ANNUAL REPORT
2022

誠成集團

K. SENG SENG CORPORATION BERHAD

Company No.: 198501000983 (133427-W)

ESTABLISHED SINCE

1985

Our Company was incorporated in Malaysia under the Act on 15 January 1985 as a private limited company under the name of Vinylon Industries Sdn Bhd. On 20 June 1986, we changed our name to K. Seng Seng Sdn Bhd and on 16 June 1999, we changed our name to K. Seng Seng Corporation Sdn Bhd. We were converted into a public company on 15 July 2009 and listed on the Main Market of Bursa Malaysia Securities Berhad since 19 January 2011.

VISION, MISSION & VALUES

VISION STATEMENT

To be the leading regional strategic metals distribution hub, catering to the needs of engineering, fabrication and manufacturing industry

MISSION STATEMENT

- Keeping in mind a win-win situation to all parties associated with our group through business integrity
- Seek continuous improvement and innovation
- Superior quality assured
- Compliance with applicable statutory and regulatory requirements

Inside This Report

01 CORPORATE STRUCTURE AND OVERVIEW

CORPORATE INFORMATION

BOARD OF DIRECTORS

- **Keh Chuan Seng**
  Executive Chairman
  (Appointed on 16 January 2023)
- **Lee Hai Peng**
  Executive Director
  (Appointed on 22 December 2022)
  (Re-designated as Executive Director On 16 January 2023)
- **Er Kian Hong**
  Independent Non-Executive Director
  (Appointed on 6 January 2023)
- **Datuk Low Chin Koon**
  Independent Non-Executive Director
  (Appointed on 22 December 2022)
- **Teh Boon Beng**
  Independent Non-Executive Director
  (Appointed on 22 December 2022)
- **Chang Tian Kwang**
  Independent Non-Executive Chairman
  (Appointed on 31 March 2022 and resigned on 31 October 2022)
- **Koh Seng Lee**
  Group Managing Director
  (Resigned on 16 January 2023)
- **Koh Yi Hao**
  Alternate Director to Koh Seng Lee
  (Appointed on 3 January 2022 and resigned on 16 January 2023)
- **Tsen Ket Shung @ Kon Shung**
  Executive Director
  (Resigned on 31 January 2023)
- **Dr Teh Chee Ghee**
  Independent Non-Executive Director
  (Resigned on 31 December 2022)
- **Yap Chee Kheng**
  Non-Independent Non-Executive Director
  (Resigned on 23 February 2023)
- **Dato' Tin @ Tan Pek-Han**
  Independent Non-Executive Director
  (Appointed on 3 January 2022 and resigned on 23 February 2023)
- **Tuan Haji Zainal Rashid Bin Haji Mohd Eusoff**
  Independent Non-Executive Director
  (Retired on 25 May 2022)

AUDIT AND RISK MANAGEMENT COMMITTEE

Chairman
Er Kian Hong
(Appointed on 6 January 2023)
Dr Teh Chee Ghee
(Resigned on 31 December 2022)

Members
Datuk Low Chin Koon
(Appointed on 16 January 2023)
Teh Boon Beng
(Appointed on 16 January 2023)
Yap Chee Kheng
(Resigned on 23 February 2023)
Dato' Tin @ Tan Pek-Han
(Resigned on 23 February 2023)
Tuan Haji Zainal Rashid Bin Haji Mohd Eusoff
(Retired on 25 May 2022)

PRINCIPAL PLACE OF BUSINESS

Lot 3707, Jalan 7/5,
Taman Industri Selesa Jaya,
43300 Balakong,
Selangor Darul Ehsan, Malaysia.
Tel : 03-8961 5555
Fax : 03-8962 1111

WEBSITE

www.kssc.com.my

COMPANY SECRETARIES

Siew Suet Wei
(MAICSA No.: 7011254) (SSM PC No. 202008001690)

Chan Min Wai
(MIA No.: 26548) (SSM PC No. 202108000131)

Yip Wei Lun
(MIA No.: 47569) (SSM PC No. 202208000373)

CORPORATE INFORMATION

REMUNERATION COMMITTEE

Chairman
Datuk Low Chin Koon
(Appointed on 16 January 2023)
Dato' Tin @ Tan Pek-Han
(Re-designated on 16 January 2023)

Members
Teh Boon Beng
(Appointed on 16 January 2023)
Er Kian Hong
(Appointed on 16 January 2023)
Yap Chee Kheng
(Resigned on 23 February 2023)
Dato' Tin @ Tan Pek-Han
(Re-designated on 16 January 2023 and resigned on 23 February 2023)
Dr Teh Chee Ghee
(Resigned on 31 December 2022)
Tuan Haji Zainal Rashid Bin Haji Mohd Eusoff
(Retired on 25 May 2022)

NOMINATION COMMITTEE

Chairman
Teh Boon Beng
(Appointed on 16 January 2023)
Dr Teh Chee Ghee
(Resigned on 31 December 2022)

Members
Datuk Low Chin Koon
(Appointed on 16 January 2023)
Er Kian Hong
(Appointed on 16 January 2023)
Yap Chee Kheng
(Resigned on 23 February 2023)
Dato' Tin @ Tan Pek-Han
(Resigned on 23 February 2023)
Tuan Haji Zainal Rashid Bin Haji Mohd Eusoff
(Retired on 25 May 2022)

REGISTERED OFFICE

Unit 8, Level 7,
Kompleks Komersil Akasa,
Jalan Akasa, Akasa Cheras Selatan,
43300 Seri Kembangan,
Selangor Darul Ehsan, Malaysia.
Tel : 03-8655 5188
Fax : 03-8655 5199

SHARE REGISTRAR

Tricor Investor & Issuing
House Services Sdn. Bhd. (11324-H)
Unit 32-01, Level 32, Tower A,
Vertical Business Suite,
Avenue 3 Bangsar South City,
No. 8, Jalan Kerinchi,
59200 Kuala Lumpur, Malaysia
Tel : 03-2783 9299
Fax : 03-2783 9222

PRINCIPAL BANKERS

Malayan Banking Berhad
RHB Bank Berhad
Al-Rajhi Banking & Investment Corporation (Malaysia) Berhad
Hong Leong Bank Berhad
Ambank (M) Berhad

SOLICITORS

Tay & Helen Wong
L.H. Tan & Partners

AUDITORS

Baker Tilly Monteiro Heng PLT
201906000600 (LLP0019411-LCA) &
Chartered Accountants (AF0117)
Baker Tilly Tower,
Level 10, Tower 1, Avenue 5,
Bangsar South City,
59200 Kuala Lumpur, Malaysia.
Website: www.bakertilly.my
Tel : 03-2297 1000
Fax : 03-2282 9980

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

STOCK NAME: KSSC
STOCK CODE: 5192

CORPORATE STRUCTURE

誠成集團
K. SENG SENG CORPORATION BERHAD
Company No.: 198501000963 (133427-W)

- 100% **PTM STAINLESS STEEL INDUSTRY SDN BHD ("PTM")**
  199201013439 (244942-P)
  - 75% **PTM WATER SYSTEM SDN BHD ("PTMWS")**
    (formerly known as AB Prosper Sdn. Bhd.)
    202001019136 (1375456-D)
- 100% **THREE & THREE HARDWARE SDN BHD ("TTH")**
  199501023130 (352333-P)
- 75% **KOSENG SDN BHD ("KS")**
  201101042486 (970606-A)
- 100% **K. SENG SENG INDUSTRIES SDN BHD ("KSSI")**
  199901015238 (490138-K)
- 100% **KSG ENGINEERING SDN BHD ("KSG")**
  201001038536 (922460-A)
- 100% **K. SENG SENG PARTS SDN BHD ("KSSP")**
  200601002494 (722242-D)
- 100% **K. SENG SENG MANUFACTURING SDN BHD ("KSSM")**
  200701033513 (791541-W)
- 50% **EIE ASIAN HOLDING SDN BHD ("EIE")**
  200201001863 (569526-P)

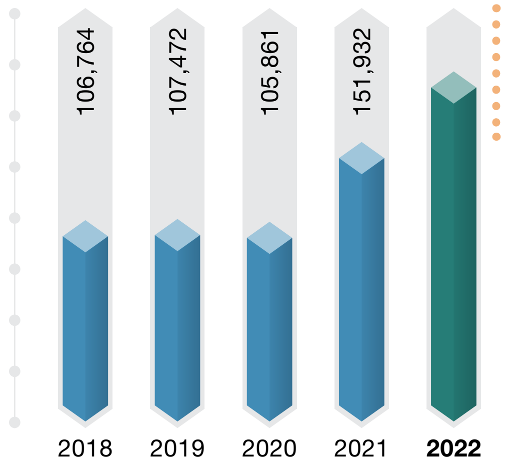
5-YEAR FINANCIAL HIGHLIGHTS

	2018	2019	2020	2021	2022
Revenue (RM'000)	106,764	107,472	105,861	151,932	**192,721**
Profit/(Loss) Before Tax (RM'000)	1,184	(764)	1,212	14,882	**2,989**
Profit/(Loss) After Tax (RM'000)	1,036	(1,936)	(751)	11,022	**1,754**
Earnings before interest, taxes, depreciation and amortisation (EBITA) (RM'000)	4,350	3,013	4,710	19,299	**8,997**
Number of shares in issue ('000)	96,000	96,000	103,950	115,200	**129,600**
Total Equity attributable to owners of the Company (RM'000)	79,671	77,358	80,972	96,133	**97,615**
Net Earnings/(Losses) Per Share (Sen)	0.94	(1.87)	(0.92)	8.25	**1.14**
Net Dividend Per Share (Sen)	0.50	-	-	0.01	**-**
Net Assets Per Share (RM)	0.84	0.82	0.79	0.85	**0.78**
Return on Equity (%)	1%	(3%)	(1%)	11%	**2%**
Return on Assets (%)	1%	(2%)	(1%)	5%	**1%**
Gearing (times)	0.41	0.34	0.45	0.58	**0.55**

5-YEAR FINANCIAL HIGHLIGHTS

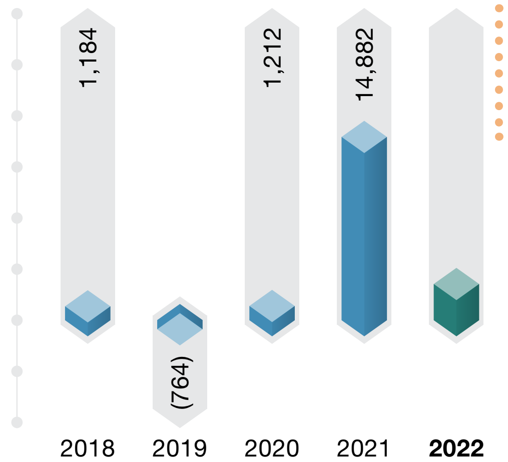
REVENUE
(RM'000)

192,721



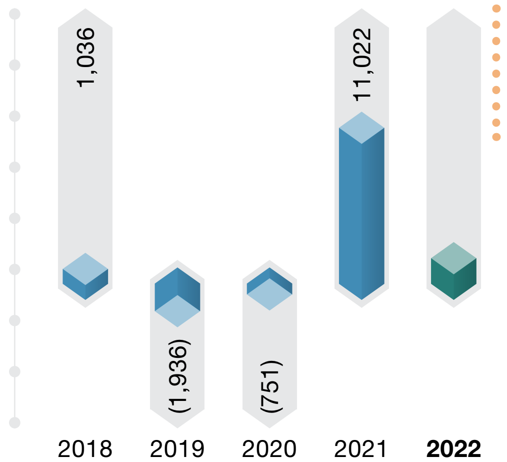
PROFIT/(LOSS) BEFORE TAX
(RM'000)

2,989



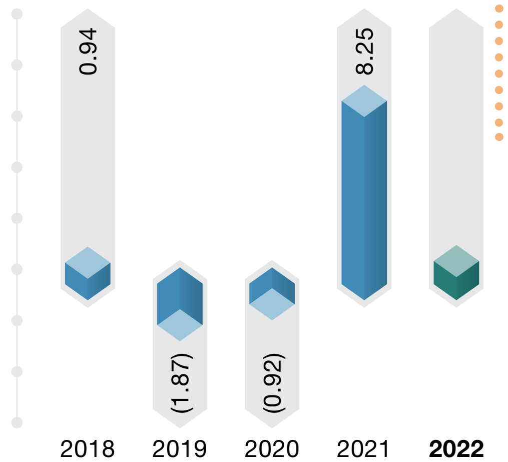
PROFIT/(LOSS) AFTER TAX
(RM'000)

1,754



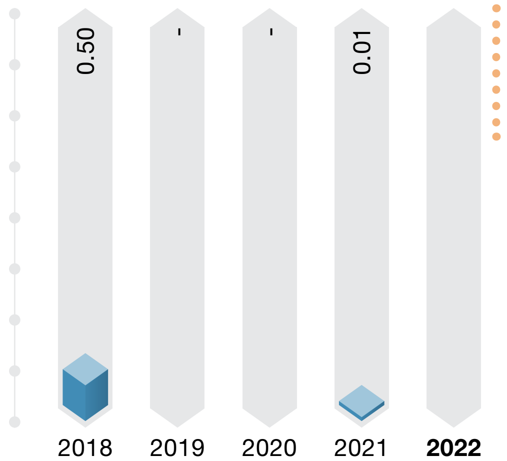
NET EARNINGS/(LOSSES) PER SHARE
(SEN)

1.14



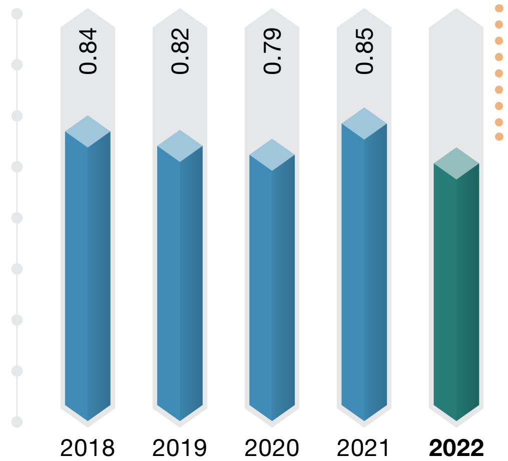
NET DIVIDEND PER SHARE
(SEN)

-



NET ASSETS PER SHARE
(RM)

0.78



02 MANAGEMENT OVERVIEW

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF THE OPERATING ENVIRONMENT

Financial year ended 31 December, 2022 ("FY2022") was a year of recovery for the global and domestic economy after two COVID-19 pandemic stricken years, which had a debilitating effect on industries and business sectors as well as society in general.

FY2022 marked a fresh start as most countries with the exception of China, removed lockdown and social restrictions towards kickstarting their economies and enabling business and social activities to return to a semblance of pre-pandemic times.

However, economic recovery in FY2022 was impacted by various destabilising factors. Among which was the conflict in Ukraine and Russia, which began in early March 2022 and had continued throughout the year.

China, which is a major economic market and consumer of goods and services, remained in a protracted and rigid, zero COVID lockdown as new viral strains had led to a resurgence of the pandemic across the country. Continued geopolitical tensions between US and China, which had reached a new nadir in FY2022 had also stymied global economic recovery.

The decision by the US Federal Reserve to raise interest rates and strengthen the US dollar led to a domino effect of central banks worldwide raising their rates in tandem. The increase in Overnight Policy Rates and Base Lending Rates was also in response to preventing inflationary risks, which had increased significantly amidst a surge in economic activity and consumption even as supply chains continued to face a wide range of disruptions due to a slow recovery post the pandemic as well as due to geopolitical tensions, which had effectively led to a global shortage of many goods and services.

Specifically, the Ukraine-Russia conflict had disrupted many supply chains and the embargo imposed on Russian oil contributed to spiralling crude oil prices, with the Brent reaching a high of USD128 per barrel and averaging USD101 per barrel in FY2022. This was a significant upside of 42.4% year-on-year in terms of average crude oil prices.

Cumulatively, inflationary pressure, rising interest rates, a strengthened greenback, supply scarcity and other factors had led to increase cost of raw materials and finished goods and services. The global economy posted a lower than forecasted positive growth of 3.2% (as compared to initial forecasts of 5.5%-6.5%.[1] In Malaysia, gross domestic product ("GDP") rebounded strongly to 8.7% on the back of an export led recovery, robust private consumption and a revival in key economic sectors such as construction, retail and others which had a pump-priming effect on the domestic economy.

Amidst this backdrop of recovery yet still influenced by a high degree of turbulence and uncertainty, K Seng Seng Corporation Berhad ("KSSC and its Subsidiaries") or ("the Group") continued to pursue its business and operational strategies towards enhancing value creation for stakeholders.

[1] *Source: https://www.theedgemarkets.com/article/ambank-sees-malaysias-2022-gdp-growth-859-and-45-2023*

MANAGEMENT DISCUSSION AND ANALYSIS

KSSC IN FY2022

In FY2022, the focus for KSSC was to pursue growth in business and financial performance, while managing rising costs of raw materials and production as well as price fluctuations in key commodities. These commodities included stainless steel, which is the primary commodity used for the Group's business operations.

The rise in material costs and instability in pricing was due to the aforementioned supply chain disruptions, the stronger US dollar against the Ringgit Malaysia and revised interest rates had also led to higher borrowing costs in FY2022. In FY2022, the ringgit had lost ground – depreciating by 12.2%.

Given that almost all of these factors were, and remain beyond the Group's control, KSSC's focus was to pursue increased operational efficiencies towards yielding cost competitiveness and to adjust its product mix towards higher-margin products that would offer better returns against rising costs.

The adoption of technology across the business model has been prevalent in FY2022. Digitalisation, automation and innovation has enabled greater process efficiencies to be achieved while reducing requirements for manual human labour. The pivot to technology has also addressed a key resource shortage; that of skilled manpower, which has been an issue for almost all labour dependent industries and business sectors in Malaysia.

The pandemic period had led to many foreign workers returning to their home countries while the government of Malaysia's freeze on foreign worker recruitment had also exacerbated the worker shortage situation in the country. While demand for workers had begun to recover in FY2022, supply was not restored and even the government's reversal on foreign worker recruitment in July 2022 was insufficient to address the situation during the financial year.

Hence, the significance of technology to reduce dependence on human labour, which has also supported improved efficiencies, reduced wastages and will continue to offer economies of scale in the medium to long-term.

Technology has also supported KSSC's strategic focus on product diversification – developing new and customised products with customised specifications to meet client's exacting requirements. This form of value added services enables a differentiation and competitive edge in the market and also supports higher margins as opposed to generic manufacturing.

As always, quality remains the hallmark of KSSC, with products manufactured meeting the high quality control and assurance standards set by customers and regulatory requirements. Throughout FY2022, KSSC continued to maintain its excellent quality benchmarks with low product rejection rates and low customer complaints. All customer complaints have been resolved in accordance to the Group's resolution targets. Focus was placed on improving quality control and assurance processes to ensure that all products continued to meet or even exceed customers' quality benchmarks.

In response to supply chain disruptions, KSSC looked to diversify its supplier base, notably for critical raw materials. Where possible, raw materials were secured in larger quantities to ensure availability of resources and to reduce transportation costs.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL PERFORMANCE OVERVIEW

Indicator	FY2022	FY2021	Movement (%)
Revenue (RM'000)	**192,721**	151,932	26.9%
Operating Expenses (RM'000)	**22,181**	20,880	6.2%
Profit from Operations (RM'000)	**5,552**	16,316	(66.0%)
EBITDA (RM'000)	**8,997**	19,299	(53.4%)
Profit Before Tax (RM'000)	**2,989**	14,882	(79.9%)
Profit After Tax (RM'000)	**1,754**	11,022	(84.1%)
Profit Attributable to Owners of the Company	**1,481**	10,667	(86.1%)
Finance Cost (RM'000)	**2,783**	1,623	71.5%
Operating Expenditure (Including Energy Costs in RM)	**24,025**	22,115	8.6%
Shareholders' Equity (RM)	**97,615**	96,133	1.5%
Total Assets (RM)	**187,116**	206,766	(9.5%)
Total Liabilities (RM)	**86,564**	108,737	(20.4%)
Capital Expenditure (RM)	**9,142**	3,898	134.5%
Total Borrowings (RM)	**55,371**	56,988	(2.8%)
Cash and Cash Equivalents (RM)	**6,342**	13,870	(54.3%)
Debt to Equity Ratio	**0.89**	1.13	(21.2%)
Earnings Per Share	**1.14**	8.25	(86.2%)
Net Assets Per Share	**0.78**	0.85	(8.2%)
Market Capitalisation As End of Financial Year (RM)	**186,624**	86,400	116.0%
Gearing Ratio	**0.55**	0.58	(5.2%)

SEGMENTAL PERFORMANCE

	Revenue			Gross Profit/(Loss)		
Segment	FY2022 RM'000	FY2021 RM'000	Movement (%)	FY2022 RM'000	FY2021 RM'000	Movement (%)
Stainless Steel and Metal Related Products	**184,101**	120,560	52.7%	**21,444**	27,028	(20.7%)
Marine Hardware and Consumables	**22,741**	24,006	(5.3%)	**4,918**	5,429	(9.4%)
Engineering Works	**21,346**	19,278	10.7%	**(1,496)**	289	(617.7%)
Other Industrial Hardware	**55,665**	69,101	(19.4%)	**2,185**	3,789	(42.3%)
Investment Holding	**6,531**	7,257	(0.1%)	**6,531**	7,256	(10.0%)
Intercompany Elimination	**(97,663)**	(88,270)	0.1%	**(5,850)**	(6,595)	(11.3%)
	192,721	151,932		**27,732**	37,196	

MANAGEMENT DISCUSSION AND ANALYSIS

SEGMENTAL PERFORMANCE (continued)

In FY2022, Group revenue grew by 26.9% year-on-year to reach RM192.7 million (FY2021: RM151.9 million). Revenue had improved on the back of increased product sales attributed to a recovery in global and domestic demand for stainless steel and various other products. Segmental contributors to improved revenue were the Stainless Steel and Metal-Related Products segment as well as the Engineering Works segment.

However, despite improvements in topline performance, FY2022 saw a reduction in earnings with both profit before tax ("PBT") and profit after tax ("PAT") declining respectively. The decline in earnings is attributed to lower profits recorded by all segments and the losses incurred by the Engineering Works segment. For the Other Industrial Hardware segment, lower revenue recorded was the main factor for reduced earnings.

The decline in earnings in the aforementioned segments were due to increases in raw material costs, as well as the appreciation in foreign currencies against the Ringgit Malaysia. Consequently, earnings per share ("EPS") had also declined for the year under review.

Despite the Group's efforts to manage costs, inflationary pressures, supply chain disruptions and other factors had led to higher raw material prices. The aforementioned has also impacted overall earnings performance. Other factors which had led to cost increases were the implementation of a 20% higher minimum monthly wage (from RM1,200 to RM1,500 effective 1 July 2022 by the government of Malaysia).

Increasing finance costs had also impacted fiscal performance. In FY2022, finance costs had risen by 71.5%, due to additional banking facilities obtained in line with funding capital expenditure, including acquisition of new business premises to support expansion of operations.

Finance costs were also higher due to the raising of the Overnight Policy Rate ("OPR") by Bank Negara Malaysia by 50 basis points to 2.75%. This resulted in higher loan repayments.

CAPITAL EXPENDITURE ("CAPEX")

In FY2022, KSSC has made a 10% downpayment amounting to RM1.5 million in partial payment to purchase a freehold land, single storey factory cum three-storey office building in Klang. The balance RM13.2 million purchase sum is to be financed via external borrowings.

The acquisition is part of the Group's investment and business expansion for the Marine Hardware and Consumables segment. With this acquisition, KSSC is better positioned to expand its business operations with additional warehouse space as compared to the existing rented warehouse.

KSSC had also acquired a cluster factory in Johor Bahru for approximately RM4.1 million, as well as new plant and machinery for existing facilities. Presently, renovation work at the cluster factory continues to proceed on schedule and the facility is expected to be ready for operations by year 2023.

Group cash and cash equivalents had declined by 54.3% to stand at RM6.3 million. Group cash and cash equivalents had decreased in FY2022 due to repayments of banker acceptances, prompt repayment to suppliers as well as payments made for the aforementioned purchase of land and buildings. The Group maintains sufficient cash and cash equivalents to meet working capital requirements and to discharge all financial commitments.

MANAGEMENT DISCUSSION AND ANALYSIS

ASSETS AND LIABILITIES

KSSC's assets and liabilities position as well as total equities remained comparatively stable, with liabilities reducing by 20.4% on the back of prompt repayment to suppliers and decreased borrowings in Bankers' Acceptance.

KSSC's share price had rebounded strongly, underpinned by market sentiments with market capitalisation reaching RM186.6 million, a 116.0% year-on-year appreciation (FY2021: RM86.4 million). Given the strong demand for KSSC shares, Management had on 1 July 2022 and 11 October 2022 declared a bonus issue of 14,399,905 new ordinary shares and 43,199,879 warrants, respectively, to reward the shareholders.

CORPORATE EXERCISES AND ACQUISITIONS

On 1 September 2022, KSSC acquired a 75% stake in, PTM Water System Sdn Bhd (formerly known as AB Prosper Sdn Bhd), whose principal business activity is the trading of industrial hardware and construction materials. The purpose of the acquisition was to augment KSSC's existing production and technological capability while providing the Group with a new revenue stream through product diversification into ornamental water pipes and fittings. The 75% equity stake was acquired for a consideration sum of RM0.075 million which was funded by internally generated funds.

OUTLOOK AND PROSPECTS

The global economy is expected to maintain a positive growth trajectory albeit some moderation in pace is likely, as recessionary risks loom, despite the ongoing recovery in consumption demand. The prolonged Ukraine-Russia conflict as well as increasing tensions between US and China and other trade issues have impeded the nascent recovery in global growth. If prolonged and coupled with a higher interest rate environment that would constrict loan growth, it is possible that the economic performance of major economic blocs and countries may be curtailed.

Crude oil prices have decreased from the highs of FY2022 to average USD75-USD85 per barrel (Brent) in the first quarter of FY2023, indicating a more stable oil and gas environment as the supply side continues to achieve parity with consumption demand. However, the price of many other raw materials such as stainless steel, aluminium and others continue to be volatile – affected by external development and still disrupted global supply chains.

The better than expected recovery of China's economy upon its removal of pandemic restrictions in late FY2022 is hoped will provide a sufficient catalyst to spur global economic activity and sustain the growth momentum in FY2023.

Looking domestically, Malaysia is expected to register its 3rd consecutive year of positive GDP growth, averaging 4.0%-4.5% for FY2023 on the back of renewed investor and market confidence and appropriate fiscal measures introduced by the government and Bank Negara Malaysia.

The latter's decision to maintain interest rates will support greater impetus for domestic investments and consumption, particularly among the private sector. The resumption of key infrastructure projects such as the Kuala Lumpur-Singapore high speed rail (HSR) and Mass Rapid Transit 3 (MRT 3) and the continued growth in manufacturing, oil and gas, construction and various other sectors will drive demand for stainless steel and other materials. This, barring any unforeseen circumstances should augur well for KSSC going forward.

While product demand is expected to be on the rise, the Group still faces considerable challenges. These include price and supply volatility, especially for imported raw materials, and also rising costs.

Management is continuing to address through its cost containment strategies and the risks associated with such rising costs are being duly monitored and where required mitigated through appropriate business, financial and operational strategies.

MANAGEMENT DISCUSSION AND ANALYSIS

OUTLOOK AND PROSPECTS (continued)

Following are the principal risks identified by Management and the corresponding mitigation strategies:

RISKS	MITIGATION STRATEGY
The prices of raw materials used in stainless steel production, can be subject to fluctuations due to changes in global supply and demand. This can impact the cost of production and affect the Company's profitability.	KSSC had to re-evaluate the supply chain strategies, looking for ways to diversify sources of raw materials and components and reduce the reliance on a single supplier or region.
OPPORTUNITIES	**LEVERAGING STRATEGY**
KSSC will focus on quality control in order to meet customer expectations, reduce the risk of costly rework or recalls, and build a strong reputation for producing high-quality products. This can lead to sustainable growth and success.	KSSC has obtained relevant certifications, such as ISO 9001, to validate its quality and further differentiate itself from competitors. This can ensure consistency in delivering high and acceptable quality products to ensure that the stainless steel products are safe for intended use and minimising wastages.

STRATEGIC PLANS GOING FORWARD

KSSC will continue to focus on its Stainless Steel and Metal-Related segments, both of which have proven to be robust in FY2022. The focus is to optimise performance in proven business segments, while reducing exposure of non-core business and to expand into value-accretive segments, that offer bright prospects going forward.

In accelerating growth, KSSC remains in acquisition mode, looking to purchase companies or assets that will serve as catalysts for business and operational growth. Expansion will facilitate an enlarged production capacity to capitalise on increasing product demand, while also enabling improved economies of scale, that will support cost and operational efficiency.

Such expansion could be achieved through outright acquisition or by entering into joint venture partnerships. The latter in particular offers the prospect of geographic expansion and product and service diversification.

The acquisition of new office buildings and factory space support the Group's long-term strategy of transitioning towards an asset ownership model that will see costs amortised over time. Outright asset ownership also enables the Group to have more control on its asset, and also undertake any asset enhancement initiatives towards improving capacity and capabilities going forward.

This will strengthen the Group's capability to meet recovering market demand. Together with ongoing cost containment efforts, capacity expansion shall support improved earnings, barring any unforeseen circumstances such as a recurrence of the pandemic or any other black swan event.

On 22 February 2023, KSSC entered into a term sheet to acquire a 51% equity interest each in Metalmach Micro Technology Sdn Bhd, Tong Soon Micron Sdn Bhd, Senshin Seimitsu Sdn Bhd and BLU Resources Sdn Bhd ("Proposed Acquisitions"). The Proposed Acquisitions provide an opportunity for the Group to grow its business and expand into the production of high value-added products in the metal-related industry.

APPRECIATION AND ACKNOWLEDGMENTS

The Board and Management of KSSC express their sincere appreciation to firstly the employees of KSSC for their steadfast professional contributions during the financial year, to the regulatory authorities, government ministries and agencies, our customers, shareholders and other stakeholders, all of whom have been an active part of our journey of growth and progress in FY2022.

We look forward to your continued support as we set forth towards scaling new heights of progress and success in a post-pandemic business environment, where we shall redouble our efforts for sustained and enhanced value creation for all stakeholders.

DIRECTORS' PROFILE

KEH CHUAN SENG

Executive Chairman

Male | Aged 52 | Malaysian

Mr Keh was appointed to the Board on 16 January 2023 as the Executive Chairman.

Mr Keh began his career in the real estate development sector in Japan from 1991 to 2005. He has a wealth of knowledge in the local and international real estate, hospitality, agricultural, asset investment, and financing industries during his 14 years in Japan. Because of his extensive experience, Mr Keh has been able to offer invaluable suggestions and ideas, making him the ideal person to lead the Board to a new level.

As the Executive Chairman of the Frazel Group of Companies, he excels at strategising housing construction projects, and this is mainly attributable to his planning skills. Mr Keh entered the property development business in Kedah as well as Sadao, a district in Songkhla Province in southern Thailand, in 2010. His diverse experience includes the food and beverages businesses in Japan, as well as the niche bird nest trading and evergreen fisheries industries in Malaysia.

Currently, Mr Keh is the Non-Independent Non-Executive Director and Chairman of EG Industries Berhad and HB Global Limited, both companies are listed on the Bursa Malaysia Securities Berhad. He is also the Committee Member of Kedah Chinese Chamber of Commerce and Industry, through which he has established a strong commercial network in China. His vast expertise in management and production, as well as his multinational professional networks, have been crucial in enabling the Group's consistent growth.

LEE HAI PENG

Executive Director

Male | Aged 57 | Malaysian

Mr Lee was appointed to the Board as Independent and Non-Executive Director on 22 December 2022. He was re-designated to Executive Director on 16 January 2023. He is a Chairman of the ESOS Committee.

Mr Lee obtained his professional qualification from Chartered Institute of Management Accountants (CIMA), UK in August 1994. He is a registered Chartered Accountant with the Malaysian Institute of Accountants (MIA) and has over 28 years of working experiences in the field of audit, marketing, corporate finance and accounting.

Mr Lee began his career as an Audit Assistant with BDO Binder in June 1991 where he was involved in various audit assignments for public listed companies in Malaysia. He left in November 1992 to join Messrs Gee & Co as its Branch Manager, responsible for its audit, secretarial and tax matters. In December 1994, he joined Trontex (M) Sdn. Bhd. as an Executive Director, where he was responsible for the overall finance and accounting functions, marketing and business operations of the company. Subsequently, he joined Chin Hin Group Berhad in September 2008 as the Group Accountant. He was promoted and become the Group Financial Controller in April 2009 and was appointed as the Executive Director on 23 January 2015, a position he held until 1 December 2022.

He is currently a Non-Independent Non-Executive Director of Solarvest Holdings Berhad and has directorships in various other private businesses.

DIRECTORS' PROFILE

ER KIAN HONG

Independent Non-Executive Director

Female | Aged 46 | Malaysian

Ms Er Kian Hong was appointed to the Board on 6 January 2023 as an Independent Non-Executive Director. She is also appointed as the Chairman of the Audit and Risk Management Committee and is a member of the Remuneration Committee and Nomination Committee.

She holds a degree in Accounting and Finance from the University of Technology, Australia. She is a Member of the Certified Practising Accountants (CPA), Australia.

Ms Er is currently attached with a boutique corporate advisory firm where she is involved in provision of advisory services to companies undertaking corporate exercises. Ms Er has vast experience in corporate finance and was involved in corporate exercises such as initial public offerings (IPO), fundraising and restructuring. Ms Er served in the Corporate Finance department of M&A Securities Sdn. Bhd. from May 2014 to December 2021. Prior to that, she was in the Corporate Finance/Strategy department of KSK Group Berhad from February 2007 to March 2014 where she was involved in the assessment and implementation of possible mergers and acquisition opportunities for KSK Group Berhad.

She is currently an Independent Non-Executive Director of several other public listed companies namely Aldrich Resources Berhad, Ajiya Berhad, Opcom Holdings Berhad and SSF Home Group Berhad.

DATUK LOW CHIN KOON

Independent Non-Executive Director

Male | Aged 44 | Malaysian

Datuk Low was appointed to the Board on 22 December 2022 as an Independent Non-Executive Director. He is also the Chairman of the Remuneration Committee and a member of the Nomination Committee and Audit and Risk Management Committee.

Datuk Low is the Group Managing Director of Wysen Group of Companies. He founded Wysen Industry Sdn. Bhd. in 1999 venturing into the business of making office chairs. He then expanded his business by exporting to Australia, Brunei, Middle East, India, Africa and other countries.

In 2004 and 2005, he established Wysen Office Supplies Sdn. Bhd. and Wysen Office Systems Sdn. Bhd. to sell products to local markets and manufacturing of panel workstation respectively. As a Group Managing Director, Datuk Low monitors the entire operations and take charge of the business development of the Group, in addition to implementation of quality management project within the Group. Datuk Low has established a Corporate Charity Fund in 2009. He was also appointed as the Malaysia Furniture Council Youth Chief and Malaysia Timber Industry Board of Committee Director respectively in 2019. In 2021, he was appointed as the Forest Research Institute Malaysia Board of Research Advisor Committee.

He is currently an Independent Non-Executive Director of several other public listed companies namely Mestron Holdings Berhad and Prolexus Berhad. In 2022, he was appointed as a board member of Malaysian Timber Industry Board (MTIB).

DIRECTORS' PROFILE

TEH BOON BENG

Independent Non-Executive Director

Male | Aged 62 | Malaysian

Mr Teh was appointed to the Board on 22 December 2022 as an Independent Non-Executive Director. He is also the Chairman of the Nomination Committee and a member of the Remuneration Committee and Audit and Risk Management Committee.

Mr Teh holds a Bachelor Degree in Economics majoring in Business Administration from University of Malaya in year 1984.

Mr Teh has extensive experience in the financial and banking industry through his 37 years exposure in banking sector. He started his career in Maybank in 1984 as Credit Officer after graduation. He has built up his career path in Maybank from Credit Officer to Assistant Branch Manager Operation, Assistant Branch Manager Credit, Branch Manager of Pengkalan Weld and Nibong Tebal and the Business Centre Head in Prai over the years. He was the Business Centre Head in Alor Setar for the past 6 years prior to his retirement in 2021. Indeed, he is an all-rounder capable of handling banking operations and credit loan applications in various business entities and sectors which include property development, rice milling, manufacturing and trading. He is able to plan and strategize his resources to achieve the desire outcome. He is competent to build up team work, guiding, directing and tracking their individual performance to be in line with corporate goals.

He is currently an Independent Non-Executive Director of Ajiya Berhad.

Other information:

1. **Family Relationship with any Director and/or Substantial Shareholder**
   There is no family relationship between the Directors with any Directors and/or Substantial Shareholders of the Company.

2. **Directors' Shareholdings**
   Details of the Directors' Shareholdings in the Company are provided in the Analysis of Shareholdings Section in this Annual Report.

3. **Conflict of Interest with the Group**
   None of the other directors of the Company have any conflict of interest with the Group.

4. **Convictions for Offences**
   None of the Directors of the Company have been convicted of any offenses within the past five (5) years. There was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 31 December 2022.

KEY SENIOR MANAGEMENTS' PROFILE

DR LIM PANG KIAM

Group Chief Executive Officer

Male | Aged 60 | Malaysian

Academic/Professional Qualification:
- ASEAN Chartered Professional Accountants (ASEAN CPA)
- Malaysian Institute of Accountants (MIA)
- Chartered Institute Management Accountants (CIMA), United Kingdom (Fellow Member)
- Chartered Global Management Accountants (CGMA), Association of International Certified Professional Accountants
- Certified Risk Professional, Bank Administrative Institute for Certification (BAI), United State of America
- Certified Financial Planner, Federation of Financial Planners Malaysia
- Asian Institute of Chartered Bankers (AICB)
- Doctor of Philosophy in Business Administration, SEGi University Malaysia
- Master of Science in Planning, Universiti Sains Malaysia
- Bachelor of Science (Honours) in Housing, Building, and Planning, Universiti Sains Malaysia

Present Directorship:
Listed entities:
- Inta Bina Group Berhad (Independent Non-Executive Chairman)
- Engtex Group Berhad (Independent Non-Executive Chairman)
- SDS Group Berhad (Independent Non-Executive Chairman)
- Lagenda Properties Berhad (Independent Non-Executive Director)

Working Experience:
- He was in the banking industry for over 15 years, holding various senior positions, including banking operation, commercial and corporate, and investment banking.
- He became a business owner since 2004. He held several executive and non-executive directorships in public and private enterprises in Malaysia.
- He is actively involved in NGO, serving as a Director and Council Member at the Tung Shin Hospital, Kuala Lumpur.
- He is a member of the ESOS committee.

Appointment to the Current Position:
3 January 2022

CHAN MIN WAI

Chief Operating Officer and Joint Company Secretary

Male | Aged 49 | Malaysian

Academic/Professional Qualification:
- Malaysian Institute of Accountants (MIA)
- Chartered Association of Certified Accountants (ACCA), United Kingdom

Working Experience:
- He had more than 20 years of working experience in audits of small and medium-sized companies and public listed companies, and reporting accountants for various corporate exercises, including initial public offering, reverse takeover, acquisitions, and disposals of assets or companies, fund raising, and financial due diligence review, investigation audits.
- He worked with Ernst & Young Malaysia, KPMG Vietnam, and Baker Tilly Monteiro Heng prior to joining the Company.
- He joined the Company in November 2020 as Chief Financial Officer. He was re-designated as Chief Operating Officer since September 2022. He is also the Joint Company Secretary since April 2021. He is sitting on the Board of various subsidiaries.
- His current role includes developing strategic, business goals, corporate finance, risk and compliance functions, and assisting the Executive Directors and Chief Executive Officer in the day-to-day operations.
- He is a member of the ESOS committee.

