					
- Basic/Diluted	28	2.70	2.80		

Consolidated Statement of Changes in Equity >

For the Financial Year ended 31 December 2022

	<attri< th=""><th>ibutable to Owr</th><th>ners of the Comp</th><th>oany></th><th></th><th></th></attri<>	ibutable to Owr	ners of the Comp	oany>		
	Share capital RM	Non- distributable Other reserves RM	Accumulated losses RM	Total RM	Non- controlling interests RM	Total equity RM
2022						
Balance at beginning	64,718,664	11,128,030	(16,670,005)	59,176,689	877	59,177,566
Transactions with owners:-						
Acquisition of interests of non-controlling interests in a subsidiary	-	-	877	877	(877)	-
Realisation of revaluation reserve upon depreciation	-	(68,593)	68,593	-	-	-
Total comprehensive income for the financial year		132,154	1,758,761	1,890,915		1,890,915
Balance at end	64,718,664	11,191,591	(14,841,774)	61,068,481		61,068,481
2021						
Balance at beginning	40,998,550	11,171,161	(18,110,740)	34,058,971	920	34,059,891
Transactions with owners:-						
Issuance of shares	24,427,784	-	-	24,427,784	-	24,427,784
Capitalisation of share issuance expenses	(707,670)		<u>-</u>	(707,670)		(707,670)
Total transactions with owners	23,720,114	-	-	23,720,114	-	23,720,114
Realisation of revaluation reserve upon depreciation	-	(68,593)	68,593	-	-	-
Total comprehensive income for the financial year		25,462	1,372,142	1,397,604	(43)	1,397,561
Balance at end	64,718,664	11,128,030	(16,670,005)	59,176,689	877	59,177,566

Statement of Changes in Equity > For the Financial Year ended 31 December 2022

	Share capital RM	Non- distributable Other reserves RM	Accumulated losses RM	Total equity RM
2022				
Balance at beginning	64,718,664	10,646,243	(22,193,982)	53,170,925
Realisation of revaluation reserve upon depreciation	-	(68,593)	68,593	-
Total comprehensive loss for the financial year			(238,284)	(238,284)
Balance at end	64,718,664	10,577,650	(22,363,673)	52,932,641
2021				
Balance at beginning	40,998,550	10,714,836	(19,766,696)	31,946,690
Transactions with owners:-				
Issuance of shares	24,427,784	-	-	24,427,784
Capitalisation of share issuance expenses	(707,670)			(707,670)
Total transactions with owners	23,720,114	-	-	23,720,114
Realisation of revaluation reserve upon depreciation	-	(68,593)	68,593	-
Total comprehensive loss for the financial year			(2,495,879)	(2,495,879)
Balance at end	64,718,664	10,646,243	(22,193,982)	53,170,925

Statements of Cash Flows >

For the Financial Year ended 31 December 2022

		G	iroup	Co	mpany
		2022	2021	2022	2021
	Note	RM	RM	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit/(loss) before tax		1,826,058	1,457,944	(123,945)	(2,464,218)
Adjustments for:					
Allowance for expected credit losses on receivables					
- additions		90,979	-	134,200	1,882,369
- reversal		-	(48,154)	(83,066)	(3,188)
Bad debts written off		469	143,405	-	-
Depreciation of property, plant and equipment		1,024,614	907,307	233,420	233,421
Depreciation of right-of-use assets		922,886	818,173	-	-
Lease modification		79,312	-	-	-
Property, plant and equipment written off		13,795	3,123	-	-
Interest expense		194,924	225,330	-	-
Interest income		(7,184)	(136,305)	-	-
Rent concessions		(90,000)	-	-	-
Share of profit of an associate		(1,391,268)	(1,085,750)	<u>-</u>	<u> </u>
Operating profit/(loss) before working capital changes		2,664,585	2,285,073	160,609	(351,616)
Changes in:					
Inventories		(158,457)	29,595	-	-
Receivables		378,429	(4,216,766)	37,355	(2,905)
Contract assets		29,566	66,422	-	-
Payables		946,971	1,104,273	138,168	(13,419)
Cash generated from/(used in) operations		3,861,094	(731,403)	336,132	(367,940)
Income tax paid		(116,255)	(106,000)	(16,992)	(20,000)
Income tax refunded		273	151,890	(10,772,	(=0,000,
Interest paid		(42,106)	(41,925)	_	_
Interest received		(42,100)	82,299		
interest received		<u>-</u>	02,277	<u>-</u>	
Net cash from/(used in) operating activities		3,703,006	(645,139)	319,140	(387,940)
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of interests of non-controlling interests in a subsidiary		_	_	(7,000)	_
Advances to subsidiaries		_	-	(51,134)	(126,241)
Net change in fixed deposit pledged with licensed bank		(315)	6,597	-	-
Interest received		7,069	-	-	-
Purchase of property, plant and equipment Proceeds from disposal of property, plant and equipment	А	(899,055)	(1,044,277)	-	-
Net cash used in investing activities		(892,301)	(1,037,680)	(58,134)	(126,241)
Balance carried forward		2,810,705	(1,682,819)	261,006	(514,181)

Statements of Cash Flows (Cont'd)

For the Financial Year ended 31 December 2022

		G	roup	Co	mpany
	Nista	2022	2021	2022	2021
	Note	RM	RM	RM	RM
Balance brought forward		2,810,705	(1,682,819)	261,006	(514,181)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issuance of share capital, net of share			2 700 444		2 700 444
issuance expenses Repayment to subsidiaries		-	3,720,114	- (349,201)	3,720,114 (3,281,610)
Repayment of lease liabilities	В	(884,623)	(740,415)	(347,201)	(3,201,010)
Interest paid	В	(152,818)	(183,405)	-	-
Repayment of borrowings	В	(122,472)	(174,531)	-	-
Net cash (used in)/from financing activities		(1,159,913)	2,621,763	(349,201)	438,504
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		1,650,792	938,944	(88,195)	(75,677)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		11,943	1,963	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING		2,778,267	1,837,360	284,010	359,687
CASH AND CASH EQUIVALENTS AT END		4,441,002	2,778,267	195,815	284,010
Represented by:					
Fixed deposits with a licensed bank		3,545	3,230	-	-
Cash and bank balances		4,441,002	3,001,487	195,815	284,010
Bank overdrafts		<u> </u>	(223,220)	<u> </u>	
		4,444,547	2,781,497	195,815	284,010
Less: Fixed deposits pledged with a licensed bank		(3,545)	(3,230)		
		4,441,002	2,778,267	195,815	284,010

NOTES TO THE STATEMENTS OF CASH FLOWS

Purchase of property, plant and equipment

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Total purchase of property, plant and equipment	1,214,055	1,638,277	-	-
Acquired under finance lease agreements	(315,000)	(594,000)		
Total cash acquisitions	899,055	1,044,277		

Statements of Cash Flows (Cont'd)

For the Financial Year ended 31 December 2022

NOTES TO THE STATEMENTS OF CASH FLOWS (Cont'd)

Liabilities arising from financing activities

Reconciliation between the opening and closing balances in the statements of financial position for liabilities arising from financing activities is as follows:

	Balance at beginning RM	Net cash flows RM	Rent concessions RM	Others RM	Balance at end RM
Group					
2022					
Lease liabilities	1,636,866	(1,037,441)	(90,000)	414,018	923,443
Borrowings excluding bank overdrafts	552,132	(122,472)		315,000	744,660
	2,188,998	(1,159,913)	(90,000)	729,018 1	1,668,103
2021					
Lease liabilities	1,404,617	(923,820)	-	1,156,069	1,636,866
Borrowings excluding bank overdrafts	132,663	(174,531)		594,000	552,132
	1,537,280	(1,098,351)		1,750,069 1	2,188,998

¹ Others consist of non-cash movement as follows:

	(Group
	2022 RM	2021 RM
Accretion of interest	152,818	183,405
Addition of lease liabilities	215,113	951,740
Foreign currency translation	46,087	20,924
Property, plant and equipment acquired by finance lease arrangements	315,000	594,000
	729,018	1,750,069

Cash outflows for leases as lessee

	Group		
	2022 RM	2021 RM	
Payments relating to short term leases	2,137,925	1,090,384	
Payment relating to leases of low-value assets	4,950	1,890	
Payment of lease liabilities	884,623	740,415	
Interest paid in relation to lease liabilities	152,818	183,405	
	_3,180,316	2,016,094	

Notes to the Financial Statements >

31 December 2022

1. GENERAL INFORMATION

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

The registered office of the Company is located at Suite 18.05, MWE Plaza, No. 8, Lebuh Farquhar, 10200 George Town, Penang, Malaysia.

The principal place of business of the Company is located at Lot 2955, 2956 & 2957, Jalan Perusahaan Sungai Lokan 3, Kawasan Perusahaan Sungai Lokan, 13400 Butterworth, Penang, Malaysia.

The principal activities of the Company are investment holding, provision of management services and letting of properties. The principal activities of the subsidiaries are disclosed in Note 6 to the financial statements.

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on **28 April 2023.**

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

2.2 Basis of measurement

The financial statements of the Group and of the Company are prepared under the historical cost convention unless otherwise indicated in the accounting policies as set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to by the Group and by the Company.

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

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

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

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

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

31 December 2022

2. **BASIS OF PREPARATION (Cont'd)**

2.2 Basis of measurement (Cont'd)

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

2.3 Functional and presentation currency

Ringgit Malaysia is the presentation currency of the Group and of the Company.

Ringgit Malaysia is also the functional currency of the Company. The functional currency is the currency of the primary economic environment in which the Company operates. The Group's foreign operation has different functional currency.

2.4 Adoption of new or revised MFRSs

The Group and the Company have consistently applied the accounting policies set out in Note 3 to all years presented in these financial statements.

At the beginning of the current financial year, the Group and Company adopted new standards/amendments/ improvements to MFRS which are mandatory for the financial periods beginning on or after 1 January 2022.

Initial application of the new standards/amendments/improvements to the standards did not have material impact to the financial statements of the Group and the Company.

2.5 Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective are disclosed below. The Group and the Company intend to adopt these new and amended standards and interpretations, if applicable, when they become effective:

MFRS and amendments to MFRSs effective 1 January 2023:

MFRS 17*	Insurance Contracts
Amendments to MFRS 17*	Insurance Contracts
Amendments to MFRS 17*	Insurance Contracts: Ini

nitial Application of MFRS 17 and

MFRS 9 - Comparative Information

Amendments to MFRS 4* Insurance Contracts: Extension of the Temporary

Exemption from Applying MFRS 9

Amendments to MFRS 101 Presentation of Financial Statements: Classification of

Liabilities as Current or Non-current

Amendments to MFRS 101 Presentation of Financial Statements: Disclosure of

Accounting Policies

Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates

and Errors: Definition of Accounting Estimates

Amendments to MFRS 112 Income Taxes: Deferred Tax related to Assets and

Liabilities arising from a Single Transaction

Amendments to MFRSs effective 1 January 2024:

Amendments to MFRS 16 Leases: Lease Liabilities in a Sale and Leaseback

Amendments to MFRS 101 Presentation of Financial Statements: Non-current

Liabilities with Covenants

31 December 2022

2. BASIS OF PREPARATION (Cont'd)

2.5 Standards issued but not yet effective (Cont'd)

The new and amended standards and interpretations that are issued, but not yet effective are disclosed below. The Group and the Company intend to adopt these new and amended standards and interpretations, if applicable, when they become effective (cont'd):

Amendments to MFRSs - effective date deferred indefinitely:

Amendments to MFRS 10 and 128

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

* Not applicable to the Group's and the Company's operations

The initial application of the above applicable standards and amendments are not expected to have any material impacts to the financial statements of the Group and of the Company.

2.6 Significant accounting estimates and judgements

The preparation of financial statements requires 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 estimate is revised and in any future periods affected.

2.6.1 Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgement, apart from those involving estimations, which has the most significant effect on the amounts recognised in the financial statements:

Determining the lease term of contracts with renewal and termination options - group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise the option to renew or to terminate.

