CAM

CAM RESOURCES BERHAD

(200001032704 [535311-D])

ANNUAL REPORT

2022

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Lee Chin Yen
Executive Chairman

Tan Hong Cheng
Managing Director

Hia Wan Kiga
Executive Director

Lee Poh Choo
Executive Director

Tan Kim Hong
Executive Director

Teh Sin Chay
Independent Non-Executive Director

Zaharatul Nadzirah Binti Azizul
Independent Non-Executive Director

Chia Song Ming
Independent Non-Executive Director

AUDIT COMMITTEE

Teh Sin Chay
Chairman
Independent Non-Executive Director

Zaharatul Nadzirah Binti Azizul
Member
Independent Non-Executive Director

Chia Song Ming
Member
Independent Non-Executive Director

REMUNERATION COMMITTEE

Zaharatul Nadzirah Binti Azizul
Chairperson
Independent Non-Executive Director

Teh Sin Chay
Member
Independent Non-Executive Director

Chia Song Ming
Member
Independent Non-Executive Director

RISK MANAGEMENT COMMITTEE

Lee Poh Choo
Chairperson
Executive Director

Teh Sin Chay
Member
Independent Non-Executive Director

Chia Song Ming
Member
Independent Non-Executive Director

NOMINATION COMMITTEE

Teh Sin Chay
Chairman
Independent Non-Executive Director

Zaharatul Nadzirah Binti Azizul
Member
Independent Non-Executive Director

Chia Song Ming
Member
Independent Non-Executive Director

COMPANY SECRETARIES

Teo Mee Hui (MAICSA 7050642)
(SSM PC No. 202008001081)

Zeenath Begum Binti Mohamed Mastan (LS0009462)
(SSM PC No. 202008002974)

REGISTERED OFFICE

10th Floor, Menara Hap Seng
No. 1 & 3, Jalan P. Ramlee
50250 Kuala Lumpur, Malaysia
Tel : +603-2382 4288
Fax : +603-2382 4170

MANAGEMENT OFFICE

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36400 Hutan Melintang
Perak, Malaysia
Tel : +605-641 1046
Fax : +605-641 1115

SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn. Bhd.
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

Tel : +603-2783 9299
Fax : +603-2783 9222

AUDITORS

Messrs Baker Tilly Monteiro Heng PLT
Chartered Accountants
Baker Tilly Tower
Level 10, Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur
Tel : +603-2297 1000
Fax : +603-2282 9980

BANKERS

Malayan Banking Berhad
Hong Leong Islamic Bank Berhad
HSBC Bank Malaysia Berhad
RHB Bank Berhad
AmBank Berhad
Bank Muamalat Malaysia Berhad

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
Stock Name : CAMRES
Stock Code : 7128

CAM

CAM RESOURCES BERHAD

(Registration No. 200001032704 (535311-D))

- **100% Central Aluminium Manufactory Sdn. Bhd.** (Registration No.197901000204 [44445-V])
- **100% CAM Plastic Industry Sdn. Bhd.** (Registration No. 201101014467 [942607-U])
- **100% Advance Eagle Marketing Sdn. Bhd.** (Registration No. 198901008446 [185748-H])
- **100% Saluran Suriamas Sdn. Bhd.** (Registration No. 201501042486 [1167807-P])
- **100% Central Palm Oil Mill Sdn. Bhd.** (Registration No. 200901007373 [850345-W])
    - **100% Future Atlas Sdn. Bhd.** (Registration No. 201601041501 [1212443-T])
- **100% Central Melamineware Sdn. Bhd.** (Registration No. 198801005587 [172944-V])
- **100% Naprogen Sdn. Bhd.** (Registration No. 199601021834 [394186-U])
- **100% Prestile Industries Sdn. Bhd.** (Registration No. 201001018114 [901820-D])

FIVE-YEAR FINANCIAL HIGHLIGHTS

FINANCIAL PERFORMANCE: AT A GLANCE

Revenue
2022
RM496.01million
(2021: RM399.20million)

Profit Before Tax
2022
RM21.42million
(2021: RM13.16million)

Total Assets
2022
RM195.87million
(2021: RM196.87million)

Market Capitalisation
RM65.42million
as at 31 December 2022

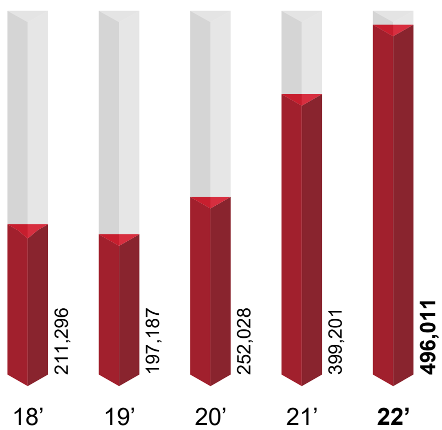
KEY BUSINESS

a) Manufacturing and trading of Aluminium, Stainless Steel, Melamine Tableware, Plastic Kitchenware products;
b) Manufacturing and trading of Crude Palm Oil (“CPO”), Palm Kernel (“PK”), Oil Palm Fibre and other oil palm related products; and
c) Renewable energy generation.