Appointment to the Current Position:
1 September 2022

KEY SENIOR MANAGEMENTS' PROFILE

YEOH SOO CHIN

Chief Financial Officer

Female | Aged 47 | Malaysian

Academic/Professional Qualification:
- Malaysian Institute of Accountants (MIA)
- Chartered Association of Certified Accountants (ACCA), United Kingdom (Fellow Member)
- Certificate of Goods and Services Tax (GST) from the Royal Malaysian Customs Department

Working Experience:
- She had more than 20 years of working experience in accounting, audit, treasury, and corporate finance specializing in project financing, debt capital raising, corporate and debt restructuring, and treasury cash management.
- She started her career with Moore Stephens and held various senior positions in other listed companies in Malaysia which were involved in the construction, steel industry, and property development in Malaysia.
- She joined the Company in January 2022 as Chief Financial Controller. She was re-designated as Chief Financial Officer since September 2022. She is sitting on the Board of certain subsidiaries and is a member of ESOS Committee.

Appointment to the Current Position:
1 September 2022

YIP WEI LUN

Deputy Chief Financial Officer and Joint Company Secretary

Male | Aged 36 | Malaysian

Academic/Professional Qualification:
- Malaysian Institute of Accountants (MIA)
- Certified Practising Accountants, Australia (CPA)
- Bachelor of Commerce (Hons) Accounting

Working Experience:
- He had 12 years of working experience in external audit, providing audit and assurance services for a diversified base of clients in various industries, both public and private sections as well as MNCs and primarily in manufacturing, construction, services and healthcare industries.
- Prior to joining the Company, he worked with BDO LLP Singapore for 7 years (from year 2014 to 2021) and Baker Tilly Malaysia (2010 to 2014).
- Currently, he is the Executive Director for PTM Stainless Steel Industry Sdn Bhd, overseeing day-to-day operations, sales activities as well as business planning and development. He also sits on the Board of certain subsidiaries.

Appointment to the Current Position:
3 January 2023

KEY SENIOR MANAGEMENTS' PROFILE

RAVINDRAN P JAYAPRATHAPAN

Director of PTM Water System Sdn Bhd

Male | Aged 48 | Malaysian

Academic/Professional Qualification:
- BSc (Hons) Computing

Working Experience:
- More than 15 years of working experience in Stainless Steel Plumbing System and Stainless-Steel related products.
- Associated with Department of Standards Malaysia working committee for MS Standard 1988:2007 welded Stainless-Steel tubes for conveyance of water.
- Involved in assessing new business opportunities in various organisation and develop sales and marketing team.
- Other expertise includes experience in implementing Enterprise Resource Planning System for various organisation.
- He oversees the day-to-day operations, sales activities as well as business planning and development of the subsidiary.

Appointment to the Current Position:
3 January 2023

CHIA AI PENG

Director of Koseng Sdn Bhd

Male | Aged 52 | Malaysian

Academic/Professional Qualification:
- Primary education at Sekolah Jenis Kebangsaan (C) Hwa Lien, Klang, Selangor

Working Experience:
- He had 30 years of experience in the trading of marine hardware and consumables and steel industrial hardware.
- He oversees the Marine Hardware and Consumables segment's day-to-day operations, sales activities as well as business planning and development.

Appointment to the Current Position:
24 September 2012

KEY SENIOR MANAGEMENTS' PROFILE

CHI ON KANG

Director of Three and Three Hardware Sdn Bhd

Male | Aged 63 | Malaysian

Academic/Professional Qualification:

- Bachelor of Arts in Political Study, Lakehead University, Canada

Working Experience:

- He had more than 30 years of experience working with various banks as a branch and regional manager, responsible for managing business development activities and building business relationships.
- He was the Head of Corporate Planning and Marketing of SDS Group Berhad prior to joining the Company as the Head of Business Development.
- He oversees the day-to-day operations, sales activities as well as business planning and development of the subsidiary.
- He is a member of the ESOS committee.

Appointment to the Current Position:
1 November 2021

Other information:

1. **Family Relationship with any Director and/or Substantial Shareholder**
   There is no family relationship between the Key Senior Management with any Director and/or Substantial Shareholders of the Company.

2. **Conflict of Interest with the Group**
   None of the Key Senior Management of the Company have any conflict of interest with the Group.

3. **Convictions for Offences**
   None of the Key Senior Management of the Company have been convicted of any offenses within the past five (5) years. There was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 31 December 2022.

03 SUSTAINABILITY AND GOVERNANCE

SUSTAINABILITY STATEMENT

ABOUT THIS STATEMENT

KSSC considers sustainability at the heart of its business model when it comes to creating both financial and non-financial value. KSSC's business operations include manufacturing and processing secondary stainless steel and other metal-related products, industrial hardware trading, and engineering services such as fabrication and installation of glove dipping lines. Principally, KSSC also engages in investment holding-related activities.

As part of continuing to further strengthen the Group's sustainability efforts, the Group presents its fifth Sustainability Statement 2022 ("SS2022"), which emphasises the sustainable development pillars in FY2022, as KSSC strives to be more transparent in addressing its material environmental, social and governance ("ESG") topics across the Group's business operations.

KSSC continues to pursue a fulfilling sustainability journey and is committed to building a more robust, more resilient and future-ready KSSC and an organisation that creates significant value for its stakeholders in the short, medium and long term.

REPORTING FRAMEWORKS APPLIED

The preparation of SS2022 involved the following frameworks and guidelines:

- Bursa Malaysia Securities Berhad's ("Bursa Securities") Main Market Listing Requirements
- Global Reporting Initiative ("GRI") Standards 2021 Core Option
- United Nations Sustainability Development Goals ("UNSDGs")

REPORTING PERIOD AND CYCLE

The SS2022's reporting period is from 1 January 2022 to 31 December 2022 ("FY2022"). This is also known as financial year ended 31 December 2022, unless otherwise stated. Some disclosures in SS2022 may show historical statistical data, where deemed appropriate, to illustrate significant trends for readers to better understand KSSC's comparative performances. The reporting cycle for KSSC's SS2022 is annually.

STATEMENT OF USE

The SS2022 was prepared by the Group's Management Team and was subsequently approved by the Board of Directors ("Board") on 12 April 2023. The Board is KSSC's top decision-making body and thus acknowledges responsibility for this statement of use. The information reported by the Group for FY2022 was prepared in accordance with GRI Standards, UNSDGs and Bursa Securities' Main Market Listing Requirements.

MEMBERSHIP IN ASSOCIATIONS

As KSSC commits to pursuing more sustainable industrial practices, the Group holds memberships in various industry associations. This allows KSSC to support the implementation of sustainability best practices and promote sustainability awareness across the Group's value chain. Following are the memberships associated with KSSC:

- Malaysia Steel and Metal Distributors' Association
- Malaysian Rubber Glove Manufacturers Association
- Federation of Malaysian Manufacturers
- The Associated Chinese Chambers of Commerce and Industry of Malaysia

REPORTING SCOPE AND BOUNDARY

The scope of SS2022 includes the business operations and activities of the holding company as well as all subsidiaries within the Group. These subsidiaries are divided into two (2) primary business segments as below:

MANUFACTURING	TRADING
PTM Stainless Steel Industry Sdn Bhd ("PTM")	Three & Three Hardware Sdn Bhd ("TTH")

The SS2022 discloses how KSSC managed its ESG topics and the outcomes, highlights and performance throughout the financial year, as well as the challenges faced and future plans on how the organisation intends to address these issues.

The SS2022 excludes all outsourced supply chain activities and operations unless stated otherwise.

KSSC practices a "local-where-we-operate". The report content, quality and scope are aligned with the prioritisation of its materiality topics that are deemed significant to the Group.

KSSC is cognisant of potential significant Economic, Environmental and Social ("EES") impacts from its business value chain. Hence, the Group is committed to gradually cascade its sustainability best practices to its external stakeholders. The Group also plans to disclose its value chain partners' ESG performance in future reporting.

Readers are encouraged to read SS2022 along with the entirety of KSSC's Annual Report 2022 ("AR2022") for a concrete understanding of the Group's business outlooks and how sustainability drives its value creation strategies.

Although this statement was originally intended for FY2022, the composition of the Board of Directors has been revised to correspond with the disclosure in the Annual Report 2022. Therefore, directors who have resigned or retired as of 12 April 2023 will be excluded from the statement. KSSC would like to express its sincerest appreciation for their invaluable contribution, guidance, and support during all the trials and tribulations:

Name of Directors	Designation	Date of Resignation
Chang Tian Kwang	Independent Non-Executive Chairman	Resigned on 31 October 2022
Koh Seng Lee	Group Managing Director	Resigned on 16 January 2023
Koh Yi Hao	Alternate Director to Koh Seng Lee	Resigned on 16 January 2023
Tsen Ket Shung @ Kon Shung	Executive Director	Resigned on 31 January 2023
Dr Teh Chee Ghee	Independent Non-Executive Director	Resigned on 31 December 2022
Yap Chee Kheng	Non-Independent Non-Executive Director	Resigned on 23 February 2023
Dato' Tin @ Tan Pek-Han	Independent Non-Executive Director	Resigned on 23 February 2023
Tuan Haji Zainal Rashid Bin Haji Mohd Eusoff	Independent Non-Executive Director	Retired on 25 May 2022

SUSTAINABILITY STATEMENT

LIMITATIONS

KSSC remains aware of some data collection challenges persisting for certain indicators. The Group is constantly working to provide effective data tracking and gathering protocols to improve its reporting in the future.

FORWARD-LOOKING STATEMENTS

SS2022 includes forward-looking statements on KSSC's future strategies, targets, operations and performance aligned with projections rationale based on the current business directions. As with any other business, KSSC is always subject to risks and unforeseen events beyond its control. Thus, the Group advises readers not to depend solely on these statements as actual outcomes may vary.

ASSURANCE

Financial information for this Statement has been audited internally and assured by the external Group's auditor, Baker Tilly Monterio Heng PLT. In view of non-financial data yet being assured in this Statement, KSSC plans to possibly engage external assurance for future Sustainability Statements.

REPORT AVAILABILITY

The SS2022 can be accessed from the Group's corporate website at www.kssc.com.my.

FEEDBACK AND INQUIRIES

KSSC values feedback from its stakeholders and welcome any inquiries to continually progress towards the improvement of the Group. Our contact details are as below:

Ms. Yeoh Soo Chin
Chief Financial Officer
Email: cfo@kssc.com.my
Telephone number: +603 – 8655 5188

SUSTAINABILITY GOVERNANCE

KSSC's sustainability agenda was primarily driven by the Group's sustainability governance, which is part of the Group's main corporate governance structure.

In KSSC, the Board has oversight on corporate governance, sustainability governance, and sustainability-related matters. This includes driving the sustainability strategies across the Group on the prioritisation of ESG material topics for KSSC's Management to focus on.

The Board has been briefed about the Group's initiatives in ESG progress in order to provide more directive information on KSSC's sustainability journey.

SUSTAINABILITY GOVERNANCE APPROACH

To ensure that KSSC's sustainability efforts are aligned with its sustainability goals and strategies, the Group practices continuous improvement in sustainability governance to strengthen the implementation of ESG materiality within the Group. In FY2022, one of the key accents of KSSC's governance is to pursue greater heights in operational success and create value for its valued stakeholders.

Economic Stability
KSSC aims to create economic growth and long term value for stakeholders

Employee Well-being
KSSC strives to provide a conductive environment for its employees to work

Environmental Protection
KSSC seeks to minimise the environmental impact of our operations

Local Community Development
KSSC focuses on creating economic prosperity by providing local employment and creating values to the local communities

BOARD COMPOSITION AND DIVERSITY

As at 12 April 2023, the Board comprises 5 directors, 3 of which are Independent Non-Executive Directors ("INED"). The Board is supported by KSSC's Management and various committees enacted to reinforce sustainability and corporate governance in the Group.

Enclosed are some of the key roles and responsibilities of the Board and the Group's major committees in corporate governance and sustainability governance.

List of Committees	Roles and Responsibilities
Board of Directors	- In charge of leading and managing the Company and its business and affairs in an effective and responsible manner. The Company's business and affairs include its investments in the KSSC Group.
Nomination Committee	- Assists the Board on matters pertaining to the selection, appointment, assessment and development of Directors and Senior Management.
	- Evaluate the effectiveness of the Board and the Board Committees and the performance of each Director.
Remuneration Committee	- To review the policy of remuneration framework and recommend to the Board the remuneration packages of all the Directors including Senior Management, according to their skills, level of responsibilities, experience and performance.
Audit and Risk Management Committee	- Assist the Board on matters pertaining to audit activities, liaising with external auditors in relation to financial reporting and internal auditors in relation to assurance over the effectiveness and integrity of the Group's internal control and risk management systems, related party transactions and conflict of interest situations, and risk management activities of the Group. - Assist the Board in overseeing the Group's financial reporting processes and the quality of its financial reporting.

In an effort to bolster the Group's leadership and support in decision-making, the Board is comprised of qualified individuals with a wide range of skills and professional experiences.

Keh Chuan Seng *(Appointed on 16 Jan 2023)*
Executive Chairman

Lee Hai Peng *(Re-designated on 16 Jan 2023)*
Executive Director

Er Kian Hong *(Appointed on 6 Jan 2023)*
Independent Non-Executive Director

Datuk Low Chin Koon *(Appointed on 22 Dec 2022)*
Independent Non-Executive Director

Teh Boon Beng *(Appointed on 22 Dec 2022)*
Independent Non-Executive Director

SUSTAINABILITY STATEMENT

CORPORATE GOVERNANCE PRACTICES

KSSC adheres to strong ethical values in corporate governance, where integrity, transparency and accuracy are incorporated into the Group's management practices. In keeping with its commitment to effective governance, the following are some of the ways corporate governance is reinforced.

For instance, the Group discloses a comprehensive process for determining remuneration, as per the Remuneration Committee's Term of Reference, which can be found at KSSC's official website at www.kssc.com.my.

KSSC offers Employee Share Option Scheme ("ESOS") as long-term incentives in the remuneration of the Group's senior executives. In addition, the Group also ensures the Board addresses conflicts of interest and related party transactions, which has been done given that all Related Party Transactions ("RPT") were disclosed at arm's length and on normal commercial terms.

Furthermore, the Group has incorporated the three (3) principles prescribed in the Malaysian Code on Corporate Governance 2021 ("MCCG") to ensure that corporate governance is in the best interests of its valued stakeholders.

Principle A: Board Leadership and Effectiveness
Principle B: Effective Audit and Risk Management
Principle C: Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

For Audit Committee, the Chairman is an INED and is a Member of the Certified Practising Accountants ("CPA"), Australia. The Audit Committee comprises 3 INEDs includes the Chairman of the Board. Meanwhile, the Remuneration Committee comprises 3 INEDs.

The effectiveness of the Board is regularly evaluated during the Nomination Committee's meeting, which will be held at least once a year. For more information about KSSC's corporate governance, please refer to KSSC's Corporate Governance Report.

ANTI-CORRUPTION AND ANTI-BRIBERY POLICY

KSSC continues to uphold its principle of a zero-corruption policy by eliminating all forms of bribery and corruption activities within the Group as well as its business value chain. KSSC's adoption of the Anti-Bribery and Corruption Policy ("ABC Policy") affirms expectations on employees and subsidiaries to understand and comply with laws, rules and regulations applicable to their position and/or work, including the relevant provisions of the Malaysian Anti-Corruption Commission Act 2009 ("MACC Act 2009").

Along with the ABC Policy in place, the Group also proactively manages corruption-related risks through risk identification and evaluation on a regular basis. For instance, the Audit and Risk Management Committee ("ARMC") will perform risk analysis on fraud and corruption at the end of each financial year. The Group evaluates its business processes and assesses areas particularly prone to corruption risk, enhancing the existing control measures and procedures in these areas.

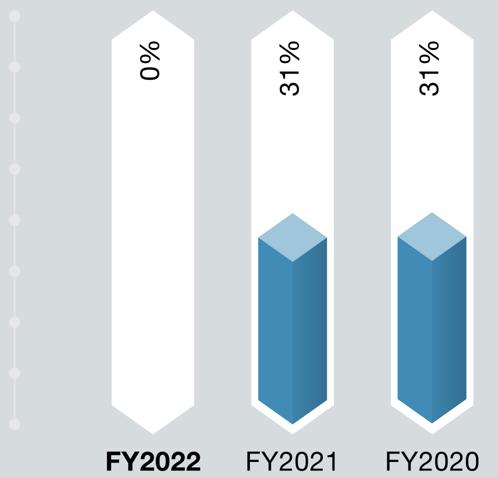
The oversight from the Board has further reinforced the position of anti-bribery and corruption within the Group by taking charge of the development and implementation of KSSC's ABC Policy. The Board also ensures that a sustainable anti-corruption and anti-bribery programme is practised within the Group through the top-down approach. This includes reinforcing compliance with the ABC Policy as well as delegating resources to implement the aforementioned programme.

ANTI-CORRUPTION TRAINING AND COMMUNICATION

Raising awareness is key to preventing business misconduct, particularly fraud and bribery. In addition to widely communicating the importance of regulatory compliance with stakeholders, the Group continues to organise periodic training for the Board of Directors, senior management, manager, executive and sales personnel to comply with the required regulations. Given the uncertainties caused by the COVID-19 situation, it has been challenging to secure an external trainer. Therefore, the Group's Anti-Bribery and Corruption training for FY2022 has been postponed to 2023.

Training Data	FY2022	FY2021	FY2020
Number of employees received anti-corruption training on anti-corruption by employee category:			
- Managerial	-	15	12
- Operational	-	4	3
- Executive	-	52	51
Total number of employees received anti-corruption training	**-**	**76**	**70**
Number of hours directors received anti-corruption training	-	35	14
Number of hours employees who have received anti-corruption training:			
- Managerial	-	105	42
- Operational	-	28	10.5
- Executive	-	364	178.5
Total training hours received on anti-corruption	**-**	**532**	**245**

PERCENTAGE OF EMPLOYEES ATTENDED TRAINING ("ABC")
(%)



Note:
No training data was recorded for FY2022 due to training postponement.

KSSC has taken proactive measures by occasionally reminding internal and external stakeholders of the principle of zero tolerance for corrupt practices and this includes business partners throughout the organisation's supply chain. To further ensure transparency and ethical business practices, the Group has incorporated an anti-corruption third-party declaration where KSSC's sales personnel will be constantly reminded of the ABC Policy as it is part of the organisation's new customer account procedures, including a requirement for the customers' declaration. As majority of the customers are from small and medium enterprises, their comprehension of the existing anti-corruption policy is limited, leading to a lower response rate to the declaration form. Therefore, the Group aims to broaden its current procedures to make them more comprehensive and user-friendly.

Given KSSC's zero-tolerance attitude toward unethical business conduct, any individual or group found to be in violation of the ABC Policy will be subject to stringent disciplinary procedures, which may result in job suspension, termination or legal action taken against them if deemed necessary.

With this effective ABC Policy and implementation in place, zero incidents have been reported regarding violations against the Group's ABC Policy in FY2022. For a detailed ABC Policy, please refer to KSSC's official website at www.kssc.com.my.

SUSTAINABILITY STATEMENT

CODE OF ETHICS AND CONDUCTS

KSSC believes that good business conduct results from the ethical responsibilities of each of its employees, regardless of employment position or rank. Therefore, the Group defines its Code of Ethics and Conducts in supporting its corporate values of professionalism, transparency, integrity, accountability and corporate social responsibility. To address the Group's principles in the ethical code of conduct, the following are the standards to be adhered to by any personnel within the Group:

- Respect in the workplace
- Protection of the Group's properties
- Compliance to the law and regulations
- Business Professionalism

The outlined ethical values and standards support the Group in achieving long-term stakeholders' value for business sustainability in regard to social, environmental and governance development. In ensuring its effectiveness, the Board is primarily responsible for the annual review, which is not limited to the administration, interpretation, as well as implementation aspects.

Please refer to KSSC's official website for full details of the Code of Ethics and Conducts at www.kssc.com.my.

RECEIVE AND PROVISION OF GIFTS AND ENTERTAINMENT

As part of KSSC's ABC policy, gift-receiving and entertainment practices take into account sensitive matters under certain circumstances where the Group's employees and directors are generally prohibited from requesting, receiving, offering and/or providing gifts out of personal benefits to avoid conflict of interest or the appearance of a conflict of interest.

However, in a corporate setting, the Group recognises that the modest provision of entertainment is a common and legitimate means of establishing business relations. Therefore, any benefits provision is subject to the prior consultation and approval of Senior Management on the basis of the Group's internal requisition process, as set forth in KSSC's ABC Policy.

For more details of KSSC's policy on giving and receiving gifts and equivalents, as well as related procedures, can be found in the Group's full ABC policy at www.kssc.com.my.

WHISTLEBLOWING MECHANISMS

In addition to strict compliance with local laws and regulations, the Group's Code of Ethics and Conduct sets out expectations for the behaviour and conduct of employees in the workplace. The Board is also tasked with deliberating on whistle-blowing reports. This may include recommendations for punitive action, guidance for continuing investigations or holding hearings involving affected parties.

In line with the Group's core values of ethical business conduct, the KSSC's Whistleblowing Policy provides a means of encouraging and enabling employees and others to report key concerns. Suspicious activities should be investigated and dealt with objectively within the Group before seeking resolution outside of the Group.

The reporting procedures can be done according to the Group's whistleblowing mechanisms below:

1. **Executive Director/Chief Executive Officer** – Letter must be delivered to the Executive Director/Chief Executive Officer Office or email to be sent to their office email addresses with a copy of the letter to be sent to the Chairman of the ARMC.
2. **The Chairman of ARMC** – Letter must be sent to the external Company Secretary Office and an email to be sent to a dedicated email address maintained by the external Company Secretary.

The letter and email shall indicate the intended recipient and sent to the following address:

Mailing address:
Unit 8 Level 7 Kompleks Komersil Akasa,
Jalan Akasa, Akasa Cheras Selatan,
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The Group practices a confidential whistleblowing approach. As a result, the whistle-blower's identity will be protected from any reprisal within the Group as a direct consequence of the report, with exception given if the reported case is related to an overriding legal obligation.

The Office of the Executive Director is responsible for determining the channel of investigation and further action. At the conclusion of the investigation, the whistle-blower may request follow-up information about the reported investigation or any action taken thereafter. Subject to legal limitations, the whistle-blower will be notified of the final outcome of the investigation.

For more details on KSSC's whistleblowing mechanisms can refer to the Group's Whistleblowing Policy at www.kssc.com.my.

ETHICAL AND RESPONSIBLE SUPPLY CHAIN

KSSC supports fair and ethical business practices through good governance. The various policies and guidelines set forth by the Group, particularly the ABC Policy play an important role in establishing working relationships with the suppliers throughout the supply chain to meet acceptable standards of integrity in business relationships. For traceability purposes, KSSC maintains a list of suppliers in the accounting system that is updated as often as necessary.

To ensure business continuity and sustainability, the Group conducts due diligence on its suppliers and vendors by screening them thoroughly prior to any business dealings to ensure that the Group deals only with reliable and trustworthy external business partners. In addition to these strategic approaches, the Group aims to be a pioneer in the secondary stainless-steel product sector by procuring quality products at competitive prices as well as managing purchasing costs to ensure no disruption in the supply chain.

KSSC also ensures that ethical business practices are cascaded to third-party business partners, suppliers and contractors through the ABC Policy in place. For instance, the Group implemented a new account opening requirement for local suppliers where a declaration is required for anti-bribery and corruption practices through the Third-Party Declaration Form. At present, the Group does not mandate its foreign suppliers to fill out the declaration form. Despite KSSC's efforts to encourage all of its local suppliers to sign the declaration form, not all of them have complied. The Group recognises the importance of suppliers' commitment in anti-corruption declaration and plans to improve the compliance rate in the next reporting.

To ensure that existing suppliers are compliant with supply chain integrity standards, KSSC plans to conduct periodic review of performance through its vendor evaluation forms. The Group will constantly improve its approach to ensure ethical standards are practised by its business partners, including consistent assessment of supplier performance and physical inspection audits. The Group will engage any suppliers that are found not to meet the assessment requirements to determine its ability to continue being a supplier of KSSC.

SUSTAINABILITY STATEMENT

STAKEHOLDER ENGAGEMENT

KSSC recognises the significance of listening to and engaging with its stakeholders to stay up to date on issues as well as provide solutions where required. The various engagements, assessments and feedback have become an integral part of its ESG strategies and initiatives. Their feedback will be integrated and become part of the Group's approach to activities, reporting and disclosure, and strengthens the materiality assessment process.

The Group's wide stakeholder network consists of the people who impact business operations and those who influence the Group's activities.

Stakeholder meetings, workshops and other events help the Group strengthen dialogue and improve understanding of major social issues. It further promotes stakeholder satisfaction, trust, engagement and support while giving KSSC a competitive edge, which ultimately leads to the sustainable growth of the organisation. The key to the process is to assign critical issues to relevant departments, identify gaps in the Group's operations and formulating the right strategy and/or approach, develop a plan to build stakeholder relationships, define indicators, and report progress updates to various reporting committees.

KSSC has identified the following groups as fundamental to continuing the Group's business success:

Stakeholder Group	Key Topics	Outcome and Solutions	Platforms and Channels
Community	- Promote community development and inculcate internal culture of social responsibility amongst employees	- The Group has continued to support various welfare and social-economic programmes for underprivileged group	- Yearly programmes and events with underprivileged communities and in-kind contributions - Employees drive and participate in social visits, creating bond and handover of contributions
Investors	- Progress and compliance with regulations and sustainability standards - Maximisation of shareholder value	- Provide insight into our sustainable business progress and performance	- Annual General Meeting - Annual Report - Corporate website - Bursa announcements
Customers	- Product Quality - Fulfilment - Pricing	- Continuous engagement with customers and avoid repeating mistakes - Quality management system - Competitive price compared to our competitors - Quality assurance programme	- Meetings

Stakeholder Group	Key Topics	Outcome and Solutions	Platforms and Channels
Suppliers and Contractors	- Compliance issues - Tender prices and payments - Cost efficiency and introduction of products - Local Procurement and Supply Chains	- Create awareness of policy and commitment to ethical and sustainable supply chain - Amicable solutions to conflicts and grievances	- Formal and informal briefings and meetings - Engagement with suppliers during Safety Day and assurance audit - Process improvement applied
Employees and their representatives	- Employee performance monitoring, development and job satisfaction - Welfare and remuneration - Safety and health issues and practice	- Annual performance evaluation on targets and deliverables - Implementation of Environment, Safety and Health (“ESH”) programmes involving employees - Job-related training and workshops offering upskilling and knowledge enhancements	- Staff engagement programmes - Internal communications (Emails, Memos, Newsletter)
Government and Regulators	- Compliance and adoption of rules and policies - Support for government policies and initiatives in the industry - Contribution to national sustainability goals	- Contribute to the development and implementation of shared initiatives - Comply with laws and regulations and their latest amendments	- Study visits and exploratory mission
Industry/Business Associations	- Relevant issues and updates in the industry	- Active collaboration with prominent industry and business associations - Support initiatives and participation in industry events and conferences	- Malaysia Steel and Metal Distributors’ Association - Malaysian Rubber Glove Manufacturers - Federation of Malaysian Manufacturers (“FMM”) - The Associated Chinese Chambers of Commerce and Industry of Malaysia

SUSTAINABILITY STATEMENT

ACCESSING MATERIALITY

In thriving towards a more robust and strategic sustainability agenda within the organisation and among its business value chain, KSSC pursued a thorough materiality assessment of its ESG material topics to align with stakeholders' concerns and global ESG trends.

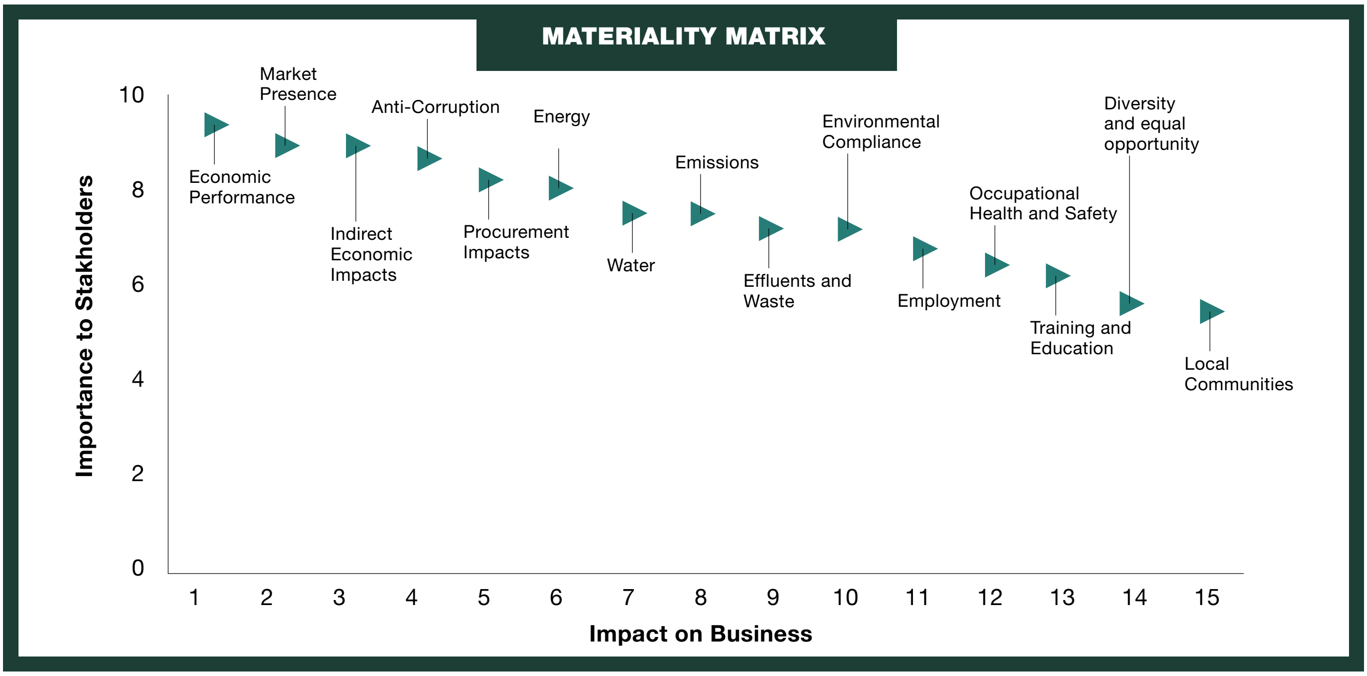
In order to effectively identify key material topics, the Group has prioritised ESG topics that are important to the organisation through the Materiality Assessment Exercise ("MAE") in FY2021. KSSC sought its stakeholders' perspectives and insights from its valued stakeholders, including the Group's employees of all categories, shareholders, customers, suppliers, and governmental bodies. The Group's sustainability agenda and focus remain in place for FY2022, hence the material topics identified remain as follows:

Economic Topics	Governance Topics	Environmental Topics	Social Topics
Economic Performance	Anti-Corruption	Energy Consumption	Occupational Health and Safety
Market Presence		Water Consumption	Training and Development
Indirect Economic Impact		Effluents and Waste	Diversity and Equal Opportunity
Procurement Impacts		Emissions	Local Communities
		Environmental Compliance	

In alignment with Bursa Malaysia's guidelines, the material topics prioritisation and assessment surveys were constructed based on a wide range of material ESG topics and identified stakeholder categories. The questionnaires were translated into reader-friendly and easy-to-understand questions for inclusive feedback.

The materiality assessment process is as follows:

Identification	Prioritisation	Validation
Material ESG topics are identified based on relevance to KSSC.	The importance of ESG material is analysed based on the collated responses from internal and external stakeholders.	Upon analysis of responses, the materiality matrix is generated and presented to the Board for validation.



ECONOMIC DISCLOSURES

ECONOMIC PERFORMANCE

Political and economic changes have led to an increasingly regionalised and protectionist world. For an industry such as KSSC, where a good proportion of raw materials and output cross continental boundaries on a regular basis, it is important to note the changing economic and regulatory landscapes and to adapt where needed.

Domestically, as key economic activities in Malaysia regain momentum after the pandemic, KSSC continues to record revenue growth driven by higher sales from the Stainless Steel and Metal Related segment at the back of higher average selling prices. As the global economy is strengthening and the Malaysian government continues to invest in large-scale infrastructure projects, the increase in stainless steel demand has provided the opportunity for KSSC to widen its market outreach and expand the customer base in tandem with the increased demand for its products.

The positive rebound from the electrical and electronic industry as well as the automotive industry in Malaysia, amongst others, have been significant in driving the performance of KSSC. The Group remains focused on the domestic stainless steel market to offer its customers with a wide range of products and engineering works, and provide multiple values for its key operation growth.

Following are the Group's overall financial performance in three years period:

Economic Value	RM'000		
	2022	2021	2020
Revenue from the sale of goods and services	192,721	151,932	**105,861**
Revenue from financial investments	67	14	**37**
Other operating income	1,845	1,235	**482**
Direct economic value generated	192,691	151,902	**106,380**

SUSTAINABILITY STATEMENT

INDIRECT ECONOMIC VALUES DISTRIBUTED

KSSC is principally involved in the manufacturing of stainless steel tubes and pipes, and the processing of stainless steel flat products. The annual production of these products, as depicted below, represent KSSC's valuable contribution to the stainless steel fabricators, shipbuilders, architects and building contractors, industrial hardware wholesalers and retailers.

Product	Production (Tonnes)
Stainless Steel Pipes	**1,938**
Stainless Steel Sheets	**1,993**

The healthy financial performance has further contributed to a stable wealth and value distribution to its relevant stakeholders:

Economic Value	RM'000		
	2022	2021	2020
Economic value distributed	(164,988)	(142,247)	**(106,642)**
Economic value retained	1,754	10,934	**(262)**
Operating expenses	(4,995)	(4,411)	**(4,314)**
Wages and other payments to employees	(16,734)	(17,703)	**(12,958)**
Payments to providers of capital	-	(1,152)	**-**
Payment to financial institutions	(2,783)	(1,623)	**(1,359)**
Payment to shareholders	-	(1,152)	**-**
Payment to creditors	(55,994)	(114,736)	**(86,779)**
Payment to the Government including income tax expenses	(4,274)	(3,774)	**(1,232)**
Payment to community investment	(10)	-	**-**

ECONOMIC VALUE VS ENVIRONMENTAL FOOTPRINT

In FY2022, KSSC commenced an evaluation of its business operations' effectiveness in mitigating the environmental impact, with a specific focus on energy and water consumption, as well as carbon emissions.

Despite increased business operations, KSSC was able to maintain its consumption intensity in comparison to FY2021. Furthermore, in FY2023, the Group has implemented the use of solar photovoltaic ("PV") technology for electricity generation, demonstrating its commitment to adopting greener energy sources and reducing its environmental impact.

The following table provides more detailed breakdown of the Group's environmental footprint in relation to its economic value:

Absolute Figures	2022	2021	2020
Revenue (RM'mil)	**192.8**	151.9	105.9
Total Energy Consumption (GJ)	**4,399**	3,100	1,726
Total Carbon Emissions (tonnes CO_2e)	**369.4**	276.7	162.6
Total Water Consumption (m^3)	**1,352**	1,232	946

Intensity Ratios	2022	2021	2020
Energy Consumption (GJ/RM'mil revenue)	**22.8**	20.4	16.3
Carbon Emissions (tonnes CO_2e /RM'mil revenue)	**1.9**	1.8	1.5
Water Consumption (m^3/RM'mil revenue)	**7.0**	8.1	8.9

PRODUCT QUALITY AND SAFETY

At KSSC, the Group has a broad range of facilities and has invested significantly in machinery and equipment. In addition to industrial development, KSSC continuously works with its valued customers to offer precision products that meet diverse requirements of stainless steel materials and specifications. The key value propositions are the Group's intrinsic competence in the manufacturing and fabrication segments. Our comprehensive facilities and expertise have also enabled efficient turnaround times for our operations and given KSSC a distinct competitive advantage over the rest. Our customers are assured of quality, availability and value, which is part of KSSC's mission.

KSSC believes that health and safety is a mandatory right for the workforce, contractors, suppliers, customers and the general public. The Group ensures that health and safety best practices are incorporated into its daily operations and activities. The Group also strives to provide the best practices and tools to enable its workforce to feel safe and secure.

KSSC stainless steel products are made to national and international standards and safe to be used in its intended applications. In fulfilling the Group's objective of ensuring that we consistently deliver high quality products to our customers, our stainless steel products manufacturing facilities have retained ISO 9001:2015 in FY2022. Consistency in delivering high and acceptable quality products ensure that our stainless steel products are safe for their intended use, minimising wastages.

LOCAL PROCUREMENT AND SUPPLY CHAINS

News of supply chain disruptions was common throughout FY2022. In addition, planning to survive the new normal that the pandemic has left us with is complicated. KSSC's initiative to integrate sustainable sourcing gave the most significant advantage in terms of securing the supply of raw materials.

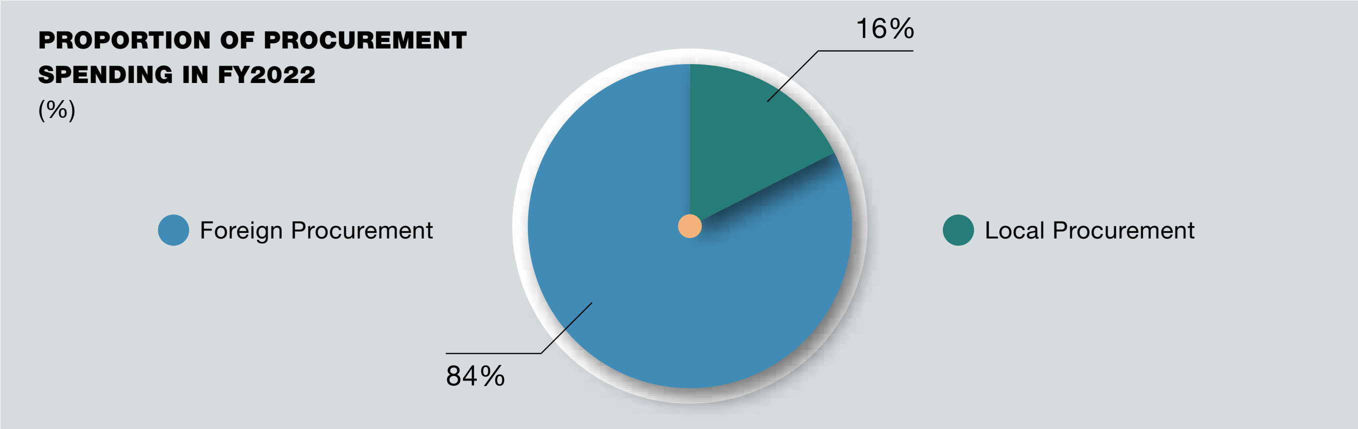
To this end, the Group's local sourcing programme has ensured the reliability and sustainability of its business operations to serve its valued customers, clients and communities, as well as to protect and support its workers. For example, PTM is one of the Group's main subsidiary for purchasing stainless steel coils 304 and 316, which are the main products. These raw materials will then be used for fabricating tubes and cut sheets to supply to manufacturers, automobile, electrical and electronic industries.

KSSC has continued to review and update its Supply Chain and Procurement Policy to ensure processes remain relevant and support the business. The review also involves benchmarking against the latest and best practices of industry players. In this dynamic era of relentless competition and innovation, it is vital for KSSC to comprehend the dynamics of the industry and refine our portfolios and business models to meet the ever-growing demands of our end-users.

In FY2022 and beyond, strategic sourcing solutions and analytics have been integrated to drive value to KSSC's sourcing and procurement activities through better visibility on spending, staff training, and process improvement. The strategic sourcing analysis helped the Group to negotiate favourable terms with its suppliers. Additionally, the Group has standardised its material sourcing practices with a comprehensive checklist that outlines category-specific sourcing strategies, creating total cost optimisation models, as well as market supply analysis.