The Group has not included the extension options period as part of the lease term for lease of office premise and motor vehicles as it is not reasonably certain that the extension options will be exercised. The periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

2.6.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period 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:

Useful lives of depreciable assets

Property, plant and equipment and right-of-use assets are depreciated on a straight-line basis over their useful lives. Management estimates the useful lives of the depreciable assets to be within 5 and 50 years and reviews the useful lives of depreciable assets at each reporting date.

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2. BASIS OF PREPARATION (Cont'd)

2.6 Significant accounting estimates and judgements (Cont'd)

2.6.2 Key sources of estimation uncertainty (Cont'd)

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period 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):

Useful lives of depreciable assets (Cont'd)

At the reporting date, management assesses that the useful lives represent the expected utility of the assets to the Group and the Company. Actual results, however, may vary due to change in the expected level of usage, physical wear and tear and technological developments, which may result in adjustments to the Group's and the Company's assets.

Revaluation of property, plant and equipment

The Group and the Company measure its land and buildings at revalued amount with changes in fair value being recognised in other comprehensive income. The Group and the Company engaged independent valuation specialists to determine fair value upon revaluation.

Provision for expected credit losses of receivables

The Group uses a provision matrix to calculate expected credit losses for receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

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

The assessment of the correlation between historical observed default rates, forecast economic conditions and expected credit losses is a significant estimate. The amount of expected credit losses is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Impairment of non-financial assets

Non-financial assets are tested for impairment whenever there is objective evidence or indication that these assets may be impaired. Judgment is required to determine if any such indication exists, based on the evaluation of both internal and external sources of information. If any such indication exists, management assesses the recoverable amount of the non-financial assets based on the fair value less cost to sell which approximates the extent of the net assets held by the non-financial assets at the reporting date. If the recoverable amount of the non-financial assets are less than its carrying amount, an impairment loss is recognised in profit or loss to reduce the carrying amount of the non-financial assets.

Leases - estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

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2. BASIS OF PREPARATION (Cont'd)

2.6 Significant accounting estimates and judgements (Cont'd)

2.6.2 Key sources of estimation uncertainty (Cont'd)

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period 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):

Income taxes/Deferred tax liabilities

Significant judgement is required in determining the capital allowances and deductibility of certain expenses during the estimation of the Group's and Company's provision for income taxes. There are certain transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group and the Company recognise tax liabilities based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such difference will impact the income tax and deferred tax provisions in the year in which such determination is made.

Inventories

Inventories are measured at the lower of cost and net realisable value. In estimating net realisable values, management takes into account the most reliable evidence available at the times the estimates are made. The realisation of these inventories may be affected by market-driven changes that may occur in the future.

Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unabsorbed capital allowances to the extent that it is probable that future taxable profits will be available against which all they can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Assumptions about generation of future taxable profits depend on estimation of future sales, operating costs, capital expenditure, dividends and other capital management transactions which are highly judgemental. Judgement is also required about application of income tax legislation. These judgements and assumptions are subject to risks and uncertainties, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets recognised in the statements of financial position and the amount of unused tax losses, unabsorbed capital allowances and unrecognised temporary differences.

3. SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies adopted by the Group and by the Company are consistent with those adopted in the previous financial years unless otherwise indicated below.

3.1 Consolidation

(i) Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive.

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.1 Consolidation (Cont'd)

(i) Subsidiaries (Cont'd)

The Group also considers it has *de facto* power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investment in subsidiaries is measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investments includes transaction costs.

Upon disposal of investment in a subsidiary, the difference between the net disposal proceeds and its carrying amount is recognised in profit or loss.

(ii) Basis of consolidation

The Group financial statements consolidate the audited financial statements of the Company and all of its subsidiaries, which have been prepared in accordance with the Group's accounting policies. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group. The financial statements of the Company and its subsidiaries are all drawn up to the same reporting date.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in asset, such as inventory and property, plant and equipment) are eliminated in full in preparing the consolidated financial statements. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Temporary differences arising from the elimination of profits and losses resulting from intragroup transactions will be treated in accordance to Note 3.12 to the financial statements.

Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling 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 the consideration paid or received is recognised directly in equity and attributed to owners.

(iii) Business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interest in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount at fair value of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

For each business combination, the Group elects whether to recognise non-controlling interests in the acquiree either at fair value, or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.1 Consolidation (Cont'd)

(iv) Acquisitions of non-controlling interests

The Group treats all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interests holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against the Group's reserve.

(v) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity accounted investee or as a financial asset depending on the level of influence retained.

(vi) Non-controlling interests

Non-controlling interests at the reporting date, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the statements of financial position and statements of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the statements of comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and the owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(vii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(viii) Associates

Associates are entities, including unincorporated entities, in which the Group has significant influence, but not control, over the financial and operating policies.

Investments in associates are accounted for in the consolidated financial statements using the equity method less any impairment losses, unless it is classified as held for sale or distribution. The cost of the investment includes transaction costs. The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the associates, after adjustments if any, to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investment is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. The difference between the fair value of any retained interest plus proceeds from the interest disposed of and the carrying amount of the investment at the date when equity method is discontinued is recognised in the profit or loss.

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.1 Consolidation (Cont'd)

(viii) Associates (Cont'd)

When the Group's interest in an associate decrease but does not result in a loss of significant influence, any retained interest is not remeasured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income is also reclassified proportionately to the profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

Investments in associates are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution.

3.2 Property, plant and equipment

All property, plant and equipment, except for land and buildings, are measured at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bringing the asset to working condition for its intended use. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. All other repair and maintenance costs are recognised in profit or loss as incurred.

Land and buildings are measured at fair value less accumulated depreciation and any impairment losses after the date of the revaluation. Valuations are performed with sufficient regularity, to ensure that the carrying amount does not differ materially from the fair value of the land and buildings at the reporting date.

As at the date of revaluation, accumulated depreciation, if any, is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Any revaluation surplus arising upon appraisal of land and buildings are recognised in other comprehensive income and credited to the 'revaluation reserve' in equity. To the extent that any revaluation decreases or impairment loss has previously been recognised in profit or loss, a revaluation increase is credited to profit or loss with the remaining part of the increase recognised in other comprehensive income. Downward revaluation of land and buildings are recognised upon appraisal or impairment testing, with the decrease being charged to other comprehensive income to the extent of any revaluation surplus in equity relating to this asset and any remaining decrease recognised in profit or loss. Any revaluation surplus remaining in equity on disposal of the asset is transferred to other comprehensive income.

Depreciation is recognised on the straight-line method in order to write off the cost or valuation of each asset over its estimated useful life.

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

Buildings	2% - 10%
Warehouse machinery and equipment	10% - 20%
Office renovation	10%
Furniture, fittings and equipment	10% - 20%
Motor vehicles	14.28% - 20%

Freehold land with an infinite life is not depreciated.

The residual value, useful life and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.2 Property, plant and equipment (Cont'd)

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss in the financial year in which the asset is derecognised.

3.3 Leases

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

3.3.1 As lessee

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

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets as follows:

Land 2 to 42 years

Office premise 4 years

Motor vehicles 2 to 3 years

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

The right-of-use assets are also subject to impairment.

Lease liabilities

At the commencement date of the lease, lease liabilities are recognised and measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

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

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of premises and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. 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.

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.3 Leases (Cont'd)

3.3.2 As lessor

Leases in which the Group and the Company do not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in the revenue or other income in the statements of comprehensive income. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as other income in the period in which they are earned.

3.4 Impairment of non-financial assets

The Group and the Company assess end of each reporting date whether there is an indication that an asset may be impaired. For the purpose of impairment testing, recoverable amount (i.e. the higher of the fair value less cost to sell and value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating units ("CGU") to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in the profit or loss except for assets that were previously revalued where the revaluation surplus was taken to other comprehensive income. In this case the impairment loss is also recognised in other comprehensive income up to the amount of any previous revaluation surplus.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

3.5 Inventories

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

Cost of raw material and consumables comprises the cost of purchase and incidental costs incurred in bringing the raw materials to its present condition and location and is determined using the weighted average method.

The cost of finished goods and work-in-progress comprises raw materials, direct labour, other direct costs and attributable production overheads.

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

3.6 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.6.1 Financial assets

(i) Initial recognition and measurement

Financial assets are measured at initial recognition at fair value and subsequently measured at amortised cost ("AC"), fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL").

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.6 Financial instruments (Cont'd)

3.6.1 Financial assets (Cont'd)

(i) Initial recognition and measurement (Cont'd)

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, at its transaction costs.

In order for a financial asset to be classified and measured at AC or FVOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI")' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at FVTPL, irrespective of the business model.

The Group's and the Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at AC are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at FVOCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group or the Company commits to purchase or sell the asset.

(ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through other comprehensive income with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through other comprehensive income with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

The Group and the Company do not have any FVOCI and FVTPL as at the reporting date.

Financial assets at amortised cost

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Group's and the Company's financial assets at amortised cost include cash and cash equivalents, amount due from subsidiaries, trade and other receivables.

(iii) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's and the Company's statements of financial position) when:

the rights to receive cash flows from the asset have expired, or

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.6 Financial instruments (Cont'd)

3.6.1 Financial assets (Cont'd)

(iii) Derecognition (Cont'd)

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

When the Group and the Company have transferred their rights to receive cash flows from an asset or have entered into a pass-through arrangement, it evaluates if, and to what extent, they have retained the risks and rewards of ownership. When they have neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continue to recognise the transferred asset to the extent of their continuing involvement. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

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

(iv) Impairment

The Group and the Company recognise an allowance for expected credit losses ("ECLs") on financial assets measured at amortised cost, debt investments measured at fair value through other comprehensive income, contract assets, and lease receivables. Expected credit losses are a probability-weighted estimate of credit losses.

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for debt securities that are determined to have low credit risk at the reporting date, cash and bank balance and other debt securities for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowances for trade receivables, contract assets and lease receivables are always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information, where available.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

The Group and the Company estimate the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experience.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

An impairment loss in respect of debt investments measured at fair value through other comprehensive income is recognised in profit or loss and the allowance account is recognised in other comprehensive income.

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.6 Financial instruments (Cont'd)

3.6.1 Financial assets (Cont'd)

(iv) Impairment (Cont'd)

At each reporting date, the Group and the Company assess whether the financial assets carried at amortised cost and debt securities at fair value through other comprehensive income are creditimpaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that 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 amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's or the Company's procedures for recovery of amounts due.

3.6.2 Financial liabilities

(i) Initial recognition and measurement

All financial liabilities are recognised initially at fair value, and in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's and the Company's financial liabilities include trade and other payables, amount due to subsidiaries and borrowings.

(ii) Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost

The Group and the Company do not have any financial liabilities measured at fair value through profit or loss as at the reporting date.

Financial liabilities at amortised cost

This is the category most relevant to the Group and to the Company. After initial recognition, trade and other payables, amount due to subsidiaries and interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate ("EIR") method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statements of profit or loss.

(iii) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statements of profit or loss and other comprehensive income.

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SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.6 Financial instruments (Cont'd)

3.6.3 Offsetting of financial instruments

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

3.6.4 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

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

3.7 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at bank and demand deposits. Cash equivalents are short term and highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value, against which bank overdraft balances, if any, are deducted.

3.8 Provisions

Provisions are recognised when the Group and the Company have a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made.

If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

3.9 Income recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

The performance obligations to recognise revenue are as follows:

Logistic services

Logistic services are recognised over the time as the customers simultaneously receive and consume the benefits provided by the Group as the Group performs.

(ii) Custom brokerage

Custom brokerage includes custom clearance, import and export documentation and handling charges. Revenue from custom brokerage is recognised at a point in time when these services are fully rendered.

(iii) Sale of goods

Revenue from sale of tyres is recognised at the point in time when control of the goods is transferred to the customer, generally on delivery of the tyres.