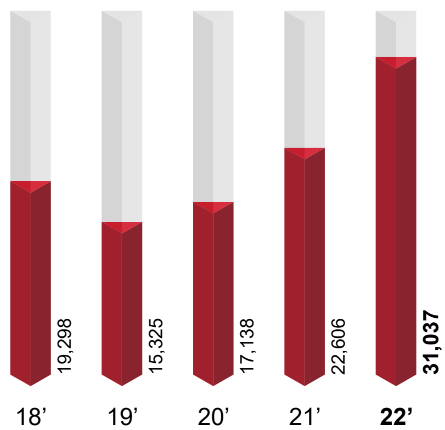
MARKET PRESENCE

Mainly in Asia and America

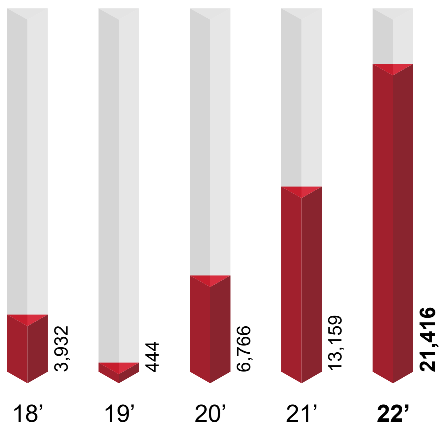
REVENUE
(RM’000)



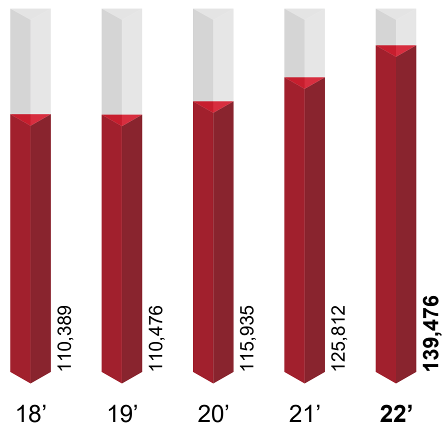
GROSS PROFIT
(RM’000)



PROFIT BEFORE TAX
(RM’000)



NET ASSETS
(RM’000)



	FINANCIAL YEAR ENDED 31 DECEMBER				
	2018 RM'000	**2019 RM'000**	**2020 RM'000**	**2021 RM'000**	**2022 RM'000**
FINANCIAL PERFORMANCE					
Revenue	211,296	197,187	252,028	399,201	**496,011**
Gross Profit	19,298	15,325	17,138	22,606	**31,037**
Profit before tax	3,932	444	6,766	13,159	**21,416**
Profit after tax	2,494	104	5,551	9,877	**16,231**
Profit Attributable to Owners of the Company	2,494	104	5,551	9,877	**16,231**
FINANCIAL POSITION ASSETS					
Non-Current Assets	115,327	120,850	120,845	116,864	**109,689**
Current Assets	62,802	63,178	65,981	80,008	**86,184**
Total Assets	178,129	184,028	186,826	196,872	**195,873**
LIABILITIES AND EQUITY					
LIABILITIES					
Non-current Liabilities	27,962	23,847	20,428	23,312	**11,864**
Current Liabilities	39,777	49,704	50,463	47,748	**44,533**
Total Liabilities	67,739	73,551	70,891	71,060	**56,397**
EQUITY					
Paid-up share capital	54,378	54,378	54,378	54,378	**54,378**
Treasury shares	(1,382)	(1,399)	(1,491)	(1,491)	**(2,143)**
Non-controlling interest	-	-	-	-	**-**
Retained Profits	57,393	57,497	63,048	72,925	**87,241**
Reserves	-	-	-	-	**-**
Total Equity	110,389	110,476	115,935	125,812	**139,476**
Total Liabilities and Equity	178,128	184,027	186,826	196,872	**195,873**
Net Cash Flow	(2,632)	(1,196)	5,825	31,411	**32,565**
SHARE INFORMATION					
Basic Earnings Per Share (sen)	1.30	0.05	2.90	5.16	**8.48**
Share price as at 31 December (RM)	0.260	0.240	0.375	0.335	**0.345**
Gross Margin (%)	9.13%	7.77%	6.80%	5.66%	**6.26%**
Return on Net Assets (%)	1.89%	0.08%	4.28%	6.91%	**11.18%**
Return on shareholders' funds (%)	2.26%	0.09%	4.79%	7.85%	**11.64%**
Current ratio (times)	1.58	1.27	1.31	1.68	**1.94**
Gearing ratio (times)	0.44	0.48	0.44	0.37	**0.22**

CHAIRMAN'S STATEMENT

"On behalf of the Board of Directors, I am pleased to present to you the Company's Annual Report and Audited Consolidated Financial Statements for the financial year ended 31 December 2022."