SUSTAINABILITY STATEMENT

Due to the majority of raw materials being produced by foreign countries, the Group's procurement spending is primarily allocated to overseas suppliers, as indicated in the following illustration:



ENVIRONMENTAL DISCLOSURES

CLIMATE CHANGE

As a responsible industrial manufacturer, KSSC recognises that addressing climate change issues is a joint effort to ensure global temperature do not rise above 1.5°C, which may result in cataphoric climate impacts. Recognising the potential climate impacts that could affect its business value chain, KSSC is cognisant that its resource utilisation leads to carbon emissions and progress toward sustainable consumption across the Group.

EMISSIONS

KSSC's emission sources mainly come from its electricity use and diesel consumption in operating production facilities and warehouses.

Note:
The conversion factor used in Scope 1 emission is based on Malaysia Energy Statistic 2020, and the emission factor is based on the IPCC database. Emission factor used in Scope 2 emission is based on UNFCCC Harmonised Grid Factors 2021. Scope 3 emission source is scoped to include work-related travels by the employees using own vehicle.

The GHG emission has increased exponentially as compared to FY2020 and FY2021. This is because as the COVID-19 pandemic subsides, most businesses resume operations and hence contribute to the supply chain's market demand.

From the identified Scope 1 and Scope 2 emissions, the Group established a five-years strategic plan to reduce its emissions, where FY2020 was set as the baseline year for performance measurement.

Area of Assessment	Five-Years Target (2021 - 2025)	Baseline Result
Scope 1 **Scope 2**	To review and set reduction of 2% per annum.	113.5 Tonnes - CO_2e
Carbon dioxide ("CO_2e")	Maintain an intensity ratio of fewer than two tonnes of carbon dioxide equivalent (tCO_2e) per tonne of crude steel production and 10 % reduction over the next five years.	162.6 Tonnes - CO_2e

In addition to carbon emissions, KSSC is aware that the stainless steel manufacturing process may emit air pollutants which affect the environment and health. For better monitoring in the future, the Group plans to implement environmental monitoring to control emissions.

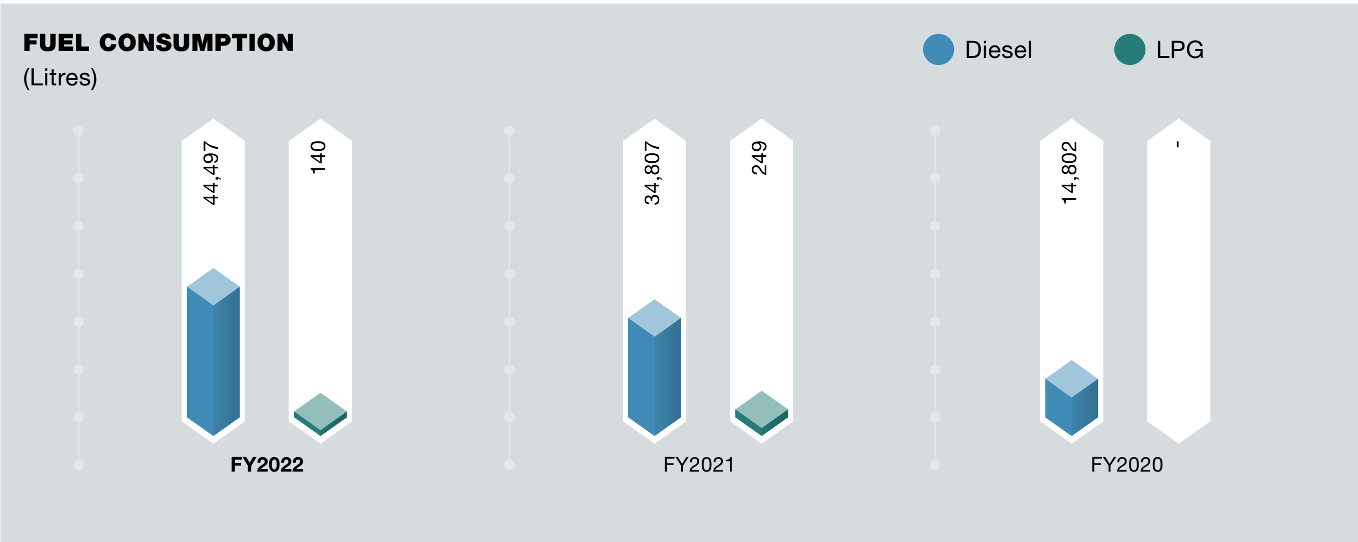
ENERGY CONSUMPTION

Fossil fuel-based energy sources are one of the main contributors to GHG emissions. As part of managing energy consumption, KSSC is committed to monitoring energy consumption and conducting a periodic assessment of energy use. This is to support the year-on-year efforts to reduce energy consumption across the Group.

As part of its commitment to reduce emissions, KSSC is pursuing renewable energy ("RE") implementation in FY2022. As at 2 February 2023, the Group has obtained approval from TNB to operate solar PV system and has since begun utilising it for RE generation.

DIRECT ENERGY CONSUMPTION

For KSSC, manufacturing stainless steel products requires diesel and liquified petroleum gas ("LPG") to operate machinery such as forklifts to move raw materials within the industrial compound. For commercial activities, the Group widely uses the company vehicles to transport goods to the warehouse for distribution.

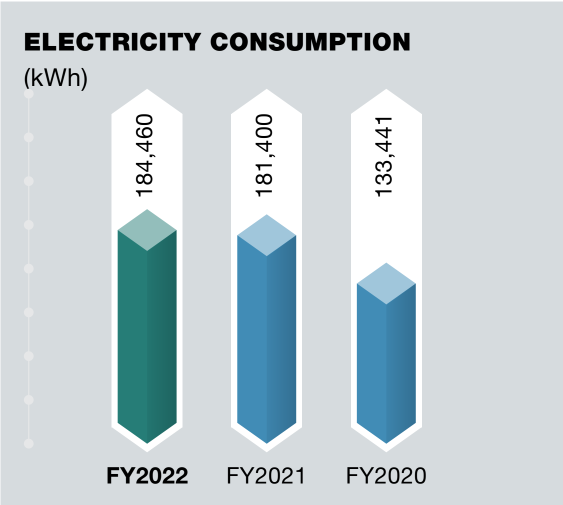


SUSTAINABILITY STATEMENT

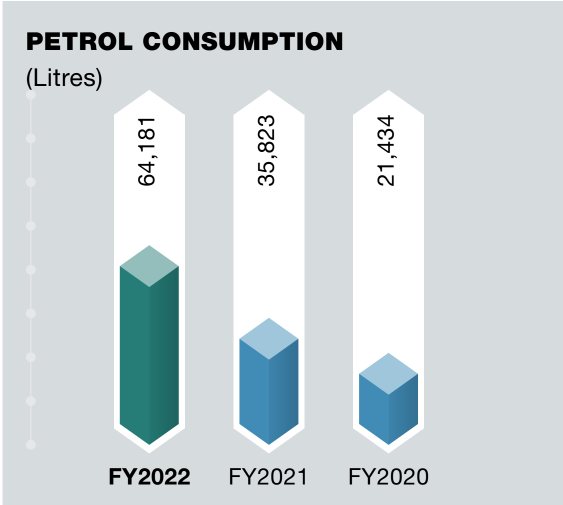
INDIRECT ENERGY CONSUMPTION

Indirect energy consumption refers to the energy consumed during the production of goods and services, such as manufacturing, transportation, and distribution of products.

For KSSC, the electricity is used for supporting infrastructure such as buildings and machinery involved in the production process. Meanwhile, petrol is consumed by the employees using their own vehicles for work-related travels.



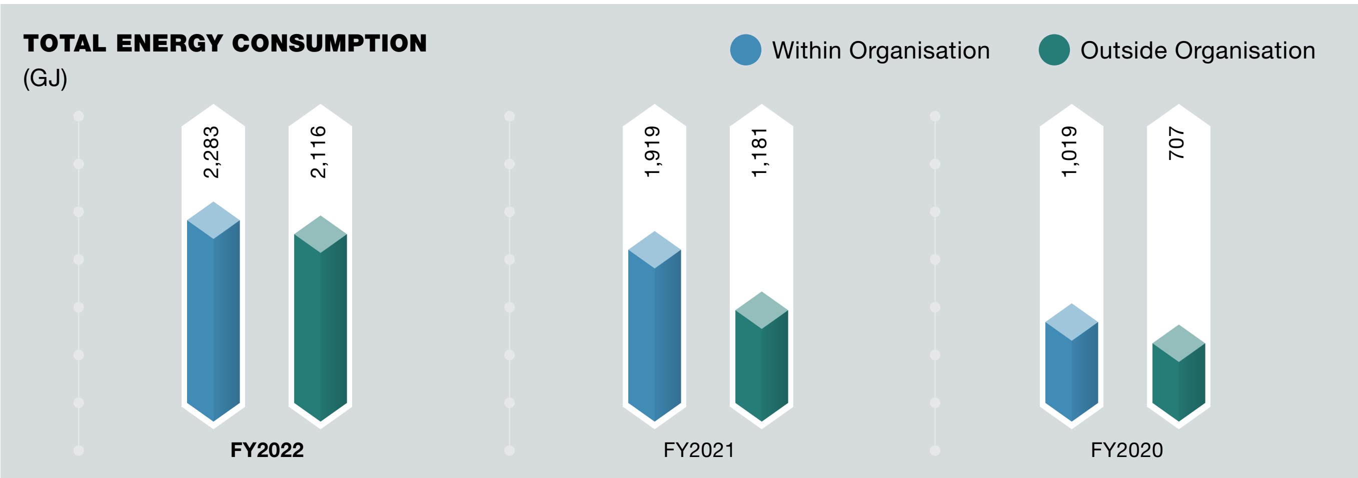
WORK-RELATED TRAVEL



TOTAL ENERGY CONSUMPTION

As KSSC's businesses grow, so does its energy consumption. This is because businesses require more resources and equipment to operate, such as computers, servers, and lighting systems.

The Group's total energy consumption as presented in the following:



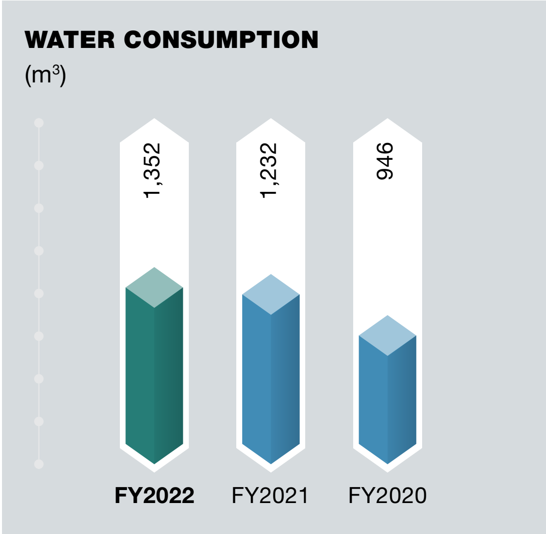
Recognising the increased energy usage, the Group are now taking steps to reduce its energy consumption through energy-efficient technologies and practices, which is in line with its five years strategic plan for carbon reduction.

WATER CONSUMPTION

Water is one of the precious and finite resources. Given its pressing global issues such as water scarcity and pollution, the Group always ensure that the water supply is not sourced from water stressed areas.

In its commitment to water conservation, KSSC has proactively implemented water efficiency in its business operations. For instance, the Group utilises rainwater for non-consumable purposes such as landscaping and nursery, factory cleaning activities, etc.

Led by the Operational manager, the Group continues to identify the consumption hotspots in driving efficiency in water consumption at the targeted business operations and contribute to the sustainability and quality of water supply for all stakeholders.



RESOURCES MANAGEMENT

Good resource management can help to increase productivity, reduce expenses, and promote sustainability in business operations.

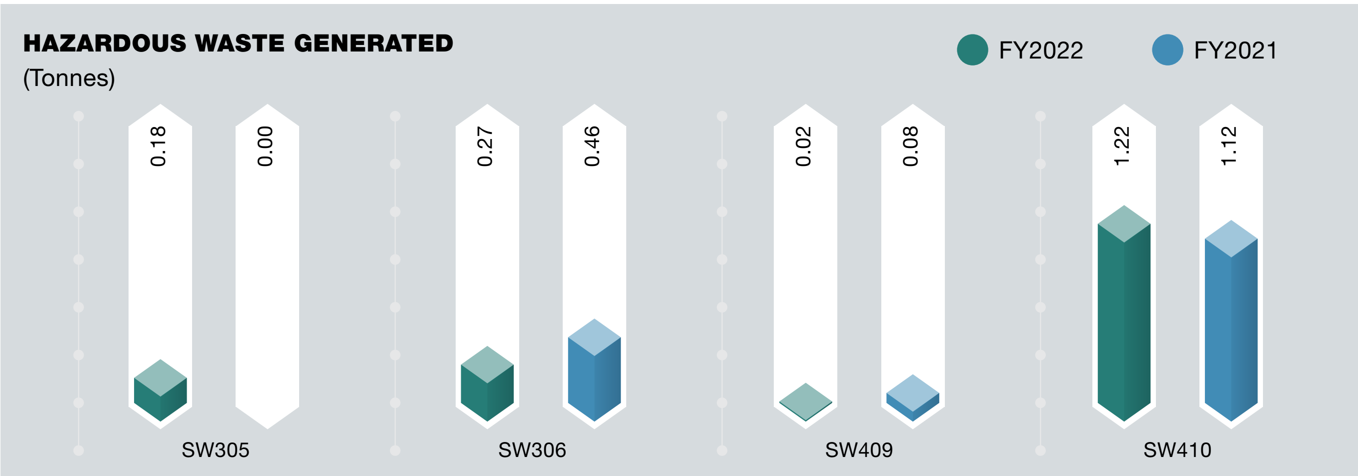
The primary resource consumed by KSSC is stainless steel grade 304, which will be fabricated into various stainless-steel products such as stainless-steel pipes and sheets.

3,931 Tonnes
of Stainless Steel Grade 304 consumed in FY2022

WASTE MANAGEMENT

Waste generation has always been an unavoidable issue in industrial activities, especially for the manufacturing sector, which consumes various raw materials for production. The following outlines the list of scheduled wastes generated by the Group, which is then outsourced to authorised waste management contractor for proper disposal.

Waste Code	Description
SW305	Used lubricating oil
SW306	Used hydraulic oil
SW409	Used containers, bags or equipment that contaminated with chemicals, pesticides, mineral oils or scheduled wastes
SW410	Disposed gloves, rags and plastics contaminated with hazardous materials



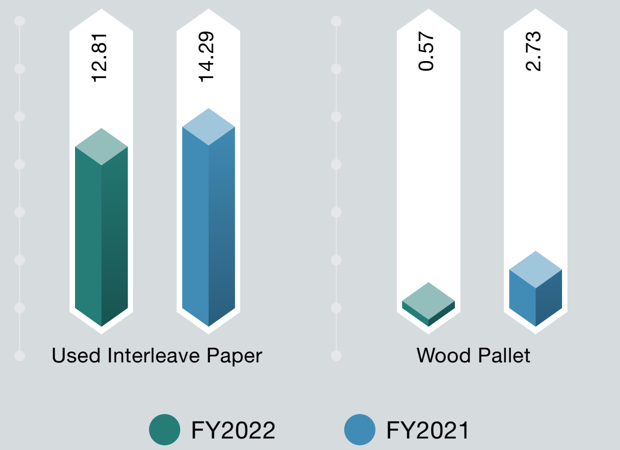
SUSTAINABILITY STATEMENT

The Group believes that a strategic approach to waste management is vital to its overarching commitment to waste reduction. The 3R "Reduce, Reuse, Recycle" implementation is already in place across the Group. Non-hazardous waste including interleave paper and wood pellets from the mother coil, is either recycled back into production or collected by the authorised waste collector for disposal.

As a responsible stainless-steel manufacturer, KSSC recognises the impact of waste generation, which is why KSSC employees are always reminded to use resources efficiently.

NON-HAZARDOUS WASTE GENERATED

(Tonnes)



ENVIRONMENTAL PERFORMANCE MONITORING AND COMPLIANCE

In accordance with Department of Environment ("DOE") regulations, KSSC continuously monitors its environmental performance in all of its business operations to ensure it complies with the standards.

This may include environmental pollution monitoring which is carried out when it is deemed necessary. The Group also plans to implement supplier screening in the future to ensure its suppliers and vendors also comply with the environmental standards of the Group and relevant regulatory laws.

SOCIAL DISCLOSURES

ADVOCATING HUMAN AND LABOUR RIGHTS

KSSC stays vigilant on key social considerations, including human and labour rights which are guided by United Nations Global Compact ("UNGC") on Business and Human Rights and the Children and Young Person Act (Employment) 1966, Malaysia.

HUMAN RIGHTS	Principle 1 - Business should support and respect the protection of international proclaimed human rights Principle 2 - Make sure that there are no complicit in human rights abuses
LABOUR RIGHTS	Principle 3 - Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining Principle 4 - The elimination of all forms of forced and compulsory labour Principle 5 - The effective abolition of child labour Principle 6 - The elimination of discrimination in respect of employment and occupation

Note: The list of principles was extracted from UNGC.

To ensure the human and labour rights matters are well managed, the Group plans to initiate a formal policy to set a human rights guideline for all subsidiaries to adhere to. Although the policy is still in the development phase, the Group continuously monitors for any human rights violations in its business operations.

All forms of modern slavery, including child labour, forced labour, and human trafficking, constitute human rights violations and are strictly prohibited within the Group and its suppliers. The Group will continue to do its due diligence with its suppliers to ensure that they are in strict compliance with applicable human trafficking laws.

With its commitment towards human and labour rights matters, zero incidents have been reported concerning human rights violations in FY2022.

TALENT MANAGEMENT AND DEVELOPMENT

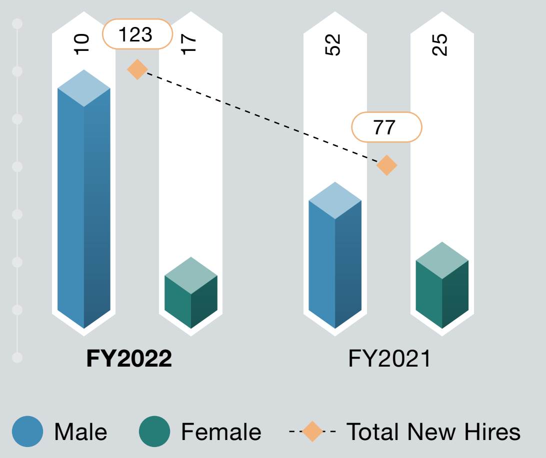
KSSC recognises that its success is driven by its people. As such, the Group places great emphasis on investing in training and development to empower its employees through upskilling initiatives, which in turn enhances the Group's overall productivity. By prioritising the growth and development of its workforce, KSSC demonstrates its commitment to fostering a culture of learning and excellence, and ensuring that its employees are equipped with the necessary skills to contribute to the Group's continued success.

HIRING AND ATTRITION

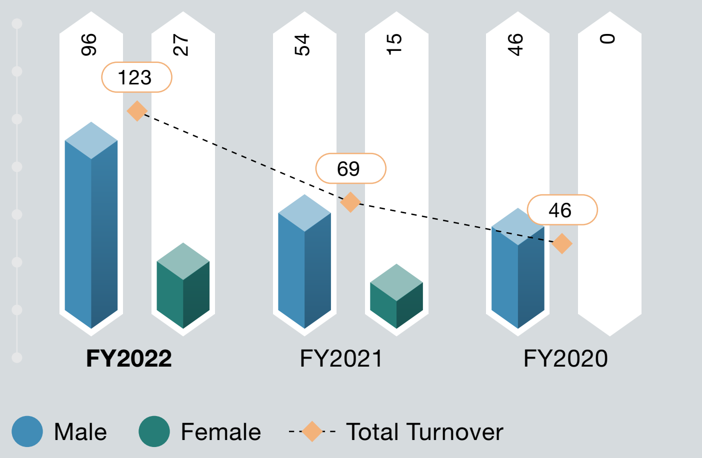
As KSSC pursues more sustainable growth, hiring and attrition are part of human resource management. The Group efficiently manages these aspects in securing a stable workforce, of which 99% of total 253 KSSC's employees are permanent employees as of FY2022.

Regarding the hiring process, recruitment in KSSC is driven only when a vacant position is to be filled in the Group.

NEW HIRES DATA



TURNOVER DATA



Note:
The quantified percentage is based on full-time staff's voluntary turnover.

TURNOVER RATE	FY2022:	FY2021:	FY2020:
	49%	47%	20%

SUSTAINABILITY STATEMENT

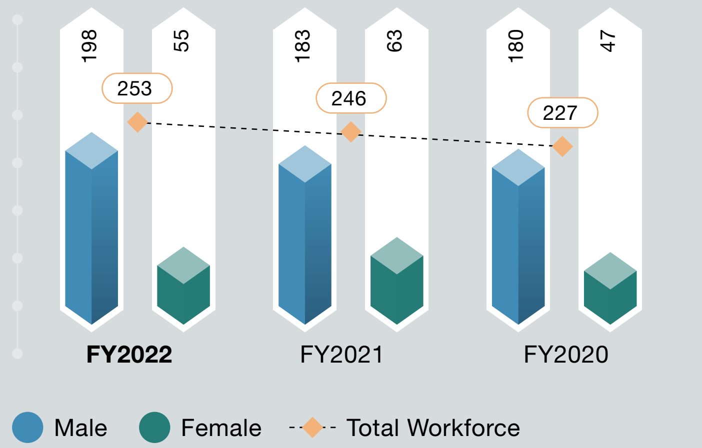
DIVERSITY AND EQUAL OPPORTUNITY

With its consistency in talent management approach, KSSC values a microcosm of multi-cultural, multi-ethnic across Malaysia, inclusive of employees from diverse racial backgrounds.

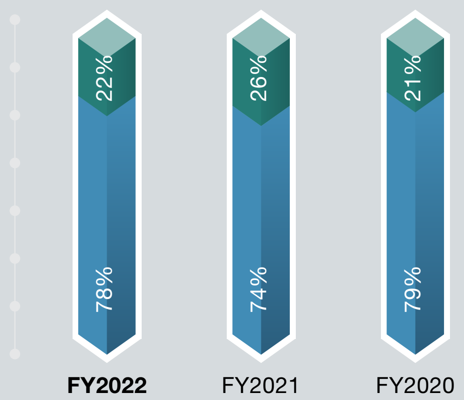
KSSC acknowledges that diverse workforce benefits the Group in gathering innovative ideas from different perspectives to widen experience and learning. Thus, KSSC continued to pledge equal opportunity regardless of differences in gender and background at all levels of employment.

The general presentation of KSSC's workforce as illustrated in the following.

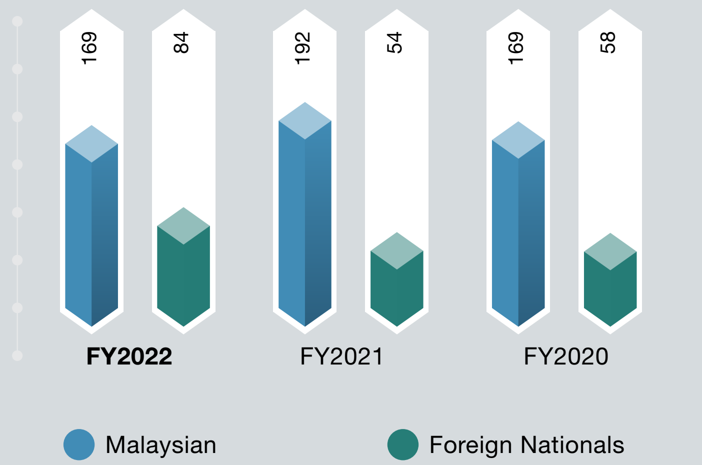
TOTAL EMPLOYEES BY GENDER



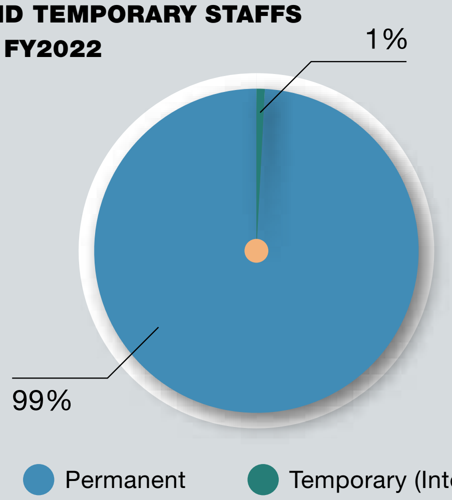
PERCENTAGE BY GENDER



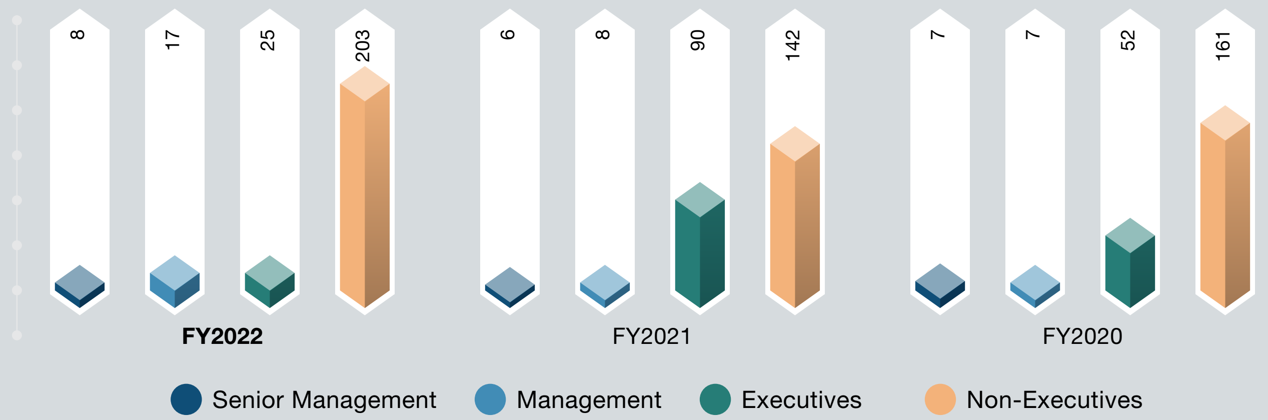
TOTAL EMPLOYEES BY NATIONALITY



PROPORTION OF PERMANENT AND TEMPORARY STAFFS IN FY2022

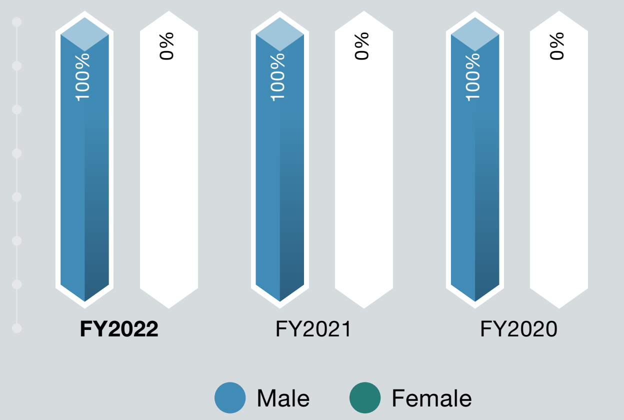


TOTAL EMPLOYEES BY EMPLOYMENT CATEGORIES

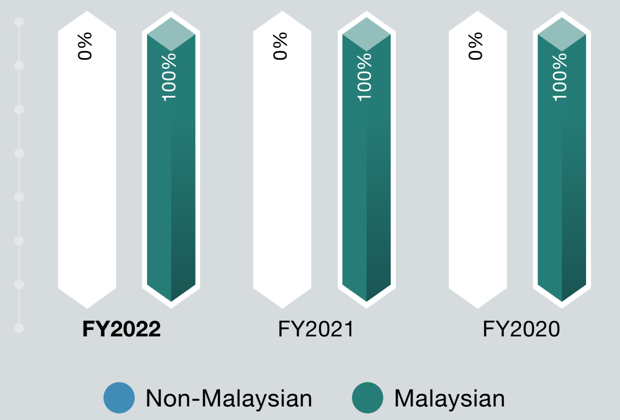


Board of Director Profile

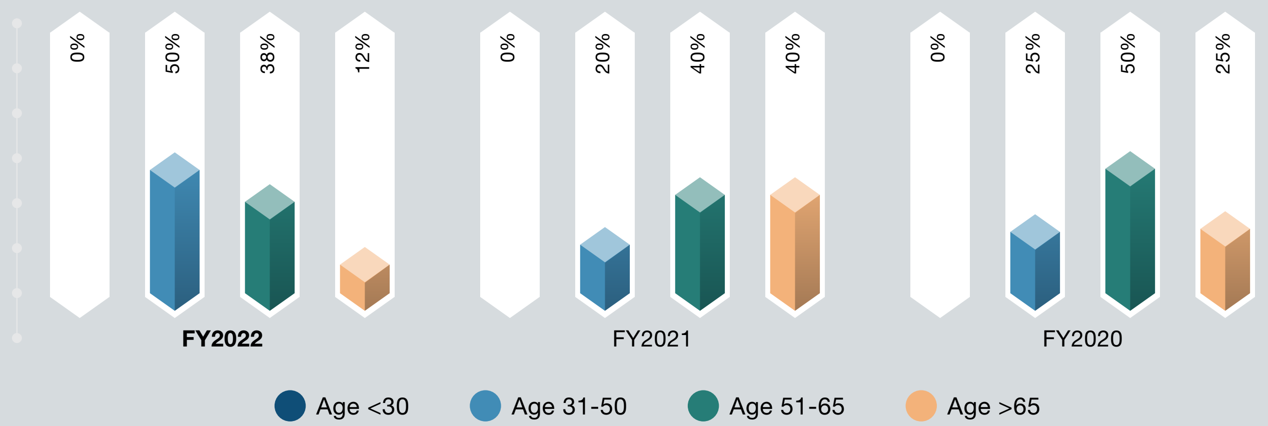
BOARD OF DIRECTOR BY GENDER



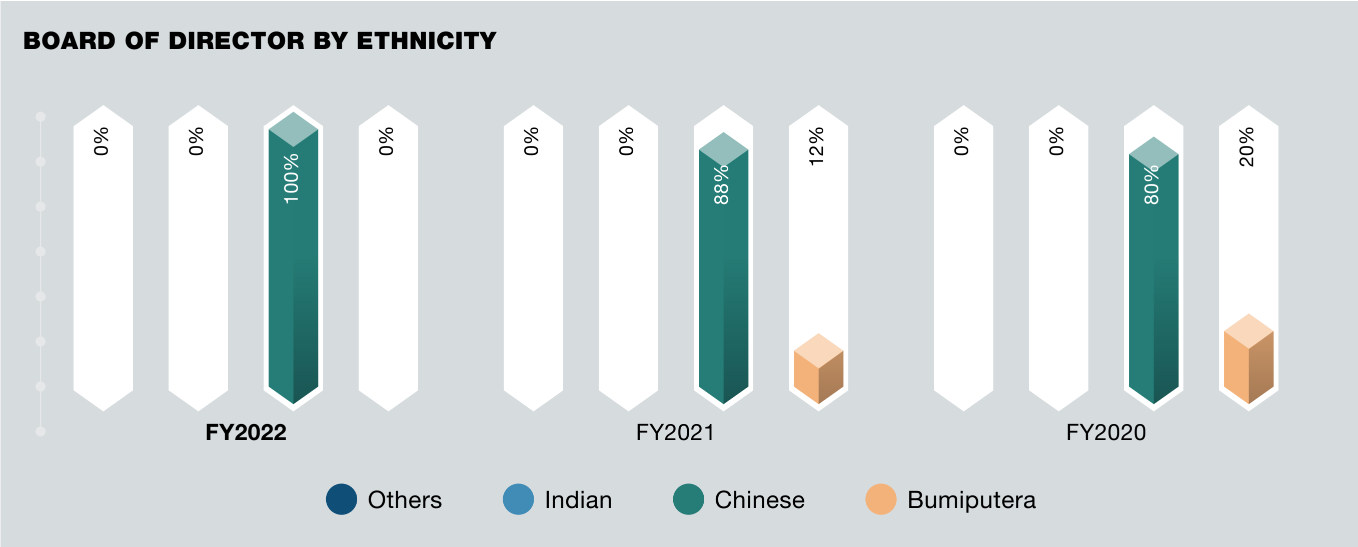
BOARD OF DIRECTOR BY NATIONALITY



BOARD OF DIRECTOR BY AGE GROUP



SUSTAINABILITY STATEMENT



EMPLOYEE BENEFITS AND WELL-BEING

KSSC views employees' welfare and promoting work-life balance as important to drive sustainable growth of the Group. Recognising the contributions of its employees, the Group's appreciation is reflected through the provision of employee benefits, as well as compliance to applicable wage, work hours, overtime and benefits laws.

RM1,478,761	RM148,639	RM14,458
Total statutory payments made for employees' retirement benefits (EPF)	Total payments made for employees' medical insurance (SOCSO)	Total payments made for employees' Employment Insurance System (EIS)

TRAINING AND DEVELOPMENT

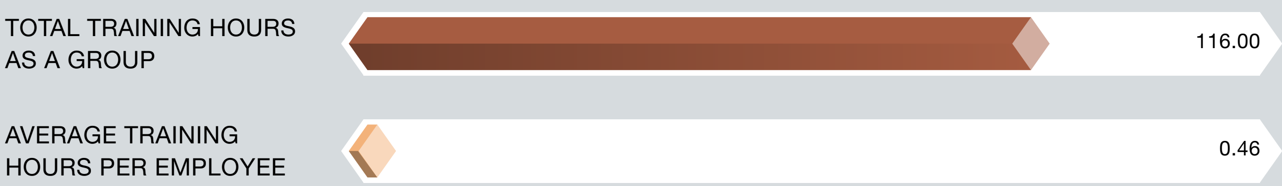
Training and development are essential for any organisation's success. They improve job performance, increase employee engagement and retention rates, help the organization adapt to change, and enhance overall organizational effectiveness. By providing employees with the necessary skills and knowledge, training and development can create a skilled and motivated workforce, which is crucial for achieving business goals and staying competitive in the market.

KSSC is cognisant of the importance of investing in its employees' growth and development. Hence, the Group conducted various discipline-specific training programs to provide its employees with the necessary skills and knowledge to excel in their roles.

In FY2022, the training programmes offered by the Group as listed below:

Training Programmes	Attendance (Pax)
Bursa Malaysia - Advocacy Sessions for Directors and Senior Management of Main Market Listed Issuers	5
Suruhanjaya Syarikat Malaysia – Corporate Talk 2022 – *Usaha Wajar Pelanggan: Apakah Yang Perlu Anda Tahu?*	2
CFO Circle – ESG in the New Normal: A Corporate's Lens	1
MIA AccTech Conference 2022	1
MIA Driving Profitability using the Activity Based Costing	1
MIA Ethics Webinar	1
MIA Webinar Series ESG Risk Management & Due Diligence	1
MIA: Webinar Series Marginal Costing - Hands on Workshop	1
MIA: Webinar Series Kick Start Power Bi Desktop Step by Step Guide to Data Analysis & Visualisation	1
Cybersecurity Awareness Training	106
Cloud Computing : Empower Your Business	1

TRAINING DATA IN FY2022



These programs aim to improve productivity, adaptability, social responsibility, and leadership skills. We invest in our employees' growth and development to ensure they meet the changing demands of our business and industry.

OCCUPATIONAL HEALTH AND SAFETY

For KSSC, the top priority is to provide a safe working environment for all employees, especially for manufacturing and warehousing operations. Recognising the importance, the Group is constantly looking for ways to improve potential safety hazards within the building compound.

In the existing OSH management, the Group's Safety Officer is responsible for overseeing safety matters within the Group. There is currently no involvement from the Board. In order to closely monitor activities related to OSH, the Group regularly conducts Safety Review Meetings.

SUSTAINABILITY STATEMENT

OSH PERFORMANCE

In FY2022, there were two (2) incidents reported in the Forming and Maintenance Department, where a thorough investigation has been conducted.

Incidents	Number of Cases	
	FY2022	FY2021
Fatality	**0**	0
Major Injury	**0**	0
Minor Injury	**2**	2
Dangerous Occurance	**0**	0
Occupational Poisoning	**0**	0
Near Misses	**0**	0
Others	**0**	0

Through the proactive monitoring of safety performance, the Group may utilise the safety data to assess high-risk locations for planning hazard prevention in the future.

SAFETY TRAINING

Safety training is a critical component of any workplace safety program, as it helps employees and management alike understand the hazards present in the workplace and establish effective control measures.

In FY2022, the Group has conducted several safety training programmes as below:

Training Programmes	Attendance (Pax)
Safe Handling of Forklift Truck Training	7
Occupational First Aid, CPR & AED Training	17
Fire Fighting Training	6

COMMUNITY ENGAGEMENT AND DEVELOPMENT

In ensuring the long-term sustainability of its business by creating shared value for its shareholders and the community, the Group endeavours to strike the right balance of business performance, environmental responsibility and the people.

KSSC recognises that no matter how robust the business expansion is, a society with strong moral and ethical values should be progressing hand-in-hand. With the spirit of giving back to the community, the Group initiated various activities and programmes to benefit society at the very beginning.

KSSC's continued commitment to support communities as well as investing time, money and value in aiding those most in need not only helps those receiving the Group's aid, but it also has a positive impact on employee engagement and well-being.

Employees are always encouraged to participate in our community development initiatives through volunteering.

SUSTAINABILITY STATEMENT

Throughout FY2022, the Group made valuable contributions to numerous welfare organisations through both monetary and in-kind support, with the aim of enhancing the operations of these organizations and improving the lives of underprivileged individuals. The yearly contributions and donations made by KSSC in these welfare organisations have no less than RM10,000, demonstrating the Group's commitment to corporate social responsibility ("CSR") and its dedication to making a positive impact on the community.

The KSSC team visited residents at Selangor King George V Silver Jubilee Fund and handed out lunch packs and several food supplies to 35 senior citizens at the old folk's home.

The physically challenged children of Shan Ai Handicapped Welfare Home were excited to receive the specially prepared lunch and many other food and personal hygiene items from KSSC. Due to the strict SOP, the KSSC team could not meet the children in person.

KSSC received a warm welcome from 42 residents of Home for Special People in Cheras, Kuala Lumpur when handing out lunch packs. Due to strict SOP, the residents could not have lunch with the KSSC team. A total of 10 KSSC employees participated in this charity event.

The charity event at BRDB Rotary Children Residence was filled with fun and joy, especially for underprivileged children. Apart from having lunch with the KSSC team, the children were also presented with additional food supplies and personal items for daily use. The contribution benefited 68 residents.

SUSTAINABILITY STATEMENT

BURSA SUSTAINABILITY DISCLOSURE INDEX

SUSTAINABILITY MATTERS	CODE	INDICATORS	PAGE REFERENCE / EXPLANATION
		COMMON INDICATORS	
Anti-corruption	C1 (a)	Percentage of employees who have received training on anticorruption by employee category	27
	C1 (b)	Percentage of operations assessed for corruption-related risks	Information unavailable.
	C1 (c)	Confirmed incidents of corruption and action taken	27
Community/ Society	C2 (a)	Total amount invested in the community where the target beneficiaries are external to the listed issuer	34
	C2 (b)	Total number of beneficiaries of the investment in communities	47
Diversity	C3 (a)	Percentage of employees by gender and age group, for each employee category	42
	C3 (b)	Percentage of directors by gender and age group	43
Energy management	C4 (a)	Total energy consumption	36
Health and safety	C5 (a)	Number of work-related fatalities	46
	C5 (b)	Lost time incident rate	Information unavailable.
	C5 (c)	Number of employees trained on health and safety standards	46
Labour practices and standards	C6(a)	Total hours of training by employee category	45
	C6 (b)	Percentage of employees that are contractors or temporary staff	42
	C6 (c)	Total number of employee turnover by employee category	41
	C6 (d)	Number of substantiated complaints concerning human rights violations	41
Supply chain management	C7 (a)	Proportion of spending on local suppliers	36
Data privacy and security	C8 (a)	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Information unavailable.
Water	C9 (a)	Total volume of water used	39
Waste management	C10 (a)	Total waste generated, and a breakdown of the following: (i) total waste diverted from disposal (ii) total waste directed to disposal	39-40
Emissions management	C11 (a)	Scope 1 emissions in tonnes of CO_2e	36
	C11 (b)	Scope 2 emissions in tonnes of CO_2e	
	C11 (c)	Scope 3 emissions in tonnes of CO_2e	

SUSTAINABILITY STATEMENT

SUSTAINABILITY MATTERS	CODE	INDICATORS	PAGE REFERENCE / EXPLANATION
		SECTOR-SPECIFIC INDICATORS	
Emissions	S4 (a)	Amount of air emissions of pollutants and particulate matter	Information unavailable.
Materials	S5 (a)	Total weight or volume of materials that are used to produce and package products and services	39
Supply Chain (Environmental)	S6 (a)	Percentage of new suppliers that were screened using environmental criteria	Information unavailable.
	S6 (b)	Number of suppliers accessed for environmental impacts	Information unavailable.
Supply Chain (Social)	S7 (a)	Percentage of new suppliers that were screened using social criteria	Information unavailable.
	S7 (b)	Number of suppliers assessed for social impacts	Information unavailable.
Effluents	S8 (a)	Total volume of water effluent discharge over the reporting period	Information unavailable.