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.9 Income recognition (Cont'd)

The performance obligations to recognise revenue are as follows (cont'd):

(iv) Interest income

Interest income is recognised as it accrues using the effective interest rate method in profit or loss.

(v) Management fee income

Management fee is recognised when services are rendered.

(vi) Dividend income

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

(vii) Contract balances

This refers to the closing balances of the trade receivables and contract assets at the reporting date.

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due).

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract assets are recorded when the revenue is recognised prior to invoicing a customer. Contract asset will be reclassified to trade receivables when the invoicing are issued to the customer. Contract assets are subject to impairment assessment.

3.10 Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest rate method.

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 a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and undertakes activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

3.11 Employee benefits

Short term benefits

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

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.11 Employee benefits (Cont'd)

Defined contribution plans

As required by law, companies in Malaysia make contributions to the national pension scheme, the Employees Provident Fund ("EPF"). The Group's foreign subsidiary makes contribution to its country's statutory pension scheme. Such contributions are recognised as an expense as incurred.

3.12 Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

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

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for temporary differences arising from the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date, except for land and buildings carried at revaluation model. Where land and buildings are carried at their fair value in accordance with the accounting policy set out in Note 3.2 to the financial statements, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date unless the land and building is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time, rather than through sale.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.13 Goods and services tax ("GST") and sales and service tax ("SST")

Revenue, expenses and assets are recognised net of GST or SST except:

- where the GST or SST incurred in a purchase of asset or service is not recoverable from the authority, in
 which case the GST or SST is recognised as part of the cost of acquisition of the asset or as part of the
 expense item as applicable; and
- receivables and payables that are stated with GST or SST inclusive.

The net GST or SST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.14 Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities measured at historical cost in a foreign currency at the end of the reporting period are translated to the functional currency at the exchange rate at the date of the transaction except for those measured at fair value shall be translated at the exchange rate at the date when the fair value was determined.

Exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are recognised in profit or loss.

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 the differences arising on the translation of non-monetary items in respect of which gains or losses are recognised directly in other comprehensive income.

Foreign operations

The assets and liabilities of foreign operations are translated to RM at exchange rates at the reporting date. The income and expenses of foreign operations are translated to RM at exchange rates at the dates of the transactions.

Exchange differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve ("FTR") in equity. However, if the operation is a non-wholly owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, the significant influence or joint control is lost, the cumulative amount in the FTR related to the foreign operation is reclassified to profit or loss as part of the profit or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group dispose of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

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

3.15 Share capital, reserves and share issuance costs

Accumulated losses and reserves

Accumulated losses include all current year's profit and prior years' accumulated losses.

The asset revaluation reserve comprises gains due to revaluation of property, plant and equipment. Foreign currency translation differences arising from the translation of the Group's foreign subsidiary are included in the foreign currency translation reserve.

Classification

Ordinary shares are classified as equity. Other shares are classified as equity and/or liability according to the economic substance of the particular instrument.

Share issuance costs

Incremental external costs directly attributable to the issuance of new shares are deducted against equity.

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.16 Segment reporting

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

3.17 Contingencies

Where it is not probable that an inflow or an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the asset or the obligation is not recognised in the statements of financial position and is disclosed as a contingent asset or contingent liability, unless the probability of inflow or outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets or contingent liabilities unless the probability of inflow or outflow of economic benefits is remote.

3.18 Related parties

A related party is a person or entity that is related to the Group or the Company. A related party transaction is a transfer of resources, services or obligations between the Group or the Company and its related party, regardless of whether a price is charged.

- (a) A person or a close member of that person's family is related to the Group or the Company if that person:
 - (i) Has control or joint control over the Group or the Company;
 - (ii) Has significant influence over the Group or the Company; or
 - (iii) Is a member of the key management personnel of the Group or the Company.
- (b) An entity is related to the Group or the Company if any of the following conditions apply:
 - (i) The entity and the Group or the Company are members of the same group,
 - (ii) One entity is an associate or joint venture of the other entity,
 - (iii) Both entities are joint ventures of the same third party,
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity,
 - (v) The entity is a post-employment benefit plan for the benefits of employees of either the Group or an entity related to the Group or the Company,
 - (vi) The entity is controlled or jointly-controlled by a person identified in (a) above,
 - (vii) A person identified in (a)(i) above has significant influence over the Group or is a member of the key management personnel of the Group or the Company, and
 - (viii) The entity, or any member of a group when it is a part, provides key management personnel services to the Group or the Company.

Notes to the

Financial Statements (Cont'd)

31 December 2022

	< At val	At valuation	V		At cost	^-	
	Freehold land RM	Buildings RM	Warehouse machinery and equipment RM	Office renovation RM	Furniture, fittings and equipment RM	Motor vehicles RM	Total RM
2022							
At valuation/cost							
Balance at beginning	17,500,000	11,000,000	1,507,427	1,066,739	770,947	14,585,606	46,430,719
Additions	•	63,490	34,850	•	51,888	1,063,827	1,214,055
Written off	•	•	(331,530)	•	(88,539)	•	(420,069)
Balance at end	17,500,000	11,063,490	1,210,747	1,066,739	734,296	15,649,433	47,224,705
Accumulated depreciation							
Balance at beginning	•	220,000	1,401,625	731,129	674,306	12,445,890	15,472,950
Current charge	•	220,000	15,970	85,409	35,104	668,131	1,024,614
Written off	•	•	(319,137)	•	(87,137)	•	(406,274)
Balance at end	•	440,000	1,098,458	816,538	622,273	13,114,021	16,091,290
Carrying amount	17,500,000	10,623,490	112,289	250,201	112,023	2,535,412	31,133,415
2021							
At valuation/cost							
Balance at beginning	17,500,000	11,000,000	1,499,977	744,356	697,837	13,437,913	44,880,083
Additions	ı	1	10,040	322,383	84,261	1,221,593	1,638,277
Written off	1	1	(2,590)	1	(11,151)	(73,900)	(87,641)
Balance at end	17,500,000	11,000,000	1,507,427	1,066,739	770,947	14,585,606	46,430,719
Accumulated depreciation							
Balance at beginning	ı	ı	1,384,621	707,085	650,364	11,908,091	14,650,161
Current charge	ı	220,000	18,299	24,044	35,002	609,962	907,307
Written off	1	1	(1,295)	1	(11,060)	(72,163)	(84,518)
Balance at end	1	220,000	1,401,625	731,129	674,306	12,445,890	15,472,950
Carrying amount	17,500,000	10,780,000	105,802	335,610	96,641	2,139,716	30,957,769

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

Group

PROPERTY, PLANT AND EQUIPMENT

31 December 2022

PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Company

	< At val	uation>	< At	cost>	
	Freehold land RM	Buildings RM	Office renovation RM	Furniture, fittings and equipment RM	Total RM
2022					
At valuation/cost					
Balance at beginning/end	17,500,000	11,000,000	150,438	142,195	28,792,633
Accumulated depreciation					
Balance at beginning	-	220,000	115,224	142,194	477,418
Current charge	<u>-</u>	220,000	13,420		233,420
Balance at end		440,000	128,644	142,194	710,838
Carrying amount	17,500,000	10,560,000	21,794	1	28,081,795
2021					
At valuation/cost					
Balance at beginning/end	17,500,000	11,000,000	150,438	142,195	28,792,633
Accumulated depreciation					
Balance at beginning	-	-	101,803	142,194	243,997
Current charge		220,000	13,421		233,421
Balance at end		220,000	115,224	142,194	477,418
Carrying amount	17,500,000	10,780,000	35,214	1	28,315,215

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

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4. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

The freehold land and buildings were revalued to fair value based on the valuations performed by independent professional valuer using the market comparison approach and the replacement cost approach. Had the freehold land and buildings been carried under the cost model, the total carrying amounts of their entire classes that would have been recognised in the financial statements are as follows:

	Freehold Iand RM	Buildings RM	Total RM
Group and Company			
2022			
At cost Accumulated depreciation	7,500,000	14,421,374 (6,777,320)	21,921,374 (6,777,320)
Carrying amount	7,500,000	7,644,054	15,144,054
At cost Accumulated depreciation	7,500,000 	14,421,374 (6,488,893)	21,921,374 (6,488,893)
Carrying amount	7,500,000	7,932,481	15,432,481

The fair value measurement of the freehold land and buildings is categorised as follows:

		2022/2021	
	Level 1 RM	Level 2 RM	Level 3 RM
Group and Company			
Freehold land	-	17,500,000	-
Buildings	-	-	11,000,000

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as at the date of the event or change in circumstances that caused the transfer. There were no transfers between Level 1 and Level 2 during the financial year.

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4. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Level 2 Fair Value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1, that are observable for the freehold land, either directly or indirectly.

Level 2 fair value of freehold land has been generally derived using the market comparison approach. Selling prices of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input in this valuation approach is price per square foot of comparable properties (Please refer to Note 2.2 for definition of Level 1 to 3 fair value hierarchy).

Level 3 Fair Value

Level 3 fair value is estimated using unobservable inputs for the buildings. The buildings have been derived using replacement cost approach, i.e. the cost to replace a similar building giving equivalent utility at current construction costs, including the finance charges, professional fees, builder's profit and overheads and other incidental expenses. This cost will be based on a similar building erected according to present day materials, construction technology standards, design and layout.

The depreciation value of the existing building is obtained after making allowance for physical deterioration, functional obsolescence affecting the building, when compared to a new and similar building.

- (i) The carrying amount of freehold land and buildings of the Group and of the Company are pledged to a licensed bank as securities for banking facilities granted to certain subsidiaries as disclosed in Note 18 to financial statements.
- (ii) Leased assets which are included in the property, plant and equipment of the Group are motor vehicles with carrying amount of RM930,930 (2021: RM693,482), have been pledged as securities for the finance lease liabilities as disclosed in Note 18 to the financial statements.

5. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Group as a lessee

The Group has lease contracts for office premise and motor vehicles used in its operations that have lease terms of between 2 to 4 years. The lease contracts restrict the Group from assigning and subleasing the leased assets.

The Group also has certain leases of premises and equipment with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemption for these leases.

31 December 2022

5. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (Cont'd)

Group

Right-of-use assets

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the financial year:

	Land RM	Office premise RM	Motor vehicles RM	Total RM
2022				
Balance at beginning	2,209,353	712,727	92,536	3,014,616
Addition	-	-	215,113	215,113
Depreciation	(369,628)	(421,830)	(131,428)	(922,886)
Lease modification	(79,312)	-	-	(79,312)
Foreign currency translation	<u> </u>	33,240	7,715	40,955
Balance at end	1,760,413	324,137	183,936	2,268,486
2021				
Balance at beginning	1,547,929	1,103,409	210,157	2,861,495
Addition	951,740	-	-	951,740
Depreciation	(290,316)	(407,121)	(120,736)	(818,173)
Foreign currency translation		16,439	3,115	19,554
Balance at end	2,209,353	712,727	92,536	3,014,616

Lease liabilities

Set out below are the carrying amounts of lease liabilities recognised and the movements during the financial year:

	G	iroup
	2022 RM	2021 RM
Balance at beginning	1,636,866	1,404,617
Addition	215,113	951,740
Accretion of interest	152,818	183,405
Payments		
- Principal	(884,623)	(740,415)
- Interest	(152,818)	(183,405)
Rent concessions *	(90,000)	-
Foreign currency translation	46,087	20,924
Balance at end	923,443	1,636,866

31 December 2022

5. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (Cont'd)

Group (cont'd)

Lease liabilities (cont'd)

Set out below are the carrying amounts of lease liabilities recognised and the movements during the financial year

* Rent concessions is in relation to the rental expenses waived by the landlord during the prior year.

		Group
	2022 RM	2021 RM
Analysed as:		
Current	835,489	816,410
Non-current	87,954	820,456
Balance at end	923,443	1,636,866

The maturity analysis of lease liabilities is disclosed in Note 33.4 to the financial statements.

INVESTMENT IN SUBSIDIARIES

	С	ompany
	2022 RM	2021 RM
Unquoted shares, at cost	19,599,056	19,592,056
Less: Accumulated impairment losses		
Balance at beginning	(9,195,795)	(9,195,795)
Current year	-	-
Balance at end	(9,195,795)	(9,195,795)
	10,403,261	10,396,261

Details of the subsidiaries, all of which are incorporated and whose principal places of business are in Malaysia, except where indicated, are as follows:

Effective equity interest						
Name of subsidiaries	2022 %	2021 %	Principal activities			
Transocean (M) Sdn. Bhd.	100	100	Providing solutions and platforms in digital services related to Edge Technologies.			
Transocean Distribution Hub Sdn. Bhd.	100	100	Provision of warehousing and trucking related services.			

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6. INVESTMENT IN SUBSIDIARIES (Cont'd)

Details of the subsidiaries, all of which are incorporated and whose principal places of business are in Malaysia, except where indicated, are as follows (cont'd):

	Effective equity interest				
	2022	2021	B: 1 1 2 22		
Name of subsidiaries	%	%	Principal activities		
Usmeta Manufacturing Sdn. Bhd.	100	100	Manufacturing and trading of tyres.		
Gerak Intensif Sdn. Bhd.	100	100	Provision of container haulage services.		
Transocean Freight Express Sdn. Bhd.	100	100	Investment holding.		
* Transocean Freight Services Pte Ltd. (F.K.A. TFS Logistics Pte Ltd.) (Incorporated and principal place of business in Singapore)	100	100	Provision of freight forwarding and trucking related services.		
Transocean Logistics Sdn. Bhd.	100	100	Provision of custom brokerage, freight forwarding, trucking, international air and ocean freight services, warehousing and depot services.		
Transocean Haulage Services Sdn. Bhd.	35	-	Temporarily ceased operations.		
Indirect - held through Transocean (M) Sdn. E	Bhd.				
Speedload Transport (KL) Sdn. Bhd.	100	100	Temporarily ceased operations.		
Transocean Haulage Services Sdn. Bhd.	٨	٨	Temporarily ceased operations.		
Indirect - held through Transocean Freight Ex	rpress Sdn. Bhd	l.			
Transocean Haulage Services Sdn. Bhd.	65	65	Temporarily ceased operations.		

^{*} Not audited by Grant Thornton Malaysia PLT

During the current financial year, the Company acquired an additional 350,000 shares in Transocean Haulage Services Sdn. Bhd. ("THSSB") from non-controlling interests for a total cash consideration of RM7,000. Consequently, THSSB become a wholly-owned subsidiary.

6.1 Subsidiary with material non-controlling interests

Summarised financial information of non-controlling interests has not been included as the non-controlling interests of the subsidiary are not individually material to the Group.

[^] Less than 1% equity interest

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INVESTMENT IN AN ASSOCIATE

	Gro	oup	Company		
	2022 RM	2021 RM	2022 RM	2021 RM	
At cost Unquoted shares, at cost Share of post-acquisition reserve	20,000,000 2,477,018	20,000,000 1,085,750	20,000,000	20,000,000	
	22,477,018	21,085,750	20,000,000	20,000,000	

In the prior year, the Group acquired a 40% investment in Enfrasys Solutions Sdn. Bhd. This investee is engaged in the system integration and software engineering industry to provide Microsoft licensing services.

Details of the associate is as follows:

		Effective in	nterest (%)	
Name	Principal place of business	2022	2021	Principal activities
Enfrasys Solutions Sdn Bhd*	Malaysia	40	40	Business of providing training and consultancy services in the field of information technology including without limitation software development, system integration, programming, change management and strategic planning and any other information technology related activities.

^{*} Not audited by Grant Thornton Malaysia PLT

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7. INVESTMENT IN AN ASSOCIATE (Cont'd)

The following table summarises the information of the Group's material associates, adjusted for any differences in accounting policies and reconciles the information to the carrying amount of the Group's interest in the associates.

		Group
	2022 RM	2021 RM
Enfrasys Solutions Sdn. Bhd.		
Financial position		
Non-current assets	2,054,872	1,571,822
Current assets	51,523,019	25,444,592
Non-current liabilities	(42,641)	(132,704)
Current liabilities	(35,726,763)	(12,553,394)
Net assets	17,808,487	14,330,316
Summary of financial performance for the financial year		
Profit/Total comprehensive income for the financial year/period	3,478,171	2,714,376
Group's share of results for the financial year/period	1,391,268	1,085,750
Reconciliation of net assets to carrying amount		
Group's share of net assets	7,123,394	5,732,126
Goodwill	15,353,624	15,353,624
Carrying amount	22,477,018	21,085,750

Contingent liabilities and capital commitments

The associate had no contingent liabilities and capital commitments as at the reporting date.

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TRADE RECEIVABLES

	Group	
	2022 RM	2021 RM
Non-current		
Related parties		
- interest bearing at Nil% (2021: 5%) per annum	-	1,213,905
Current		
Third parties		
- non-interest bearing	8,800,212	6,732,365
Related parties		
- interest bearing at Nil% (2021: 5%) per annum	-	548,862
- non-interest bearing	31,770	134,457
	8,831,982	7,415,684
Less: Allowance for expected credit losses		
Balance at beginning	(709,272)	778,713
Current year	(90,979)	-
Reversal	-	(48,154)
Written off	-	(21,287)
Balance at end	(800,251)	(709,272)
	8,031,731	6,706,412
Total trade receivables	8,031,731	7,920,317
The currency profile of trade receivables is as follows:		

		Group
	2022 RM	2021 RM
Ringgit Malaysia	7,373,164	7,504,918
Singapore Dollar	658,567	415,399
	8,031,731	7,920,317

The trade receivables are generally on 30 to 60 days (2021: 30 to 60 days) credit terms. They are recognised at their original invoice amounts which represent the fair values on initial recognition.

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9. DEFERRED TAX ASSETS/LIABILITIES

Deferred tax assets		Group
	2022 RM	2021 RM
Balance at beginning	-	-
Recognised in profit or loss		
- Current year	(362,717)	-
- Under provision in prior financial year	421,537	-
Foreign currency translation difference	291	
Balance at end	59,111	-

The deferred tax assets as at the reporting date are represented by temporary differences arising from:

		Group
	2022 RM	2021 RM
Property, plant and equipment	(222,889)	-
Unabsorbed capital allowances	282,000	
	59,111	

Deferred tax liabilities	Grou	ір	Compan	у
	2022	2021	2022	2021
	RM	RM	RM	RM
Balance at beginning	1,896,667	1,865,006	1,998,866	1,967,205
Recognised in profit or loss	31,339	30,339	31,339	30,339
	1,928,006	1,895,345	2,030,205	1,997,544
Under provision in prior financial year	83,000	1,322	83,000	1,322
Balance at end	2,011,006	1,896,667	2,113,205	1,998,866

The deferred tax liabilities as at the reporting date are represented by temporary differences arising from:

		Group	Co	mpany
	2022	2021	2022	2021
	RM	RM	RM	RM
Property, plant and equipment	846,801	828,801	949,000	931,000
Revaluation surplus	1,498,205	1,519,866	1,498,205	1,519,866
Unused tax losses	(153,000)	(153,000)	(153,000)	(153,000)
Unabsorbed capital allowances	2,011,006	(299,000) 1,896,667	(181,000) 2,113,205	(299,000) 1,998,866

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10. INVENTORIES

	Group	
	2022	2021
	RM	RM
At cost:		
Raw materials	44,436	20,948
Work-in-progress	79,184	12,601
Finished goods	193,682	65,125
Consumables	21,529	81,700
	338,831	180,374
Cost of inventories recognised in profit or loss:		
Inventories recognised as cost of sales	4,528,064	3,359,904

11. CONTRACT ASSETS

Contract assets primarily relate to the Group's rights to considerations for services rendered but not yet billed as at the reporting date.

12. OTHER RECEIVABLES

	(Group	Com	pany
	2022 RM	2021 RM	2022 RM	2021 RM
Other receivables	150,345	845,686	600	800
Deposits	512,894	546,850	11,630	11,630
Prepayment	474,840	230,125	-	37,155
Staff advances	34,154	17,381	-	-
GST recoverable	47,237	35,373	<u> </u>	
	1,219,470	1,675,415	12,230	49,585

The currency profile of other receivables, deposits and prepayments is as follows:

		Group		Company
	2022 RM	2021 RM	2022 RM	2021 RM
Ringgit Malaysia	1,064,118	1,495,079	12,230	49,585
Singapore Dollar	155,352	180,336		
	1,219,470	1,675,415	12,230	49,585

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13. AMOUNT DUE FROM/TO SUBSIDIARIES

	Company	
	2022 RM	2021 RM
Due from:		
Total amount	3,389,022	3,342,810
Less: Allowance for expected credit losses		
Balance at beginning	(3,342,810)	(1,463,629)
Reversal	83,066	3,188
Written off	4,922	-
Current charge	(134,200)	(1,882,369)
Balance at end	(3,389,022)	(3,342,810)

The amount due from subsidiaries is non-trade related, unsecured, non-interest bearing and classified based on the expected timing of realisation.

		Company
	2022	2021
	RM	RM
Due to:		
Total amount	3,162,208	3,511,409

The amount due to subsidiaries is non-trade related, unsecured, non-interest bearing and repayable on demand.

14. FIXED DEPOSITS WITH A LICENSED BANK

Group

The fixed deposits with a licensed bank is denominated in Singapore Dollar and are pledged as securities for bank guarantee facility granted to a subsidiary. The effective interest rate as at the reporting date is 1.40% (2021: 1.40%) per annum

15. CASH AND BANK BALANCES

The currency profile of cash and bank balances is as follows:

		Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM	
Ringgit Malaysia	4,186,438	2,843,541	195,815	284,010	
Singapore Dollar	254,564	157,946			
	4,441,002	3,001,487	195,815	284,010	

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16. SHARE CAPITAL

	Group and Company				
	Number of ordi	nary shares	Amour	nt	
	2022 Unit	2021 Unit	2022 RM	2021 RM	
Issued and fully paid with no par value:-					
At beginning of year	65,098,350	40,998,550	64,718,664	40,998,550	
Issuance of shares					
- Private placement	-	4,099,800	-	4,427,784	
 Acquisition of shares in an associate 	-	20,000,000	-	20,000,000	
Capitalisation of share issuance expenses	<u>-</u>	<u> </u>	<u> </u>	(707,670)	
At end of year	65,098,350	65,098,350	64,718,664	64,718,664	

17. OTHER RESERVES

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Foreign currency translation reserve	613,941	481,787	-	-
Asset revaluation reserve	10,577,650	10,646,243	10,577,650	10,646,243
	11,191,591	11,128,030	10,577,650	10,646,243

Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of the foreign subsidiary whose functional currency is different from that of the Group's presentation currency.

Asset revaluation reserve

	Group and Company		
	2022 RM	2021 RM	
Balance at beginning	10,646,243	10,714,836	
Realisation of revaluation surplus upon depreciation	(68,593)	(68,593)	
Balance at end	10,577,650	10,646,243	

The asset revaluation reserve represents the surplus net of deferred tax from the revaluation of the Group's and the Company's freehold land and buildings.

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18. BORROWINGS

	Group	
	2022 RM	2021 RM
Non-current liabilities		
Secured:		
Finance lease liabilities		
Minimum payments:		
Within one year	285,696	144,096
More than one year and less than two years	254,021	144,096
More than two years and less than five years	288,507	352,578
	828,224	640,770
Future finance charges	(83,564)	(88,638)
	744,660	552,132
Amount due within one year included under current liabilities	(243,030)	(110,673)
	501,630	441,459
Current liabilities		
Secured:		
Bank overdrafts	-	223,220
Finance lease liabilities	243,030	110,673
	243,030	333,893
Total borrowings	744,660	775,352

The borrowings are secured by way of:

- (i) Fixed charges over the freehold land and buildings of the Group and of the Company as disclosed in Note 4 to the financial statements;
- (ii) Pledge of fixed deposits with a licensed bank of the Group as disclosed in Note 14 to the financial statements;
- (iii) Corporate guarantee by the Company; and
- (iv) Leased assets as disclosed in Note 5 to the financial statements.