GLOBAL REPORTING INITIATIVES

GRI STANDARD		DISCLOSURE	PAGE REFERENCE / REASONS FOR OMMISSIONS
		COMMON INDICATORS	
GRI 2: General Disclosures 2021	2-1	Organizational details	22
	2-2	Entities included in the organization's sustainability reporting	23
	2-3	Reporting period, frequency and contact point	22-24
	2-4	Restatements of information	Environmental Disclosures, 36-40
	2-5	External assurance	24
	2-6	Activities, value chain and other business relationships	30-31
	2-7	Employees	42
	2-8	Workers who are not employees	42
	2-9	Governance structure and composition	56-60
	2-10	Nomination and selection of the highest governance body	60
	2-11	Chair of the highest governance body	25
	2-12	Role of the highest governance body in overseeing the management of impacts	
	2-13	Delegation of responsibility for managing impacts	
	2-14	Role of the highest governance body in sustainability reporting	
	2-15	Conflicts of interest	65
	2-16	Communication of critical concerns	28-29
	2-17	Collective knowledge of the highest governance body	59
	2-18	Evaluation of the performance of the highest governance body	68

SUSTAINABILITY STATEMENT

GRI STANDARD		DISCLOSURE	PAGE REFERENCE / REASONS FOR OMMISSIONS
COMMON INDICATORS			
GRI 2: General Disclosures 2021	2-19	Remuneration policies	25
	2-20	Process to determine remuneration	26
	2-21	Annual total compensation ratio	Information unavailable.
	2-22	Statement on sustainable development strategy	24
	2-23	Policy commitments	26-29, 32
	2-24	Embedding policy commitments	
	2-25	Processes to remediate negative impacts	28-29
	2-26	Mechanisms for seeking advice and raising concerns	
	2-27	Compliance with laws and regulations	26, 40
	2-28	Membership associations	22
	2-29	Approach to stakeholder engagement	30-31
	2-30	Collective bargaining agreements	Information unavailable.
GRI 3: Material Topics 2021	3-1	Process to determine material topics	32
	3-2	List of material topics	32-33
	3-3	Management of material topics	
ECONOMIC			
GRI 3: Material Topics 2021	3-3	Management of material topics	33
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	33
	201-2	Financial implications and other risks and opportunities due to climate change	Information unavailable.
	201-3	Defined benefit plan obligations and other retirement plans	93
	201-4	Financial assistance received from government	Information unavailable.
GRI 3: Material Topics 2021	3-3	Management of material topics	Information unavailable.
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	
	202-2	Proportion of senior management hired from the local community	
GRI 3: Material Topics 2021	3-3	Management of material topics	34
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	Information unavailable.
	203-2	Significant indirect economic impacts	
GRI 3: Material Topics 2021	3-3	Management of material topics	35
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	36

SUSTAINABILITY STATEMENT

GRI STANDARD		DISCLOSURE	PAGE REFERENCE / REASONS FOR OMMISSIONS
GOVERNANCE			
GRI 3: Material Topics 2021	3-3	Management of material topics	26
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	Information unavailable.
	205-2	Communication and training about anti-corruption policies and procedures	27
	205-3	Confirmed incidents of corruption and actions taken	27
GRI 3: Material Topics 2021	3-3	Management of material topics	Information unavailable.
GRI 206: Anti-competitive Behaviour 2016	206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	
GRI 3: Material Topics 2021	3-3	Management of material topics	94-95
GRI 207: Tax 2019	207-1	Approach to tax	
	207-2	Tax governance, control, and risk management	
	207-3	Stakeholder engagement and management of concerns related to tax	Information unavailable.
	207-4	Country-by-country reporting	
GRI 3: Material Topics 2021	3-3	Management of material topics	Information unavailable.
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	
ENVIRONMENTAL			
GRI 3: Material Topics 2021	3-3	Management of material topics	39
GRI 301: Materials 2016	301-1	Materials used by weight or volume	
	301-2	Recycled input materials used	Information unavailable.
	301-3	Reclaimed products and their packaging materials	
GRI 3: Material Topics 2021	3-3	Management of material topics	37
GRI 302: Energy 2016	302-1	Energy consumption within the organization	38
	302-2	Energy consumption outside of the organization	
	302-3	Energy intensity	35
	302-4	Reduction of energy consumption	Not applicable. No energy reduction recorded in FY2022.
	302-5	Reductions in energy requirements of products and services	
GRI 3: Material Topics 2021	3-3	Management of material topics	39

SUSTAINABILITY STATEMENT

GRI STANDARD		DISCLOSURE	PAGE REFERENCE / REASONS FOR OMMISSIONS
ENVIRONMENTAL			
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	Information unavailable.
	303-2	Management of water discharge-related impacts	
	303-3	Water withdrawal	
	303-4	Water discharge	
	303-5	Water consumption	39
GRI 3: Material Topics 2021	3-3	Management of material topics	Information unavailable.
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Not applicable. KSSC does not operate at high biodiversity areas.
	304-2	Significant impacts of activities, products and services on biodiversity	
	304-3	Habitats protected or restored	
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	
GRI 3: Material Topics 2021	3-3	Management of material topics	36
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	
	305-2	Energy indirect (Scope 2) GHG emissions	
	305-3	Other indirect (Scope 3) GHG emissions	
	305-4	GHG emissions intensity	35
	305-5	Reduction of GHG emissions	Not applicable. No reduction of GHG emission recorded in FY2022.
	305-6	Emissions of ozone-depleting substances (ODS)	Information unavailable.
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	
GRI 3: Material Topics 2021	3-3	Management of material topics	39-40
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	
	306-2	Management of significant waste-related impacts	
	306-3	Waste generated	
	306-4	Waste diverted from disposal	
	306-5	Waste directed to disposal	
GRI 3: Material Topics 2021	3-3	Management of material topics	40
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	Information unavailable.
	308-2	Negative environmental impacts in the supply chain and actions taken	

SUSTAINABILITY STATEMENT

GRI STANDARD		DISCLOSURE	PAGE REFERENCE / REASONS FOR OMMISSIONS
		SOCIAL	
GRI 3: Material Topics 2021	3-3	Management of material topics	41
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	41
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	44
	401-3	Parental leave	Information unavailable.
GRI 3: Material Topics 2021	3-3	Management of material topics	Information unavailable.
GRI 402: Labor/ Management Relations 2016	402-1	Minimum notice periods regarding operational changes	
GRI 3: Material Topics 2021	3-3	Management of material topics	45
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	
	403-2	Hazard identification, risk assessment, and incident investigation	
	403-3	Occupational health services	Information unavailable.
	403-4	Worker participation, consultation, and communication on occupational health and safety	45
	403-5	Worker training on occupational health and safety	46
	403-6	Promotion of worker health	Information unavailable.
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	
	403-8	Workers covered by an occupational health and safety management system	
	403-9	Work-related injuries	46
	403-10	Work-related ill health	
GRI 3: Material Topics 2021	3-3	Management of material topics	44
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	45
	404-2	Programs for upgrading employee skills and transition assistance programs	
	404-3	Percentage of employees receiving regular performance and career development reviews	Information unavailable.
GRI 3: Material Topics 2021	3-3	Management of material topics	42
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	42-44
	405-2	Ratio of basic salary and remuneration of women to men	Information unavailable.

SUSTAINABILITY STATEMENT

GRI STANDARD		DISCLOSURE	PAGE REFERENCE / REASONS FOR OMMISSIONS
SOCIAL			
GRI 3: Material Topics 2021	3-3	Management of material topics	40
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	
GRI 3: Material Topics 2021	3-3	Management of material topics	40
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Information unavailable.
GRI 3: Material Topics 2021	3-3	Management of material topics	40
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labour	Information unavailable.
GRI 3: Material Topics 2021	3-3	Management of material topics	40
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Information unavailable.
GRI 3: Material Topics 2021	3-3	Management of material topics	Information unavailable.
GRI 410: Security Practices 2016	410-1	Security personnel trained in human rights policies or procedures	
GRI 3: Material Topics 2021	3-3	Management of material topics	Information unavailable.
GRI 411: Rights of Indigenous Peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples	
GRI 3: Material Topics 2021	3-3	Management of material topics	46
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	47
	413-2	Operations with significant actual and potential negative impacts on local communities	Information unavailable.
GRI 3: Material Topics 2021	3-3	Management of material topics	40
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	Information unavailable.
	414-2	Negative social impacts in the supply chain and actions taken	

GRI STANDARD		DISCLOSURE	PAGE REFERENCE / REASONS FOR OMMISSIONS
		SOCIAL	
GRI 3: Material Topics 2021	3-3	Management of material topics	Information unavailable.
GRI 415: Public Policy 2016	415-1	Political contributions	
GRI 3: Material Topics 2021	3-3	Management of material topics	35
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	Information unavailable.
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	
GRI 3: Material Topics 2021	3-3	Management of material topics	35
GRI 417: Marketing and Labelling 2016	417-1	Requirements for product and service information and labelling	Information unavailable.
	417-2	Incidents of non-compliance concerning product and service information and labelling	
	417-3	Incidents of non-compliance concerning marketing communications	

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The objective of this Corporate Governance Overview Statement ("CG Statement") is to provide an overview of the application of the corporate governance practices of the Company during the financial year ended 31 December 2022 ("FY2022") in accordance with the Malaysian Code on Corporate Governance ("MCCG").

This CG Statement is made pursuant to Paragraph 15.25(1) of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and guidance was drawn from Practice Note 9 of Bursa Securities' Listing Requirements and the Corporate Governance Guide (4th Edition) issued by Bursa Securities with reference to the following three (3) key principles under the leadership of the Board:

Principle A: Board Leadership and Effectiveness
- Board responsibilities
- Board composition
- Remuneration

Principle B: Effective Audit and Risk Management
- Audit Committee
- Risk management and internal control

Principle C: Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders
- Engagement with stakeholders
- Conduct of general meetings

This CG Statement of the Company is available at www.kssc.com.my.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

1.0 Board Responsibilities

The Board of Directors ("the Board") is entrusted to oversee the overall management of the business affairs of the Group, determine all major policies, ensure effective strategies and management are in place, assess the performance of the Group and the management team, and review the systems of risk management and internal control of the Group. When implementing the business plan, the Executive Directors are responsible for executing corporate decisions made by the Board while the Non-Executive Directors scrutinize the management performance by providing independent views and advice in the interests of the shareholders at large.

To ensure effective discharge of their function and responsibilities, the Board has defined and collectively reviewed and approved the roles and responsibilities as well as the schedule of reserved matters in the Board Charter. In order to assist the Board in the oversight function on specific responsibility areas, the Board has established three (3) Board Committees, namely:

(i) Audit and Risk Management Committee ("ARMC")
(ii) Nomination Committee ("NC")
(iii) Remuneration Committee ("RC")

Governed by their respective Terms of References, the Chairman of the respective Board Committees shall report to the Board on their meeting proceedings and deliberations as well as make recommendations to the Board on the matters under their purview. The Board ensure all Directors have unrestricted access to the advice and services of Senior Management and Company Secretaries and may obtain independent professional advice at the Company's expense in order to discharge their duties effectively.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

1.0 Board Responsibilities (continued)

The Chairman instils good governance practices, leadership and effectiveness in the Board through chairing of board meetings and deliberating together with the Board members on board matters and policies.

The Board is supported by three (3) professional Company Secretaries who carry out the responsibilities of the company secretarial function for the Group. These Company Secretaries have the requisite credentials and are qualified to act as Company Secretaries under Section 235(2) of the Companies Act 2016. The Company Secretaries assists the Board in discharging its duties in regard to compliance with regulatory requirements, guidelines, legislations and the principles of best corporate governance practices.

During the FY2022, the Board had reviewed and approved:

1) Quarterly results
2) Related party transaction/Recurrent related party transactions
3) Audit Committees' Report on Audit Plan
4) Annual report 2021
5) Updated Board charter, term of reference for the respective committee
6) Fit and proper policy
7) Bonus issue of warrants and shares
8) Established of an employees' share option scheme
9) Establish ESOS Committee and authorise the ESOS Committee to adopt the ESOS By-Laws

The Board had established the Anti Bribery and Corruption Policy in keeping with the commitment set forth to prevent bribery and corruption. KSSC takes a zero-tolerance approach to bribery and corruption and is committed to acting professionally, fairly and integrity in all business dealings and relationships wherever the Group operates and expects the individuals and organization the Group works with to uphold and adopt the same approach.

As an additional measure to safeguard the integrity of the Group, the Board has defined its Whistleblowing Policy to provide guidance for stakeholders to report genuine concerns of any possible improprieties pertaining to financial reporting, compliance, malpractices and unethical business conduct within the Group. In addition, the Board has also defined its Code of Conduct and Ethics which serves as a tool for the Board to convey and instill its values into the organization.

The Board Charter, Terms of Reference of the Board Committees, Director's Fit and Proper Policy, Anti Bribery and Corruption Policy, Whistleblowing Policy and Code of Conduct and Ethics are also available on the Company's website at www.kssc.com.my.

2.0 Board Composition

The appointment of Board is based on objective criteria, merit and with due regards for diversity in skills, experience, age and gender. When considering the appointment of directors, the Nomination Committee will be guided by the Fit & Proper Policy and consider the following attributes in the recruitment and screening process:

- Skills, knowledge, expertise and experience;
- Professionalism;
- Integrity;
- Boardroom diversity including gender diversity; and
- In the case of candidates for the position of Independent Non-Executive Directors, the committee should also evaluate the candidates' ability to discharge such responsibilities/ functions as expected from Independent Non-Executive Directors.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

2.0 Board Composition (continued)

During the FY2022, the Board comprised of 7 members of which 4 were Independent Non-Executive Directors, which fulfils the prescribed requirement of 1/3 of the Board to be independent as stated in Paragraph 15.02 of the Listing Requirement of Bursa Securities. Presently, there are 5 Directors and their profiles are set out in the Directors' Profile in this Annual Report.

The presence of Independent Non-Executive Directors from various fields are invaluable assets to the Company and fulfil the pivotal role in corporate accountability. The role of Independent Non-Executive Directors is particularly important as they provide unbiased and independent views, advices and judgements to take into account the interests of the Group and stakeholders.

The Board understands that quality of information affects the effectiveness of the Board to oversee the conduct of business and to evaluate the Management's performance of the Group. Information and materials that are important to the Board's understanding of the business to be conducted at a Board or committee meeting will be distributed to the Directors in order to provide ample time for review beforehand. Notice of Board meetings are usually issued at least five (5) working days prior to the meeting. Upon conclusion of meeting, the Company Secretary will ensure that accurate and proper records of the proceedings and resolutions passed are recorded and the minutes is circulated to the Board members before the next meetings.

During FY2022, there were seven (7) Board meetings held and all the Board Papers were circulated to the Board in a timely manner.

The attendance of Directors who are members of Board Committees during FY2022 were as follows:

Director	Designation	Board of Directors	ARMC	NC	RC
Koh Seng Lee (Resigned on 16 January 2023)	Group Managing Director	7/7	-	-	-
Tsen Ket Shung @ Kon Shung (Resigned on 31 January 2023)	Executive Director	7/7	-	-	-
Dr Teh Chee Ghee (Resigned on 31 December 2022)	Independent Non-Executive Director	7/7	6/6	2/2	2/2
Tuan Haji Zainal Rashid bin Haji Mohd Eusoff (Retired on 25 May 2022)	Independent Non-Executive Director	1/2	1/2	0/1	0/1
Yap Chee Kheng (Resigned on 23 February 2023)	Non-Independent Non-Executive Director	7/7	5/5	1/1	1/1
Koh Yi Hao (Appointed on 3 January 2022 and resigned 16 January 2023)	Alternate Director to Koh Seng Lee	7/7	-	-	-
Dato' Tin @ Tan Pek-Han (Appointed on 3 January 2022 and resigned on 23 February 2023)	Independent Non-Executive Director	7/7	3/3	2/2	2/2
Chang Tian Kwang (Appointed on 31 March 2022 and resigned on 31 October 2022)	Independent Non-Executive Chairman	4/4	-	-	-

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

2.0 Board Composition (continued)

The Directors were encouraged and afforded the opportunity to upskill and keep themselves abreast with the market and regulatory changes throughout the financial year. During the FY2022, the Directors attended continuous professional development programme covering various topics ranging from financial, changes in statutory and regulatory requirements, governance, sustainability and industry knowledge. During FY2022, the Directors attended the following training programmes:

Directors	Conference/Seminar/Workshop	Presenter/Organiser
Chang Tian Kwang	Board of Directors Series 101 Program (Module 1 to 3)	Boardroom Corporate Services Sdn Bhd
	Insights into Task Force on Climate-Related Financial Disclosures and Sustainable Finance	KPMG Board Leadership Centre
	Auditing Accounting Estimates and Related Disclosures with a Focus on Property Valuation Confirmation	Royal Institution of Surveyors Malaysia
	2022 MFRS Updates Seminar	KPMG PLT
Dr Teh Chee Ghee	Asia Pacific Thought Leadership Forum - 2022 Economic Outlook - A Roaring Tiger or a Lazy Cat?	10th ACCA
	Audit Committee conversation with Bursa Malaysia	Securities Commission
	Move ahead with Sustainability-Know your company's carbon footprint	Malaysian Plastics Manufacturers Association (MPMA)
	Banking on Islamic Finance for a Sustainable future	MICPA
	Roundtable Discussion on the International Sustainability Standards Board (ISSB) Exposure Drafts	MICPA
	Transfer Pricing on Intercompany Financing	BDO
	Tax Investigation Webinar TIW22	KPMG
	Royal Institution of Surveyors Malaysia (RISM) Seminar on Valuation	MIA
	Climate Governance: A Standing Item on Board Agenda	Bursa Malaysia Securities Berhad
	Sustainable Development Goals (SDGs) Investment Forum ASEAN 2022	UN Global Compact Network Malaysia & Brunei (UNGCMYB)
	Anti-Bribery and Anti-Corruption	AI Smartual Learning Sdn Bhd
	Embedding Sustainability Practices and Compliance with the Listing Requirements and Report Writing for Sustainability Report	AI Smartual Learning Sdn Bhd
Yap Chee Kheng	The Rise of a Commodities -Backed Currency	Wealthfort
	Pitfalls & Opportunities in ESG Investing	Bursa Malaysia Securities Berhad
	Win-Win Negotiation	CTOS

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

2.0 Board Composition (continued)

Nomination Committee Statement

During the FY2022, the NC comprised of three (3) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Directors as follows:

Name	Designation	Directorship
Dr Teh Chee Ghee (Resigned on 31 December 2022)	Chairman	Independent Non-Executive Director
Dato' Tin @ Tan Pek-Han (Resigned on 23 February 2023)	Member	Independent Non-Executive Director
Tuan Haji Zainal Rashid bin Haji Mohd Eusoff (Retired on 25 May 2022)	Member	Independent Non-Executive Director
Yap Chee Kheng (Resigned on 23 February 2023)	Member	Non-Independent Non-Executive Director

As stated in the Terms of Reference of the Nomination Committee, one of the duties of Nomination Committee is to properly document all assessments and evaluations and report to the Board all the results of the assessments and evaluations on an annual basis. The Board acknowledges the requirement to perform the assessment. However, this was not conducted as there were changes in the Board of Directors towards the end of 2022 and early 2023.

3.0 Remuneration Committee

The remuneration of Directors is determined at levels which enable the Company to attract and retain Directors with the relevant experience and expertise to manage the business of the Group effectively. The RC oversees the remuneration of Directors. The remuneration for Directors is in line with the Board's aim to retain, attract and reward talent based on industry benchmarks.

The remuneration packages for Executive Directors are reviewed by the RC and recommended to the Board for approval. It is then decided by the Board without the respective Executive Directors' participation in determining their remuneration.

The remuneration details of the individual Directors for FY2022 are disclosed in page 31 of the CG Report. The Board is of the view that the disclosure of the Senior Management's remuneration components will not be in the best interest of the Group given the competitive human resources environment as such disclosure may give rise to talent recruitment and retention issue. Also premised on the confidentiality of the remuneration package of the Senior Management, the Board has adopted a disclosure of the Senior Management remuneration in bands of RM50,000 on an unnamed basis.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

1.0 Audit & Risk Management Committee

The members of ARMC comprise of fully Independent Non-Executive Directors. The Chairman of the ARMC is distinct from the Chairman of the Board so as to promote unfettered objectivity during the Board's review of the ARMC's findings and recommendations. The current ARMC composition meets the requirements of Paragraph 15.09 of the Listing Requirement of Bursa Securities. where the ARMC Chairman, Dr Teh Chee Ghee is a member of Malaysian Institute of Certified Public Accountants and member of Malaysian Institute of Accountants. The present composition of the ARMC allows it to possess the requisite level of financial literacy and business acumen to have a sound understanding of the financial matters of the Group as well as an understanding of the latest developments in financial reporting, accounting and auditing standards.

None of the members of the ARMC are former audit partners of the current external audit firm of the Group. As stated in the Terms of Reference of the ARMC, the Committee is mindful of the minimum three (3) years cooling off period best practice under the MCCG when considering the appointment of former key audit partner from its current external audit firm to ensure that the review of the Group's financial statements and the performance and independence of the External Auditors are being done objectively by the Committee.

Before the commencement of the current financial year audit, the AC had reviewed and deliberated with the External Auditors on their audit planning memorandum, covering the audit risk areas, approach, emphasis and timeline. The AC also noted the External Auditors' independence check and confirmation procedures carried out in the firm as well as no conflict of interest for rendering their non-audit services to the Group presently.

Full details of the ARMC's duties and responsibilities are stated in its Terms of Reference which is made available on the Company's website at www.kssc.com.my and the detailed disclosure on the role and activities undertaken by the AC during the financial year is provided in the ARMC Report of this Annual Report.

2.0 Risk Management and Internal Control Framework

The Board has ultimate responsibility for reviewing the Company's risks, approving the risk management framework and policy and overseeing the Company's strategic risk management and internal control framework to achieve its objectives within an acceptable risk profile as well as safeguarding the interest of stakeholders and shareholders and the Group's assets.

The Board is supported by the ARMC which reports to the Board regarding the Group's risk exposures, including a review of risk assessment model used to monitor the risk exposures and the Management's view on the acceptable and appropriate level of risks faced by the Group. The ARMC is chaired by Dr Teh Chee Ghee and comprises a majority of Independent Directors. The ARMC will continue to evaluate, review and monitor the Group's risk management framework and activities on on-going basis to identify, assess and monitor the key business risks of the Company to safeguard shareholders' investment and Company's assets.

The Company also engage outsourced internal auditors to provide independent assessments on the adequacy, efficiency and effectiveness of the Company's internal control system. The internal auditors report directly to the AC and internal audit plans are tabled to the ARMC for review and approval by the Board to ensure adequate coverage.

The process of the risk management and internal control are ongoing, which are undertaken by each department within the Company. The Company will continuously enhance the existing system of risk management and internal control by taking into consideration the changing business environment.

Further details on the features of the risk management and internal control framework, and the adequacy and effectiveness of this framework, are disclosed in the Statement on Risk Management and Internal Control in this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

1.0 Engagement with stakeholders

The Board is committed to ensure effective, transparent and timely communication with the stakeholders. Shareholders and other stakeholders are kept informed of the latest developments of the Group via announcements to Bursa Securities, annual reports, quarterly financial results, circulars to shareholders and press releases.

In addition, the Company maintains a corporate website at www.kssc.com.my to promote accessibility of information to the Group's diverse stakeholder groups. The Board ensures that the website is regularly updated with recent announcements, past and current reports to shareholders as well as news and press releases pertaining to the Group. Any comments, queries and suggestions can be directed to a designated e-mail address, namely enquiry@kssc.com.my.

KSSC is not categorised as "Large companies" and thus, have not adopted integrated reporting based on a globally recognised framework.

2.0 Conduct of General Meetings

The AGM serves as the primary platform for shareholders to engage the Board and Senior Management in a productive two-way dialogue. Shareholders are accorded with the opportunity to put forward questions and seek clarifications on the broad areas of the Group's performance, business activities and outlook during a Question & Answer session held during the AGM.

The Company is mindful of the requirements to ensure the notice of the upcoming AGM will be issued to the shareholders at least 28 days. All Directors will also attend the upcoming AGM and ensure that the AGM supports meaningful engagement between the Board, senior management and shareholders. The minutes of the general meeting will be made available to shareholders no later than 30 business days after the general meeting.

COMPLIANCE WITH MCCG

The Board is satisfied that during the FY2022, the Company has substantially complied with the best practices of the MCCG on the application of the principles and best practices in corporate governance.

This CG Statement was approved by the Board on 12 April 2023.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

COMPOSITION

As at the FY2022, the ARMC comprises of the following members all of whom are Non-Executive Directors:-

Chairman	:	Dr Teh Chee Ghee (Resigned on 31 December 2022)	Independent Non-Executive Director
Members	:	Mr Yap Chee Kheng (Resigned on 23 February 2023)	Non-Independent Non-Executive Director
	:	Dato' Tin @ Tan Pek-Han Resigned on 23 February 2023)	Independent Non-Executive Director
	:	Tuan Haji Zainal Rashid Bin Haji Mohd Eusoff (Retired on 25 May 2022)	Independent Non-Executive Director

Ms Er Kian Hong was appointed on 6 January 2023 as Chairman of the ARMC. Datuk Low Chin Koon and Mr Teh Boon Beng were appointed as members of ARMC on 16 January 2023. All of them are Independent Non-Executive Directors.

TERMS OF REFERENCE

The Terms of Reference of the ARMC is available at www.kssc.com.my.

The ARMC members have undergone relevant trainings during the financial year to apprise the regulatory changes as well as to stay abreast with contemporary issues affecting the Group. Details of the ARMC members' trainings are spelt out in the Company's Corporate Governance Overview Statement in this Annual Report.

ROLE OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

The Board has entrusted the ARMC with the following responsibilities to overseeing the financial reporting process, the audit processes and the risk management functions:

- To review the Group's quarterly results and year-end financial statements;
- To review the External Auditors' Audit Plan and Audit Report;
- To review the assistance and cooperation given by the employees to the External Auditors;
- To meet with the External Auditors once during the FY2022 without the presence of any executive Board members;
- To assess the Group's risks profile and to mete it out with the appropriate internal audit plan and internal control system;
- To review the internal audit plan and processes, the findings, investigation undertaken, and whether or not any appropriate action is taken on the recommendations of the internal audit function, and reporting the same to the Board;
- To receive risks reports and update reports from the Risk Officers and respective Heads of Division;
- To review the independence of the Group's internal and external auditors and the processes adopted by the auditors;
- To review the Recurrent Related Party Transactions to ensure they are not detrimental to the minority; and
- To review the Company's compliance of the relevant Accounting Standards and other legal requirements.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

SUMMARY OF ACTIVITIES UNDERTAKEN BY THE AUDIT AND RISK MANAGEMENT COMMITTEE DURING THE FINANCIAL YEAR

In line with the Terms of Reference of the ARMC, the following activities were carried out by the ARMC during the FY2022 in discharging its functions and duties:-

Financial Performance & Reporting

- The ARMC reviewed the unaudited quarterly financial results and announcements and annual financial statements of the Group before submission to the Board of Directors for approval. This was to ensure that the financial statements were in compliance with the provisions of the Companies Act 2016, Malaysian Financial Reporting Standards, International Financial Reporting Standards and Listing Requirements of Bursa Securities.
- The ARMC reported to the Board on significant audit issues and concerns discussed during the ARMC meetings which have a significant impact on the Group from time to time, for consideration and deliberation by the Board.
- The ARMC reviewed the ARMC Report, the Sustainability Statement and the Statement on Risk Management and Internal Control before submission to the Board for approval and inclusion into the Annual Report of the Company.

External Auditors

- Discussed and reviewed the External Auditors' Audit Planning Memorandum for the FY2022 outlining their responsibilities, engagement team, background of the group, business highlights, materiality, audit risk assessment, significant risks and areas of audit focus, consideration of fraud, internal control plan and involvement of internal auditors, involvement of component auditors, timetable, engagement quality control, independence policies and procedures and audit fees.
- Deliberated on the External Auditors' report at its meeting with regard to the relevant disclosures in the annual audited financial statement for the FY2022.
- Reviewed the External Auditors' findings arising from audits, particularly comments and management's responses towards the management letter issues and their actions to resolve them.
- Discussed and reviewed with the External Auditors the applicability and the impact of the new accounting standards and new financial reporting regime issued by the Malaysian Accounting Standards Board.
- Dialogue session with the External Auditors, without the presence of the Executive Directors and management.
- Reviewed and evaluated the performance and effectiveness and Independence of the External Auditors. The ARMC assessed the integrity, capability, professionalism and work ethics of the External Auditors. After satisfying themselves with the External Auditor's performance, they recommended to the Board the re-appointment of the external auditors at the Annual General Meeting.
- To discuss audit matters with the External Auditors for the FY2022.

Internal Audit

- Reviewed the scope of work and audit plans for the Group prepared by the Internal Auditors.
- Reviewed the Internal Audit Report for the FY2022 and assessed the internal audits' findings, recommendations with the Management's responses.
- Reviewed and assessed the Internal Auditors performance based on their staff strength, resources, professional integrity, independence, familiarity with Group's operation and recommended to the Board for the re-appointment.
- Reviewed the adequacy and performance of Internal Audit function and its comprehensiveness of the coverage of activities within the Group.
- The areas and operating processes reviewed by the Internal Auditors are as follows:-
  (a) Sales to receipt and credit control;
  (b) Production operation process; and
  (c) Procurement to Payment.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

Related Party Transactions ("RPT") and Conflict of Interest ("COI")

All Board members will disclose if they have any RPT transaction during the quarter at every quarterly Board meeting.

The ARMC reviewed the RPT and COI situation that may arise within the Company and its Group including any transaction, procedure or course of conduct that raises questions of management integrity every quarterly.

The ARMC reviewed and determined whether the RPT and COI situation presented by the Management is fair, reasonable and on normal commercial terms and in the best interest of the Company prior entering into such transaction.

ARMC has to review the RPT and Recurrent RPT ("RRPT"), if there are fair, reasonable and on normal commercial terms and in the best interest of the Company prior to the Company entering into such transaction. All RRPT must be transacted at arm's length.

The ARMC must:

(a) Ensure that there are adequate oversight over the controls on the identification of the interested parties and identification of the RPT and possible COI situations; and

(b) Assess and address the reasonableness of the RPT and COI situation to ensure that interested parties do not abuse their powers to gain unfair advantages.

During the financial year under review, all RPT has been disclosed in the financial statements and no COI situation reported.

Others

The ARMC had reviewed the disclosure statements on Corporate Governance and Sustainability Statements; and recommended their adoption to the Board, for inclusion in this Annual Report.

INTERNAL AUDIT FUNCTION

The Group has outsourced its internal audit function to Messrs Moore Stephens Associates PLT. The Internal Auditors had engaged with the various Heads of Division to conduct the enterprise risk management, to meet the risk appetites with the internal control and control plan. The Internal Auditors regularly review and appraise the effectiveness of the internal control system, governance and risk management within the Company and the Group.

The Internal Auditors report directly to the ARMC and they are given full access to all the documents relating to the Company and the Group's governance, financial statements and operational assessments.

The Company recognised that the internal audit function is important in assisting the ARMC to execute its oversight function and discharge its duties and responsibilities. They perform independent reviews to ensure adequacy and effectiveness of the internal control and risk management systems established by the Group.

The ARMC deliberate and discuss the report issued by the internal auditors. Its recommendations were duly acted upon by the Management with proper follow-up actions.

The internal audit plan covers the review of the adequacy of financial and operational controls, compliance with laws and regulations and risk monitoring activities.

The primary responsibility of the internal audit function is to assist the Board and the ARMC in reviewing and assessing whether the management systems of internal control procedures are effective and provide recommendations to strengthen these internal control procedures so as to foster a strong management control environment.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

INTERNAL AUDIT FUNCTION (continued)

The Internal Auditors have organized their work in accordance with the principles of the internal auditing standards covering the conduct of the audit planning, execution, documentation, communication of findings and consultation with key stakeholders on the audit concerns.

The Internal Auditors conducted the risk management profile to map out the proposed action plan to address those high-priority risks. Thereafter, the Internal Auditors would recommend and present the internal audit plan to the ARMC for approval annually before commencement of the internal audit work. During the quarterly meetings following the presentation of the internal audit report, the ARMC will review the progress and coverage of the internal audit plan to ensure that the audit direction remains relevant and is in line with the expectations of the ARMC.

Prior to the presentation of reports and findings to the ARMC, comments from the Management were obtained and incorporated into the internal audit findings and report.

The internal audit report also covered the follow-up by the Management on the implementation of the recommendations in their earlier reports.

The details of the internal audit functions during the period under review is stated in the Statement on Risk Management and Internal Control of this Annual Report.

The total cost incurred for the internal audit function of the Group for the FY2022 was RM55,000.

This statement was approved by the Board on 12 April 2023.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

Paragraph 15.26 (b) of the Listing Requirements of Bursa Securities stipulates that a listed issuer must ensure that its board of directors makes a statement ("Statement on Risk Management and Internal Control" or "Statement") about the state of risk management and internal control of the listed issuer as a group. Accordingly, the Board of Directors (the "Board") is pleased to provide the Statement on Risk and Management and Internal Control, which outlines the nature and scope of the risk management and internal control system in the Group (comprising the Company and its subsidiaries) for the FY2022 and up to the date of approval of this Statement for inclusion in the Annual Report of the Company. For disclosure, this Statement considers the "Statement on Risk Management and Internal Controls - Guidelines for Directors of Listed Issuers", a publication of Bursa Securities that guides boards of directors on the issuance of the Statement on Risk and Management and Internal Control.

BOARD RESPONSIBILITY

The Board acknowledges its overall responsibility for the Group's system of risk management and internal control to safeguard shareholders' investment and the Group's assets and review its adequacy and integrity. The Board is mindful of the need to establish clear roles and responsibilities in discharging its fiduciary and leadership functions in line with Practice 1.1 of the MCCG. Accordingly, the Board is aware that its principal responsibilities, as outlined in the Guidance of the MCCG, include, inter-alia, the following:

- ensure there is a sound framework for internal control & risk management;
- understanding and identifying principal risks of the business and ensuring the implementation of appropriate controls and mitigation measures;
- sets the risk appetite, within which the management is expected to operate; and
- reviewing the adequacy and integrity of the management information and internal controls system of the Company.

The Group has in place a risk management process to identify and evaluate significant risks, comprising strategic, financial, and operational risks and a system of internal control to mitigate such risks. Given the limitations inherent in any system of risk management and internal control, the system is designed to manage, rather than to eliminate, the risk of failure to achieve the Group's business and corporate objectives. The system can therefore only provide reasonable, but not absolute assurance, against any material misstatement, financial loss, or fraudulent practice.

Following the latest publication of the Statement on Risk and Management and Internal Controls Guidelines for Directors of Listed Issuers, the Board affirms that there is an ongoing process for identifying, evaluating, and managing significant risks faced by the Group.

RISK MANAGEMENT PROCESS

The Board recognizes the importance of risk management to safeguard shareholders' investment and the Group's assets. Accordingly, it has deployed a process to identify and evaluate significant business risks faced by the Group to manage them during the financial year under review and up to the date of approval of this Statement. Management is entrusted to identify such risks for onward reporting to the Board so that remedial measures may be taken to mitigate the risks as appropriate. For each risk identified, the risk management process includes assessing the likelihood of its occurrence and the impact thereof. The significant risks faced by the Group, including action plans to mitigate risks within acceptable levels, are reported by Management to the Board yearly.

The Board also had established an Enterprise Risk Management framework to identify, evaluate, control, report, and monitor significant risks faced by the Group. Such a framework also includes pertinent risk management policies and guidelines to provide structured guidance to personnel across the Group in addressing risk management. The risk appetite of the Group is articulated via the use of risk parameters in the framework, covering financial and non-financial metrics, to assess the likelihood of risks occurring and the impact thereof should the risks occur. Internal controls deployed by Management are linked to, and mitigate the business risks identified.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTERNAL CONTROL SYSTEM

The Group has in place a system of internal control which encompasses all types of control including those of a financial and operational nature. The system of internal control is structured in such a manner that it provides reasonable assurance that the likelihood of a significant adverse impact arising from a future event is at a level acceptable to the business.

The system of internal control entails, inter-alia, the proper delegation of duties and responsibilities from the Board to the Group Managing Director, Executive Directors and Senior Management (collectively, "the Management"), with specified limits of authority, in running the main operating functions of the Group. In this respect, Management essentially comprises personnel with many years of "hands-on" experience who are in a position to identify and manage business risks.

In order to enhance the Group's risk management and internal control system, the Group engaged an independent professional firm, in carrying out a review, development, and improvement to the Group's risk management and internal control system. Key focus areas reviewed by the professional firm include:-

- Review and revise the existing governance structure of the Group to ensure a clearly defined line of responsibilities and appropriate levels of delegation and authority. A process of hierarchical reporting is established which provides for a documented and auditable trail of accountability.
- Review and enhance the Board Charter and Terms of Reference of the Audit and Risk Management Committee, Nomination Committee, and Remuneration Committee.
- Development of a Code of Ethics and Conduct for Directors to serve as a document to guide the business ethics and conducts for all Directors of the Company and its subsidiaries.
- Development of the Corporate Disclosure Policies and Procedures on corporate disclosures, including investor relations and communication with stakeholders.
- Review, develop and enhance the existing standard operating procedures for the key functions of the Group.
- Review and enhance the existing Enterprise Risk Management Framework.
- Review and develop key performance indicators of the Group.
- Other key areas of improvement to be identified.

INTERNAL AUDIT FUNCTION

The Group's internal audit function is outsourced to a firm of independent professionals, which adopts the International Professional Practices Framework ("IPPF") in carrying out internal audit assignments on the Group. The IPPF includes, inter-alia, the attribute and performance standards for internal auditing promulgated by the Institute of Internal Auditors, a global professional body for internal auditors. The internal audit function, which reports directly to the ARMC, assists the Board in assessing the adequacy and integrity of the internal control system established by Management based on an agreed scope of work as outlined in an Internal Audit Plan approved by the ARMC. There is no restriction placed upon the scope of the Internal Audit function's work and the internal auditor is allowed full, accessible and unrestricted access to the records and relevant personnel of the Group.

During the financial year under review, the internal audit function covered the following key processes of the Group to assess the adequacy and operating effectiveness of internal controls to address the business risks therein:

- Sales to receipt and credit control;
- Production operation process; and
- Procurement to payment

Their reviews are reported directly to the ARMC which includes significant internal audit findings, recommendations for improvements, Management's responses, and proposed action plans. Based on the internal audit reviews conducted, weaknesses had been identified and rectified and these weaknesses did not result in any material losses, contingencies, or uncertainties that would require separate disclosure to be made in this Annual Report.

The costs incurred for the internal audit function for the FY2022 amounted to approximately RM55,000 (FY2021: RM60,000).