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18. BORROWINGS (Cont'd)

A summary of the effective interest rates of the borrowings is as follows:

	Effective interest rates per annum (%)
Group	
2022	
Finance lease liabilities	2.24 to 3.68
2021	
Bank overdrafts	7.35 to 8.40
Finance lease liabilities	2.34 to 3.95

19. TRADE PAYABLES

The currency profile of trade payables is as follows:

		Group	
	2022	2021	
	RM	RM	
Ringgit Malaysia	2,500,490	2,375,047	
Singapore Dollar	112,893	93,756	
Thai Baht	316,033	161,946	
	2,929,416	2,630,749	

The trade payables are non-interest bearing and are normally settled within cash term to 90 days (2021: 14 to 90 days)

Notes to the

Financial Statements (Cont'd)

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20. OTHER PAYABLES

		Group	Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Other payables				
- third parties	1,367,253	785,334	131,135	110,894
- related parties	74,572	45,900	<u> </u>	
	1,441,825	831,234	131,135	110,894
Accruals	1,115,456	1,220,159	216,711	153,784
Deposit received	199,000	85,000	85,000	85,000
SST payable	26,591	53,175	-	-
Amount due to Directors	132,000	77,000	132,000	77,000
	2,914,872	2,266,568	564,846	426,678

The currency profile of other payables and accruals is as follows:

		Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM	
Ringgit Malaysia	2,657,332	2,112,793	564,846	426,678	
Singapore Dollar	257,540	153,775	-		
	2,914,872	2,266,568	564,846	426,678	

The amount due to directors is non-trade related, unsecured, non-interest bearing and repayable on demand.

21. REVENUE

21.1 Disaggregated revenue information

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Types of goods or services				
Logistic services	14,596,495	13,173,796	-	-
Custom brokerage	6,579,330	3,348,537	-	-
Sale of goods	6,305,125	4,495,189		<u> </u>
Revenue from contracts with customers	27,480,950	21,017,522	-	-
Management fee	-	-	96,000	84,000
Rental income	1,400,400	1,346,400	1,748,400	1,654,400
	28,881,350	22,363,922	1,844,400	1,738,400

Notes to the

Financial Statements (Cont'd)

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21. REVENUE (Cont'd)

21.1 Disaggregated revenue information (cont'd)

		Group	Com	pany
	2022 RM	2021 RM	2022 RM	2021 RM
Geographical markets				
Malaysia	23,910,094	17,319,334	1,844,400	1,738,400
Singapore	4,971,256	5,044,588	<u> </u>	
	28,881,350	22,363,922	1,844,400	1,738,400
Timing of revenue recognition of revenue from contracts with customers				
Revenue recognised at a point				
in time	12,884,455	7,843,726	-	-
Revenue recognised over time	14,596,495	13,173,796	<u> </u>	
	27,480,950	21,017,522	<u> </u>	<u>-</u>

21.2 Performance obligations

Performance obligations of respective revenue are disclosed in Note 3.9 to the financial statements.

22. OTHER INCOME

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Bad debts recovered	45,799	94,901	-	-
Insurance claim	-	65,000	-	-
Sundry income	60,878	138,014	6,004	107,000
Rental income	79,000	-	-	-
Rental concessions	90,000	-	-	-
Wages subsidies	<u> </u>	142,777	<u> </u>	-
	275,677	440,692	6,004	107,000

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23. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Salaries, wages, and other staff related expenses	7,649,843	6,309,445	838,642	872,143
Defined contribution plans	781,448	648,474	74,690	92,502
_	8,431,291	6,957,919	913,332	964,645

Included in employee benefits expense of the Group and of the Company is Directors' remuneration as disclosed in Note 24 to the financial statements.

24. DIRECTORS' REMUNERATION

	G	roup	Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Directors of the Company:				
Executive:				
- Salaries and allowance	130,000	346,000	130,000	346,000
- Defined contribution plans	15,600	41,580	15,600	41,580
- Social security contributions	1,002	1,280	1,002	1,280
	146,602	388,860	146,602	388,860
Non-executive:				
- Allowance	10,500	11,000	10,500	11,000
	157,102	399,860	157,102	399,860
Directors of subsidiaries:				
Executive:				
- Salaries, allowance and bonus	578,988	260,170	438,733	129,550
 Defined contribution plans 	73,655	36,296	52,580	16,616
- Social security contributions	4,698	2,830	3,696	2,001
	657,341	299,296	495,009	148,167
Total Directors' remuneration	814,443	699,156	652,111	548,027

25. FINANCE COSTS

	Group	
	2022 RM	2021 RM
Bank overdrafts interest	8,683	37,429
Finance lease liabilities interest	33,423	4,496
Accretion of interest on lease liabilities	152,818	183,405
	194,924	225,330

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26. PROFIT/(LOSS) BEFORE TAX

Profit/(Loss) before tax has been determined after charging amongst others, the following items:

		Group		Company
	2022 RM	2021 RM	2022 RM	2021 RM
After charging:				
Auditors' remuneration				
- Statutory audit	118,500	89,500	51,000	45,000
- Other services	26,200	79,000	14,700	68,600
- Other auditors:				
- Statutory audit	36,589	29,608	-	-
Directors' fees	168,000	113,000	168,000	113,000
Realised loss on foreign exchange	-	1,305	-	-

27. TAX EXPENSE

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Current tax:				
Current year provision	30,418	54,655	-	-
_	30,418	54,655	-	-
Deferred tax:				
Relating to origination and reversal of				
temporary differences	394,056	30,339	31,339	30,339
	424,474	84,994	31,339	30,339
Under/(Over) provision in prior year				
- Current tax	(18,640)	(471)	-	-
- Deferred tax	(338,537)	1,322	83,000	1,322
_	(357,177)	851	83,000	1,322
Tax expense recognised in profit or loss	67,297	85,845	114,339	31,661

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27. TAX EXPENSE (Cont'd)

The reconciliation of tax expense of the Group and of the Company is as follows:

		Group		Company
	2022 RM	2021 RM	2022 RM	2021 RM
Profit/(Loss) before tax	1,826,058	1,457,944	(123,945)	(2,464,218)
Income tax at Malaysian statutory tax rate of 24%	438,254	349,907	(29,747)	(591,412)
Effects of different tax rate in other country	(59,558)	(15,836)	-	-
Income not subject to tax	(32,930)	(40,880)	(11,330)	(25,680)
Expenses not deductible for tax purpose	134,919	143,002	94,077	669,092
Deferred tax assets not recognised	(34,550)	(329,538)	-	-
Annual crystallisation of deferred tax on revaluation	(21,661)	(21,661)	(21,661)	(21,661)
	424,474	84,994	31,339	30,339
Under/(Over) provision in prior year	(357,177)	851	83,000	1,322
	67,297	85,845	114,339	31,661

The following deferred tax assets (gross amount) have not been recognised as at the end of the reporting period as it is not probable that future taxable profit will be available against which they may be utilised:

	Group	
	2022	2021
	RM	RM
Unused tax losses	7,829,375	7,885,480
Unabsorbed capital allowances	5,925,916	6,019,600
Property, plant and equipment temporary differences	250,708	257,856
Provisions	698,567	685,592
	14,704,566	14,848,528

The unused tax losses and unabsorbed capital allowances are available to be carried forward for set-off against future taxable income.

For subsidiaries incorporated in Malaysia, the unused tax losses can be carried forward for ten consecutive years of assessment immediately following that year of assessment of which tax losses was incurred and this is effective from year of assessment 2019. However unabsorbed capital allowances can be carried forward indefinitely.

The expiry of the unused tax losses is as follows:

		Group
	2022 RM	2021 RM
Year of assessment 2025	7,314,506	7,314,506
Year of assessment 2026	514,869	514,869
Year of assessment 2031	_	56,105
	7,829,375	7,885,480

Notes to the

Financial Statements (Cont'd)

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28. EARNINGS PER SHARE

Group

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company for the financial year by the weighted average number of ordinary shares in issue during the financial year as follows:

	Group	
	2022	2021
Profit attributable to owners of the Company (RM)	1,758,761	1,372,142
Weighted average number of ordinary shares	65,098,350	48,946,085
Basic earnings per share (sen)	2.70	2.80

(b) Diluted earnings per share

The earnings per share is not presented as the Company does not have any dilutive potential ordinary shares as at the reporting date.

29. RELATED PARTY DISCLOSURES

(i) Identity of related parties

The Group has related party relationship with its holding company, subsidiaries, key management personnel and the following parties:

<u>Related</u>	<u>parties</u>
----------------	----------------

Badanbas Sdn. Bhd.

Cityliner Sdn. Bhd.

Plusliner Sdn. Bhd.

Puspamara Sdn. Bhd.

Syarikat Kenderaan Melayu Kelantan Berhad

Transnasional Express Sdn. Bhd.

Konsortium Transnational Berhad

Nadicorp Holdings Sdn. Bhd.

Nadicorp Insurance Sdn. Bhd.

Perkhidmatan Teguh Sdn. Bhd.

Sistem Kenderaan Seremban Kuala Lumpur Sdn. Bhd.

Trisilco Maintenance and Services Sdn. Bhd.

Ibroni Sdn. Bhd.

Trisilco Equity Sdn. Bhd.

Nadi Corporation Sdn. Bhd.

Kumpulan Kenderaan Malaysia Berhad

Carefree Premium Sdn. Bhd.

Lengkap Suci Sdn. Bhd.

CLH Sdn. Bhd.

Relationship

Companies connected to certain Directors of the Company.

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29. RELATED PARTY DISCLOSURES (Cont'd)

(ii) Related party transactions

Related party transactions have been entered into at terms agreed between the parties during the financial year.

		Amount
	2022	2021
	RM	RM
Group		
Sales to related parties		
- Badanbas Sdn. Bhd.	49,033	5,401
- Konsortium Transnasional Berhad	17,907	-
- Cityliner Sdn. Bhd.	-	191,517
- Plusliner Sdn. Bhd.	124,553	10,450
- Transnasional Express Sdn. Bhd.	181,618	28,996
Security charges charged by a related party		
- Perkhidmatan Teguh Sdn. Bhd.	50,053	43,097
Purchase of motor vehicle from a related party		
- Perkhidmatan Teguh Sdn. Bhd.	-	20,000
Short term leases charged by related parties		
- Sistem Kenderaan Seremban Kuala Lumpur Sdn. Bhd.	44,000	-
- CLH Sdn. Bhd.	60,000	-
Company		
Rental income from subsidiaries		
- Transocean Logistics Sdn. Bhd.	240,000	200,000
- Gerak Intensif Sdn. Bhd.	108,000	108,000
Management fee income from a subsidiary		
- Usmeta Manufacturing Sdn. Bhd.	96,000	84,000

(iii) Compensation of key management personnel

There were no transactions with any key management personnel during the year other than the Directors' remuneration as disclosed in Note 24 to the financial statements.

Key management personnel are those persons including Directors having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company, directly or indirectly.

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30. SEGMENTAL INFORMATION

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

Business segment

The reportable business segments of the Group comprise the following:

Logistic solutions : Provision of custom brokerage, freight forwarding, trucking, international air,

ocean freight services, warehousing and depot services.

Tyre products : Manufacturing and trading of tyres.

Investment holdings : Investment holding, provision of management services and letting of properties.

Segment revenue, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Inter-segment revenue is eliminated in the consolidated financial statements.

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

The total segment assets are measured based on all assets of a segment, as included in the internal management reports that are reviewed by the Managing Director. Segment total assets are used to measure the return of assets of each segment.

The total segment liabilities are measured based on all liabilities of a segment, as included in the internal management reports that are reviewed by the Managing Director.

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30. SEGMENTAL INFORMATION (Cont'd)

	Logistic solutions RM	Tyre products RM	Investment holdings RM	Elimination RM	Total RM
2022					
Revenue					
External revenues	21,175,825	6,305,125	1,400,400	-	28,881,350
Inter-segments	3,455,035	49,608	444,000	(3,948,643)	<u> </u>
Total revenue	24,630,860	6,354,733	1,844,400	(3,948,643)	28,881,350
Results					
Segment results	1,384,627	102,060	1,317,580	-	2,804,267
Finance income					7,184
Unallocated expenses					(790,469)
Operating profit					2,020,982
Finance costs					(194,924)
Profit before tax					1,826,058
Tax expense					(67,297)
Net profit for the financial year					1,758,761
Assets					
Segment assets	13,307,922	11,565,353	45,113,309	-	69,986,584
Deferred tax assets					59,111
Current tax assets					546,183
Total assets					70,591,878
Liabilities					
Segment liabilities	4,566,299	1,594,906	564,846	-	6,726,051
Deferred tax liabilities					2,011,006
Unallocated liabilities					786,340
Total liabilities					9,523,397
Other segment information					
Additions to non-current assets (c)	1,330,828	98,340	-	-	1,429,168
Allowance for expected credit losses on receivables					
- addition	78,004	12,975	-	-	90,979
Depreciation of property, plant and equipment	768,834	22,360	233,420	-	1,024,614
Depreciation of right-of-use	870,505	52,381			922,886
assets Share of profit of an associate	970,505	J Z,30 I	<u>-</u>	- (1,391,268)	922,886 (1,391,268)
onare of profit of all associate				(1,371,200)	(1,371,208)

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30. SEGMENTAL INFORMATION (Cont'd)

	Logistic solutions RM	Tyre products RM	Investment holdings RM	Elimination RM	Total RM
2021					
Revenue					
External revenues	16,522,333	4,495,189	1,346,400	-	22,363,922
Inter-segments	2,904,358	64,712	392,000	(3,361,070)	
Total revenue	19,426,691	4,559,901	1,738,400	(3,361,070)	22,363,922
Results					
Segment results	1,070,731	(35,633)	507,179	-	1,542,277
Finance income					136,305
Unallocated income					4,692
Operating profit					1,683,274
Finance costs					(225,330)
Profit before tax					1,457,944
Tax expense					(85,845)
Net profit for the financial year					1,372,099
Assets					
Segment assets	12,742,969	11,578,882	43,617,253	-	67,939,104
Current tax assets					442,158
Unallocated assets					2,506
Total assets					68,383,768
Liabilities					
Segment liabilities	5,187,616	1,655,972	465,947	-	7,309,535
Deferred tax liabilities					1,896,667
Total liabilities					9,206,202
Other segment information					
Additions to non-current assets (c) 2,559,977	30,040	-	-	2,590,017
Allowance for expected credit losses on receivables					
- reversal	(11,051)	(37,103)	-	-	(48,154)
Depreciation of property, plant and equipment	656,938	16,948	233,421	_	907,307
Depreciation of right-of-use assets	765,792	52,381	200,721	-	818,173
Share of profit of an associate	-	,00.	-	(1,085,750)	(1,085,750)

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30. SEGMENTAL INFORMATION (Cont'd)

All the inter-segment transactions were carried out on normal commercial basis and in the ordinary course of business.

(a) Information about major customers

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

	Revenue		
	2022 RM	2021 RM	Segment
Customer A	4,921,172	2,627,054	Logistics solutions
Customer B	2,909,046	2,523,309	Tyre products

(b) Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of assets.

		Revenue		Non-current assets	
	2022 RM	2021 RM	2022 RM	2021 RM	
Malaysia	23,910,094	17,319,334	55,366,740	54,252,872	
Singapore	4,971,256	5,044,588	508,073	805,263	
	28,881,350	22,363,922	55,874,813	55,058,135	

(c) Additions to non-current assets

	2022 RM	2021 RM
Property, plant and equipment	1,214,055	1,638,277
Right-of-use assets	215,113	951,740
	1,429,168	2,590,017

31. OPERATING LEASE

Group and Company as a lessor

The Group and the Company have entered into operating lease agreements to lease its properties. The leases have remaining lease terms of 2 years and 6 months and 2 years and 3 months respectively (2021: 3 years and 6 months). Rental income recognised during the year by the Group and the Company are RM1,475,400 (2021: RM1,346,400) and RM1,400,400 (2021: RM1,346,400) respectively.

Future minimum rentals receivable in relation to the operating lease at the reporting date are as follows:

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Not later than 1 year	1,636,200	1,400,400	1,456,300	1,400,400
Later than 1 year but not later than 5 years	2,511,600	3,742,800	2,286,600	3,742,800
	4,147,800	5,143,200	3,742,800	5,143,200

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32. CAPITAL COMMITMENTS

	Group	
	2022	2021
	RM	RM
Capital expenditure		
- Authorised and contracted for		
- Property, plant and equipment	1,632,601	
	1,632,601	

33. FINANCIAL INSTRUMENTS

33.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as amortised cost ("AC").

Group 2022 Financial assets Trade receivables 8,031,731 8,031,731 0,031,731 0,031,731 0,031,731 697,393 697,491 699,416 699,994,1		Carrying amount	AC
### Page ### Pa		RM	RM
Financial assets Trade receivables 8,031,731 8,031,731 697,393 697,393 697,393 697,393 697,393 697,393 697,393 697,393 697,393 5,545 5,545 5,545 5,545 5,545 5,545 5,545 5,545 5,545 5,5441,002 4,441	Group		
Trade receivables 8,031,731 8,031,731 Other receivables 697,393 697,393 Fixed deposits with a licensed bank 3,545 3,545 Cash and bank balances 4,441,002 4,441,002 Financial liabilities Trade payables 2,929,416 2,929,416 Other payables 2,888,281 2,888,281 Borrowings 744,660 744,660 Financial assets Trade receivables 7,920,317 7,920,317 Other receivables 1,409,917 1,409,917 Fixed deposits with a licensed bank 3,230 3,230 Cash and bank balances 3,001,487 3,001,487 Financial liabilities Financial liabilities Trade payables 2,630,749 2,630,749 Other payables 2,213,393 2,213,393 Borrowings 775,352 775,352	2022		
Other receivables 697,393 697,393 Fixed deposits with a licensed bank 3,545 3,545 Cash and bank balances 4,441,002 4,441,002 ### Trade payables Other payables 2,929,416 2,929,416 Other payables 2,888,281 2,888,281 Borrowings 744,660 744,660 ### Trade receivables 7,920,317 7,920,317 Other receivables 7,920,317 7,920,317 Other receivables 1,409,917 1,409,917 Fixed deposits with a licensed bank 3,230 3,230 Cash and bank balances 3,001,487 3,001,487 Financial liabilities 12,334,951 12,334,951 Financial liabilities Trade payables 2,630,749 2,630,749 Other payables 2,213,393 2,213,393 Borrowings 775,352 775,352	Financial assets		
Fixed deposits with a licensed bank 3,545 3,545 Cash and bank balances 4,441,002 4,441,002 13,173,671 13,173,671 13,173,671 13,173,671 Financial liabilities Trade payables 2,929,416 2,929,416 Other payables 2,888,281 2,888,281 Borrowings 744,660 744,660 Financial assets Trade receivables 7,920,317 7,920,317 Other receivables 1,409,917 1,409,917 Fixed deposits with a licensed bank 3,230 3,230 Cash and bank balances 3,001,487 3,001,487 Financial liabilities 12,334,951 12,334,951 Financial liabilities Trade payables 2,630,749 2,630,749 Other payables 2,213,393 2,213,393 Borrowings 775,352 775,352	Trade receivables	8,031,731	8,031,731
Cash and bank balances 4,441,002 4,441,002 13,173,671 13,173,671 13,173,671 13,173,671 13,173,671 13,173,671 13,173,671 2,929,416 2,929,416 Other payables 2,888,281 2,888,281 2,888,281 7,44,660 744,660 7,920,317 7,920,317 7,920,317 7,920,317 7,920,317 7,920,317 7,920,317 7,920,317 7,920,317 7,920,317 7,920,317 7,920,317 7,920,317 7,920,317 7,920,317 7,920,317 7,920,317 7,920,317 7,920,317 7,920,317 7,920,317 1,409,917 1,409,917 1,409,917 1,409,917 1,409,917 1,409,917 1,409,917 1,409,91	Other receivables	697,393	697,393
Financial liabilities 13,173,671 13,173,671 Trade payables 2,929,416 2,929,416 2,929,416 2,929,416 2,929,416 2,929,416 2,888,281 2,888,281 2,888,281 2,888,281 2,888,281 6,562,357 6,562,357 6,562,357 6,562,357 6,562,357 2021 Financial assets Trade receivables 7,920,317 7,920,317 7,920,317 7,920,317 0,000,917 1,409,917 1,409,917 1,409,917 1,409,917 1,409,917 1,409,917 1,409,917 1,409,917 1,409,917 1,009,917	•	3,545	3,545
Financial liabilities Trade payables 2,929,416 2,929,416 2,929,416 2,929,416 2,888,281 2,888,281 2,888,281 2,888,281 744,660 742,613 74,20,317 74,	Cash and bank balances	4,441,002	4,441,002
Trade payables 2,929,416 2,929,416 2,929,416 2,929,416 2,929,416 2,888,281 2,888,281 2,888,281 2,888,281 7,44,660 744,660 744,660 744,660 7,552 7,5352 7,520,317 7,920,317 7,920,317 7,920,317 7,920,317 7,920,317 7,920,317 7,920,317 7,920,317 7,920,317 1,409,917 1,409,917 1,409,917 1,409,917 1,409,917 1,409,917 1,409,917 1,409,917 1,409,917 1,409,917 3,001,487 3,001,487 3,001,487 3,001,487 3,001,487 3,001,487 3,001,487 3,001,487 12,334,951 12,334,951 12,334,951 12,334,951 1,009,917 1,0		13,173,671	13,173,671
Other payables 2,888,281 2,888,281 2,888,281 Borrowings 744,660 744,660 744,660 Financial assets Trade receivables 7,920,317 7,920,317 7,920,317 Other receivables 1,409,917 1,409,917 1,409,917 1,409,917 1,409,917 1,409,917 1,409,917 3,001,487 3,001,487 3,001,487 3,001,487 3,001,487 3,001,487 12,334,951 12,334,951 12,334,951 12,334,951 12,334,951 17,334,951 12,334,951 12,334,951 12,334,951 12,334,951 2,630,749 2,630,749 2,630,749 2,630,749 2,630,749 2,630,749 2,213,393 2,213,393 3,213,393 3,213,393 3,230			
Borrowings 744,660 744,660 6,562,357 6,562,357 2021 Financial assets Trade receivables 7,920,317 7,920,317 Other receivables 1,409,917 1,409,917 Fixed deposits with a licensed bank 3,230 3,230 Cash and bank balances 3,001,487 3,001,487 Financial liabilities 12,334,951 12,334,951 Trade payables 2,630,749 2,630,749 Other payables 2,213,393 2,213,393 Borrowings 775,352 775,352		2,929,416	2,929,416
Company	• •	2,888,281	2,888,281
2021 Financial assets Trade receivables 7,920,317 7,920,317 Other receivables 1,409,917 1,409,917 Fixed deposits with a licensed bank 3,230 3,230 Cash and bank balances 3,001,487 3,001,487 Trade payables 12,334,951 12,334,951 Financial liabilities 2,630,749 2,630,749 Other payables 2,213,393 2,213,393 Borrowings 775,352 775,352	Borrowings	744,660	744,660
Financial assets Trade receivables 7,920,317 7,920,317 Other receivables 1,409,917 1,409,917 Fixed deposits with a licensed bank 3,230 3,230 Cash and bank balances 3,001,487 3,001,487 Financial liabilities Trade payables 2,630,749 2,630,749 Other payables 2,213,393 2,213,393 Borrowings 775,352 775,352		6,562,357	6,562,357
Trade receivables 7,920,317 7,920,317 Other receivables 1,409,917 1,409,917 Fixed deposits with a licensed bank 3,230 3,230 Cash and bank balances 3,001,487 3,001,487 Financial liabilities Trade payables 2,630,749 2,630,749 Other payables 2,213,393 2,213,393 Borrowings 775,352 775,352	2021		
Other receivables 1,409,917 1,409,917 Fixed deposits with a licensed bank 3,230 3,230 Cash and bank balances 3,001,487 3,001,487 Financial liabilities Trade payables 2,630,749 2,630,749 Other payables 2,213,393 2,213,393 Borrowings 775,352 775,352	Financial assets		
Fixed deposits with a licensed bank 3,230 3,230 Cash and bank balances 3,001,487 3,001,487 12,334,951 12,334,951 Financial liabilities Trade payables 2,630,749 2,630,749 Other payables 2,213,393 2,213,393 Borrowings 775,352 775,352	Trade receivables	7,920,317	7,920,317
Cash and bank balances 3,001,487 3,001,487 12,334,951 12,334,951 Financial liabilities Trade payables 2,630,749 2,630,749 Other payables 2,213,393 2,213,393 Borrowings 775,352 775,352	Other receivables	1,409,917	1,409,917
12,334,951 12,334,951 Financial liabilities Trade payables 2,630,749 2,630,749 Other payables 2,213,393 2,213,393 Borrowings 775,352 775,352	Fixed deposits with a licensed bank	3,230	3,230
Financial liabilities Trade payables 2,630,749 2,630,749 Other payables 2,213,393 2,213,393 Borrowings 775,352 775,352	Cash and bank balances	3,001,487	3,001,487
Trade payables 2,630,749 2,630,749 Other payables 2,213,393 2,213,393 Borrowings 775,352 775,352		12,334,951	12,334,951
Other payables 2,213,393 2,213,393 Borrowings 775,352 775,352	Financial liabilities		
Borrowings 775,352 775,352	Trade payables	2,630,749	2,630,749
			2,213,393
5,619,494 5,619,494	Borrowings	775,352	775,352
		5,619,494	5,619,494