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTERNAL CONTROL SYSTEM (continued)

Assurance by the Group Managing Director and Chief Financial Officer on the adequacy and effectiveness of the risk management and internal control system

The Board has received assurance from the Group Managing Director and Chief Financial Officer through various reports that the Group's risk management and internal control system is operating adequately and effectively, for the financial year under review and up to the date of approval of this Statement for inclusion in the Annual Report.

Board's comments on the adequacy and effectiveness of the Group's risk management and internal control system

The Board, through its ARMC, has reviewed the adequacy and effectiveness of the risk management and internal control systems. Those relevant actions have been or are being taken, as the case may be, to remedy internal control weaknesses identified from the review, which was largely based on the outcome of observations raised by the internal auditors directly to the ARMC.

The Board is of the view that there have been no significant weaknesses in the system of internal control that resulted in material losses, contingencies, or uncertainties that would require disclosure in the Company's Annual Report 2022. Management of the Group continues to take measures to strengthen the internal control environment from time to time based on recommendations of the internal audit function as well as the external auditors.

For this Statement on Risk Management and Internal Control, the associate of the Group has not been taken into account. The Group's interests in this associate are served through representation on the Board of the associate as well as through the review of management financial statements.

This statement is issued in accordance with a resolution of the Board dated 12 April 2023.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by paragraph 15.23 of the Main Market Listing Requirements, the external auditors have reviewed this Statement in accordance with Malaysian Approved Standard an Assurance Engagements, ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information and Audit and Assurance Practice Guide 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 ("MIA") for inclusion in the annual report of the Group for the FY2022 and has reported to the Board that nothing has come to their attention that causes them to believe that the statement intended to be included in the Annual Report of the Group, in all material respects:

(a) has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Controls Guidelines for Directors of Listed Issuers, or
(b) is factually inaccurate.

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

DIRECTORS' RESPONSIBILITY STATEMENT

IN RESPECT OF THE AUDITED FINANCIAL STATEMENTS

The Directors are required by the Companies Act, 2016 (CA) to prepare the financial statements for each financial year which have been made out in accordance with applicable Malaysian Financial Reporting Standards (MFRSs), International Financial Reporting Standards (IFRSs), the requirements of the CA in Malaysia and the Main Market Listing Requirements.

The Directors are required to prepare the financial statements which give a true and fair view of the state of affairs of the Company and of the Group at the end of each financial year and of the results and cash flows for the respective year.

In preparing the financial statements, the Directors have:-
- adopted appropriate accounting policies and applied them consistently;
- made judgment and estimates that are reasonable and prudent; and
- prepared the financial statements on a going concern basis.

The Directors are responsible to ensure that the Group and the Company keep accounting records which disclose with reasonable accuracy the financial position of the Group and of the Company which enable them to ensure that the financial statements comply with the CA.

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

ADDITIONAL COMPLIANCE INFORMATION

UTILISATION OF PROCEEDS

The Private Placement was completed on 11 January 2021 and RM10,257,250 were received.

To-date, the Company has yet to fully utilise the Private Placement Proceeds. The Board has resolved to extend the timeframe for the utilisation of proceeds for the business expansion for additional 24 months.

The status of the utilisation of the Private Placement Proceeds for the FY2022 are as follows:-

Purpose	Private Placement Received RM'000	Actual Utilisation RM'000	Unutilised Proceed RM'000	Initial Time Frame for Utilisation	Extended Time Frame for Utilisation
(i) Business Expansion	5,000	-	5,000	18 Months	Additional 24 Months
(ii) Working Capital	5,157	5,157	-	-	-
(iii) Defray Estimated Expense	100	100	-	-	-
	10,257	**5,257**	**5,000**		

AUDIT AND NON-AUDIT FEES

The auditors' remuneration including non-audit fees for the Company and the Group for the FY2022 is as follows:-

Details of Audit Fees	Group (RM'000)	Company (RM'000)
Statutory Audit Fees	208	70
Non-Audit Fees	5	5
Total	**213**	**75**

MATERIAL CONTRACTS INVOLVING DIRECTORS AND MAJOR SHAREHOLDERS

There are no material contracts (not being contracts entered into in the ordinary course of business) entered into by the Company and its subsidiaries, involving directors' and major shareholders' interest, either still subsisting at the end of the FY2022 or entered into since the end of the previous financial year.

RECURRENT RELATED PARTY TRANSACTION OF A REVENUE OR TRADING NATURE

The Company did not seek any mandate from its shareholders pertaining to recurrent related party transactions of revenue or trading nature during the FY2022.

04 FINANCIAL INFORMATION

Financial Statements

DIRECTORS' REPORT

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

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of its subsidiaries and associate are disclosed in Notes 11 and 12 to the financial statements respectively.

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

RESULTS

	Group RM	Company RM
Profit/(Loss) for the financial year, net of tax	1,754,163	(6,011,988)
Attributable to:		
Owners of the Company	1,481,334	(6,011,988)
Non-controlling interests	272,829	-
	1,754,163	(6,011,988)

DIVIDEND

No dividend has been paid or declared by the Company since the end of the previous financial year.

The directors do not recommend the payment of any dividends in respect of the financial year ended 31 December 2022.

RESERVES OR PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and had satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances which would render the amount written off for bad debts or the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent.

DIRECTORS' REPORT
(CONTINUED)

CURRENT ASSETS

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps 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 had been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

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

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

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

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

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF MATERIAL AND UNUSUAL NATURE

In the opinion of the directors,

(i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

DIRECTORS' REPORT
(CONTINUED)

ISSUE OF SHARES AND DEBENTURES

During the financial year, the following issuance of shares were issued by the Company:

Class	Number	Term of issue	Basis of issue
Ordinary shares	14,399,905	Non-cash	Bonus issue of one (1) new ordinary share for every eight (8) existing ordinary shares.

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

During the financial year, the Company did not issue any debentures.

WARRANTS

The Warrants 2022/2029 were constituted under the Deed Poll dated 19 September 2022.

The exercise period of the Warrants 2022/2029 expires on 10 October 2029.

As at 31 December 2022, the total number of Warrants 2022/2029 that remained unexercised were as follows:

	Number of warrants			
	At 1.1.2022	Alloted	Exercised	At 31.12.2022
Warrants 2022/2029	**-**	43,199,879	-	**43,199,879**

The salient terms of Warrants 2022/2029 are disclosed in Note 21(b) to the financial statements.

Details of the Warrants 2022/2029 issued to Directors are disclosed in the section of Director's Interests in this report.

EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

The Company's ESOS is governed by the by-laws approved by the shareholders of the Company of an Extraordinary General Meeting held on 25 May 2022.

The salient features and other details of the ESOS are disclosed in Note 21(c) to the financial statements.

There were no option granted for the ESOS during the financial year.

DIRECTORS' REPORT
(CONTINUED)

DIRECTORS

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

Keh Chuan Seng	(Appointed on 16 January 2023)
Lee Hai Peng	(Appointed on 22 December 2022)
Teh Boon Beng	(Appointed on 22 December 2022)
Datuk Low Chin Koon	(Appointed on 22 December 2022)
Er Kian Hong	(Appointed on 6 January 2023)
Tuan Haji Zainal Rashid Bin Haji Mohd Eusoff	(Retired on 25 May 2022)
Chang Tian Kwang	(Appointed on 31 March 2022 and resigned on 31 October 2022)
Dr. Teh Chee Ghee	(Resigned on 31 December 2022)
Koh Seng Lee*	(Resigned on 16 January 2023)
Koh Yi Hao (Alternate director to Koh Seng Lee)*	(Appointed on 3 January 2022 and resigned on 16 January 2023)
Tsen Ket Shung @ Kon Shung*	(Resigned on 31 January 2023)
Yap Chee Kheng	(Resigned on 23 February 2023)
Dato' Tin @ Tan Pek Han	(Appointed on 3 January 2022 and resigned on 23 February 2023)

* *Directors of the Company and certain subsidiaries*

Other than as stated above, the names of the directors of the subsidiaries of the Company in office during the financial year and during the period from the end of the financial year to the date of this report are:

Chia Ai Peng	
Chan Min Wai	
Chi On Kang	
Ravindran P. Jayaprathapan	(Appointed on 1 September 2022)
Yeoh Soo Chin	(Appointed on 16 January 2023)
Yip Wei Lun	(Appointed on 16 January 2023)

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings required to be kept by the Company under Section 59 of the Companies Act 2016 in Malaysia, the interests of directors in office at the end of the financial year in shares in the Company and its related corporations during the financial year were as follows:

Interests in the Company

	Number of ordinary shares				
	At 1 January 2022/ At date of appointment	Bought	Bonus issue	Sold	At 31 December 2022
Direct interests:					
Koh Seng Lee	**19,351,600**	3,290,900	2,784,212	-	**25,426,712**
Tsen Ket Shung @ Kon Shung	**200,000**	-	25,000	-	**225,000**
Yap Chee Kheng	**8,558,000**	3,321,200	1,185,000	(13,034,200)	**30,000**
Dato' Tin @ Tan Pek-Han	**1,200,000**	200,000	175,000	(1,575,000)	**-**
Indirect interests:					
Koh Seng Lee	**180,000***	-	22,500*	-	**202,500***

* *Shares held through children*

DIRECTORS' REPORT
(CONTINUED)

DIRECTORS' INTERESTS (CONTINUED)

	Number of Warrants 2022/2029 issued pursuant to the Deed Poll dated 19 September 2022 exercisable at any time from 11 October 2022 to 10 October 2029			
	At 1 January 2022 unit	Alloted unit	Sold unit	At 31 December 2022 unit
Direct interests:				
Koh Seng Lee	-	8,352,637	-	8,352,637
Tsen Ket Shung @ Kon Shung	-	75,000	(75,000)	-
Yap Chee Kheng	-	3,975,500	(3,975,500)	-
Dato' Tin @ Tan Pek-Han	-	525,000	(525,000)	-
Indirect interests:				
Koh Seng Lee		67,500*	-	67,500*

Other than as stated above, none of the other directors in office at the end of the financial year had any interest in ordinary shares or warrants of the Company and its related corporations during the financial year.

* *Warrants held through children*

DIRECTORS' BENEFITS

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

Neither during, nor at the end of the financial year, was the Company a party to any arrangements where the object is to enable the directors to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

The directors' benefits are as follows:

	Group RM	Company RM
Fees	219,583	219,583
Other emoluments	1,823,438	1,722,605
Defined contribution plan	197,737	185,636
Benefits-in-kind	45,631	45,631
	2,286,389	2,173,455

DIRECTORS' REPORT
(CONTINUED)

INDEMNITY TO DIRECTORS AND OFFICERS

During the financial year, the total insurance effected for and insurance premium paid for the directors and officers of the Group were RM5,000,000 and RM10,000 respectively.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 11 to the financial statements.

The auditors' reports on the accounts of the subsidiaries did not contain any qualification.

SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Details of significant events during and subsequent to the end of the financial year are disclosed in Note 31 to the financial statements.

AUDITORS

The auditors, Messrs Baker Tilly Monteiro Heng PLT, have expressed their willingness to continue in office.

The auditors' remuneration of the Group and of the Company during the financial year were RM208,000 and RM70,000 respectively.

The Company has agreed to indemnify the auditors of the Company as permitted under Section 289 of the Companies Act 2016 in Malaysia.

This report was approved and signed on behalf of the Board of Directors in accordance with a resolution of the directors.

KEH CHUAN SENG
Director

LEE HAI PENG
Director

Date: 12 April 2023

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

		Group		Company	
	Note	2022 RM	2021 RM	2022 RM	2021 RM
Revenue	5	**192,720,913**	151,931,911	**6,342,380**	7,067,880
Cost of sales		**(164,988,485)**	(114,735,949)	**-**	-
Gross profit		**27,732,428**	37,195,962	**6,342,380**	7,067,880
Other income		**1,844,579**	1,234,610	**6,071**	3,214
Selling and distribution costs		**(2,868,872)**	(2,314,807)	**(106,113)**	(64,563)
Administrative costs		**(16,174,186)**	(15,697,150)	**(5,099,118)**	(4,212,418)
(Reversal of)/impairment losses on financial assets		**(551,632)**	218,474	**-**	-
Other costs		**(4,430,593)**	(4,321,056)	**(7,530,230)**	(594,618)
		(24,025,283)	(22,114,539)	**(12,735,461)**	(4,871,599)
Operating profit/(loss)		**5,551,724**	16,316,033	**(6,387,010)**	2,199,495
Finance income		**67,284**	14,122	**319,229**	565,855
Finance costs		**(2,782,581)**	(1,622,737)	**(21,603)**	(2,281)
Share of results of an associate, net of tax		**152,546**	174,860	**-**	-
Profit/(Loss) before tax	6	**2,988,973**	14,882,278	**(6,089,384)**	2,763,069
Tax (expense)/credit	8	**(1,234,810)**	(3,860,696)	**77,396**	6,123
Profit/(Loss) after tax, representing total comprehensive income/(loss) for the financial year		**1,754,163**	11,021,582	**(6,011,988)**	2,769,192
Profit/(Loss) attributable to:					
Owners of the Company		**1,481,334**	10,667,211	**(6,011,988)**	2,769,192
Non-controlling interests		**272,829**	354,371	**-**	-
		1,754,163	11,021,582	**(6,011,988)**	2,769,192
Earnings per share (sen):					
Basic	9	**1.14**	8.25		
Diluted	9	**1.11**	8.25		

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

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

		Group		Company	
	Note	2022 RM	2021 Restated RM	2022 RM	2021 RM
ASSETS					
Non-current assets					
Property, plant and equipment	10	**19,604,851**	13,755,878	**7,994,134**	6,242,406
Investment in subsidiaries	11	**-**	-	**34,950,002**	38,360,002
Investment in an associate	12	**5,316,086**	5,163,540	**820,000**	820,000
Deferred tax assets	13	**580,387**	99,071	**169,663**	-
Total non-current assets		**25,501,324**	19,018,489	**43,933,799**	45,422,408
Current assets					
Inventories	14	**80,970,959**	70,787,668	**-**	-
Trade receivables	15	**48,007,230**	60,887,445	**-**	7,500
Other receivables, deposits and prepayments	16	**4,177,742**	7,887,311	**363,004**	204,151
Contract assets	17	**1,934,835**	-	**-**	-
Contract costs	18	**16,359,677**	30,850,080	**-**	-
Amounts due from subsidiaries	19	**-**	-	**10,849,854**	14,121,997
Current tax assets		**1,875,888**	456,927	**394,607**	328,726
Cash and short-term deposits	20	**8,288,034**	16,878,414	**1,258,167**	1,809,630
Total current assets		**161,614,365**	187,747,845	**12,865,632**	16,472,004
TOTAL ASSETS		**187,115,689**	206,766,334	**56,799,431**	61,894,412

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022 (CONTINUED)

		Group		Company	
	Note	2022 RM	2021 Restated RM	2022 RM	2021 RM
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	21	**58,771,889**	58,771,889	**58,771,889**	58,771,889
Retained earnings/(Accumulated losses)		**38,842,777**	37,361,443	**(4,136,109)**	1,875,879
		97,614,666	96,133,332	**54,635,780**	60,647,768
Non-controlling interests		**2,936,656**	1,896,325	**-**	-
TOTAL EQUITY		**100,551,322**	**98,029,657**	**54,635,780**	**60,647,768**
Non-current liabilities					
Borrowings	22	**7,633,378**	2,844,152	**325,631**	79,499
Deferred tax liabilities	13	**608,816**	367,036	**268,701**	191,552
Total non-current liabilities		**8,242,194**	3,211,188	**594,332**	271,051
Current liabilities					
Borrowings	22	**47,737,375**	54,143,739	**193,443**	20,572
Trade payables	23	**5,701,327**	12,981,507	**-**	-
Other payables and accruals	24	**4,854,778**	6,627,018	**1,375,876**	955,021
Contract liabilities	17	**20,028,693**	30,393,432	**-**	-
Current tax liabilities		**-**	1,379,793	**-**	-
Total current liabilities		**78,322,173**	105,525,489	**1,569,319**	975,593
TOTAL LIABILITIES		**86,564,367**	**108,736,677**	**2,163,651**	**1,246,644**
TOTAL EQUITY AND LIABILITIES		**187,115,689**	**206,766,334**	**56,799,431**	**61,894,412**

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	← Attributable to owners of the Company →				
		Share capital RM	Retained earnings RM	Total RM	Non-controlling interests RM	Total equity RM
Group						
At 1 January 2021		53,125,639	27,846,232	80,971,871	1,541,954	82,513,825
Profit net of tax, representing total comprehensive income for the financial year		-	10,667,211	10,667,211	354,371	11,021,582
Transaction with owners						
Issue of ordinary shares	21	5,646,250	-	5,646,250	-	5,646,250
Dividends paid	25	-	(1,152,000)	(1,152,000)	-	(1,152,000)
At 31 December 2021		58,771,889	37,361,443	96,133,332	1,896,325	98,029,657
Profit net of tax, representing total comprehensive income for the financial year		-	1,481,334	1,481,334	272,829	1,754,163
Transactions with owners						
Changes in subsidiaries' ownership interests	11	-	-	-	767,502	767,502
At 31 December 2022		**58,771,889**	**38,842,777**	**97,614,666**	**2,936,656**	**100,551,322**

	Note	← Attributable to owners of the Company →		
		Share capital RM	Retained earnings/ (Accumulated losses) RM	Total equity RM
Company				
At 1 January 2021		53,125,639	258,687	53,384,326
Profit after tax, representing total comprehensive income for the financial year		-	2,769,192	2,769,192
Transaction with owners				
Issue of ordinary shares	21	5,646,250	-	5,646,250
Dividends paid	25	-	(1,152,000)	(1,152,000)
At 31 December 2021		58,771,889	1,875,879	60,647,768
Loss after tax, representing total comprehensive loss for the financial year		-	(6,011,988)	(6,011,988)
At 31 December 2022		**58,771,889**	**(4,136,109)**	**54,635,780**

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Group		Company	
	2022 RM	2021 Restated RM	2022 RM	2021 RM
Cash flows from operating activities				
Profit/(Loss) before tax	**2,988,973**	14,882,278	**(6,089,384)**	2,763,069
Adjustments for:				
Depreciation of property, plant and equipment	**3,292,591**	2,808,016	**634,965**	188,405
Property, plant and equipment written off	**59,990**	-	**-**	-
Gain on disposal of property, plant and equipment	**(58,102)**	(108,128)	**-**	-
Gain on termination of lease	**(27,489)**	-	**-**	-
Bad debts written off	**8,292**	-	**-**	-
Impairment loss on investment in a subsidiary	**-**	-	**6,160,000**	-
Impairment loss on trade receivables	**560,492**	1,081,981	**-**	-
Reversal of impairment loss on trade receivables	**(8,860)**	(1,300,455)	**-**	-
Inventories written down	**170,421**	996,352	**-**	-
Reversal of inventories written down	**(759,413)**	-	**-**	-
Finance cost	**2,782,581**	1,622,737	**21,603**	2,281
Dividend income	**-**	-	**-**	(3,000,000)
Finance income	**(67,284)**	(14,122)	**(319,229)**	(565,855)
Share of results of an associate	**(152,546)**	(174,860)	**-**	-
Unrealised gain on foreign exchange	**(11,090)**	-	**-**	-
Operating profit/(loss) before changes in working capital	**8,778,556**	19,793,799	**407,955**	(612,100)
Changes in working capital:				
Inventories	**(9,594,299)**	(18,115,734)	**-**	-
Trade and other receivables	**16,041,224**	(21,754,084)	**(151,353)**	(64,995)
Trade and other payables	**(9,052,420)**	5,917,543	**420,855**	(55,975)
Contract assets	**(1,934,835)**	-	**-**	-
Contract costs	**14,490,403**	(24,175,139)	**-**	-
Contract liabilities	**(10,364,739)**	16,095,084	**-**	-
Net cash generated from/(used in) operations, carried forward	**8,363,890**	(22,238,531)	**677,457**	(733,070)

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

	Note	Group 2022 RM	Group 2021 Restated RM	Company 2022 RM	Company 2021 RM
Cash flows from operating activities (Continued)					
Net cash generated from/(used in) operations, carried forward		**8,363,890**	(22,238,531)	**677,457**	(733,070)
Interest received		**67,284**	14,122	**319,229**	565,855
Tax paid		**(4,274,048)**	(2,201,066)	**(80,999)**	(130,002)
Tax refunded		**948**	-	**-**	-
Net cash from/(used in) operating activities		**4,158,074**	(24,425,475)	**915,687**	(297,217)
Cash flows from investing activities					
Purchase of property, plant and equipment		**(7,980,535)**	(1,215,875)	**(1,796,975)**	(183,968)
Proceeds from disposal of property, plant and equipment		**1,028,751**	164,001	**939**	-
Additional costs of investment in an existing subsidiary		**-**	-	**(2,750,000)**	-
Withdrawal/(Placement) of deposits with licensed banks		**952,701**	(1,009,085)	**988,881**	(1,009,085)
Repayment from/(Advances to) subsidiaries		**-**	-	**3,272,143**	(5,184,149)
Dividend received		**-**	-	**-**	3,000,000
Acquisition of addition interest in subsidiaries by non-controlling interest		**767,502**	-	**-**	-
Net cash used in investing activities		**(5,231,581)**	(2,060,959)	**(285,012)**	(3,377,202)
Cash flows from financing activities					
Proceeds from issuance of ordinary shares		**-**	5,646,250	**-**	5,646,250
Net (repayment of)/proceeds from bankers' acceptances		**(6,420,817)**	18,118,177	**-**	-
Drawdown of term loans		**5,176,433**	-	**-**	-
Payment of lease liabilities		**(2,427,095)**	(1,574,801)	**(171,654)**	(13,014)
Repayment to subsidiaries		**-**	-	**-**	(1,580,858)
Dividend paid		**-**	(1,152,000)	**-**	(1,152,000)
Interest paid		**(2,782,581)**	(1,622,737)	**(21,603)**	(2,281)
Net cash (used in)/from financing activities		**(6,454,060)**	19,414,889	**(193,257)**	2,898,097
Net (decrease)/increase in cash and cash equivalents		**(7,527,567)**	(7,071,545)	**437,418**	(776,322)
Cash and cash equivalents at the beginning of the financial year		**13,870,236**	20,941,781	**338,763**	1,115,085
Effect of exchange rate changes on cash and cash equivalents		**(274)**	-	**-**	-
Cash and cash equivalents at the end of the financial year	20	**6,342,395**	13,870,236	**776,181**	338,763

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

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

K. Seng Seng Corporation Berhad ("the Company") is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at Unit 8, Level 7, Kompleks Komersil Akasa, Jalan Akasa, Akasa Cheras Selatan, 43300 Seri Kembangan, Selangor. The principal place of business of the Company is located at Lot 3707, Jalan 7/5, Taman Industri Selesa Jaya, 43300 Balakong, Selangor Darul Ehsan.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries and associate are disclosed in Notes 11 and 12 respectively.

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 12 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 the Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

2.2 Adoption of amendments/improvements to MFRSs

The Group and the Company have adopted the following amendments/improvements to MFRSs for the current financial year:

Amendments/Improvements to MFRSs	
MFRS 1	First time Adoption of Malaysia Financial Reporting Standards
MFRS 3	Business Combinations
MFRS 9	Financial Instruments
MFRS 116	Property, Plant and Equipment
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets
MFRS 141	Agriculture

The adoption of the above amendments/improvements to MFRSs did not have any significant effect on the financial statements of the Group and of the Company and did not result in significant changes to the Group's and the Company's existing accounting policies.

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

2. BASIS OF PREPARATION (CONTINUED)

2.3 New MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective

(a) The Group and the Company have not adopted the following new MFRS, and amendments/improvements to MFRSs that have been issued, but yet to be effective:

		Effective for financial periods beginning on or after
New MFRS		
MFRS 17	Insurance Contracts	1 January 2023
Amendments/Improvements to MFRSs		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2023#
MFRS 3	Business Combinations	1 January 2023#
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2023#
MFRS 7	Financial Instruments: Disclosures	1 January 2023#
MFRS 9	Financial Instruments	1 January 2023#
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 15	Revenue from Contracts with Customers	1 January 2023#
MFRS 16	Leases	1 January 2024
MFRS 17	Insurance Contracts	1 January 2023
MFRS 101	Presentation of Financial Statements	1 January 2023/ 1 January 2023#/ 1 January 2024
MFRS 107	Statements of Cash Flows	1 January 2023#
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2023
MFRS 112	Income Taxes	1 January 2023
MFRS 116	Property, Plant and Equipment	1 January 2023#
MFRS 119	Employee Benefits	1 January 2023#
MFRS 128	Investments in Associates and Joint Ventures	Deferred/ 1 January 2023#
MFRS 132	Financial Instruments: Presentation	1 January 2023#
MFRS 136	Impairment of Assets	1 January 2023#
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2023#
MFRS 138	Intangible Assets	1 January 2023#
MFRS 140	Investment Property	1 January 2023#

Amendments as to the consequence of effective of MFRS 17 Insurance Contracts

2. BASIS OF PREPARATION (CONTINUED)

2.3 New MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective (Continued)

(b) The Group and the Company plan to adopt the above applicable new MFRS and amendments/improvements to MFRSs when they become effective. A brief discussion on the above significant new MFRS and amendments/improvements to MFRSs are summarised below:

Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures

These amendments address an acknowledged inconsistency between the requirements in MFRS 10 and those in MFRS 128, in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business, as defined in MFRS 3. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business.

Amendments to MFRS 16 Leases

The amendments clarify how an entity should subsequently measure the leaseback liability that arise in a sale and leaseback transaction. Although MFRS 16 includes requirements on how to account for a sale and leaseback at the date the transaction takes place, it has not specified how to measure the sale and leaseback transaction when reporting after that date.

The amendments add subsequent measurement requirements for the right-of-use assets and lease liability arising from a sale and leaseback transaction by clarifying that a seller-lessee in a sale and leaseback transaction shall apply paragraphs 29 to 35 to the right-of-use asset arising from the leaseback and paragraphs 36 to 46 to the lease liability arising from the leaseback. The amendments will not change the accounting for leases other than those arising in a sale and leaseback transaction.

Amendments to MFRS 101 Presentation of Financial Statements

The amendments include specifying that an entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period; clarifying that classification of liability is unaffected by the likelihood of the entity to exercise its right to defer settlement of the liability for at least twelve months after the reporting period; clarifying how lending conditions affect classification of a liability; and clarifying requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.

In another amendments, an entity is required to disclose its material accounting policy information rather than significant accounting policies. The amendments, amongst others, also include examples of circumstances in which an entity is likely to consider an accounting policy information to be material to its financial statements. To support this amendments, MFRS Practice Statement 2 was also amended to provide guidance on how to apply the concept of materiality to accounting policy information disclosures. The guidance and examples provided in the MFRS Practice Statement 2 highlight the need to focus on entity-specific information and demonstrate how the four-step materiality process can address standardised (or boilerplate) information and duplication of requirements of MFRSs in the accounting policy information disclosures.

2. BASIS OF PREPARATION (CONTINUED)

2.3 New MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective (Continued)

(b) The Group and the Company plan to adopt the above applicable new MFRS and amendments/improvements to MFRSs when they become effective. A brief discussion on the above significant new MFRS and amendments/improvements to MFRSs are summarised below (Continued):

Amendments to MFRS 101 Presentation of Financial Statements (Continued)

The latest amendments to MFRS 101 clarify how conditions with which an entity must comply within 12 months after the reporting period affect the classification of a liability. As such, the amendments specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the amendments require an entity to disclose information about these covenants in the notes to the financial statements.

Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors

The amendments revise the definition of accounting estimates to clarify how an entity should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important because the changes in accounting estimates are applied prospectively to transactions, other events, or conditions from the date of that change, but changes in accounting policies are generally also applied retrospectively to past transactions and other past events.

Amendments to MFRS 112 Income Taxes

The amendments specify how an entity should account for deferred tax on transactions such as leases and decommissioning obligation.

In specified circumstances, MFRS 112 exempts an entity from recognising deferred tax when it recognises assets or liabilities for the first time. There had been some uncertainties about whether the exemption from recognising deferred tax applied to transactions such as leases and decommissioning obligations – transactions for which an entity recognises both an asset and a liability. The amendments clarify that the exemption does not apply and that entity is required to recognise deferred tax on such transactions.

(c) The initial application of the above applicable new MFRS and amendments/improvements to MFRS is not expected to have material impact to the current and prior years financial statements of the Group and the Company.

2.4 Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which they operate (“the functional currency”). The consolidated financial statements are presented in Ringgit Malaysia (“RM”), which is also the Group’s and the Company’s functional currency.

2.5 Basis of measurement

The financial statements of the Group and of the Company have been prepared on the historical cost basis, except as otherwise disclosed in Note 3.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES

Unless otherwise stated, the following accounting policies have been applied consistently to all the financial years presented in the financial statements of the Group and of the Company.

3.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. The financial statements of the subsidiaries and associate used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

(a) Subsidiaries and business combination

Subsidiaries are entities (including structured entities) over which the Group is exposed, or has rights, to variable returns from its involvement with the acquirees and has the ability to affect those returns through its power over the acquirees.

The financial statements of subsidiaries are included in the consolidated financial statements from the date the Group obtains control of the acquirees until the date the Group loses control of the acquirees.

The Group applies the acquisition method to account for business combinations from the acquisition date.

For a new acquisition, goodwill is initially measured at cost, being the excess of the following:

- the fair value of the consideration transferred, calculated as the sum of the acquisition-date fair value of assets transferred (including contingent consideration), the liabilities incurred to former owners of the acquiree and the equity instruments issued by the Group. Any amounts that relate to pre-existing relationships or other arrangements before or during the negotiations for the business combination, that are not part of the exchange for the acquiree, will be excluded from the business combination accounting and be accounted for separately; plus
- the recognised amount of any 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 (the choice of measurement basis is made on an acquisition-by-acquisition basis); plus
- if the business combination is achieved in stages, the acquisition-date fair value of the previously held equity interest in the acquiree; less
- the net fair value of the identifiable assets acquired and the liabilities (including contingent liabilities) assumed at the acquisition date.

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

If the business combination is achieved in stages, the Group remeasures the previously held equity interest in the acquiree to its acquisition-date fair value, and recognises the resulting gain or loss, if any, in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss or transferred directly to retained earnings on the same basis as would be required if the acquirer had disposed directly of the previously held equity interest.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation (Continued)

(a) Subsidiaries and business combination (Continued)

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the business combination occurs, the Group uses provisional fair value amounts for the items for which the accounting is incomplete. The provisional amounts are adjusted to reflect new information obtained about facts and circumstances that existed as of the acquisition date, including additional assets or liabilities identified in the measurement period. The measurement period for completion of the initial accounting ends as soon as the Group receives the information it was seeking about facts and circumstances or learns that more information is not obtainable, subject to the measurement period not exceeding one year from the acquisition date.

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any gain or loss arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an associate, a joint venture or a financial asset.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The difference between the Group's share of net assets before and after the change, and the fair value of the consideration received or paid, is recognised directly in equity.

(b) Non-controlling interests

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company and are presented separately in the consolidated statement of financial position within equity.

Losses attributable to the non-controlling interests are allocated to the non-controlling interests even if the losses exceed the non-controlling interests.

(c) Associates

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

Investment in associates are accounted for in the consolidated financial statements using the equity method.

Under the equity method, the investment in associates are initially recognised at cost. The cost of investment includes transaction costs. Subsequently, the carrying amount is adjusted to recognise changes in the Group's share of net assets of the associate.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investments 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.

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation (Continued)

(c) Associates (Continued)

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. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When the Group's interest in an associate decreases 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 are 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.

(d) Transactions eliminated on consolidation

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

Unrealised gains arising from transactions with equity-accounted associates and joint ventures are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(e) Separate financial statements

In the Company's statement of financial position, investment in subsidiaries and associates are measured at cost less any accumulated impairment losses, unless the investment is classified as held for sale or distribution. The policy for the recognition and measurement of impairment losses shall be applied on the same basis as would be required for impairment of non-financial assets as disclosed in Note 3.10(b).

3.2 Foreign currency transactions and operations

(a) Translation of foreign currency transactions

Foreign currency transactions are translated to the respective functional currencies of the Group entities using the exchange rates prevailing at the transaction dates.

At the end of each reporting date, monetary items denominated in foreign currencies are retranslated at the exchange rates prevailing at the reporting date.

Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated at the rates prevailing at the dates the fair values were determined. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated at the historical rates as at the dates of the initial transactions.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Foreign currency transactions and operations (Continued)

(a) Translation of foreign currency transactions (Continued)

Foreign exchange differences arising on settlement or retranslation of monetary items are recognised in profit or loss except for monetary items that are designated as hedging instruments in either a cash flow hedge or a hedge of the Group's net investment of a foreign operation. When settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, exchange differences are recognised in profit or loss in the separate financial statements of the parent company or the individual financial statements of the foreign operation.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

3.3 Revenue and other income

The Group and the Company recognise revenue that depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group and the Company expect to be entitled in exchange for those goods or services.

The Group and the Company measure revenue from sale of good or service at its transaction price, being the amount of consideration to which the Group and the Company expect to be entitled in exchange for transferring promised good or service to a customer, excluding amounts collected on behalf of third parties, adjusted for the effects of any variable consideration, constraining estimates of variable consideration, significant financing components, non-cash consideration and consideration payable to customer.

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer, i.e. when or as a performance obligation in the contract with customer is satisfied. A performance obligation is satisfied when or as the customer obtains control of the good or service underlying the particular performance obligation, which the performance obligation may be satisfied at a point in time or over time.

Financing components

The Group and the Company have applied the practical expedient for not to adjust the promised amount of consideration for the effects of a significant financing components if the Group and the Company expect that the period between the transfer of the promised goods or services to the customer and payment by the customer will be one year or less.

(a) Sale of goods and services

(i) Sale of goods

The Group manufactures and trades a range of stainless steel products and all kind of industrial hardware. Revenue from sale of goods are recognised at a point in time when control of the products has been transferred, being when the customer accepts the delivery of the goods.

Sales are made with a credit term ranges from 30 to 180 days, which is consistent with market practice, therefore, no element of financing is deemed present. A receivable is recognised when the customer accepts the delivery of the goods as the consideration is unconditional other than the passage of time before the payment is due.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Revenue and other income (Continued)

Financing components (Continued)

(a) Sale of goods and services (Continued)

(ii) Revenue from services

Revenue from services is recognised as and when services are rendered.

(b) Engineering work contracts

The Group constructs assets under long-term contracts with customers. Construction service contract comprise multiple deliverables that require significant integration service and therefore accounted as a single performance obligation.

Under the terms of the contracts, control of the assets is transferred over time as the Group creates or enhances an asset that the customer controls as the assets is created or enhanced. Revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of a performance obligation is determined by the proportion of construction cost incurred for work performed to date bear to the estimated total construction costs (an input method).

Sales are made with a credit term of 30 to 90 days, which is consistent with market practice, therefore, no element of financing is deemed present. The Group becomes entitled to invoice customers for construction of properties based on achieving a series of performance-related milestones.

The Group recognises a contract asset for any excess of revenue recognised to date over the billings-to-date. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point when invoice is issued or timing of billing is due to passage of time. If the milestone billing exceeds the revenue recognised to date and any deposit or advances received from customers, then the Group recognises a contract liability for the difference.

(c) Rental income

Rental income is recognised on an accrual basis and time proportionate basis over the lease term.

(d) Interest income

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

(e) Dividend income

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

(f) Management fee

Management fee is recognised as and when services are rendered.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Employee benefits

(a) Short-term employee benefits

Short-term employee benefit obligations in respect of wages, salaries, social security contributions, annual bonuses, paid annual leave, sick leave and non-monetary benefits are recognised as an expense in the financial year in which the employees have rendered their services to the Group and to the Company.

(b) Defined contribution plans

As required by law, the Group and the Company contribute to the Employees Provident Fund ("EPF"), the national contribution plan. Such contributions are recognised as an expense in profit or loss in the financial year in which the employees render their services.

(c) Employees' Share Option Scheme ("ESOS")

Employees of the Group and of the Company receive remuneration in the form of share options as consideration for services rendered. The cost of these equity-settled transactions with employees is measured by reference to the fair value of the options at the date on which the options are granted. This cost is recognised in profit or loss, with a corresponding increase in the employees' share option reserve over the vesting period. The cumulative expense recognised at the end of each period has expired and the Group's and the Company's best estimate of the number of options that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognized at the beginning and end of that period.

No expense is recognised for options that do not ultimately vest, except for options where vesting is conditional upon a market or non-vesting condition, which are treated as vested irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. The employees' share option reserve is transferred to retained earnings upon expiry of the share options. When the options are exercised, the employees' share option reserve is transferred to share capital if new shares are issued, or to treasury shares if the options are satisfied by reissuance of treasury shares.

3.5 Borrowing costs

Borrowing cost are interests and other costs that the Group and the Company incur in connection with borrowing of funds.

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

Borrowing costs that are 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 added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Income tax

Income tax expense in profit or loss comprises current and deferred tax. Current 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.

(a) Current tax

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

(b) Deferred tax

Deferred tax is recognised using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the statements of financial position. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses, unabsorbed capital allowances and unused tax credits, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses, unabsorbed capital allowances and unused tax credits can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, branches and associates and interests in joint ventures, except where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Income tax (Continued)

(c) Sales and services tax

Revenues, expenses and assets are recognised net of the amount of sales and services tax except:

- where the sales and services tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the sales and services tax 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 the amount of sales tax included.

The net amount of sales and services tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

3.7 Property, plant and equipment

(a) Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.10(b).

(b) Recognition and measurement

Cost of assets includes expenditures that are directly attributable to the acquisition of the asset and any other costs that are directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes cost of materials, and any other direct attributable costs but excluded internal profits.

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

(c) Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the part will flow to the Group or the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss as incurred.

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.7 Property, plant and equipment (Continued)

(d) Depreciation

Freehold land has an unlimited useful life and therefore is not depreciated. Assets under construction included in property, plant and equipment are not depreciated as these assets are not yet available for use.

All other property, plant and equipment are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives.

	Useful lives
Buildings	50 years
Plant and machinery and factory equipment	5-10 years
Electrical equipment, furniture and fittings, and office equipment	5-10 years
Motor vehicles	5-10 years
Computers	2 years
Renovation	2 years

The residual value, useful life and depreciation method are reviewed at each reporting period and adjusted as appropriate.

(e) Derecognition

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

3.8 Leases

(a) Definition of lease

At inception of a contract, the Group and the Company assess whether a contract is, or contains, a lease. A contract is, or contains, 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. To assess whether a contract conveys the right to control the use of an identified asset, the Group and the Company assess whether:

- the contract involves the use of an identified asset;
- the Group and the Company have the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group and the Company have the right to direct the use of the asset.

(b) Lessee accounting

At the lease commencement date, the Group and the Company recognise a right-of-use asset and a lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets.

The Group and the Company present right-of-use assets and lease liabilities as separate lines in Notes 10 and 22.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.8 Leases (Continued)

(b) Lessee accounting (Continued)

Right-of-use asset

The right-of-use asset is initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any accumulated impairment losses, and adjust for any remeasurement of the lease liabilities. The right-of-use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. If the Group and the Company expect to exercise a purchase option, the right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts from the commencement date of the underlying asset. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.10(b).

Lease liability

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

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option, if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made.

The Group and the Company remeasure the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.8 Leases (Continued)

(b) Lessee accounting (Continued)

Lease liability (Continued)

Variable lease payments that do not depend on an index or a rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "other expenses" in the statements of comprehensive income.

The Group and the Company have elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

Short-term leases and leases of low value assets

The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low value assets. The Group and the Company recognise the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(c) Lessor accounting

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases that do not meet this criterion are classified as operating leases.

When the Group and the Company are intermediate lessors, they account for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. If a head lease is a short-term lease to which the Group applies the exemption described in Note 3.8(b), then it classifies the sub-lease as an operating lease.

If an entity in the Group is a lessor in a finance lease, it derecognises the underlying asset and recognises a lease receivable at an amount equal to the net investment in the lease. Finance income is recognised in profit or loss based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the finance lease.

If an entity in the Group is a lessor in an operating lease, the underlying asset is not derecognised but is presented in the statement of financial position according to the nature of the asset. Lease income from operating leases is recognised in profit or loss on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished.

When a contract includes lease and non-lease components, the Group and the Company apply MFRS 15 Revenue from Contracts with Customers to allocate the consideration under the contract to each component.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.9 Financial instruments

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

Except for the trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the financial instruments are recognised initially at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset and financial liability. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient are measured at the transaction price determined under MFRS 15.

(a) Subsequent measurement

The Group and the Company categorise the financial instruments as follows:

(i) Financial assets

For the purposes of subsequent measurement, financial assets are classified at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

The Group and the Company reclassify financial assets when and only when their business models for managing those assets change.

<u>Debt instruments</u>

Subsequent measurement of debt instruments depends on the Group's and the Company's business model for managing the asset and the cash flow characteristics of the asset. The measurement category which the Group and the Company classify their debt instruments as follows:

- **Amortised cost**

  Financial assets that are held for collection of contractual cash flows and those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. The policy for the recognition and measurement of impairment is in accordance with Note 3.10(a). Gains and losses are recognised in profit or loss when the financial asset is derecognised, modified or impaired.

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.9 Financial instruments (Continued)

(a) Subsequent measurement (Continued)

(i) Financial assets (Continued)

Equity instruments

The Group and the Company subsequently measure all equity investments at fair value. Upon initial recognition, the Group and the Company can make an irrevocable election to classify its equity investments that is not held for trading as equity instruments designated at fair value through other comprehensive income ("FVOCI"). The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are not recycled to profit or loss. Dividends are recognised as other income in the profit or loss when the right of payment has been established, except when the Group and the Company benefit from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity instruments designated at FVOCI are not subject to impairment assessment.

(ii) Financial liabilities

The Group and the Company classify their financial liabilities at amortised cost.

Financial liabilities at amortised cost

Subsequent to initial recognition, other financial liabilities are measured at amortised cost using effective interest method. Gains and losses are recognised in profit or loss when the financial liabilities are derecognised and through the amortisation process.

(b) 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 original or modified terms of a debt instrument.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the liability is measured at the higher of the amount of the loss allowance determined in accordance with Section 5.5 of MFRS 9 and the amount initially recognised, when appropriate, the cumulative amount of income recognised in accordance with the principles of MFRS 15.

(c) Derecognition

A financial asset or a part of it is derecognised when, and only when:

(i) the contractual rights to receive cash flows from the financial asset expire, or
(ii) 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; 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.9 Financial instruments (Continued)

(c) Derecognition (Continued)

The Group and the Company evaluate 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.

On derecognition of a financial asset, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(d) Offsetting of financial instruments

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

In accounting for a transfer of a financial asset that does not qualify for derecognition, the entity shall not offset the transferred asset and the associated liability.

3.10 Impairment of assets

(a) Impairment of financial assets and contract assets

Financial assets measured at amortised cost, contract assets and financial guarantee contracts will be subject to the impairment requirement in MFRS 9 *Financial Instruments* which is related to the accounting for expected credit losses on the financial assets. Expected credit loss is the weighted average of credit losses with the respective risks of a default occurring as the weights.

The Group and the Company measure loss allowance at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12-month expected credit losses:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

For trade receivables and contract assets, the Group and the Company apply the simplified approach permitted by MFRS 9 to measure the loss allowance at an amount equal to lifetime expected credit losses.

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.10 Impairment of assets (Continued)

(a) Impairment of financial assets and contract assets (Continued)

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, 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 and the Company's historical experience and informed credit assessment and including forward-looking information.

The Group and the Company assume that the credit risk on a financial asset has increased significantly if it is more than 120 days past due.

The Group and the Company consider a financial asset to be in default when:

- the counterparty is unable to pay its credit obligations to the Group and the Company in full, without taking into account any credit enhancements held by the Group and the Company; or
- the contractual payment of the financial asset is more than 120 days past due unless the Group and the Company have reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of lifetime expected credit losses that represent the expected credit losses that result from default events on a financial instrument 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.

Expected credit losses are a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

Expected credit losses are discounted at the effective interest rate of the financial assets.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events:

- significant financial difficulty of the issuer or the counterparty;
- a breach of contract, such as a default of past due event;
- the lender(s) of the counterparty, for economic or contractual reasons relating to the counterparty's financial difficulty, having granted to the counterparty a concession(s) that the lender(s) would not otherwise consider; and
- it is becoming probable that the counterparty will enter bankruptcy or other financial reorganisation.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.10 Impairment of assets (Continued)

(a) Impairment of financial assets and contract assets (Continued)

The amount of expected credit losses (or reversal) shall be recognised in profit or loss, as an impairment gain or loss.

The gross carrying amount of a financial asset is written off (either partially or in 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 source 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 and the Company's procedure for recovery of amounts due.

(b) Impairment of non-financial assets

The carrying amounts of non-financial assets (except for inventories and deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the Group and the Company make an estimate of the asset's recoverable amount.

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

The recoverable amount of an asset or a CGU is the higher of its fair value less costs of disposal and its value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. In determining the fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Where the carrying amount of an asset exceed its recoverable amount, the carrying amount of asset is reduced to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. An impairment loss is reversed only if there has been a change in the estimates used to determine the assets recoverable amount since the last impairment loss was recognised. Reversal of impairment loss is restricted by the asset's carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.11 Contract assets/(liabilities)

Contract asset is the right to consideration in exchange for goods or services transferred to the customers when that right is conditioned on something other than the passage of time (for example, the Group's future performance). The policy for the recognition and measurement of impairment losses is in accordance with Note 3.10(a).

Contract liability is the obligation to transfer goods or services to customers for which the Group has received the consideration or has billed the customers.

3.12 Current versus non-current classification

The Group classifies assets and liabilities in statements of financial position as current and non-current. An asset is classified as current when it is:

- expected to be realised or intended to be sold or consumed in a normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within twelve months after the financial year; or
- a cash or a cash equivalent which is not restricted from being exchanged or used to settle a liability for at least twelve months after the financial year.

All other assets are classified as non-current.

A liability is classified as current when:

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

The Group classifies all other liabilities as non-current.

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

A liability is classified as current when:

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

The Group classifies all other liabilities as non-current.

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

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.13 Contract cost

Contract costs include costs of obtaining and fulfilling a contract.

The incremental costs of obtaining a contract are those costs that the Group incur to obtain a contract with a customer which they would not have incurred if the contract had not been obtained. The incremental costs of obtaining a contract with a customer are recognised as part of contract costs when the Group expect those costs are recoverable.

The costs incurred in fulfilling a contract with a customer which are not within the scope of another MFRSs, such as MFRS 102 Inventories, MFRS 116 Property, Plant and Equipment or MFRS 138 Intangible Assets, are recognised as part of contract costs when all of the following criteria are met:

- the costs relate directly to a contract or to an anticipated contract that can be specifically identified;
- the costs generate or enhance resources of the Group and of the Company that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- the costs are expected to be recovered.

3.14 Inventories

Inventories are stated at the lower of cost and net realisable value as follows:

- Raw materials, consumables, packing materials, stock in transit and trading goods: purchase costs including costs incurred in bringing the inventories to their present location and condition on a weighted average cost basis.
- Finished goods and work-in-progress: costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. These costs are assigned on a weighted average cost basis.

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

3.15 Cash and cash equivalents

For the purpose of the statements of cash flows, cash and cash equivalents comprise cash on hand, bank balances and deposits with a maturity of three months or less, that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

3.16 Share capital

Ordinary shares

Ordinary shares are equity instruments. An equity instrument is a contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of its liabilities. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.17 Contingencies

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

Contingent liability is also referred as a present obligation that arises from past events but is not recognised because:

(a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
(b) the amount of the obligation cannot be measured with sufficient reliability.

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

3.18 Earnings per share

The Group presents basic and diluted earnings per share (“EPS”) data for its ordinary shares.

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

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

3.19 Operating segments

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment manager report directly to the Board of Directors of the Company who periodically review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 32, including the factors used to identify the reportable segments and the measurement basis of segment information.

3.20 Fair value measurement

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as 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 measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.20 Fair value measurement (Continued)

When measuring the fair value of an asset or a liability, the Group and the Company use observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group and the Company can access at the measurement date.

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

Level 3: Unobservable inputs for the asset or liability.

The Group and the Company recognise transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reported period. It also requires directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity that have the most significant effect on the Group's and the Company's financial statements, or areas where assumptions and estimates that have a significant risk of resulting in a material adjustment to the Group's and the Company's financial statements within the next financial year are disclosed as follows:

4.1 Write-down of obsolete or slow-moving inventories

Inventories are stated at the lower of cost and net realisable value. Reviews are made periodically by the Group on damaged and slow-moving inventories. These reviews require judgement and estimates. In determining the net realisable value of the inventories, an estimation of the recoverable amount of inventories on hand is performed by the Group based on the most reliable evidence available at the time the estimates are made. These estimates take into consideration the latest selling price or replacement cost, nature of the inventories and other relevant factors such as supply and demand of the identified inventories. Possible changes in these estimates could result in revisions to the valuation of inventories. Where expectations differ from the original estimates, the differences will impact the carrying amount of inventories.

The carrying amounts of the Group's inventories are disclosed in Note 14.

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

The areas involving a higher degree of judgement or complexity that have the most significant effect on the Group's and the Company's financial statements, or areas where assumptions and estimates that have a significant risk of resulting in a material adjustment to the Group's and the Company's financial statements within the next financial year are disclosed as follows: (Continued)

4.2 Impairment of financial assets and contract assets

The impairment provisions for financial assets and contract assets are based on assumptions about risk of default and expected loss rate. The Group use judgement in making these assumptions and selecting inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period.

The assessment of the correlation between historical observed default rates, forward- looking estimates and expected credit loss is a significant estimate. The amount of expected credit loss is sensitive to changes in circumstances and of forecast economic conditions over the expected lives of financial assets. 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.

The information about the impairment losses on the Group's financial assets and contract assets are disclosed in Note 28(a).

5. REVENUE

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Revenue from contract customers:				
Sale of goods and services	171,552,080	151,901,911	-	-
Engineering works	21,139,333	-	-	-
Management fee	-	-	4,442,000	2,667,000
	192,691,413	151,901,911	4,442,000	2,667,000
Revenue from other sources:				
Dividend income from subsidiaries	-	-	500,000	3,000,000
Lease income on building	29,500	30,000	1,400,380	1,400,880
	192,720,913	151,931,911	6,342,380	7,067,880

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

5. REVENUE (CONTINUED)

(a) Disaggregation of revenue

The Group report the following major segments: stainless steel products, marine hardware and consumable, other industrial hardware and engineering works in accordance with MFRS 8 Operating Segments. For the purpose of disclosure of disaggregation of revenue, it disaggregates revenue into primary geographical markets and timing of revenue recognition (i.e. goods transferred at a point in time or services transferred over time).

	Stainless steel and metal related products RM	Marine hardware and consumable RM	Other industrial hardware RM	Engineering works RM	Total RM
Group					
2022					
Primary geographical markets:					
Local	**122,571,206**	**22,687,905**	**5,631,127**	**21,139,333**	**172,029,571**
Overseas	**20,534,566**	**-**	**127,276**	**-**	**20,661,842**
	143,105,772	**22,687,905**	**5,758,403**	**21,139,333**	**192,691,413**
Timing of revenue recognition:					
At a point in time	**143,105,772**	**22,687,905**	**5,758,403**	**11,819,498**	**183,371,578**
Over time	**-**	**-**	**-**	**9,319,835**	**9,319,835**
	143,105,772	**22,687,905**	**5,758,403**	**21,139,333**	**192,691,413**
2021					
Primary geographical markets:					
Local	97,282,060	23,999,925	8,627,309	18,591,595	148,500,889
Overseas	3,109,469	-	291,553	-	3,401,022
	100,391,529	23,999,925	8,918,862	18,591,595	151,901,911
Timing of revenue recognition:					
At a point in time	100,391,529	23,999,925	8,918,862	18,591,595	151,901,911

	2022 RM	2021 RM
Company		
Timing of revenue recognition:		
At a point in time	**4,442,000**	2,667,000

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

5. REVENUE (CONTINUED)

(b) Transaction price allocated to the remaining performance obligations

The Group and the Company apply the practical expedient in paragraph 121(a) of MFRS 15 and do not disclose information about remaining performance obligations that have original expected durations of one year or less.

6. PROFIT/(LOSS) BEFORE TAX

Profit/(Loss) before tax is arrived at after charging/(crediting):

		Group		Company	
	Note	2022 RM	2021 RM	2022 RM	2021 RM
Auditors' remuneration					
- Statutory audit		**208,000**	225,000	**70,000**	70,000
- Other services		**5,000**	5,000	**5,000**	5,000
Bad debts written off		**8,292**	-	**-**	-
Depreciation of property, plant and equipment	10	**3,292,591**	2,808,016	**634,965**	188,405
Employee benefits expense (including key management personnel)					
- Fees, salaries, allowances and bonuses		**14,542,698**	15,958,115	**3,940,429**	3,104,813
- Defined contribution plans		**1,478,761**	1,181,022	**419,080**	214,202
- Other employee benefits		**712,355**	564,074	**45,531**	46,192
Impairment loss on trade receivables	15	**560,492**	1,081,981	**-**	-
Reversal of impairment loss on trade receivables	15	**(8,860)**	(1,300,455)	**-**	-
Impairment loss on investment in a subsidiary		**-**	-	**6,160,000**	-
Inventories written down	14	**170,421**	996,352	**-**	-
Reversal of inventories written down	14	**(759,413)**	-	**-**	-
Interest expense in respect of:					
- Bankers' acceptances		**2,331,746**	1,292,906	**-**	-
- Bank overdraft		**30,341**	20,271	**-**	-
- Lease liabilities		**253,112**	246,888	**21,603**	2,281
- Term loan		**137,957**	-	**-**	-
- Associate		**20,730**	-	**-**	-
- Others		**8,695**	62,672	**-**	-
Property, plant and equipment written off	10	**59,990**	-	**-**	-
Expense relating to short-term leases		**303,530**	62,540	**144,880**	71,860
Gain on foreign exchange					
- Realised		**(235,247)**	(21,336)	**-**	-
- Unrealised		**(11,090)**	-	**-**	-

6. PROFIT/(LOSS) BEFORE TAX (CONTINUED)

Profit/(Loss) before tax is arrived at after charging/(crediting): (Continued)

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Gain on termination of lease liability		**(27,489)**	-	**-**	-
Gain on disposal of property, plant and equipment		**(58,102)**	(108,128)	**-**	-
Dividend income		**-**	-	**-**	(3,000,000)
Interest income on:					
- Deposits with licensed banks		**(67,284)**	(14,122)	**(14,555)**	(9,086)
- Subsidiaries		**-**	-	**(304,674)**	(556,769)

7. DIRECTORS' REMUNERATION

	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Directors of the Company				
Executive directors				
- Other emoluments	**1,699,605**	1,011,315	**1,699,605**	1,011,315
- Defined contribution plan	**185,636**	104,408	**185,636**	104,408
- Benefits-in-kind	**45,631**	18,625	**45,631**	18,625
	1,930,872	1,134,348	**1,930,872**	1,134,348
Non-executive directors				
- Fees	**219,583**	198,454	**219,583**	198,454
- Other emoluments	**23,000**	13,500	**23,000**	13,500
	242,583	211,954	**242,583**	211,954
Directors of subsidiaries				
Executive directors				
- Other emoluments	**100,833**	405,330	**-**	-
- Defined contribution plan	**12,101**	44,760	**-**	-
- Benefits-in-kind	**-**	8,466	**-**	-
	112,934	458,556	**-**	-
Total directors' remuneration	**2,286,389**	1,804,858	**2,173,455**	1,346,302

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

8. TAX EXPENSE/(CREDIT)

The income tax expense/(credit) for the financial years ended 31 December 2022 and 31 December 2021 are as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Current income tax:				
- Current income tax charge	**1,742,812**	3,942,709	**-**	-
- Adjustment in respect of prior years	**(268,466)**	(168,317)	**15,118**	(34,311)
	1,474,346	3,774,392	**15,118**	(34,311)
Deferred tax (Note 13):				
- Origination of temporary differences	**50,092**	177,518	**(44,736)**	28,197
- Adjustment in respect of prior years	**(289,628)**	(91,214)	**(47,778)**	(9)
	(239,536)	86,304	**(92,514)**	28,188
Tax expense/(credit) recognised in profit or loss	**1,234,810**	3,860,696	**(77,396)**	(6,123)

Income tax is calculated at the Malaysian statutory income tax rate of 24% (2021: 24%) of the estimated assessable profit for the financial year.

The reconciliations from the tax amount at statutory income tax rate to the Group's and the Company's tax expense are as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Profit/(loss) before tax	**2,988,973**	14,882,278	**(6,089,384)**	2,763,069
Tax at Malaysian statutory income tax rate of 24%	**717,354**	3,571,747	**(1,461,452)**	663,137
Share of results of an associate	**36,611**	(41,966)	**-**	-
Adjustments:				
Non-taxable income	**(401,368)**	(10,264)	**(120,000)**	(727,200)
Non-deductible expenses	**730,718**	1,061,515	**1,536,716**	92,260
Deferred tax assets not recognised	**709,589**	247,185	**-**	-
Utilisation of deferred tax assets previously not recognised	**-**	(707,990)	**-**	-
Adjustment in respect of prior years:				
- current income tax	**(268,466)**	(168,317)	**15,118**	(34,311)
- deferred tax	**(289,628)**	(91,214)	**(47,778)**	(9)
Tax expense/(credit) recognised in profit or loss	**1,234,810**	3,860,696	**(77,396)**	(6,123)

9. EARNINGS PER SHARE

Basic earnings per ordinary share

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

	Group	
	2022 RM	2021 RM
Profit attributable to owners of the Company	**1,481,334**	10,667,211

	2022 Unit	2021 Restated Unit
Weighted average number of ordinary shares for basic earnings per share	**129,599,905**	129,368,065

	2022 Sen	2021 Restated Sen
Basic earnings per ordinary share	**1.14**	8.25

Diluted earnings per ordinary share

Diluted earnings per share are based on the profit for the financial year attributable to ordinary equity holders of the Company and the weighted average number or ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that could be issued on conversion at all the dilutive potential ordinary shares into ordinary shares, calculated as follows:

	Group	
	2022 RM	2021 RM
Profit attributable to owners of the Company	**1,481,334**	10,667,211

	2022	2021 Restated
Weighted average number of ordinary share in issue	**129,599,905**	129,368,065
Effect of dilution from:		
- dilution of warrants	**3,286,947**	-
Weighted average number of ordinary shares for diluted earnings per share	**132,886,852**	129,368,065

	2022 Sen	2021 Restated Sen
Diluted earnings per ordinary shares	**1.11**	8.25

The comparative figures for the weighted average number of ordinary shares for both basic and diluted earnings per share computation have been restated to reflect the adjusted arising from the bonus issue which were completed on 4 July 2022.

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

10. PROPERTY, PLANT AND EQUIPMENT

	Freehold land RM	Buildings RM	Electrical installation RM	Plant and machinery and factory equipment RM	Machine under construction RM	Electrical equipment, furniture and fittings and office equipment RM	Motor vehicles RM	Computers RM	Renovation RM	Right-of-use assets RM	Total RM
Group											
Cost											
At 1 January 2021	1,981,721	6,333,121	104,058	15,373,126	269,000	336,168	2,031,974	300,570	61,442	7,047,530	33,838,710
Additions	-	-	14,005	751,737	-	133,799	6,920	183,812	125,602	2,738,091	3,953,966
Disposals	-	-	-	(43,800)	-	-	(163,229)	-	-	(403,111)	(610,140)
Reclassification	-	-	-	(558,660)	-	-	-	-	-	558,660	-
At 1 January 2022	**1,981,721**	**6,333,121**	**118,063**	**15,522,403**	**269,000**	**469,967**	**1,875,665**	**484,382**	**187,044**	**9,941,170**	**37,182,536**
Additions	**-**	**4,074,560**	**77,304**	**2,703,633**	**-**	**334,297**	**14,400**	**137,828**	**401,274**	**2,868,895**	**10,612,191**
Disposals	**-**	**-**	**-**	**(193,430)**	**(269,000)**	**(2,050)**	**(200,106)**	**-**	**-**	**(883,397)**	**(1,547,983)**
Written off	**-**	**-**	**(60,985)**	**(142,041)**	**-**	**(31,915)**	**-**	**(15,034)**	**-**	**(1,450)**	**(251,425)**
Derecognition of lease	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(1,682,482)**	**(1,682,482)**
Termination of lease	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(789,203)**	**(789,203)**
Remeasurement of lease	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**20,696**	**20,696**
Reclassification	**-**	**-**	**-**	**1,954,739**	**-**	**-**	**4,968,270**	**-**	**-**	**(6,923,009)**	**-**
At 31 December 2022	**1,981,721**	**10,407,681**	**134,382**	**19,845,304**	**-**	**770,299**	**6,658,229**	**607,176**	**588,318**	**2,551,220**	**43,544,330**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Freehold land RM	Buildings RM	Electrical installation RM	Plant and machinery and factory equipment RM	Machine under construction RM	Electrical equipment, furniture and fittings and office equipment RM	Motor vehicles RM	Computers RM	Renovation RM	Right-of-use assets RM	Total RM
Group (Continued)											
Accumulated depreciation											
At 1 January 2021	-	2,250,468	39,161	12,916,667	-	207,640	1,966,806	232,379	54,642	3,505,146	21,172,909
Charge for the financial year	-	126,663	14,733	799,327	-	56,007	44,254	79,819	58,360	1,628,853	2,808,016
Disposals	-	-	-	(2,920)	-	-	(160,940)	-	-	(390,407)	(554,267)
Reclassification	-	-	-	(7,820)	-	-	-	-	-	7,820	-
At 1 January 2022	**-**	**2,377,131**	**53,894**	**13,705,254**	**-**	**263,647**	**1,850,120**	**312,198**	**113,002**	**4,751,412**	**23,426,658**
Charge for the financial year	**-**	**162,881**	**16,752**	**583,149**	**-**	**90,730**	**21,274**	**147,743**	**180,881**	**2,089,181**	**3,292,591**
Disposals	**-**	**-**	**-**	**(80,156)**	**-**	**(1,904)**	**(198,994)**	**-**	**-**	**(296,280)**	**(577,334)**
Written off	**-**	**-**	**(27,442)**	**(121,677)**	**-**	**(26,631)**	**-**	**(15,026)**	**-**	**(653)**	**(191,429)**
Derecognition of lease	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(1,682,482)**	**(1,682,482)**
Termination of lease	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(328,525)**	**(328,525)**
Reclassification	**-**	**-**	**-**	**1,038,850**	**-**	**-**	**2,235,906**	**-**	**-**	**(3,274,756)**	**-**
At 31 December 2022	**-**	**2,540,012**	**43,204**	**15,125,420**	**-**	**325,842**	**3,908,306**	**444,915**	**293,883**	**1,257,897**	**23,939,479**
Carrying amount											
At 31 December 2021	1,981,721	3,955,990	64,169	1,817,149	269,000	206,320	25,545	172,184	74,042	5,189,758	13,755,878
At 31 December 2022	**1,981,721**	**7,867,669**	**91,178**	**4,719,884**	**-**	**444,457**	**2,749,923**	**162,261**	**294,435**	**1,293,323**	**19,604,851**

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Freehold land RM	Buildings RM	Plant and machinery and factory equipment RM	Electrical equipment, furniture and fittings and office equipment RM	Motor vehicle RM	Computers RM	Renovation RM	Right-of-use assets RM	Total RM
Company									
Cost									
At 1 January 2021	1,981,721	6,333,121	255,400	77,540	4,680	102,400	40,122	-	8,794,984
Additions	-	-	-	65,972	-	113,396	4,600	113,085	297,053
At 1 January 2022	**1,981,721**	**6,333,121**	**255,400**	**143,512**	**4,680**	**215,796**	**44,722**	**113,085**	**9,092,037**
Additions	**-**	**-**	**968,450**	**376,584**	**-**	**69,513**	**382,428**	**590,657**	**2,387,632**
Disposals	**-**	**-**	**(1,746)**	**(800)**	**-**	**-**	**-**	**-**	**(2,546)**
Reclassification	**-**	**-**	**-**	**-**	**229,220**	**-**	**-**	**(229,220)**	**-**
At 31 December 2022	**1,981,721**	**6,333,121**	**1,222,104**	**519,296**	**233,900**	**285,309**	**427,150**	**474,522**	**11,477,123**
Accumulated depreciation									
At 1 January 2021	-	2,250,468	255,398	33,504	4,679	77,057	40,120	-	2,661,226
Charge for the financial year	-	126,663	-	17,456	-	30,519	575	13,192	188,405
At 1 January 2022	**-**	**2,377,131**	**255,398**	**50,960**	**4,679**	**107,576**	**40,695**	**13,192**	**2,849,631**
Charge for the financial year	**-**	**126,663**	**66,652**	**56,993**	**-**	**82,813**	**111,007**	**190,837**	**634,965**
Disposals	**-**	**-**	**(808)**	**(799)**	**-**	**-**	**-**	**-**	**(1,607)**
Reclassification	**-**	**-**	**-**	**-**	**59,036**	**-**	**-**	**(59,036)**	**-**
At 31 December 2022	**-**	**2,503,794**	**321,242**	**107,154**	**63,715**	**190,389**	**151,702**	**144,993**	**3,482,989**
Carrying amount									
At 31 December 2021	1,981,721	3,955,990	2	92,552	1	108,220	4,027	99,893	6,242,406
At 31 December 2022	**1,981,721**	**3,829,327**	**900,862**	**412,142**	**170,185**	**94,920**	**275,448**	**329,529**	**7,994,134**

10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

During the financial year, the Group and the Company acquired property, plant and equipment with aggregate cost of RM10,612,191 (2021: RM3,953,966) and RM2,387,632 (2021: RM297,053) which are satisfied as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Cash payments	**7,980,535**	1,215,875	**1,796,975**	183,968
Lease arrangement	**2,631,656**	2,738,091	**590,657**	113,085
	10,612,191	3,953,966	**2,387,632**	297,053

(a) Assets pledged as security

The Group's and the Company's property, plant and equipment which are pledged as security for borrowings of the Group as mentioned in Note 22 are as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Freehold land	**1,981,721**	1,981,721	**1,981,721**	1,981,721
Buildings	**7,867,669**	3,955,990	**3,829,327**	3,955,990
	9,849,390	5,937,711	**5,811,048**	5,937,711

(b) Right-of-use assets

	Buildings RM	Plant and machinery RM	Motor vehicles RM	Total RM
Group				
Cost				
At 1 January 2021	2,616,060	2,280,926	2,150,544	7,047,530
Additions	1,621,403	-	1,116,688	2,738,091
Derecognition	(33,875)	-	(369,236)	(403,111)
Reclassification	-	558,660	-	558,660
At 1 January 2022	**4,203,588**	**2,839,586**	**2,897,996**	**9,941,170**
Additions	**798,621**	**-**	**2,070,274**	**2,868,895**
Disposal	**-**	**(883,397)**	**-**	**(883,397)**
Written off	**-**	**(1,450)**	**-**	**(1,450)**
Derecognition of lease	**(1,682,482)**	**-**	**-**	**(1,682,482)**
Termination of lease	**(789,203)**	**-**	**-**	**(789,203)**
Remeasurement of lease	**20,696**	**-**	**-**	**20,696**
Reclassification	**-**	**(1,954,739)**	**(4,968,270)**	**(6,923,009)**
At 31 December 2022	**2,551,220**	**-**	**-**	**2,551,220**

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(b) Right-of-use assets (Continued)

	Buildings RM	Plant and machinery RM	Motor vehicles RM	Total RM
Group (Continued)				
Accumulated depreciation				
At 1 January 2021	1,062,879	684,132	1,758,135	3,505,146
Charge for the financial year	1,067,403	362,133	199,317	1,628,853
Derecognition	(21,172)	-	(369,235)	(390,407)
Reclassification	-	7,820	-	7,820
At 1 January 2022	**2,109,110**	**1,054,085**	**1,588,217**	**4,751,412**
Charge for the financial year	**1,159,794**	**281,698**	**647,689**	**2,089,181**
Disposal	**-**	**(296,280)**	**-**	**(296,280)**
Written off	**-**	**(653)**	**-**	**(653)**
Derecognition of lease	**(1,682,482)**	**-**	**-**	**(1,682,482)**
Termination of lease	**(328,525)**	**-**	**-**	**(328,525)**
Reclassification	**-**	**(1,038,850)**	**(2,235,906)**	**(3,274,756)**
At 31 December 2022	**1,257,897**	**-**	**-**	**1,257,897**
Carrying amount				
At 31 December 2021	2,094,478	1,785,501	1,309,779	5,189,758
At 31 December 2022	**1,293,323**	**-**	**-**	**1,293,323**

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(b) Right-of-use assets (Continued)

	Buildings RM	Motor vehicles RM	Total RM
Company			
Cost			
At 1 January 2021	-	-	-
Additions	-	113,085	113,085
At 1 January 2022	**-**	**113,085**	**113,085**
Additions	**474,522**	**116,135**	**590,657**
Reclassification	**-**	**(229,220)**	**(229,220)**
At 31 December 2022	**474,522**	**-**	**474,522**
Accumulated depreciation			
At 1 January 2021	-	-	-
Charge for the financial year	-	13,192	13,192
At 1 January 2022	**-**	**13,192**	**13,192**
Charge for the financial year	**144,993**	**45,844**	**190,837**
Reclassification	**-**	**(59,036)**	**(59,036)**
At 31 December 2022	**144,993**	**-**	**144,993**
Carrying amount			
At 31 December 2021	-	99,893	99,893
At 31 December 2022	**329,529**	**-**	**329,529**

The Group leases buildings as its office, factory and staff hostels. The leases generally have lease terms between 1 to 3 years (2021: 2 to 3 years). The leases include renewal option for additional terms of 1 to 3 years (2021: 1 to 3 years) upon expiry of the initial term.

(c) Assets under finance lease

The carrying amount of assets under finance lease arrangement are as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Plant and machinery	**1,469,718**	1,785,501	**-**	-
Motor vehicles	**2,732,364**	1,309,779	**170,184**	99,893
	4,202,082	3,095,280	**170,184**	99,893

The Group leases plant and machinery and motor vehicles with lease terms of 1 to 7 years (2021: 3 to 7 years).

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

11. INVESTMENTS IN SUBSIDIARIES

	Note	Company 2022 RM	Company 2021 RM
Unquoted shares, at cost:			
At 1 January		**33,060,002**	33,060,002
Addition	(a)	**2,750,000**	-
Impairment loss		**(6,160,000)**	-
At 31 December		**29,650,002**	33,060,002
Quasi loan	(b)	**5,300,000**	5,300,000
		34,950,002	38,360,002

Details of the subsidiaries are as follows:

Name of company	Principal place of business/Country of incorporation	Ownership interest 2022 %	Ownership interest 2021 %	Principal activities
K. Seng Seng Industries Sdn. Bhd.	Malaysia	100	100	Trading of all kinds of industrial hardware.
Three & Three Hardware Sdn. Bhd.	Malaysia	100	100	Trading of stainless steel long and flat products.
PTM Stainless Steel Industry Sdn. Bhd.	Malaysia	100	100	Manufacturing of stainless steel tubes and pipes, and processing of stainless steel flat products.
K. Seng Seng Parts Sdn. Bhd.	Malaysia	100	100	Hiring of motor vehicles.
KSG Engineering Sdn. Bhd.	Malaysia	100	100	Engineering works, fabrication and installation of rubber glove dipping line and trading of all kinds of consumables and engineering services.
Koseng Sdn. Bhd.	Malaysia	75	75	Trading of all kinds of marine hardware and consumables.
K. Seng Seng Manufacturing Sdn. Bhd.	Malaysia	100	-	Manufacturing of conveyor chain, rigging accessories and components.
Subsidiary of KSG Engineering Sdn. Bhd.				
K. Seng Seng Manufacturing Sdn. Bhd.	Malaysia	-	100	Manufacturing of conveyor chain, rigging accessories and components.
Subsidiary of PTM Stainless Steel Industry Sdn. Bhd.				
PTM Water System Sdn. Bhd. (formerly known as AB Prosper Sdn. Bhd.)	Malaysia	75	-	Trading of industrial hardware and construction materials.

11. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(a) Acquisition of interest in subsidiaries

(i) PTM Water System Sdn. Bhd. (formerly known as AB Prosper Sdn. Bhd.)

On 1 September 2022, PTM Stainless Steel Industry Sdn. Bhd. has acquired 75% equity interests in PTM Water System Sdn. Bhd. (formerly known as AB Prosper Sdn. Bhd.) for a cash consideration of RM75,000.

(ii) K. Seng Seng Manufacturing Sdn. Bhd.

On 31 March 2022, KSG Engineering Sdn. Bhd. had disposed 500,000 ordinary shares in the issued share capital of K. Seng Seng Manufacturing Sdn. Bhd. ("KSSM") to the Company for a total consideration of RM500,000. Upon completion of the disposal, KSSM became a directly wholly-owned subsidiary of the Company.

(iii) Koseng Sdn. Bhd

On 30 November 2022, the Company purchased an additional 2,250,000 shares in Koseng Sdn. Bhd. at a price of RM 1 per share. The Company effective ownership in Koseng Sdn. Bhd. remained at 75% as a result of the additional shares purchased.

(b) Quasi loan

Quasi loans represent advances and payments made on behalf of which the settlement is neither planned nor likely to occur in the foreseeable future. These amounts were, in substance, a part of the Company's net investment in the subsidiaries. The quasi loans were stated at cost less accumulated impairment losses, if any.

(c) Non-controlling interest in subsidiary

The subsidiary of the Group that has material non-controlling interests ("NCI") is as follows:

	PTM Water System Sdn. Bhd. RM	Koseng Sdn. Bhd. RM	Total RM
2022			
NCI proportion of ownership interest and voting interest	**25%**	**25%**	
Carrying amount of NCI ("RM")	**29,210**	**2,907,446**	**2,936,656**
Profit allocated to NCI ("RM")	**11,707**	**261,122**	**272,829**

	Koseng Sdn. Bhd. RM	Total RM
2021		
NCI proportion of ownership interest and voting interest	25%	
Carrying amount of NCI ("RM")	1,896,325	1,896,325
Profit allocated to NCI ("RM")	354,371	354,371

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

11. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(d) Summarised financial information of material non-controlling interest

The summarised financial information (before intra-group elimination) of the Group's and the Company's subsidiary that has material NCI are as follows:

	PTM Water System Sdn. Bhd. RM	Koseng Sdn. Bhd. RM	Total RM
Summarised statement of financial position			
As at 31 December 2022			
Non-current assets	5,525	573,699	579,224
Current assets	695,015	24,019,685	24,714,700
Non-current liabilties	-	(406,150)	(406,150)
Current liabilities	(583,700)	(12,557,450)	(13,141,150)
Net assets	116,840	11,629,784	11,746,624
Summarised statement of comprehensive income			
Financial year ended 31 December 2022			
Revenue	295,372	22,740,619	23,035,991
Profit for the financial year	46,826	1,044,486	1,091,312
Total comprehensive income	46,826	1,044,486	1,091,312
Summarised cash flow information			
Financial year ended 31 December 2022			
Cash flows from operating activities	82,081	2,135,017	2,217,098
Cash flows used in investing activities	(5,765)	(43,841)	(49,606)
Cash flows from/(used in) financing activities	84,857	(1,831,917)	(1,747,060)
Net increase in cash and cash equivalents	161,173	259,259	420,432

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

11. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(d) Summarised financial information of material non-controlling interest (Continued)

	Koseng Sdn. Bhd. RM
Summarised statement of financial position	
As at 31 December 2021	
Non-current assets	658,894
Current assets	22,236,534
Non-current liabilties	(360,178)
Current liabilities	(14,949,952)
Net assets	7,585,298
Summarised statement of comprehensive income	
Financial year ended 31 December 2021	
Revenue	24,006,148
Profit for the financial year	1,417,482
Total comprehensive income	1,417,482
Summarised cash flow information	
Financial year ended 31 December 2021	
Cash flows from operating activities	4,079,391
Cash flows used in investing activities	(349,297)
Cash flows used in financing activities	(4,036,966)
Net decrease in cash and cash equivalents	(306,872)

12. INVESTMENT IN AN ASSOCIATE

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Unquoted shares, at cost				
At 1 January	**820,000**	820,000	**820,000**	820,000
Share of post-acquisition reserves	**4,496,086**	4,343,540	**-**	-
	5,316,086	5,163,540	**820,000**	820,000

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

12. INVESTMENT IN AN ASSOCIATE (CONTINUED)

Details of the associate is as follows:

Name of company	Principal place of business/Country of incorporation	Ownership interest 2022 %	Ownership interest 2021 %	Principal activities
EIE Asian Holding Sdn. Bhd. ^	Malaysia	50	50	Investment holding.
Held by EIE Asian Holding Sdn. Bhd.				
EIE Industrial Products Sdn.Bhd. ^	Malaysia	100	100	Retailers and dealers in hardware used in industries, quarries and mines.
EIE Pulp & Speciality Sdn.Bhd. ^	Malaysia	71	71	General trading and dealing in pulps and paper.

^ *Audited by auditor other than Baker Tilly Monteiro Heng PLT.*

(a) Summarised financial information of associate

The summarised financial information of the Group's associate and reconciles the information to the carrying amount of the Group's interest in the associate is as follows:

	2022 RM	2021 RM
Assets and liabilities		
Non-current assets	**1,237,354**	696,658
Current assets	**16,763,849**	19,429,674
Non-current liabilities	**-**	(469,264)
Current liabilities	**(7,238,405)**	(9,146,616)
Net assets	**10,762,798**	10,510,452
Non-controlling interests	**186,955**	183,373
Results		
Revenue	**21,181,063**	17,323,360
Profit for the financial year/Total comprehensive income	**305,092**	349,720
Reconciliation of net assets to carrying amount:		
Share of net asset at the acquisition date	**638,026**	638,026
Cost of investment	**820,000**	820,000
Share of post-acquisition profits	**3,038,060**	2,885,514
Carrying amount in the statements of financial position	**4,496,086**	4,343,540
Share of results of the Group		
Group's share of total comprehensive income	**152,546**	174,860

13. DEFERRED TAX ASSETS/(LIABILITIES)

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

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
At 1 January	**(267,965)**	(181,661)	**(191,552)**	(163,364)
Recognised in profit or loss (Note 8)	**239,536**	(86,304)	**92,514**	(28,188)
At 31 December	**(28,429)**	(267,965)	**(99,038)**	(191,552)

Presented after appropriate offsetting as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Deferred tax assets	**580,387**	99,071	**169,663**	-
Deferred tax liabilities	**(608,816)**	(367,036)	**(268,701)**	(191,552)
	(28,429)	(267,965)	**(99,038)**	(191,552)

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

	At 1 January 2022 RM	Recognised in profit or loss RM	At 31 December 2022 RM
Group			
Deferred tax liabilities:			
Property, plant and equipment	**(384,791)**	**(192,243)**	**(577,034)**
Other temporary differences	**17,755**	**(49,537)**	**(31,782)**
	(367,036)	**(241,780)**	**(608,816)**
Deferred tax assets:			
Property, plant and equipment	**99,071**	**(824)**	**98,247**
Capital allowances	**-**	**139,693**	**139,693**
Unutilised tax losses	**-**	**29,970**	**29,970**
Other temporary differences	**-**	**312,477**	**312,477**
	99,071	**481,316**	**580,387**
	(267,965)	**239,536**	**(28,429)**

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

13. DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

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

	At 1 January 2021 RM	Recognised in profit or loss RM	At 31 December 2021 RM
Group			
Deferred tax liabilities:			
Property, plant and equipment	(267,891)	(116,900)	(384,791)
Other temporary differences	-	17,755	17,755
	(267,891)	(99,145)	(367,036)
Deferred tax assets:			
Property, plant and equipment	86,230	12,841	99,071
	(181,661)	(86,304)	(267,965)

	At 1 January 2022 RM	Recognised in profit or loss RM	At 31 December 2022 RM
Company			
Deferred tax liabilities:			
Property, plant and equipment	**(191,552)**	**(45,367)**	**(236,919)**
Other temporary differences	**-**	**(31,782)**	**(31,782)**
	(191,552)	**(77,149)**	**(268,701)**
Deferred tax assets:			
Capital allowances	**-**	**139,693**	**139,693**
Unutilised tax losses	**-**	**29,970**	**29,970**
	-	**169,663**	**169,663**
	(191,552)	**92,514**	**(99,038)**

	At 1 January 2021 RM	Recognised in profit or loss RM	At 31 December 2021 RM
Company			
Deferred tax liabilities:			
Property, plant and equipment	(163,364)	(28,188)	(191,552)

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

13. DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items (stated at gross):

	Group	
	2022 RM	2021 RM
Unabsorbed capital allowances	1,166,212	1,918,079
Unutilised tax losses	11,100,809	7,201,870
Difference between the carrying amounts of property, plant and equipment and their tax base	(116,983)	(490,213)
Other temporary differences	1,176,767	1,740,448
	13,326,805	10,370,184

The availability of unused tax losses for offsetting against future taxable profits are subject to requirements under the Income Tax Act, 1967 and guidelines issued by the tax authority.