31 December 2022

33. FINANCIAL INSTRUMENTS (Cont'd)

33.1 Categories of financial instruments (Cont'd)

The table below provides an analysis of financial instruments categorised as amortised cost ("AC") (cont'd).

	Carrying amount RM	AC RM
Company		
2022		
Financial assets		
Other receivables	12,230	12,230
Cash and bank balances	195,815	195,815
	208,045	208,045
Financial liabilities		
Other payables	564,846	564,846
Amount due to subsidiaries	3,162,208	3,162,208
	3,727,054	3,727,054
2021		
Financial assets		
Other receivables	12,430	12,430
Cash and bank balances	284,010	284,010
	296,440	296,440
Financial liabilities		
Other payables	426,678	426,678
Amount due to subsidiaries	3,511,409	3,511,409
	3,938,087	3,938,087

33.2 Financial risk management

The Group and the Company are exposed to a variety of financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk. The Group and the Company operate within clearly defined guidelines that are approved by the Board and the Group's and the Company's policy is not to engage in speculative activities.

31 December 2022

33. FINANCIAL INSTRUMENTS (Cont'd)

33.3 Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Group and to the Company. The Group's exposure to credit risk arises principally from its trade receivables.

33.3.1 Trade receivables

The Group gives its customers credit terms. In deciding whether credit shall be extended, the Group will take into consideration factors such as relationship with the customer, its payment history and credit worthiness. The Group subjects new customers to credit verification procedures. In addition, receivables balances are monitored on an on-going basis with the result that the Group's exposure to bad debts is not significant.

The maximum exposure to credit risk arising from trade receivables is represented by the carrying amount in the statements of financial position.

The ageing analysis of trade receivables of the Group as at the reporting date is as follows:

	Gross RM	Allowance for expected credit losses RM	Net RM
2022			
Not past due	3,243,850	-	3,243,850
1 to 30 days past due	1,589,893	(10,737)	1,579,156
31 to 120 days past due	2,118,578	(38,341)	2,080,237
More than 120 days past due	1,157,414	(28,926)	1,128,488
	4,865,885	(78,004)	4,787,881
Credit impaired	722,247	(722,247)	
	8,831,982	(800,251)	8,031,731
2021			
Not past due	2,108,271	-	2,108,271
1 to 30 days past due	1,753,996	-	1,753,996
31 to 120 days past due	1,998,727	-	1,998,727
More than 120 days past due	2,059,323	_	2,059,323
	5,812,046	-	5,812,046
Credit impaired	709,272	(709,272)	
	8,629,589	(709,272)	7,920,317

Trade receivables that are neither past due nor impaired are creditworthy customers with good payment record with the Company. None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

31 December 2022

33. FINANCIAL INSTRUMENTS (Cont'd)

33.3 Credit risk (Cont'd)

33.3.1 Trade receivables (Cont'd)

The Group has trade receivables amounting to RM4,787,881 (2021: RM5,812,046) that are past due but not impaired at the reporting date as the management is of the view that these past due amounts will be collected in due course.

The allowance account in respect of trade receivables is used to record impairment losses. Unless the Group is satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

The Group has significant concentration of credit risk in the form of outstanding balance due from 2 (2021: 2) customers representing 37% (2021: 35%) of the total trade receivables of the Group.

Receivables that are individually determined to be credit impaired at the reporting date relate to debtors who are in significant financial difficulties and have defaulted on payments.

In managing the credit risk of the trade receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. The Group measures the allowance for expected credit losses of trade receivables at an amount equal to lifetime ECL using a simplified approach. The expected credit losses on trade receivables are estimated based on past default experience and an analysis of the trade receivables' current financial position, adjusted for factors that are specific to the trade receivables such as liquidation and bankruptcy. Forward looking information has been incorporated in determining the expected credit losses.

There are circumstances where the settlement of trade receivables will take longer than the credit terms given to the customers. The delay in settlement is mainly due to disagreement of pricing and quality issue or administrative matter. No expected credit losses is provided during the financial year based on the above assessment as the impact to the Group's financial statements is not material.

33.3.2 Intercompany balances

The Company provides advances to its subsidiaries and monitor the results of the subsidiaries regularly.

The maximum exposure to credit risk is represented by the carrying amount in the statements of financial position.

As at the reporting date, the amounts have been fully impaired.

31 December 2022

33. FINANCIAL INSTRUMENTS (Cont'd)

33.3 Credit risk (Cont'd)

33.3.3 Financial guarantees

The Group obtained bank guarantees from financial institutions in favour of certain third parties amounting to RM1,235,000 (2021: RM1,462,267).

The Company provides unsecured financial guarantees to a licensed bank for banking facilities granted to subsidiaries. The maximum exposure to credit risk of the Group and the Company as at the reporting date is RM1,235,000 (2021: RM1,462,267) and RM534,050 (2021: RM345,720), representing the bank guarantees in favour of certain third parties and outstanding banking facilities utilised by the said subsidiaries as at the reporting date.

The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries. As at the reporting date, there was no indication that the said subsidiaries would default on repayment. The Directors considered that the fair value of the financial guarantee contracts on initial recognition is insignificant.

33.3.4 Other receivables

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

33.3.5 Cash and cash equivalents

The credit risk for cash and cash equivalents are considered negligible, since the counterparties are reputable banks with high quality external ratings.

33.4 Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as and when they fall due. The Group and the Company actively manage their debt maturity profile, operating cash flows and availability of funding so as to ensure that all repayment and funding needs are met. As part of their overall prudent liquidity management, the Group and the Company maintain sufficient levels of cash and cash equivalents to meet their working capital requirements.

Notes to The

Financial Statements (Cont'd)

31 December 2022

33. FINANCIAL INSTRUMENTS (Cont'd)

33.4 Liquidity risk (Cont'd)

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

	Carrying amount RM	Contractual cash flows RM	Within one year RM	More than one year and less than five years RM
Group				
2022				
Non-derivative financial liabilities				
Trade payables	2,929,416	2,929,416	2,929,416	-
Other payables	2,888,281	2,888,281	2,888,281	-
Lease liabilities	923,443	977,620	883,984	93,636
Borrowings	744,660	828,224	285,696	542,528
Financial guarantees*		1,235,000	1,235,000	
	7,485,800	8,858,541	8,222,377	636,164
2021				
Non-derivative financial liabilities				
Trade payables	2,630,749	2,630,749	2,630,749	_
Other payables	2,213,393	2,213,393	2,213,393	-
Lease liabilities	1,636,866	1,801,733	939,398	862,335
Borrowings	775,352	863,990	367,316	496,674
Financial guarantees*		1,462,267	1,462,267	
	7,256,360	8,972,132	7,613,123	1,359,009
Company				
2022				
Non-derivative financial liabilities				
Other payables	564,846	564,846	564,846	-
Amount due to subsidiaries	3,162,208	3,162,208	3,162,208	-
Financial guarantees*		534,050	534,050	-
	3,727,054	4,261,104	4,261,104	
2021				
Non-derivative financial liabilities				
Other payables	426,678	426,678	426,678	-
Amount due to subsidiaries	3,511,409	3,511,409	3,511,409	-
Financial guarantees*		345,720	345,720	
	3,938,087	4,283,807	4,283,807	_

^{*} This has been included for illustration purpose only as the related financial guarantees have not crystallised as at the reporting date.

31 December 2022

33. FINANCIAL INSTRUMENTS (Cont'd)

33.5 Interest rate risk

The Group's fixed rate instruments are exposed to a risk of change in its fair value due to changes in interest rates. The Group's floating rate instruments are exposed to a risk of change in cash flows due to changes in interest rates.

The interest rate profile of the Group's interest-bearing financial instruments based on their carrying amounts as at the reporting date are as follows:

	Group	
	2022	2021
	RM	RM
Fixed rate instruments		
Financial assets	3,545	1,765,997
Financial liabilities	744,660	552,132
Floating rate instruments		
Financial liabilities		223,220

Sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial instruments at fair value through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates of the reporting date would not affect profit or loss.

Sensitivity analysis for variable rate instruments

An increase/decrease of 50 basis points as at the reporting date would have an insignificant impact to the Group's net profit/equity for the financial year. These changes are considered to be reasonably possible based on observation of current market conditions. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

33.6 Foreign currency risk

The objectives of the Group's foreign exchange policy is to allow the Group to manage exposures that arise from trading activities effectively within a framework of controls that does not expose the Group to unnecessary foreign exchange risks.

The Group and the Company do not have significant foreign currency exchange risk on financial assets and liabilities held in non-functional currency. Therefore, foreign currency risk sensitivity analysis is not presented.

34. FAIR VALUE MEASUREMENT

The carrying amounts of the financial assets and financial liabilities of the Group and of the Company as at the reporting date approximate their fair values due to their short-term nature.

31 December 2022

35. CAPITAL MANAGEMENT

The primary objective of the Group's and the Company's capital management policy is to maintain a strong capital base to support their business and to maximise shareholder's value.

The Group and the Company manage their capital structure and make adjustments to it in the light of changes in economic conditions or expansion of the Group and of the Company. The Group and the Company may adjust the capital structure by issuing new shares, returning capital to shareholders or selling assets to reduce debts. No changes were made in the objective, policy and process during the financial year under review as compared to the previous financial year.