The unutilised tax losses are available for offset against future taxable profits of the Group in the following financial years:

	Group	
	2022 RM	2021 RM
Year of assessments		
2028	**1,785,980**	2,118,701
2029	**1,854,178**	2,708,974
2030	**969,249**	969,249
2031	**1,404,946**	1,404,946
2032	**5,086,456**	-
	11,100,809	7,201,870

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

14. INVENTORIES

	Group	
	2022 RM	2021 RM
Raw materials	**7,988,185**	8,557,597
Work-in-progress	**4,775,507**	3,549,795
Finished goods	**66,425,364**	57,349,748
Consumables	**1,441,209**	1,188,068
Packing materials	**72,140**	142,460
Stock in transit	**268,554**	-
	80,970,959	70,787,668

(a) During the financial year, the cost of inventories recognised as an expense in cost of sales of the Group is RM164,988,485 (2021: RM113,801,462)

(b) The cost of inventories of the Group recognised as other expenses during the year in respect of write-down of inventories to net realisable value was RM170,421 (2021: RM996,352).

(c) During the financial year, the Group reversed the previous inventories written down value of RM759,413 (2021: Nil). The amount of reversal was included in other income.

15. TRADE RECEIVABLES

		Group	
	Note	2022 RM	2021 RM
Current:			
External parties	(a)	**49,689,626**	65,147,084
Less: Impairment losses for trade receivables	(b)	**(1,682,396)**	(4,259,639)
Total trade receivables		**48,007,230**	60,887,445

		Company	
	Note	2022 RM	2021 RM
Current:			
External parties	(a)	**-**	7,500

15. TRADE RECEIVABLES (CONTINUED)

(a) The Group's and the Company's normal credit term ranges from 30 to 90 days (2021: 30 to 90 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.

(b) Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the reconciliation of movement in the impairment of trade receivables are as follows:

		Group	
	Note	2022 RM	2021 RM
At 1 January		**4,259,639**	4,478,113
Charge for the financial year			
- individually assessed	6	**560,492**	1,081,981
Reversal of impairment losses	6	**(8,860)**	(1,300,455)
Written off		**(3,128,875)**	-
At 31 December		**1,682,396**	4,259,639

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

The information about the credit exposures is disclosed in Note 28(a).

16. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Other receivables	**141,547**	132,528	**3,000**	-
Deposits	**2,296,225**	870,324	**286,045**	70,004
Advances to suppliers	**1,064,497**	5,550,334	**-**	-
Prepayments	**675,473**	1,334,125	**73,959**	134,147
	4,177,742	7,887,311	**363,004**	204,151

Included in deposits are payment made for the acquisition of freehold land, single storey factory and three storey office amounting to RM1,470,000 as disclosed in Note 30.

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

17. CONTRACT ASSETS/(LIABILITIES)

	Group	
	2022 RM	2021 Restated RM
Contract assets relating to engineering works	**1,934,835**	-
Contract liabilities relating to engineering works	**(20,028,693)**	(30,393,432)

Significant changes in contract balances

	Group	
	2022 RM	2021 Restated RM
At 1 January	**30,393,432**	14,298,349
Revenue recognised during the year	**(19,886,295)**	-
Progress billings during the year	**7,586,721**	16,095,083
At 31 December	**18,093,858**	30,393,432

18. CONTRACT COSTS

	Group	
	2022 RM	2021 Restated RM
Contract costs relating to rubber glove dipping line	16,359,677	30,850,080

Included in contract costs are the costs incurred to date which will be recognised in cost of sales when the performance obligation is satisfied only at the date when the rubber glove dipping line is delivered and installed.

19. AMOUNTS DUE FROM SUBSIDIARIES

		Company	
	Note	2022 RM	2021 RM
Amounts due from subsidiaries			
Trade	(a)	**-**	2,743,447
Non-trade	(b)	**10,849,854**	11,378,550
		10,849,854	14,121,997

(a) The credit terms range from 30 to 90 days (2021: 30 to 90 days).

(b) These amounts are unsecured, interest free and are repayable on demand in cash except for an amount of RM7,610,000 (2021: RM8,738,630) which bear interest at rates ranging from 7.65% to 8.40% (2021: 7.40% to 8.40%) per annum.

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

20. CASH AND SHORT-TERM DEPOSITS

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Deposits placed with licensed banks (Islamic)	**481,986**	1,482,906	**481,986**	1,470,867
Deposits placed with licensed banks	**1,089,633**	3,046,646	**-**	-
Cash and bank balances (Islamic)	**4,333,664**	2,359,915	**-**	-
Cash and bank balances	**2,382,751**	9,988,947	**776,181**	338,763
	8,288,034	16,878,414	**1,258,167**	1,809,630

For the purpose of the statements of cash flows, cash and cash equivalents comprise of the following:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Deposits placed with licensed banks	**1,571,619**	4,529,552	**481,986**	1,470,867
Less: Non-short term deposits placed with licensed banks	**(1,559,015)**	(2,511,716)	**(481,986)**	(1,470,867)
	12,604	2,017,836	**-**	-
Cash and bank balances	**6,716,415**	12,348,862	**776,181**	338,763
Bank overdraft	**(386,624)**	(496,462)	**-**	-
	6,342,395	13,870,236	**776,181**	338,763

(a) The interest rate and maturity period of deposits are as follows:

	Group		Company	
	2022	2021	2022	2021
Interest rate per annum (%)	**1.47% to 2.95%**	1.55% to 2.5%	**2.95%**	1.85%
Maturity period	**30 days to 365 days**	30 days to 365 days	**365 days**	180 days to 365 days

(b) Reconciliation of changes in liabilities arising from financing activities are as follows:

	1 January 2022 RM	Cash flows RM	Non-cash acquisition RM	31 December 2022 RM
Group				
Bankers' acceptances	**51,588,951**	**(6,420,817)**	**-**	**45,168,134**
Lease liabilities	**4,902,478**	**(2,427,095)**	**2,164,179**	**4,639,562**
Term loan	**-**	**5,176,433**	**-**	**5,176,433**
	56,491,429	**(3,671,479)**	**2,164,179**	**54,984,129**

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

20. CASH AND SHORT-TERM DEPOSITS (CONTINUED)

(b) Reconciliation of changes in liabilities arising from financing activities are as follows: (continued)

	1 January 2021 RM	Cash flows RM	Non-cash acquisition RM	31 December 2021 RM
Group				
Bankers' acceptances	33,470,774	18,118,177	-	51,588,951
Lease liabilities	3,739,188	(1,574,801)	2,738,091	4,902,478
	37,209,962	16,543,376	2,738,091	56,491,429

	1 January 2022 RM	Cash flows RM	Non-cash acquisition RM	31 December 2022 RM
Company				
Lease liabilities	**100,071**	**(171,654)**	**590,657**	**519,074**

	1 January 2021 RM	Cash flows RM	Non-cash acquisition RM	31 December 2021 RM
Company				
Lease liabilities	-	(13,014)	113,085	100,071

(c) Total cash outflows for leases

During the financial year, the Group and the Company had total cash outflows for leases of RM2,983,737 (2021: RM1,884,229) and RM338,137 (2021: RM87,155) respectively.

21. SHARE CAPITAL

	Group and Company			
	Number of ordinary shares		Amount	
	2022 Unit	2021 Unit	2022 RM	2021 RM
Issued and fully paid up:				
At 1 January	**115,200,000**	103,950,000	**58,771,889**	53,125,639
Issued during the financial year:				
- issuance of share	**-**	11,250,000	**-**	5,646,250
- bonus issue	**14,399,905**	-	**-**	-
At 31 December	**129,599,905**	115,200,000	**58,771,889**	58,771,889

21. SHARE CAPITAL (CONTINUED)

(a) Share Capital

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

During the financial year, the number of ordinary shares of the Company increased from 115,200,000 units to 129,599,905 units by way of issuance of 14,399,905 new ordinary shares arising from bonus issue.

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

(b) Warrants

Warrants 2022/2029

On 11 October 2022, the Company has issued 43,199,879 warrants pursuant to bonus issue of warrants to all the entitled shareholders of the Company on the basis on one (1) warrant for every three (3) existing ordinary shares held in the Company.

The warrants are constituted under a Deed Poll executed on 19 September 2022 and each warrant entitles the registered holder the right at any time during the exercise period from 11 October 2022 to 10 October 2029 to subscribe in cash for one (1) new ordinary shares of the Company at an exercise price of RM0.54 each.

The salient features of the Warrants 2022/2029 are as follows:

(i) entitled its registered holder for one (1) free Warrant for every three (3) ordinary shares held;

(ii) each Warrant entitles the holder to subscribe for one (1) new ordinary share at the exercise price at any time during the exercise period;

(iii) the Warrants may be exercised at any period commencing on and including the date of issuance of the Warrants and ending ar the close of business at 5pm on the date preceding the seventh (7^{th}) anniversary of the date of issuance, or if such is not market day, then it shall be the market day immediately preceding the said non-market day. At the expiry of the exercise period, any Warrant which has not been exercised will cease to be valid for any purpose and will deemed to have lapsed; and

(iv) the new ordinary shares to be issued arising from the exercise of exercise rights represented by the Warrants, shall upon allotment and issuance rank pari passu in all respects with the existing ordinary shares, save and except the new ordinary shares will not be entitled to any dividend, right, allotment and/or other forms of distribution where the entitlement date of such dividend, right, allotment and/or other forms of distribution precedes the relevant date of allotment and issuance of the new ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

21. SHARE CAPITAL (CONTINUED)

(b) Warrants (Continued)

The movement of Warrants 2022/2029 during the financial year are as follows:

	Warrants 2022/2029	
	2022 Unit	**2021 Unit**
At 1 January	**-**	-
Allotment of warrants	**43,199,879**	-
At 31 December	**43,199,879**	-

(c) ESOS

The ESOS is governed by the ESOS By-Laws approved by the shareholders of the Company at an Extraordinary General Meeting held on 25 May 2022, The main features of the ESOS are as follows:

(i) the ESOS options granted to eligible directors (including Non-Executive) and eligible employees of the Company and its subsidiaries to subscribe for new ordinary shares in the Company;

(ii) the ESOS is for a period of five (5) years commencing from 8 September 2022.

(iii) the maximum number of new shares which may be made available under the scheme and/or to be allotted and/or issued pursuant to the exercise of the ESOS options that may be granted under the scheme shall not exceed in aggregate fifteen percent (15%) of the prevailing total number of issued shares of the Company (excluding treasury shares, if any) at any point in time when an offer is made throughout the duration of the scheme;

(iv) an ESOS option cannot be assigned, encumbered, transferred or otherwise disposed of in any manner whatsoever;

(v) the option price shall be determined based on the five (5)-day volume weighted average market price of the shares immediately preceding the date of offer, with a discount of not more than ten percent (10%) or such other percentage of discount as may be permitted by Bursa Securities or any other relevant authorities from time to time during the duration of the scheme;

(vi) the actual number of shares under the ESOS options which may be offered to an eligible person shall be at the sole and absolute discretion of the ESOS Committee and shall not be less than one hundred (100) shares and shall be in the multiples of one hundred (100) shares (or in any other denomination as may be prescribed by Bursa Securities as a board lot); and

(vii) The new shares to be allotted and issued upon any exercise of the ESOS options will upon such allotment and issuance, rank pari passu in all respects with the then existing issued shares except that the new shares so issued and allotted will not be entitled to any dividends, rights, allotments and/or other distributions where the entitlement date of which is prior to the date of which the new shares are credited into the CDS accounts of the grantees.

22. BORROWINGS

		Group		Company	
	Note	2022 RM	2021 RM	2022 RM	2021 RM
Non-current					
Lease liabilities	(b)	**2,790,204**	2,844,152	**325,631**	79,499
Term loan	(d)	**4,843,174**	-	**-**	-
		7,633,378	2,844,152	**325,631**	79,499
Current					
Bankers' acceptances (Islamic)	(a)	**30,529,134**	33,952,549	**-**	-
Bankers' acceptances	(a)	**14,639,000**	17,636,402	**-**	-
Lease liabilities	(b)	**1,849,358**	2,058,326	**193,443**	20,572
Bank overdraft	(c)	**386,624**	496,462	**-**	-
Term loan	(d)	**333,259**	-	**-**	-
		47,737,375	54,143,739	**193,443**	20,572
Total borrowings:					
Bankers' acceptances (Islamic)	(a)	**30,529,134**	33,952,549	**-**	-
Bankers' acceptances	(a)	**14,639,000**	17,636,402	**-**	-
Lease liabilities	(b)	**4,639,562**	4,902,478	**519,074**	100,071
Bank overdraft	(c)	**386,624**	496,462	**-**	-
Term loan	(d)	**5,176,433**	-	**-**	-
		55,370,753	56,987,891	**519,074**	100,071

(a) Bankers' acceptances

The bankers' acceptances of the Group are secured and supported corporate guarantee of the Company.

Included in bankers' acceptance of RM5,820,652 is supported by legal charge over the freehold land and buildings of the Group.

The bankers' acceptances bear interest at rates as follows:

	Group	
	Interest rate per annum (%)	
	2022	2021
Bankers' acceptances (Islamic)	**2.44% to 8.32%**	2.04% to 2.11%
Bankers' acceptances	**3.30% to 5.15%**	2.87% to 4.02%

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

22. BORROWINGS (CONTINUED)

(b) Lease liabilities

Certain equipment and vehicles of the Group as disclosed in Note 10 are pledged for leases. Such leases do not have terms for renewal which would give the Group an option to purchase at nominal values at the end of lease term.

Future minimum lease payments together with the present value of net minimum lease payments are as follows:

	Group		Company	
	2022 RM	**2021 RM**	**2022 RM**	**2021 RM**
Minimum lease payments:				
Not later than one year	**2,013,475**	2,227,141	**209,503**	24,420
Later than one year and not later than 5 years	**2,659,988**	2,866,124	**321,363**	85,470
Later than 5 years	**352,730**	145,003	**19,576**	-
	5,026,193	5,238,268	**550,442**	109,890
Less: Future finance charges	**(386,631)**	(335,790)	**(31,368)**	(9,819)
Present value of minimum lease payments	**4,639,562**	4,902,478	**519,074**	100,071
Present value of minimum lease payments:				
Not later than one year	**1,849,358**	2,058,326	**193,443**	20,572
Later than one year and not later than 5 years	**2,445,466**	2,704,292	**306,483**	79,499
Later than 5 years	**344,738**	139,860	**19,148**	-
	4,639,562	4,902,478	**519,074**	100,071
Less: Amount due within 12 months	**(1,849,358)**	(2,058,326)	**(193,443)**	(20,572)
Amount due after 12 months	**2,790,204**	2,844,152	**325,631**	79,499

The lease liabilities of the Group and the Company bear interest at rates ranging from 2.03% to 5.83% (2021: 3.47% to 8.70%) and of the Company 2.18% to 3.75% (2021: 2.18% to 2.20%) per annum respectively.

(c) Bank overdraft

The bank overdraft of the Group bears interest at a rate of 3.75% (2021: 3.75%) per annum and is secured and supported by a corporate guarantee by the Company.

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

22. BORROWINGS (CONTINUED)

(d) Term loans

	2022 RM	2021 RM
Within next twelve months	**333,259**	-
After next twelve months		
- not later than two years	**338,144**	-
- later than two years but not more than five years	**899,692**	-
- more than five years	**3,605,338**	-
	4,843,174	-
	5,176,433	-

Term loan 1 of a subsidiary of RM4,300,000 bears interest at 4.29% per annum and is repayable over twenty (20) years commencing from the day of full drawdown and is secured and supported as follows:

(i) legal charge over freehold land with one (1) unit of cluster factory of the subsidiary; and
(ii) corporate guarantee by the Company.

Term loan 2 of a subsidiary of RM1,100,000 bears interest at 4.52% per annum and is repayable over five (5) years commencing from the day of full drawdown and is secured and supported as follows:

(i) corporate guarantee by the Company;
(ii) a facility agreement; and
(iii) a specific debenture incorporating a fixed charge over the solar panel financed under the Fixed Term Loan facility.

23. TRADE PAYABLES

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

For explanations on the Group's liquidity risk management process, refer to Note 28(b).

24. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Deposits	**52,100**	-	**52,100**	-
Other payables	**1,321,898**	1,839,346	**267,092**	236,325
Accruals	**3,480,780**	4,787,672	**1,056,684**	718,696
	4,854,778	6,627,018	**1,375,876**	955,021

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

25. DIVIDENDS

	Group and Company	
	2022 RM	**2021 RM**
Recognised in the financial year:		
Dividend on ordinary shares:		
Single tier interim dividend of 1 sen per ordinary share in respect of the financial year ended 31 December 2021, paid on 24 September 2021	**-**	1,152,000

26. RELATED PARTIES

(a) Identity of related parties

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

Related parties of the Group include:

(i) Subsidiaries;
(ii) Associate;
(iii) Entity in which directors have substantial financial interests; and
(iv) Key management personnel of the Group, comprise persons (including the directors of the Company) having the authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly.

(b) Significant related party transactions and balances

Significant related party transactions other than disclosed elsewhere in the financial statements are as follows:

	Group	
	2022 RM	**2021 RM**
Subsidiary of associate		
Purchase of goods	**2,300**	3,450
Purchase of office consumables	**1,753**	3,055
Professional fee	**-**	70,172
Rental income	**(12,000)**	(5,000)
Interest payable	**11,836**	-

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

26. RELATED PARTIES (CONTINUED)

(b) Significant related party transactions and balances (Continued)

	Company	
	2022 RM	2021 RM
Subsidiaries		
Dividend received	**(500,000)**	(3,000,000)
Interest receivable	**(588,434)**	(556,769)
Management fee	**(4,442,000)**	(2,667,000)
Rental of premises	**(1,370,880)**	(1,370,880)
Hiring charges of motor vehicles	**144,880**	71,860
Repair and maintenance charges	**648**	9,872

Significant outstanding balances with related parties at the end of the reporting period are disclosed in Note 19.

The secured corporate guarantee provided by the Company to banks in respect of banking facilities granted to its subsidiaries is disclosed in Note 28(b).

(c) Compensation of key management personnel

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Directors of the Company and subsidiaries:				
Executive directors				
- Short term employee benefits	**1,800,438**	1,416,644	**1,699,605**	1,011,315
- Post-employment benefits	**197,737**	149,168	**185,636**	104,408
- Benefits-in-kind	**45,631**	27,091	**45,631**	18,625
	2,043,806	1,592,903	**1,930,872**	1,134,348
Non-executive directors				
- Fees	**219,583**	198,454	**219,583**	198,454
- Short term employee benefits	**23,000**	13,500	**23,000**	13,500
	242,583	211,954	**242,583**	211,954
Other key management personnel:				
- Short term employee benefits	**1,837,956**	773,210	**1,136,542**	773,210
- Post-employment benefits	**214,166**	34,318	**133,759**	34,318
- Benefits-in-kind	**67,046**	13,626	**34,413**	13,626
	2,119,168	821,154	**1,304,714**	821,154
	4,405,557	2,626,011	**3,478,169**	2,167,456

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

27. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The following table analyses the financial instruments in the statements of financial positions by the category of financial instruments to which they are assigned:

	Carrying amount RM	Amortised cost RM
Group		
2022		
Financial assets		
Trade receivables	**48,007,230**	**48,007,230**
Other receivables and deposits *	**2,437,772**	**2,437,772**
Cash and short-term deposits	**8,288,034**	**8,288,034**
	58,733,036	**58,733,036**
Financial liabilities		
Trade payables	**5,701,327**	**5,701,327**
Other payables and accruals #	**4,802,678**	**4,802,678**
Borrowings ^	**50,731,191**	**50,731,191**
	61,235,196	**61,235,196**
2021		
Financial assets		
Trade receivables	60,887,445	60,887,445
Other receivables and deposits *	1,002,852	1,002,852
Cash and short-term deposits	16,878,414	16,878,414
	78,768,711	78,768,711
Financial liabilities		
Trade payables	12,981,507	12,981,507
Other payables and accruals #	6,627,018	6,627,018
Borrowings ^	52,085,413	52,085,413
	71,693,938	71,693,938

* *Excluding advance to suppliers and prepayments*
\# *Excluding deposits*
^ *Excluding lease liabilities*

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

27. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Categories of financial instruments (Continued)

The following table analyses the financial instruments in the statements of financial positions by the category of financial instruments to which they are assigned (Continued):

	Carrying amount RM	Amortised cost RM
Company		
2022		
Financial assets		
Other receivables and deposits *	**289,045**	**289,045**
Amounts due from subsidiaries	**10,849,854**	**10,849,854**
Cash and short-term deposits	**1,258,167**	**1,258,167**
	12,397,066	**12,397,066**
Financial liabilities		
Other payables and accruals #	**1,323,776**	**1,323,776**
2021		
Financial assets		
Trade receivables	7,500	7,500
Other receivables and deposits *	70,004	70,004
Amounts due from subsidiaries	14,121,997	14,121,997
Cash and short-term deposits	1,809,630	1,809,630
	16,009,131	16,009,131
Financial liabilities		
Other payables and accruals #	955,021	955,021

* *Excluding prepayments*
\# *Excluding deposits*

(b) Fair value of financial instruments

The methods and assumptions used to estimate the fair values of the following classes of financial assets and liabilities are as follows:

(i) Cash and bank balances, trade and other receivables, contract assets, trade and other payables and contract liabilities

The carrying amounts are reasonable approximation of fair values due to short-term nature of these financial instruments.

27. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Fair value of financial instruments (Continued)

(ii) Borrowings

The carrying amounts of the current portion of borrowings are reasonable approximation of fair values due to short-term nature of these borrowings.

The fair value of long-term lease liabilities is estimated using discounted cash flow analysis, based on current lending rate for similar types of lease arrangements.

(c) Fair value measurements

Analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

(i) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

(ii) Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

(iii) Level 3 fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

During the financial year ended 31 December 2022 and 31 December 2021, there have been no transfers between Level 1 and Level 2 fair value measurements.

28. FINANCIAL RISK MANAGEMENT

The Group's and the Company's activities are exposed to a variety of financial risks arising from their 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's and the Company's overall financial risk management objective is to optimise value for their shareholders.

The Board of Directors reviews and agrees to policies and procedures for the management of these risks, which are executed by the Group's senior management. The audit and risk management committee provides independent oversight to the effectiveness of the risk management process.

28. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit risk

Credit risk is the risk of financial loss to the Group and the Company that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group and the Company are exposed to credit risk from its operating activities (primarily trade receivables and contract assets) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The Group and the Company have a credit policy in place and the exposure to credit risk is managed through the application of credit approvals, credit limits and monitoring procedures. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment.

Trade receivables and contract assets

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables and contract assets are represented by the carrying amounts in the statements of financial position.

The carrying amount of trade receivables and contract assets are not secured by any collateral or supported by any other credit enhancements. In determining the recoverability of these receivables, the Group and the Company consider any change in the credit quality of the receivables from the date the credit was initially granted up to the reporting date. The Group and the Company have adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

Credit risk concentration profile

The Group determines the credit risk concentration by monitoring the country of its trade receivables and contract assets on an ongoing basis. The credit risk concentration profile of the Group's trade receivables and contract assets at the reporting date are as follows:

Trade receivables:

	Group			
	2022 RM	%	2021 RM	%
By country:				
Malaysia	**47,992,096**	97	**63,372,303**	97
Republic of Indonesia	**99,077**	-	**632,966**	1
Republic of Singapore	**903,529**	2	**691,234**	1
Other countries	**694,924**	1	**450,581**	1
	49,689,626	100	**65,147,084**	100

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

28. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit risk (Continued)

Trade receivables and contract assets (Continued)

Credit risk concentration profile (Continued)

The Group determines the credit risk concentration by monitoring the country of its trade receivables and contract assets on an ongoing basis. The credit risk concentration profile of the Group's trade receivables and contract assets at the reporting date are as follows (Continued):

Contract assets:

	Group			
	2022 RM	%	2021 Restated RM	%
By country:				
Malaysia	**1,934,835**	100	**-**	-

The Group does not have any significant exposure to any individual customer at the reporting date.

The Group applies the simplified approach to providing expected credit losses ("ECL") prescribed by MFRS 9 *Financial Instruments*, which permits the use of the lifetime expected credit losses provision for all trade receivables and contract assets. The Group individually assessed ECL of individual customer based on indicators such as changes in financial capability of the receivables and contract customers, past payment trends of the receivables and contract customers and default or significant delay in payments. The determination of ECL also incorporate economic conditions during the period of historical data, current conditions and forward-looking information on the economic conditions over the expected settlement period of the receivable. The Group believes that changes in economic conditions over these periods would not materially impact the impairment calculation of the receivables.

For rubber glove dipping line contracts, as there are only a few customers, the Group assessed the risk of loss of each customer individually based on their financial information, past trend of payments and other external information relating to the customers that are publicly available.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

28. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit risk (Continued)

Trade receivables and contract assets (Continued)

The information about the credit risk exposure on the Group's trade receivables and contract assets are as follows:

	Gross carrying amount RM	ECL allowance RM	Net balance RM
Group			
At 31 December 2022			
Trade receivables			
Current (not past due)	**25,086,385**	**-**	**25,086,385**
1 to 30 days past due	**4,755,197**	**-**	**4,755,197**
31 to 60 days past due	**2,053,719**	**-**	**2,053,719**
61 to 90 days past due	**722,232**	**-**	**722,232**
91 to 120 days past due	**1,610,149**	**-**	**1,610,149**
More than 120 days past due	**13,779,548**	**-**	**13,779,548**
Credit impaired:			
- Individually assessed	**1,682,396**	**(1,682,396)**	**-**
	49,689,626	**(1,682,396)**	**48,007,230**
Contract assets			
Current (not past due)	**1,934,835**	**-**	**1,934,835**
	51,624,461	**(1,682,396)**	**49,942,065**
At 31 December 2021			
Trade receivables			
Current (not past due)	43,796,895	-	43,796,895
1 to 30 days past due	3,196,299	-	3,196,299
31 to 60 days past due	1,907,779	-	1,907,779
61 to 90 days past due	1,679,362	-	1,679,362
91 to 120 days past due	396,195	-	396,195
More than 120 days past due	9,910,915	-	9,910,915
Credit impaired:			
- Individually assessed	4,259,639	(4,259,639)	-
	65,147,084	(4,259,639)	60,887,445

The significant changes in gross carrying amount of trade receivables and contract assets do not contribute to changes in the impairment loss allowance during the financial year.

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

28. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit risk (Continued)

Other receivables and other financial assets

For other receivables and other financial assets (including deposits, cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Group's and the Company's maximum exposure to credit risk arising from other receivables and other financial assets is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information, where possible are incorporated.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 120 days past due in making a contractual payment.

Some intercompany loans between entities within the Group are repayable on demand. For loans that are repayable on demand, impairment losses are assessed based on the assumption that repayment of the loan is demanded at the reporting date. If the counterparty does not have sufficient highly liquid resources when the loan is demanded, the Group and the Company will consider the expected manner of recovery and recovery period of the intercompany loan.

The Group and the Company consider these financial assets to have low credit risk and any expected credit loss is negligible. As at the reporting date, the Group and the Company did not recognised any loss allowance for impairment for other receivables and other financial assets.

Refer to Note 3.10(a) for the Group's and the Company's other accounting policies for impairment of financial assets.

Financial guarantees contracts

The Company is exposed to credit risk in relation to financial guarantees given to banks in respect of certain banking facilities granted to certain subsidiaries. The Company monitors the results of the subsidiaries and their repayment on an on-going basis. The maximum exposure to credit risks amounting to RM40,357,167 (2021: RM52,085,413) representing the maximum amount the Company could pay if the guarantee is called on as disclosed in Note 28(b). As at the reporting date, there was no allowance for impairment as determined by the Company for the financial guarantee.

The financial guarantees have not been recognised since the fair value on initial recognition was not material as the guarantee is provided as credit enhancement to subsidiaries' secured borrowings.

28. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Liquidity risk

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

The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by facilities. The Group's and the Company's liquidity risk management policy is to manage its debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. In addition, the Group and the Company maintain sufficient level of cash and available banking facilities at a reasonable level to their overall debt position to meet their working capital requirement.

The Group manages its cash flow requirements of purchases in its operating activities mainly through bankers' acceptances which are drawdown to finance the import of goods.

Maturity analysis

The maturity profile of the Group's and of the Company's financial liabilities by their relevant maturity at the reporting date based on contractual undiscounted repayment obligations:

		Contractual cash flows				
	Carrying amount RM	On demand or within 1 year RM	Between 1 and 2 years RM	Between 2 and 5 years RM	More than 5 years RM	Total RM
2022						
Group						
Financial liabilities						
Trade payables	5,701,327	5,701,327	-	-	-	5,701,327
Other payables and accruals #	4,802,678	4,802,678	-	-	-	4,802,678
Bankers' acceptances (Islamic)	30,529,134	30,529,134	-	-	-	30,529,134
Bankers' acceptances	14,639,000	14,639,000	-	-	-	14,639,000
Bank overdraft	386,624	386,624	-	-	-	386,624
Term loans	5,176,433	557,900	545,780	1,484,410	5,145,840	7,733,930
Lease liabilities	4,639,562	2,013,475	1,135,414	1,524,574	352,730	5,026,193
	65,874,758	58,630,138	1,681,194	3,008,984	5,498,570	68,818,886
Company						
Financial liabilities						
Other payables and accruals #	1,323,776	1,323,776	-	-	-	1,323,776
Lease liabilities	519,074	209,503	209,503	111,860	19,576	550,442
Financial guarantee *	-	40,357,167	-	-	-	40,357,167
	1,842,850	41,890,446	209,503	111,860	19,576	42,231,385

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

28. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Liquidity risk (Continued)

Maturity analysis (Continued)

The maturity profile of the Group's and of the Company's financial liabilities by their relevant maturity at the reporting date based on contractual undiscounted repayment obligations (Continued):

		Contractual cash flows				
	Carrying amount RM	On demand or within 1 year RM	Between 1 and 2 years RM	Between 2 and 5 years RM	More than 5 years RM	Total RM
2021						
Group						
Financial liabilities						
Trade payables	12,981,507	12,981,507	-	-	-	12,981,507
Other payables and accruals #	6,627,018	6,627,018	-	-	-	6,627,018
Bankers' acceptances (Islamic)	33,952,549	33,952,549	-	-	-	33,952,549
Bankers' acceptances	17,636,402	17,636,402	-	-	-	17,636,402
Bank overdraft	496,462	496,462				496,462
Lease liabilities	4,902,478	2,227,141	2,460,682	405,442	145,003	5,238,268
	76,596,416	73,921,079	2,460,682	405,442	145,003	76,932,206
Company						
Financial liabilities						
Other payables and accruals #	955,021	955,021	-	-	-	955,021
Lease liabilities	100,071	24,420	85,470	-	-	109,890
Financial guarantee *	-	52,085,413	-	-	-	52,085,413
	1,055,092	53,064,854	85,470	-	-	53,150,324

* *The Company has given corporate guarantee to banks on behalf of certain subsidiaries for banking facilities. The potential exposure of the financial guarantee is equivalent to the amount of the banking facilities being utilised by the said subsidiaries. As at 31 December 2022, approximately RM40,357,167 (2021: RM52,085,413) of the banking facilities were utilised by the said subsidiaries.*

\# *Excluding deposits*

28. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Interest rate risk

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

Borrowings at floating rate amounting to RM50,731,191 (2021: RM52,085,413) expose the Group to cash flow interest rate risk whilst borrowings at fixed rate amounting to RM4,639,562 (2021: RM4,902,278) expose the Group to fair value interest rate risk. The Group manages its interest rate risk exposure by maintaining a mix of fixed and floating rate borrowings.

Sensitivity analysis for interest rate risk

If the interest rate had been 50 (2021: 50) basis points higher/lower and all other variables were held constant, the Group's profit net of tax ended 31 December 2022 would increase/decrease by RM192,779 (2021: RM197,925) as a result of exposure to floating rate borrowings.

(d) Foreign currency risk

Foreign currency risk is the risk of fluctuation in fair value or future cash flows of a financial instrument as a result of changes in foreign exchange rates.

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the functional currency of Group entities, primarily RM. The foreign currencies in which these transactions are denominated are mainly United States Dollar ("USD"), Singapore Dollar ("SGD") and Chinese Renminbi ("RMB").

Financial assets/(liabilities) denominated in USD, SGD and RMB are as follows:

	Group	
	2022 RM	2021 RM
USD		
Trade receivables	**794,001**	549,659
Other receivables, deposits and prepayments	**1,064,496**	-
Cash and bank balances	**37,679**	8,306
Trade payables	**-**	(3,217)
Other payables	**(982)**	-
	1,895,194	554,748
SGD		
Trade receivables	**903,529**	566,409
Cash and bank balances	**183,585**	287,874
Trade payables	**-**	(44,640)
	1,087,114	809,643
RMB		
Trade payables	**(1,259,290)**	(737,831)
Other payables	**(255,589)**	-
	(1,514,879)	(737,831)

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

28. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Foreign currency risk (Continued)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit net of tax to a reasonably possible change in the USD, SGD and RMB exchange rate against the functional currency of the Group, with all other variables held constant.

		Increase/(Decrease) in loss/ profit for the financial year	
		Group	
		2022 RM	2021 RM
USD/RM	- strengthened 5% (2021: 5%)	**72,017**	21,080
	- weakened 5% (2021: 5%)	**(72,017)**	(21,080)
SGD/RM	- strengthened 5% (2021: 5%)	**41,310**	30,766
	- weakened 5% (2021: 5%)	**(41,310)**	(30,766)
RMB/RM	- strengthened 5% (2021: 5%)	**(57,565)**	(28,038)
	- weakened 5% (2021: 5%)	**57,565**	28,038

29. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, or issue new shares. No change were made in the objectives, policies or processes during the financial years ended 31 December 2022 and 31 December 2021.

The Group monitors capital using gearing ratio, which is calculated as total interest-bearing borrowings divided by total equity. The Group monitors and maintains a prudent level of gearing ratio to optimise shareholders' value and to ensure compliance with covenants under debt agreements, if any. Total interest-bearing borrowings include bankers' acceptances and lease liabilities.

	Group	
	2022 RM	2021 RM
Total interest-bearing borrowings	**55,370,753**	56,987,891
Total equity	**100,551,322**	98,029,657
Gearing ratio %	**55%**	58%

The Group and certain subsidiaries are required to comply with certain loan-to-value ratio, consolidated net worth, consolidated borrowings to consolidated net worth ratio and interest coverage ratio in respect of the banking facilities.

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

30. CAPITAL COMMITMENT

	Group	
	2022 RM	2021 RM
Approved and contracted for:		
Acquisition of freehold land, factory and office		
- Mukim of Kapar	**13,230,000**	-

During the financial year, the subsidiary has entered into a Sale and Purchase Agreement ("SPA") with third party to acquire a single storey factory cum three storey office for a total purchase consideration of RM14,700,000 and paid a deposit sum of RM1,470,000, representing 10% of the total purchase consideration of the said land.

31. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Other than as disclosed elsewhere in the financial statements, the significant events during and subsequent to the end of the financial year are as follows:

(a) Shanghai JBS Bearing Co. Ltd ("SJBS") vs K. Seng Seng Manufacturing Sdn Bhd ("KSSM")

KSSM, a wholly-owned subsidiary of the Company, held on 14 September 2022 been served with a Writ of Summons and Statement of Claim both dated 6 September 2022 by SJBS due to the allegation that KSSM has failed to settle an outstanding RMB2,992,084 (equivalent to RM1,936,447) purportedly for the purchase of goods from SJBS.

KSSM filed a counterclaim against SJBS for the warehouse rental fees of RM200,000.

SJBS had filed an application for summary judgement and interim payment against KSSM (Enclosure 10) on 12 October 2022.

KSSM had filed two (2) interlocutory applications against SJBS:

(i) Application for Further and Better Particulars (in respect of the Statement of Claim) (Enclosure 5) on 7 October 2022; and
(ii) Application for Security for Costs (Enclosure 16) on 14 October 2022.

On 8 March 2023, both parties have submitted Enclosure 10. The Sessions Court fixed the decision date on 2 May 2023 for Enclosure 5 and Enclosure 10. The Sessions Court also fixed the case management date for Enclosure 16 on 2 May 2023.

On 5 April 2023, SJBS agreed to go for global settlement for the cases between itself with KSSM and KSG ("the Group") and agreed not to commence or proceed with any mode of execution of Judgement obtained against KSG while the negotiation is on-going. The Group is currently in the midst of finalising a proposal for the global settlement. The Sessions Court has therefore adjourned the matter to 2 May 2023. In the event no settlement is reached between parties before the next date, the Sessions Court will deliver the decision for Enclosure 5 and 10 on 2 May 2023. The case management date for Enclosure 1 and Enclosure 16 is also fixed on 2 May 2023.

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

31. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE END OF THE FINANCIAL YEAR (CONTINUED)

(b) Shanghai JBS Bearing Co., Ltd (“SJBS”) vs KSG Engineering Sdn. Bhd. (“KSG”)

KSG, a wholly-owned subsidiary of the Company, had on 14 September 2022 been served with a Writ of Summons and Statement of Claim both dated 6 September 2022 by SJBS due to the allegation that KSG has failed to settle an outstanding amount of RMB873,032 (equivalent to RM565,018) purportedly for the purchasers of goods from SJBS.

SJBS had filed an application for summary judgement against KSG (Enclosure 5) on 12 October 2022.

KSG had filed two (2) interlocutory applications against SJBS:

(i) Application for Further and Better Particulars (in respect of the Statement of Claim) on 12 October 2022;

(ii) Application for Security for Costs on 18 October 2022.

On 14 March 2023, the Kuala Lumpur Sessions Court has granted Summary Judgment in the sum of RMB886,363.42 with costs of RM1,500 against KSG. KSG’s applications for Further & Better Particulars and Security for Costs were struck off by the Sessions Court with no order as to costs.

On 20 March 2023, KSG had filed a Notice of Appeal against the decision of the Kuala Lumpur Sessions Court at the High Court, whereby the first case management was held on 12 April 2023.

On 27 March 2023, SJBS demands KSG to pay the judgment sum of RMB866,363.42 together with interests and costs to them within 14 days from 27 March 2023.

On 5 April 2023, SJBS agreed to go for global settlement for the cases between itself with KSSM and KSG (“the Group”) and agreed not to commence or proceed with any mode of execution of Judgement obtained against KSG while the negotiation is on-going. The Group is currently in the midst of finalising a proposal for global settlement.

On 12 April 2023, the High Court has fixed the hearing date on 26 July 2023.

(c) Private placement

On 22 February 2023, the Company proposes to undertake a private placement of not more than 10% of the issued ordinary shares of the Company.

(d) Proposed acquisition

On 22 February 2023, K. Seng Seng Corporation Berhad (“KSSC”) entered into a term sheet with Low Kim Yoong (“the Vendor”) to acquire 51% equity interest for a total cash purchase consideration of RM19.12 million in the following companies:

(i) Metalmach Micro Technology Sdn. Bhd.;
(ii) Tong Soon Micron Sdn. Bhd.;
(iii) Senshin Seimitsu Sdn. Bhd.; and
(iv) Blu Resources Sdn. Bhd.

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

32. SEGMENT INFORMATION

For management purposes, the Group is organised into operating units reportable operating segments as follows:

(i) Stainless steel and metal related products
(ii) Marine hardware and consumable
(iii) Other industrial hardware
(iv) Investment holding
(v) Engineering works

Management monitors the operating revenue of its operating units separately for the purpose of making decisions about resource allocation and performance assessment. Inter-segment transactions are entered in the ordinary course of business based on terms mutually agreed upon by the parties concerned.

Segment results, assets and liabilities information are neither included in the internal management reports nor provided regularly to the management. Hence, no disclosures are made on segment results, assets and liabilities. All results, assets and liabilities are managed on a group basis.

	Stainless steel and metal related products RM	Marine hardware and consumable RM	Other industrial hardware RM	Investment holding RM	Engineering works RM	Elimination RM	Total RM
2022							
Revenue							
External revenue	**143,105,772**	**22,687,905**	**5,758,403**	**29,500**	**21,139,333**	**-**	**192,720,913**
Inter-segment revenue	**40,995,419**	**52,714**	**49,906,833**	**6,501,280**	**206,432**	**(97,662,678)**	**-**
Total segment revenue	**184,101,191**	**22,740,619**	**55,665,236**	**6,530,780**	**21,345,765**	**(97,662,678)**	**192,720,913**
Gross profit/(loss)	**21,444,110**	**4,918,254**	**2,185,348**	**6,530,780**	**(1,495,829)**	**(5,850,235)**	**27,732,428**
2021							
Revenue							
External revenue	100,391,529	23,999,925	8,918,862	30,000	18,591,595	-	151,931,911
Inter-segment revenue	20,168,624	6,223	60,182,413	7,226,280	686,625	(88,270,165)	-
Total segment revenue	120,560,153	24,006,148	69,101,275	7,256,280	19,278,220	(88,270,165)	151,931,911
Gross profit	27,028,073	5,429,258	3,788,393	7,256,280	289,021	(6,595,063)	37,195,962

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

32. SEGMENT INFORMATION (CONTINUED)

Information about geographical areas

Revenue information based on the geographical location of customers is as follows:

	Group	
	2022 RM	2021 RM
Malaysia	**171,967,815**	148,281,877
Thailand	**15,362,942**	-
Republic of Indonesia	**2,081,399**	246,689
United Kingdom	**-**	622,994
Republic of Singapore	**2,930,266**	2,134,314
Brunei	**15,489**	23,720
Hong Kong	**-**	168,425
Vietnam	**4,948**	249,011
Taiwan	**358,054**	204,881
	192,720,913	151,931,911

All non-current assets (other than financial instruments and deferred tax assets) of the Group are located in Malaysia.

Information about major customer

There is no single customer with revenue equal or more than 10% of the Group revenue.

33. COMPARATIVE FIGURES

During the financial year, the Group made certain reclassification adjustments in relation to the contract costs, contract assets and contract liabilities balances.

The effect of these adjustments on the comparative financial statements of the Group are as disclosed below:

	As previously reported RM	Adjustment RM	As restated RM
Statement of Financial Position at 31 December 2021			
Current assets			
Contract costs	-	30,850,080	30,850,080
Contract assets	2,460,154	(2,460,154)	-
Current liabilities			
Contract liabilities	(2,003,506)	(28,389,926)	(30,393,432)
Statement of Cash Flows at 31 December 2021			
Cash flow from operating activities			
Contract assets	(575,311)	575,311	-
Contract costs	-	(24,175,139)	(24,175,139)
Contract liabilities	(7,504,744)	23,599,828	16,095,084

The reclassification adjustment did not have any impact on the comparative statements of comprehensive income.

STATEMENT BY DIRECTORS

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

We, **KEH CHUAN SENG** and **LEE HAI PENG**, being two of the directors of K. SENG SENG CORPORATION BERHAD, do hereby state that in the opinion of the directors, the accompanying financial statements set out on pages 78 to 154 are drawn up in accordance with the 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.

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

....

KEH CHUAN SENG
Director

....

LEE HAI PENG
Director

Date: 12 April 2023

STATUTORY DECLARATION

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

I, **YEOH SOO CHIN**, being the officer primarily responsible for the financial management of K. SENG SENG CORPORATION BERHAD, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements set out on pages 78 to 154 are 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.

....

YEOH SOO CHIN
Officer
MIA Membership No.: 25615

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 12 April 2023

Before me,

....

AZRIN BIN DARUS
No. W670
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF K. SENG SENG CORPORATION BERHAD
(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of K. Seng Seng Corporation Berhad, 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 significant accounting policies, as set out on pages 78 to 154.

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

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current 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.

Group

Inventories (Note 14 to the financial statements)

As at 31 December 2022, the Group's inventories amounted to RM80,970,959 . We focused on this area because certain inventories of the Group are slow moving inventories. The review of saleability and valuation of these inventories at lower of cost and net realisable value by the Group are major source of estimation uncertainty.

Our response:

Our audit procedures included, among others:
- observing year end physical inventory count and evaluating the design and implementation of controls during the count;
- checking subsequent sales, supplier's quotations and evaluating the management's assessment on estimated net realisable value on selected inventory items; and
- evaluating whether the inventories have been written down to their net realisable value for inventory items with net realisable value lower than their cost.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF K. SENG SENG CORPORATION BERHAD
(Incorporated in Malaysia) (CONTINUED)

Trade receivables (Note 15 to the financial statements)

As at 31 December 2022, the Group's trade receivables amounted to RM48,007,230 . We focused on this area because the Group made judgements over assumptions about risk of default and expected loss rate. In making the assumptions, the Group selected inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of the reporting period.

Our response:

Our audit procedures included, among others:

- understanding the design and controls associated with monitoring of outstanding receivables and impairment calculation;
- developing understanding of significant credit exposures which were significantly overdue or deemed to be in default through analysis of collection related reports prepared by management;
- obtaining confirmation of balances from selected receivables;
- checking subsequent receipts, customer correspondence, and considering level of activity with the customer and management explanation on recoverability with significantly past due balances; and
- assessing the reasonableness and calculation of expected credit losses as at the end of the reporting period.

Company

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

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

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

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

The directors of the Company are responsible for overseeing the Group's financial reporting process.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF K. SENG SENG CORPORATION BERHAD
(Incorporated in Malaysia) (CONTINUED)

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

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

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

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

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.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF K. SENG SENG CORPORATION BERHAD
(Incorporated in Malaysia) (CONTINUED)

Other Matters

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

Baker Tilly Monteiro Heng PLT
201906000600 (LLP0019411-LCA) & AF 0117
Chartered Accountants

Andrew Choong Tuck Kuan
No. 03264/04/2025 J
Chartered Accountant

Kuala Lumpur

Date: 12 April 2023

05 OTHER INFORMATION

ANALYSIS OF SHAREHOLDINGS

AS AT 31 MARCH 2023

Number of Shares Issued	:	130,147,505
Class of Shares	:	Ordinary Shares
Voting Rights	:	One Vote Per Ordinary Share
No. of shareholders	:	1,177

DISTRIBUTION OF SHAREHOLDINGS AS AT 31 MARCH 2023

Category	No. of Shareholders	No. of Shares	Percentage (%)
Less than 100	172	7,871	0.01%
100 - 1,000	151	49,646	0.04%
1,001 - 10,000	424	1,953,331	1.50%
10,001 - 100,000	351	11,383,196	8.75%
100,001 - less than 5% of issued shares	77	40,642,449	31.22%
5% and above of issued shares	2	76,111,012	58.48%
Total	**1,177**	**130,147,505**	**100.00%**

LIST OF SUBSTANTIAL SHAREHOLDINGS AS AT 31 MARCH 2023

No.	Names	Direct		Indirect	
		No. of Shares	%	No. of Shares	%
1.	Koh Seng Kar @ Koh Hai Sew (Demised on 23 March 2019)	41,580,000	31.95	-	-
2.	Frazel Group Sdn Bhd	34,531,012	26.53	-	-
3.	Keh Chuan Seng	-	-	34,531,012*	26.53
4.	Cheong Kai Meng	-	-	34,531,012*	26.53

DIRECTORS' INTERESTS IN SHARES AS AT 31 MARCH 2023

No.	Names	Direct		Indirect	
		No. of Shares	%	No. of Shares	%
1.	Keh Chuan Seng	-	-	34,531,012*	26.53
2.	Lee Hai Peng	3,000,000	2.31	-	-
3.	Er Kian Hong	-	-	-	-
4.	Datuk Low Chin Koon	-	-	-	-
5.	Teh Boon Beng	-	-	-	-

Note:

* Deemed interest by virtue of their interests in Frazel Group Sdn Bhd pursuant to Section 8(4) of the Companies Act 2016.

ANALYSIS OF SHAREHOLDINGS (CONTINUED)

AS AT 31 MARCH 2023

LIST OF TOP 30 SHAREHOLDERS/DEPOSITORS AS AT 31 MARCH 2023

No.	Names	No. of Shares held	Percentage (%)
1.	KOH SENG KAR @ KOH HAI SEW	41,580,000	31.95
2.	FRAZEL GROUP SDN BHD	34,531,012	26.53
3.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE HAI PENG	3,000,000	2.31
4.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR MOHD YUSRI BIN MD YUSOF (SMART)	2,475,000	1.90
5.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GOH PHAIK LIM	2,100,000	1.61
6.	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN HWA SING (M04)	1,839,300	1.41
7.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG PAK YII	1,395,000	1.07
8.	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR POR TEONG ENG	1,375,000	1.06
9.	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN HWA SING	1,369,900	1.05
10.	PHILLIP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR OOI CHEN SENG	1,330,000	1.02
11.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MUHAMMAD JASON TAN BIN ABDULLAH (7012656)	1,000,000	0.77
12.	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KOON POH TAT	1,000,000	0.77
13.	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR OOI CHEN SENG	940,200	0.72
14.	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHNG TEONG SENG	918,800	0.71
15.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE WAY HOONG (E-KLC/SSH)	910,000	0.70
16.	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE WEI KOK (M04)	838,000	0.65
17.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHU KERD YEE (7010755)	800,000	0.61
18.	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KHOR CHUAN MENG	800,000	0.61
19.	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG PAK YII	754,750	0.58
20.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN HWA SING (7000335)	750,000	0.58

ANALYSIS OF SHAREHOLDINGS (CONTINUED)

AS AT 31 MARCH 2023

LIST OF TOP 30 SHAREHOLDERS/DEPOSITORS AS AT 31 MARCH 2023 (CONTINUED)

No.	Names	No. of Shares held	Percentage (%)
21.	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOW KUM MOON	750,000	0.58
22.	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KHOO CHEE SIANG	722,400	0.56
23.	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MOHD YUSRI BIN MD YUSOF	716,000	0.55
24.	KENANGA NOMINEES (TEMPATAN) SDN BHD RAKUTEN TRADE SDN BHD FOR KHOR KIAN HIN	715,200	0.55
25.	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHU KERD YEE	680,000	0.52
26.	PHILLIP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHNG TEONG SENG	665,000	0.51
27.	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GAN SHENG YIH	660,000	0.51
28.	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ROGER LIM SWEE KIAT	655,000	0.50
29.	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG LEE CHIN	525,000	0.40
30.	CITIGROUP NOMINEES (ASING) SDN BHD UBS AG	512,537	0.39
	TOTAL	**106,308,099**	**81.68**

ANALYSIS OF WARRANTS HOLDINGS

AS AT 31 MARCH 2023

Number of Warrants Issued : 43,199,879
Exercise price of the Warrants : RM0.54 each
Expiry date of the Warrants : 10 October 2029

DISTRIBUTION OF WARRANTS HOLDINGS AS AT 31 MARCH 2023

Category	No. of Shareholders	No. of Shares	Percentage (%)
Less than 100	283	12,160	0.03%
100 - 1,000	145	67,212	0.16%
1,001 - 10,000	284	1,115,015	2.61%
10,001 - 100,000	95	2,895,743	6.79%
100,001 - less than 5% of issued shares	22	8,327,762	19.52%
5% and above of issued shares	4	30,234,387	70.89%
Total	**833**	**42,652,279**	**100.00%**

DIRECTORS' INTERESTS IN WARRANTS AS AT 31 MARCH 2023

No.	Names	Direct		Indirect	
		No. of Shares	%	No. of Shares	%
1.	Keh Chuan Seng	-	-	11,177,637*	26.21
2.	Lee Hai Peng	1,000,000	2.31	-	-
3.	Er Kian Hong	-	-	-	-
4.	Datuk Low Chin Koon	-	-	-	-
5.	Teh Boon Beng	-	-	-	-

Note:
* Deemed interest by virtue of his interest in Frazel Group Sdn Bhd pursuant to Section 8(4) of the Companies Act 2016.

LIST OF TOP 30 WARRANTS HOLDERS/DEPOSITORS AS AT 31 MARCH 2023

No.	Names	No. of Shares held	Percentage (%)
1.	KOH SENG KAR @ KOH HAI SEW	13,860,000	32.50
2.	FRAZEL GROUP SDN BHD	11,177,637	26.21
3.	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN HWA SING (M04)	2,665,500	6.25
4.	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR POR TEONG ENG	2,531,250	5.93
5.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHA WEAY CHIA	1,432,400	3.36
6.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE HAI PENG	1,000,000	2.34

ANALYSIS OF WARRANTS HOLDINGS (CONTINUED)

AS AT 31 MARCH 2023

LIST OF TOP 30 WARRANTS HOLDERS/DEPOSITORS AS AT 31 MARCH 2023 (CONTINUED)

No.	Names	No. of Shares held	Percentage (%)
7.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR MOHD YUSRI BIN MD YUSOF (SMART)	985,000	2.31
8.	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GOH PHAIK LIM (M04)	840,000	1.97
9.	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOW KUM MOON (MY4159)	621,500	1.46
10.	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOK BOON CHENG	479,900	1.13
11.	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHNG TEONG SENG	291,600	0.68
12.	LOW KUM MOON	250,000	0.59
13.	HOW BEE LAY	248,175	0.58
14.	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM GAIK ENG (LIM4779C)	238,000	0.56
15.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TOH SU SEE	237,800	0.56
16.	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHU KERD YEE (M01)	226,000	0.53
17.	PHILLIP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHIAU BENG SOO	200,200	0.47
18.	LOK AI TEE	192,100	0.45
19.	CHENG LAI HOCK	175,800	0.41
20.	TAN ENG BEE	162,800	0.38
21.	TAN POH CHEOK	136,700	0.32
22.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHANG BAT CHAU	129,000	0.30
23.	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG CHONG MING	128,100	0.30
24.	KENANGA NOMINEES (TEMPATAN) SDN BHD RAKUTEN TRADE SDN BHD FOR SIE CHIN GEE	127,000	0.29
25.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG BENG HOO	117,487	0.28
26.	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG WEI YEE	108,200	0.25
27.	KENANGA NOMINEES (TEMPATAN) SDN BHD RAKUTEN TRADE SDN BHD FOR LIEW JOR HO	100,000	0.23
28.	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN HWA SING	89,000	0.21
29.	KENANGA NOMINEES (TEMPATAN) SDN BHD RAKUTEN TRADE SDN BHD FOR CHAI YAN MIN	80,000	0.19
30.	LEE KEAN ENG	80,000	0.19
	TOTAL	**38,911,149**	**91.23**

LIST OF PROPERTIES

HELD BY THE GROUP AS AT 31 DECEMBER 2022

Registered Owner(s)	Location	Description/ Existing Use	Tenure of Land	Land Area/ Built-up Area	Issuance date of Certificate of Fitness	Net book value as at 31 December 2022 (RM'000)
KSSC	Lot 3707, Jalan 7/5, Taman Industri Selesa Jaya, 43300 Balakong, Selangor Darul Ehsan.	Double storey office cum factory/ Administration and Trading Office and Manufacturing and Processing Plant	Freehold	14,796 square metres/7,580 square metres	10 September 2003	5,764
KSSC	102 and 102A, Jalan Keris Taman Sri Tebrau, 80050 Johor Bahru, Johor Darul Takzim.	Double storey shophouses/For rental income purposes	Freehold	163.509 square metre/ 237.832 square metres	9 January 1977	47
TTH	No. 3, Jalan Perniagaan Setia 1/8, Taman Perniagaan Setia, 81100 Johor Bahru, Johor Darul Takzim.	Cluster Factory/For light industrial purposes	Freehold	1,945.362 square metres	18 February 2013	4,038

NOTICE OF THIRTY-EIGHTH ("38TH") ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 38th Annual General Meeting of K. Seng Seng Corporation Berhad ("KSSC" or the "Company") will be conducted via an online portal from Broadcast Venue at Unit 8-5, Kompleks Komersil Akasa, Jalan Akasa, Akasa Cheras Selatan, 43300 Seri Kembangan, Selangor on Wednesday, 24 May 2023 at 10.00 a.m. for the following purposes:-

AGENDA

ORDINARY BUSINESS:

1. To receive the Audited Financial Statements for the financial year ended 31 December 2022 together with the Reports of the Directors and Auditors thereon. **Please refer to Explanatory Note (a)**

2. To approve the payment of Directors' Fees up to RM200,000 for the financial year ending 31 December 2023. **Ordinary Resolution 1**

3. To approve the payment of Directors' Benefit up to RM25,000 for the period commencing from 25 May 2023 until the next Annual General Meeting in the year 2024. **Ordinary Resolution 2**

4. To re-elect the following Directors of the Company who retire in accordance with Clause 99 of the Company's Constitution and being eligible, offer themselves for re-election:-

   i) Datuk Low Chin Koon **Ordinary Resolution 3**
   ii) Teh Boon Beng **Ordinary Resolution 4**
   iii) Lee Hai Peng **Ordinary Resolution 5**
   iv) Er Kian Hong **Ordinary Resolution 6**
   v) Keh Chuan Seng **Ordinary Resolution 7**

5. To re-appoint Messrs Baker Tilly Monteiro Heng PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. **Ordinary Resolution 8**

SPECIAL BUSINESS:

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

6. **Authority to issue shares pursuant to the Companies Act 2016 and waiver of pre-emptive rights** **Ordinary Resolution 9**

   THAT, subject always to the Companies Act 2016, the Constitution of the Company and the approvals of the relevant governmental/regulatory authorities, if applicable, the Directors be and are hereby empowered, pursuant to the Companies Act 2016, to issue and allot shares in the Company from time to time at such price and upon such terms and conditions and for such purposes and to such person or persons 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 percent (10%) of the total number of issued shares of the Company for the time being.

   AND THAT pursuant to Section 85 of the Companies Act 2016 to be read together with Clause 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 Companies Act 2016.

   AND THAT 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 Malaysia Securities Berhad.

   AND FURTHER 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 of the Company.

NOTICE OF THIRTY-EIGHTH ("38TH") ANNUAL GENERAL MEETING

7. **Proposed allocation of Employees' Share Option Scheme ("ESOS") Options to the Directors of the Company ("Proposed Allocation")**

THAT pursuant to the ESOS of the Company approved by the shareholders of the Company at the Extraordinary General Meeting held on 25 May 2022, approval be and is hereby given to the Board to authorise the ESOS Committee, at any time and from time to time throughout the duration of the ESOS, to offer and grant the ESOS Options to the following Directors of the Company:-

i)	Datuk Low Chin Koon	**Ordinary Resolution 10**
ii)	Teh Boon Beng	**Ordinary Resolution 11**
iii)	Lee Hai Peng	**Ordinary Resolution 12**
iv)	Er Kian Hong	**Ordinary Resolution 13**
v)	Keh Chuan Seng	**Ordinary Resolution 14**

PROVIDED ALWAYS THAT:-

(i) they must not participate in the deliberation or discussion of their own allocation, as well as that of the persons connected with them; and

(ii) not more than 10% (or such other percentage as may be permitted by Bursa Malaysia Securities Berhad or any other relevant authorities from time to time) of the total number of new ordinary shares to be issued under the ESOS shall be allocated to them, if they either singly or collectively through persons connected (as defined in the Main Market Listing Requirements) with them, holds 20% (or such other percentage as may be permitted by Bursa Malaysia Securities Berhad or any other relevant authorities from time to time) or more of the total number of issued shares of the Company (excluding treasury shares, if any),

subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provisions of the ESOS By-laws and any prevailing guidelines issued by Bursa Malaysia Securities Berhad, the Main Market Listing Requirements or any other relevant authorities, as amended from time to time.

AND THAT, the Board be further authorised to issue the corresponding number of new ordinary shares arising from the exercise of the ESOS Options, from time to time, to the abovementioned persons.

8. **Waiver of Pre-Emptive Rights for Issuance of New Shares under Employees Share Option Scheme ("ESOS")** **Ordinary Resolution 15**

THAT further to shareholders' approval obtained on 25 May 2022 and pursuant to Section 85 of the Companies Act 2016 and Clause 57 of the Company's Constitution, shareholders hereby waive their pre-emptive rights over all options and/or grants offered/to be offered pursuant to the ESOS and/or any new shares to be issued pursuant to the exercise of such options and/or the vesting of such grants by eligible employees and executive directors of the Company and its subsidiaries, such new shares, when issued, shall rank pari passu with the existing shares.

ANY OTHER BUSINESS:

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

NOTICE OF THIRTY-EIGHTH ("38TH") ANNUAL GENERAL MEETING

BY ORDER OF THE BOARD,

SIEW SUET WEI (MAICSA 7011254) (SSM PC No. 202008001690)
CHAN MIN WAI (MIA 26548) (SSM PC No. 202108000131)
YIP WEI LUN (MIA 47569) (SSM PC No. 202208000373)
Company Secretaries

Kuala Lumpur
25 April 2023

NOTES:

1. A member of the Company entitled to attend and vote at the meeting may appoint up to two (2) proxies (or being a corporate member, a corporate representative) to attend and vote in his/her stead. A proxy may but need not be a member of the Company.

2. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy.

3. The instrument appointing a proxy in the case of an individual shall be signed by the appointer or his/her attorney or in the case of a corporation executed under its common seal or signed on behalf of the corporation by its attorney or by an officer duly authorised.

4. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as defined under the Securities Industry (Central Depositories) Act 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

5. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or executed must be deposited at the Registered Office of the Company at Unit 8, Level 7, Kompleks Komersil Akasa, Jalan Akasa, Akasa Cheras Selatan, 43300 Seri Kembangan, Selangor Darul Ehsan, Malaysia not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

6. In respect of deposited securities, only members whose names appear in the Record of Depositors as at 18 May 2023 shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his/her behalf.

EXPLANATORY NOTES:-

(a) Audited Financial Statements for financial year ended 31 December 2022

The audited financial statements under Agenda 1 are meant for discussion only, as the provision of Section 340(1)(a) of the Companies Act 2016 does not require shareholders' approval. Hence, this Agenda will not be put forward for voting.

(b) Ordinary Resolutions 1 and 2: Payment of Directors' Fees and Benefit

Pursuant to Section 230(1) of Companies Act 2016, the shareholders' approval is sought for the proposed payment of Directors' Fees for financial year ending 31 December 2023 and Benefit to the Non-Executive Directors ("NEDs"). The calculation of the benefits which include meeting allowance is based on the estimated number of scheduled and/or special Board and Board Committees' meetings and on the assumption that the number of NEDs in office until the next AGM remains the same.

NOTICE OF THIRTY-EIGHTH (“38TH”) ANNUAL GENERAL MEETING

(c) Ordinary Resolutions 3, 4, 5, 6 and 7: Re-election of Directors

Clause 92 of the Company’s Constitution provides that an election of Directors shall take place each year at the annual general meeting of the Company where one third (1/3) of the Directors for the time being, or, if their number is not three (3) or a multiple of three (3), then the number nearest to one third (1/3) shall retire from office and be eligible for re-election. PROVIDED ALWAYS THAT all Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election.

Clause 99 of the Company’s Constitution provides that any Director appointed either to fill a casual vacancy or as an addition to the existing Directors shall hold office only until the next annual general meeting, and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting.

The Board through its Nomination Committee had assessed the Directors and agreed that they meet the criteria as prescribed by Paragraph 2.20A of the Main Market Listing Requirement of Bursa Malaysia Securities Berhad on character, experience, integrity, competence and time to effectively discharge their roles as Directors.

The profiles of the Directors standing for re-election are set out in the Annual Report 2022.

(d) Ordinary Resolution 8: Re-appointment of Auditors

The Board and Audit and Risk Management Committee had at their respective meetings on 12 April 2023 recommended the re-appointment of Messrs Baker Tilly Monteiro Heng PLT for the financial year ending 31 December 2023. Messrs Baker Tilly Monteiro Heng PLT have met the criteria prescribed under the Paragraph 15.21 of the Main Market Listing Requirement of Bursa Malaysia Securities Berhad and indicated their willingness to continue their services for the next financial year.

(e) Ordinary Resolution 9: Authority to issue shares pursuant to the Companies Act 2016 and waiver of pre-emptive rights

The proposed Ordinary Resolution 9, if passed, will renew the authority to empower the Directors of the Company to issue and allot shares in the Company from time to time and for such purposes as the Directors consider would be in the best interest of the Company (“Renewed Mandate”) provided that the aggregate number of shares issued pursuant to this resolution shall not exceed 10% of the total number of issued shares of the Company for the time being. This Renewed Mandate will, unless revoked or varied by the Company in general meeting, expire at the conclusion of the next Annual General Meeting of the Company. The Renewed Mandate will provide flexibility to the Company to raise funds, including but not limited to placing of shares, for purpose of funding future investment projects and/or working capital and/or acquisitions.

On 22 February 2023, the Company announced their proposal to undertake a proposed private placement of up to 10% of the issued ordinary shares of the Company. As at the date of this Notice, no new shares in the Company were issued and allotted pursuant to the Renewed Mandate given to the Directors at the 37th AGM held on 25 May 2022 and which will lapse at the conclusion of the 38th AGM.

Pursuant to Section 85 of the Companies Act 2016 and Clause 57 of the Company’s Constitution, shareholders have pre-emptive rights to be offered any new shares in the Company which rank equally to the existing issued shares in the Company. This Ordinary Resolution 9, if passed, will exclude the shareholders’ pre-emptive right to be offered new shares to be issued by the Company pursuant to the said Ordinary Resolution.

NOTICE OF THIRTY-EIGHTH (“38TH”) ANNUAL GENERAL MEETING

(f) **Ordinary Resolutions 10, 11, 12, 13 and 14: Proposed allocation of ESOS Options to the Directors of the Company (“Proposed Allocation”)**

The proposed Ordinary Resolutions 10, 11, 12, 13 and 14 are to seek shareholders’ approval for the Company to offer and grant ESOS Options to the Directors of the Company to participate in the ESOS in accordance with the ESOS By-laws.

Datuk Low Chin Koon, Mr Teh Boon Beng, Mr Lee Hai Peng, Ms Er Kian Hong and Mr Keh Chuan Seng, being the interested parties shall abstain from deliberation and voting in respect of their direct and indirect shareholdings in the Company on this resolution. They will also ensure that persons connected to them will abstain from voting on their direct and/or indirect shareholdings in the Company, if any, on this resolution.

(g) **Ordinary Resolution 15: Waiver of Pre-Emptive Rights for Issuance of New Shares under Employees Share Option Scheme of the Company (“ESOS”)**

The ESOS was approved by the shareholders on 25 May 2022. Subsequent to the approval, the Company now seeks for waiver of the pre-emptive rights pursuant to Section 85 of the Act read together with Clause 57 of the Company’s Constitution from shareholders.

STATEMENT ACCOMPANYING THE NOTICE OF 38TH ANNUAL GENERAL MEETING

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

1. **Details of individual who are standing for election as Directors (excluding Directors standing for re-election)**

No individual is seeking election as a Director at the 38th AGM of the Company.

2. **Statement relating to general mandate for issue of securities in accordance with Paragraph 6.03(3) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad**

The Company will seek shareholders’ approval on the general mandate for issue of securities in accordance with Paragraph 6.03(3) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. Please refer to the Proposed Ordinary Resolution 9 as stated in the Notice of the 38th AGM of the Company for details.

ADMINISTRATIVE GUIDE FOR SHAREHOLDERS

FOR THE 38TH ANNUAL GENERAL MEETING ("38th AGM)

Date	:	Wednesday, 24 May 2023
Time	:	10:00 a.m.
Meeting Venue	:	Online Meeting Platform via Vote2U at https://web.vote2u.my
Domain Registration Numbers with MYNIC	:	D6A471702
Broadcast Venue	:	Unit 8-5, Kompleks Komersil Akasa, Jalan Akasa, Akasa Cheras Selatan, 43300 Seri Kembangan, Selangor Darul Ehsan

The 38th AGM of K. Seng Seng Corporation Berhad ("**KSSC**" or "**the Company**") will be conducted virtually through live streaming and online remote voting using Remote Participation and Voting ("**RPV**") facilities provided by Vote 2U via online platform at https://web.vote2u.my.

Shareholders whose names appear on the Record of Depositors ("**ROD**") as at 18 April 2023 shall be eligible to attend, participate and vote remotely in the meeting, or appoint proxy(ies)/ the Chairman of the general meeting to attend, participate and/or vote on his/her behalf.

Kindly note that the quality of the live streaming is highly dependent on the bandwidth and stability of the internet connection of the participants (shareholders and proxies). Hence, you are to ensure that internet connectivity throughout the duration of the meeting is maintained while using RPV provided by Agmo Digital Solutions Sdn. Bhd. ("**AGMO**") via its Vote2U Online website at https://web.vote2u.my.

PROCEDURES TO PARTICIPATE IN RPV

Please follow the Procedure to Participate in RPV as summarized below:

BEFORE AGM DAY

A: REGISTRATION

Individual Shareholders

Description	Procedure
i. Shareholders to register with Vote2U online	The registration will open from the day of notice a. Access website at https://web.vote2u.my b. Click "**Sign Up**" to sign up as a user. c. Read and indicate your acceptance of the 'Privacy Policy' and 'Terms & Conditions' by clicking on a small box. Then select "**Next**". d. Fill-in your details – (i) ensure your email address is valid & (ii) create your own password. Then select "**Continue**". e. Upload a clear copy of your MYKAD for Malaysian (front only) or Passport for non-Malaysian (page with photo). f. Registration as user completed. g. The registration will be verified and an email notification will be sent to your registered email address in due course. Note: If you have already signed up/registered as a user with Vote2U previously, you are not required to register again.

ADMINISTRATIVE GUIDE FOR SHAREHOLDERS

B: REGISTER PROXY

Individual Shareholder / Corporate Shareholder / Nominees Company

Description	Procedure
i. Submit Form of Proxy (hardcopy) - Individual Shareholders - Corporate Shareholders - Authorised Nominee - Exempt Authorised Nominee	a. Fill-in details of the Proxy Form by providing the following information: Proxy(ies) & Corporate Representative • Name • Number of MYKAD for Malaysian or passport for non-Malaysian • Address and email address – ensure email address is valid b. Corporate Representative only – deposit the hard copy of Proxy Form with Corporation's Common Seal or Under the hand of an officer or attorney so authorized to the address as stated on the Proxy Form. c. Individual shareholders, authorized nominee and exempt authorized nominee – deposit the hard copy Proxy Form to be address as stated on the Proxy Form. d. Submitted Proxy Form will be verified. e. After verification, proxy(ies) and corporate representative will receive an email notification with temporary credentials, i.e. email address & password, to log in to Vote 2U.

Shareholders who appoint Proxy(ies) to participate the virtual AGM must ensure that the hardcopy Form of Proxy is submitted not less than 48 hours before the time for holding the meeting or any adjourned meeting at which the person named in the instrument proposes to vote and in default, the instrument of proxy shall not be treated as valid.

ON AGM DAY

1.	Log in to https://web.vote2u.my with your registered email address and password. For proxy(ies) and corporate representative, log in with the temporary credentials in the email which you have received from Vote2U.
2.	Vote 2U will be opened for log in **one (1)** hour before the commencement of the general meeting you are attending.
3.	When you are logged in, select the general meeting event you are attending. On the main page, you are able to access the following:

	Description	Procedure
i.	Livestream	a. Select "**Watch Live**" button to view the livestream.
ii.	Ask Question (real-time)	a. Select "**Ask Question**" button to pose a question. b. Type in your question and select "**Submit**". Note: The Chairman of the general meeting / Board of Director will endeavor to respond to questions submitted by remote shareholders, proxies and corporate representatives during the meeting.
iii.	Remote Voting	a. On the main page, scroll down and select "**Confirm Details & Start Voting**". b. To vote, select your voting choice from the options provided. A confirmation screen will appear to show your selected vote. Select "**Next**" to continue voting for all resolutions. c. After you have completed voting, a Voting Summary page appears to show all the resolutions with your voting choices. Select "**Confirm**" to submit your vote. Note: Once you have confirmed and submitted your votes, you are not able to change your voting choices.
iv.	View Voting Results	a. On the main page, scroll down and select "**View Voting Results**".
v.	End of RPV	a. Upon the announcement by the Chairman of the general meeting on the closure of the said meeting, the live streaming will end. b. You may log out from Vote2U.

ADMINISTRATIVE GUIDE FOR SHAREHOLDERS

ADDITIONAL INFORMATION

Voting Procedure

Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, voting at the AGM will be conducted by poll. The Company has appointed Agmo Digital Solutions Sdn. Bhd. as the Poll Administrator to conduct the polling process and Aegis Communication Sdn. Bhd. as the Independent Scrutineers to verify the results of the poll.

Upon completion of the voting session for the 38th AGM, the Independent Scruitineers will verify the poll results by the Chairman's declaration whether the resolutions are duly passed.

No Recording or Photography

Unauthorised recording and photography of the proceedings of the 38th AGM are strictly prohibited.

No e-Voucher, Gifts and Food Voucher

There will be no e-Voucher, gift or food voucher given at this AGM.

Enquiry

For enquiries relating to RPV facilities or issues encountered during registration, log in, connecting to the live streaming and online voting facilities, please contact Vote2U helpdesk during office hours (9:00 a.m. to 5:00 p.m.) on Mondays to Fridays (except public holidays) as follows:

Telephone Number: 03-7664 8520 / 03-7664 8521
Email: vote2u@agmostudio.com

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FORM OF PROXY

誠成集團
K. SENG SENG CORPORATION BERHAD
Company No.: 198501000983 (133427-W)

No. of Ordinary Shares Held	
CDS Accounts No.	

I/We ______________________________ *NRIC/Passport/Company No. ______________
(FULL NAME IN BLOCK LETTERS)

of ____
(FULL ADDRESS)

with email address ______________________ mobile phone no. ______________________

being a member/members of **K. SENG SENG CORPORATION BERHAD** hereby appoint the following person(s):-

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address:			
Email Address:			
Mobile Number:			

and/or* (*delete as appropriate)

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address:			
Email Address:			
Mobile Number:			

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the 38th Annual General Meeting of the Company to be conducted via an online portal from Broadcast Venue at Unit 8-5, Kompleks Komersil Akasa, Jalan Akasa, Akasa Cheras Selatan, 43300 Seri Kembangan, Selangor on Wednesday, 24 May 2023 at 10.00 a.m. My/our proxy/proxies is/are to vote as indicated below:-

	RESOLUTIONS RELATING TO: -	**FIRST PROXY**		**SECOND PROXY**	
		For	**Against**	**For**	**Against**
ORDINARY RESOLUTION					
1.	Approval of payment of Directors' Fees up to RM200,000 for the financial year ending 31 December 2023.				
2.	Approval of payment of Directors' Benefit up to RM25,000 for the period commencing from 25 May 2023 until the next Annual General Meeting in year 2024.				
3.	Re-election of Datuk Low Chin Koon as a Director retiring in accordance with Clause 99 of the Company's Constitution.				
4.	Re-election of Teh Boon Beng as a Director retiring in accordance with Clause 99 of the Company's Constitution.				
5.	Re-election Lee Hai Peng as a Director retiring in accordance with Clause 99 of the Company's Constitution.				
6.	Re-election of Er Kian Hong as a Director retiring in accordance with Clause 99 of the Company's Constitution.				
7.	Re-election of Keh Chuan Seng as a Director retiring in accordance with Clause 99 of the Company's Constitution.				
8.	Re-appointment of Messrs Baker Tilly Monteiro Heng PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.				
	SPECIAL BUSINESS				
9.	Authority to issue shares pursuant to the Companies Act 2016 and waiver of pre-emptive rights				
10.	Proposed allocation of ESOS Options to Datuk Low Chin Koon				
11.	Proposed allocation of ESOS Options to Teh Boon Beng				
12.	Proposed allocation of ESOS Options to Lee Hai Peng				
13.	Proposed allocation of ESOS Options to Er Kian Hong				
14.	Proposed allocation of ESOS Options to Keh Chuan Seng				
15.	Waiver of Pre-Emptive Rights for Issuance of New Shares under Employees Share Option Scheme of the Company ("ESOS")				

(Please indicate with a "√" or "X" in the space provided how you wish your vote to be cast. If no instruction as to voting is given, the proxy/proxies may vote or abstain from voting at his/her/their discretion). The first named proxy shall be entitled to vote on a show of hands on my/our behalf.

Dated this_____day of_____________2023

____
Signature of Shareholder(s)/Common Seal

Notes :

1. A member of the Company entitled to attend and vote at the meeting may appoint up to two (2) proxies (or being a corporate member, a corporate representative) to attend and vote in his/her stead. A proxy may but need not be a member of the Company.
2. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy.
3. The instrument appointing a proxy in the case of an individual shall be signed by the appointer or his/her attorney or in the case of a corporation executed under its common seal or signed on behalf of the corporation by its attorney or by an officer duly authorised.
4. Where a Member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as defined under the Securities Industry (Central Depositories) Act, 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
5. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or executed must be deposited at the Registered Office of the Company at Unit 8, Level 7, Kompleks Komersil Akasa, Jalan Akasa, Akasa Cheras Selatan, 43300 Seri Kembangan, Selangor Darul Ehsan, Malaysia not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
6. In respect of deposited securities, only members whose names appear in the Record of Depositors as at 18 May 2023 shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his/her behalf.

AFFIX STAMP

THE COMPANY SECRETARY
K. SENG SENG CORPORATION BERHAD
(Registration No. 198501000983 (133427-W))
Unit 8, Level 7, Kompleks Komersil Akasa,
Jalan Akasa, Akasa Cheras Selatan,
43300 Seri Kembangan, Selangor Darul Ehsan,
Malaysia

REQUEST FORM FOR PRINTED COPY OF K. SENG SENG CORPORATION BERHAD ANNUAL REPORT 2022

To: K. Seng Seng Corporation Berhad
Unit 8, Level 7, Kompleks Komersil Akasa,
Jalan Akasa, Akasa Cheras Selatan,
43300 Seri Kembangan, Selangor Darul Ehsan,
Malaysia

Please find below my complete particulars for the delivery of a printed copy of KSSC Annual Report 2022:

Particulars of Shareholder

Name:

Identity Card No./Passport No./Company No.:

CDS Account No.:

Mailing Address:

Telephone No.:

Date:

Signature of Shareholder:

____

Name:

誠成集團

K. SENG SENG CORPORATION BERHAD

Company No.: 198501000983 (133427-W)

Registered office:
Unit 8, Level 7,
Kompleks Komersil Akasa,
Jalan Akasa, Akasa Cheras Selatan,
43400 Seri Kembangan, Selangor

Principal place of business:
Lot 3707, Jalan 7/5,
Taman Industri Selesa Jaya,
43300 Balakong, Selangor

Tel: +603-8961-5555 (Hunting Line)
Fax: +603-8962-6666 (Marketing)
Tel: +603-8962-1111 (Finance)

Email: sales@kssc.com.my

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