The Group considers its total equity and total borrowings and lease liabilities to be the key components of their capital structure. The Group and the Company monitor capital using a debt-to-equity ratio, which is calculated as total borrowings and lease liabilities, less cash and cash equivalents divided by total equity as follows:

	Group	
	2022 RM	2021 RM
Total borrowings and lease liabilities	1,668,103	2,412,218
Less: Cash and bank balances	(4,441,002)	(3,001,487)
Fixed deposits with a licensed bank	(3,545)	(3,230)
Net (cash)/debt	(2,776,444)	(592,499)
Total equity	61,068,481	59,176,689
Gearing ratio	N/A ¹	N/A 1

¹ N/A – Not applicable as net cash position

List of Properties Held >

As At 31 December 2022

At Lation @ 1/12/22 RM'000	28,060	1,443
At Valuation @ 31/12/22 RM′000	58	-
Year of Purchase	1995	2006
Age	27	91
Existing Use	Office and warehouse use	Factory
Land Area (Built-up Area)	21,715.00m² (12,377.05m²)	12,569.56m² and 8,129.00m²
Tenure	Freehold	Leasehold expiring 2 June 2046 and 2 January 2051
Description	Industrial land with a single storey bonded warehouse annexed with 5-storey office building	Commercial land with factory building
Location	Lot nos. 2955, 2956 & 2957, Geran nos. 66343, 66344 & 66362, Mukim 16, Daerah Seberang Perai Utara, Penang	Lot PT 101677, HS (D) 52977, Mukim of Hulu Kinta, Perak and Lot PT 80060, HS (D) 10137, Mukim of Hulu Kinta, Perak
Owner	1. Transocean Holdings Bhd.	2. Usmeta Manufacturing Sdn Bhd

Total Value

Analysis of Shareholdings 🛚

As at 30 March 2023

Issued Shares : 65,098,350 ordinary shares
Class of Equity Securities : Ordinary share ("Share")
Voting Rights : One vote per Share

Distribution Schedule of Shareholders as at 30 March 2023

No. of Holders	Holdings	Total Shareholdings	%
272	Less than 99	11,213	0.02
453	100 to 1,000	326,817	0.50
1,142	1,001 to 10,000	3,393,660	5.21
140	10,001 to 100,000	3,490,000	5.36
22	100,001 to less than 5% of issued shares	22,776,500	34.99
3	5% and above of issued shares	35,100,160	53.92
2,032		65,098,350	100.00

30 Largest Securities Account Holders as at 30 March 2023

(without aggregating the securities from different securities accounts belonging to the same person)

No.	Name	No. of Shares held	%
1	ENFRASYS CONSULTING SDN BHD	20,000,000	30.72
2	LENGKAP SUCI SDN BHD	11,600,360	17.82
3	MAYBANK NOMINEES (TEMPATAN) SDN BHD RHB TRUSTEES BERHAD FOR ARECA DYNAMIC GROWTH FUND 7.0 (430341)	3,499,800	5.38
4	KUMPULAN KENDERAAN MALAYSIA BERHAD	3,116,000	4.79
5	CEKAP TEROKA SDN BHD	3,000,000	4.61
6	GAGAH NUSANTARA SDN BHD	3,000,000	4.61
7	MICROPLUS ELITE SDN BHD	3,000,000	4.61
8	EDISI BIMBINGAN SDN BHD	2,420,100	3.72
9	CIMSEC NOMINEES (ASING) SDN BHD EXEMPT AN FOR CIMB INVESTMENT BANK BERHAD (88008208-PB)	1,900,000	2.92
10	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD EXEMPT AN FOR AHAM ASSET MANAGEMENT BERHAD (TSTAC/CLNTT)	1,500,000	2.30
11	MAYBANK NOMINEES (TEMPATAN) SDN BHD RHB TRUSTEES BERHAD FOR ARECA PROGRESSIVE INCOME FUND 2.0	1,500,000	2.30
12	MUHAMMAD NURUL AMIL BIN AB MAJID	682,800	1.05
13	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YEOW SOO HIANG	492,900	0.76
14	TAN CHUN KEE	413,000	0.63
15	MERCSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN FEI PING	330,000	0.51
16	LEMBAGA TABUNG AMANAH WARISAN NEGERI TERENGGANU	191,400	0.29
17	MAYBANK SECURITIES NOMINEES (ASING) SDN BHD MAYBANK SECURITIES PTE LTD FOR NG GIAK PIN	188,900	0.29
18	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHEW JU LIP (CEB)	183,800	0.28

Analysis of Shareholdings (Cont'd)

As at 30 March 2023

30 Largest Securities Account Holders as at 30 March 2023 (Cont'd)

(without aggregating the securities from different securities accounts belonging to the same person)

No.	Name	No. of Shares held	%
19	LOKE TAN CHUNG	150,000	0.23
20	NIK ALIEZA MELINEE BINTI NIK MOHAMED	142,300	0.22
21	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM CHEW SIEW	128 300	0.20
22	TEY LIAW LIEN	123,900	0.19
23	TAN AIK CHUAN	107,100	0.16
24	TAN FEI PING	104,500	0.16
25	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR OCBC SECURITIES PRIVATE LIMITED (CLIENT A/C-NR)	101,500	0.16
26	HO LIH MENG	100,000	0.15
27	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MOHD MOKHTAR BIN MOHD SHARIFF	100,000	0.15
28	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM HAN WENG	100,000	0.15
29	TEY ENG JOO	100,000	0.15
30	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LO KEAN KWONG (E-BCG)	61,900	0.10

Analysis of Shareholdings (Cont'd)

As at 30 March 2023

Substantial Shareholders as at 30 March 2023

(excluding those who are bare trustees pursuant to Section 130 of the Companies Act, 2016 ("the Act"))

No. of Shares held					
Name of Substantial Shareholders	Direct Interest	%	Indirect Interest	Note	%
Enfrasys Consulting Sdn Bhd	20,000,000	30.72			
RHB Trustees Berhad For Areca Dynamic Growth Fund 7.0	3,499,800	5.38			
Kumpulan Kenderaan Malaysia Berhad ("KKMB")	3,116,000	4.79	14,020,460	1	21.54
Lengkap Suci Sdn Bhd ("LSSB")	11,600,360	17.82			
Dato' Syed Budriz Putra			20,000,000	2	30.72
Muhammad Hariz Bin Mohd Nadzmi			17,136,460	3	26.32
Digital Planners Sdn Bhd			20,000,000	4	30.72
Trisilco Equity Sdn Bhd			17,136,460	5	26.32
Ibroni Sdn Bhd			17,136,460	5	26.32
Nadi Corporation Sdn Bhd ("NCSB")			17,136,460	6	26.32
Nadicorp Holdings Sdn Bhd ("NHSB")			17,136,460	7	26.32

Notes

- 1 Deemed interest pursuant to Section 8 of the Companies Act, 2016 ("the Act") by virtue of its shareholdings held through LSSB and Edisi Bimbingan Sdn. Bhd..
- 2 Deemed interest pursuant to Section 8 of the Companies Act 2016 by virtue of his shareholding in Digital Planners Sdn. Bhd. which in turn is the holding company of Enfrasys Consulting Sdn. Bhd..
- 3 Deemed interest pursuant to Section 8 of the Act held through his shareholding in Trisilco Equity Sdn. Bhd., the ultimate holding company of KKMB and LSSB.
- 4 Deemed interest pursuant to Section 8 of the Act held through Enfrasys Consulting Sdn Bhd in the Company.
- 5 Deemed interest pursuant to Section 8 of the Act by virtue of its shareholdings in NCSB.
- 6 Deemed interest pursuant to Section 8 of the Act by virtue of its 100% shareholdings in NHSB which in turn is the holding company of KKMB.
- 7 Deemed interest pursuant to Section 8 of the Act by virtue of its shareholdings in KKMB.

Directors' Shareholdings (Direct & Indirect) as at 30 March 2023

	No. of Shares held					
Name of Directors	Direct Interest	%	Indirect Interest	Note	%	
Dato' Syed Budriz Putra	-	-	20,000,000	1	30.72	
Woo Kok Boon	-	-	-		-	
Lee Chin Chuan	-	-	-		-	
Tung Shao Yin	-	-	-		-	
Ibrahim Aiman Bin Mohd Nadzmi	-	-	-		-	

Notes

Deemed interest pursuant to Section 8 of the Companies Act 2016 by virtue of his 100% shareholding in Digital Planners Sdn. Bhd. which in turn is the holding company of Enfrasys Consulting Sdn. Bhd.

Interest in the related corporation

Dato' Syed Budriz Putra by virtue of his interest in shares in the Company, is deemed interested in shares of all the Company's subsidiaries to the extent the Company has an interest.

Save as disclosed above, none of the other Directors in office have any interest in shares in its related corporations.



TRANSOCEAN HOLDINGS BHD

Registration No.: 197701005709 (36747-U) (Incorporated in Malaysia)

Proxy	Form
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No. of Ordinary Shares held	

*I/We		NRIC/ Passpo	rt No			
I/ ***C	(Full Name in Capital Letters)					
of						
	(Full address in capital I	etters and telephone number)				
being a membe	er/members of TRANSOCEAN HOLDINGS BHD. ("the	e Company") hereby appoint the following	lowing pers	on(s): -		
First Proxy						
				No. of shares		res to be
	Name	NRIC / Passport No.		pr	resented	
*and/or failing	him/her/them,					
Second Proxy	,					
	Name	NRIC / Passport No.		No. of shares or % of shares to be presented		
	Name	NRIC / Fassport No.		рı	esenteu	
Please indicate	nd at any adjournment thereof. with an 'X' in the space provided below how you wish yois/her discretion.	your vote to be casted. In the absend	· 			
				Proxy		nd Proxy
			For	Against	For	Against
ORDINARY B	T	T				
Resolution 1	To approve the payment of Directors' fees for the f 2022.	inancial year ended 31 December				
Resolution 2	To approve the payment of benefits payable to Direc Companies Act 2016.	tors under Section 230(1)(b) of the				
Resolution 3	To re-elect Mr. Woo Kok Boon as Director of the Cor	' '				
Resolution 4	To re-elect Mr. Lee Chin Chuan as Director of the Co	' '				
Resolution 5	To re-elect Ms. Tung Shao Yin as Director of the Com	<u>'</u>				
Resolution 6	To re-appoint Messrs. Grant Thornton Malaysia PLT	as Auditors.				
SPECIAL BUS				1		
Resolution 7	Ordinary Resolution - Authority for Directors to issue Ordinary Resolution - Proposed shareholders' manda					
Resolution 6	Ordinary Resolution - Mandate to retain Mr. Woo H					1
Resolution 9	Non-Executive Director of the Company.	tok boon as an independent and				
* strike out which	ever not applicable.					
Signature(s) / C	ommon Seal of Shareholder(s)		Signed t	his day	of	, 2023
Notes:						
to attend 2. A member	t of deposited securities, only members whose name appears o , speak and vote at the meeting. or entitled to attend and vote at the meeting is entitled to appoin ay but need not to be a member of the Company. There shall	int one (1) or more proxies to attend and v	vote in his or	her stead.	•	

- A proxy may but need not to be a member of the Company. Inere shall be no restriction as to the qualification of the proxy. Where a member appoints two (z) of more proxes, the appointments shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.

 A proxy appointed to attend and vote at the meeting shall have the same rights as the member to speak at the meeting.

 Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), here is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. Where a member is an authorised nominee as defined under SICDA, it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account. The appointment of two (2) or more proxies in respect of any particular securities account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.

 The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a duly notarised certified copy of that power or authority, shall be deposited at Suite 18.05, MWE Plaza, No. 8, Lebuh Farquhar, 10200 George Town, Pulau Pinang not less than 48 hours before the time appointed for holding the meeting or at any adiournment thereof.
- 6.
- be deposited at Suite 18.05, MWE Plaza, No. 8, Lebuh Farqunar, 10200 George Town, Pulau Plinang not less than 48 hours before the time appointed for holding the meeting or at any adjournment thereof.

 The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy.

 The lodging of a form of proxy does not preclude a member from attending and voting in person at the meeting should the member subsequently decide to do so.

 Any alteration in this form must be initialed. 7.

Then fold here

AFFIX STAMP

The Company Secretaries

TRANSOCEAN HOLDINGS BHD. [197701005709 (36747-U)]

Suite 18.05, MWE Plaza No. 8, Lebuh Farquhar 10200 George Town Pulau Pinang Malaysia

1st fold here