FINANCIAL PERFORMANCE

For the financial year under review, the Group registered a significantly higher profit before tax of RM21.42million as compared to RM13.16million in the financial year ended 31 December 2021 ("FY2021"). The increase in the profit before tax was mainly due to better performance from the Palm Oil Mill segment with higher profit contribution of RM19.02million as compared to RM14.7million in the FY2021 resulting from higher Crude Palm Oil ("CPO") and Palm Kernel ("PK") output as well as a higher profit of RM1.88million in the Manufacturing and Trading segment as compared to the loss of RM0.41million in FY2021.

OUTLOOK AND PROSPECTS

We remain cautiously optimistic of the future performance of our Company in spite of the better than expected performance in 2022. We also believed our cautious approach to expansion and growth was pragmatic not only in the wake of global economic and geopolitical instability but also in a time of uncertainty due to rising inflation and the cost of doing business.

Within the short term, the performance of the Group may still be affected given the prevailing market conditions. However, the Group will continuously monitor the situation closely and proactively improve any shortcomings discovered. We will also innovate our existing product lines while exploring new opportunities and new markets to sustain and improve our income generating streams.

On behalf of the Board of Directors, I would like to express my sincere appreciation to the management team as well as all employees of the Group for their dedication, enthusiasm, contribution and commitment towards the Group's success.

I also wish to thank all our shareholders, banks, customers and business associates for their continuous support and confidence in the Group.

Last but not least, I wish to extend my gratitude to my fellow Board members for their unwavering commitment and invaluable counsel and contribution in steering the Group to greater heights. Thank you.

The Management Discussion and Analysis ("MD&A") provides an analysis of the financial performance for the financial year ended ("FYE") 31 December 2022 ("FY2022"), key business strategies, risks and future prospects of the Group. This MD&A should be read in conjunction with the accompanying financial statements as set out in pages 56 to 113 of this Annual Report.

OVERVIEW

The Company is an investment holding company with its subsidiaries principally involved in:

- **Manufacturing and Trading**

  Manufacturing and trading of household products, which include:-
  i) Aluminium and stainless-steel kitchenware, kitchen sinks and kitchen knives;
  ii) Plastic kitchenware; and
  iii) Melamine tableware.

- **Palm Oil Milling**

  Manufacturing and trading of crude palm oil ("CPO"), palm kernel ("PK"), oil palm fibre and other related products.

- **Renewable Energy**

  Renewable energy generation.

The Manufacturing and Trading segment of the Group operates its businesses in Malaysia to serve both the domestic and export markets. Presently, the products are exported to all over Asia as well as the American continent. The Group has branches set up in Johor Bahru, Ipoh and Teluk Intan for the expansion of its marketing network in Malaysia and to penetrate neighbouring countries such as Indonesia and Singapore.

The aluminium and stainless steel household products are marketed under the brand names of "Eagle" and "CAM", which have been in the market for more than 40 and 20 years, respectively, while the melamine tableware products are also marketed under the brand name "Eagle" for more than 30 years. To further complement the Group's range of household products, the Company has ventured into the production of plastic kitchenware products by acquiring the plastic production plant and machineries through its wholly owned subsidiary, CAM Plastic Industry Sdn. Bhd. The acquisition was completed in 2013. All the plastic kitchenware products are marketed under the trademarks of 'Kiwi', 'Goldenware' and 'Kiwiware', which have been on the market for more than 20 years.

Throughout the years 2010 to 2012, the Group increased its revenue streams by investing in the downstream palm oil industries, such as the processing of palm fiber and the manufacturing and trading of CPO, PK, palm fibre and other related products. Presently, the products are distributed within the domestic market.

In 2020, the Group's Renewable Energy segment had commenced operation and contributed positively to the Group's earnings. The Group had announced the approval of the Feed-In Tariff ("FiT") application, granted by the Sustainable Energy Development Authority Malaysia ("SEDA") to its wholly owned subsidiary, Future Atlas Sdn. Bhd., for a 2.000 MW biogas plant. The plant will generate renewable energy to be sold to Tenaga Nasional Berhad under the SEDA FiT System for a period of sixteen (16) years beginning from the FiT commencement date of 3 December 2019.

GROUP STRATEGY AND OBJECTIVE

The Group's long-term objective is to be one of the leading producers of household and palm oil products. The vision of the Group is:-

- to continuously enhance our product quality and operational efficiency;
- to continuously develop new products to meet the needs and requirements of our customers;
- to strengthen our market position through the widening of our business network globally; and
- to keep pace with the ever-evolving global dynamics.

The Group's main strategy emphasises organic growth of existing core segments while at the same time striving for sustainability and the improvement of earnings from these segments, as well as actively sourcing additional diversified revenue streams.

FINANCIAL PERFORMANCE REVIEW

The Group's revenue for FY2022 increased by 24% to RM496.01million from RM399.20million in the previous year. The Group's profit before tax had significantly increased to RM21.42million from RM13.16million in 2021.

The higher revenue and profit before tax in FY2022 were mainly attributable to additional revenue contributions from higher CPO and PK output in the Palm Oil Mill segment as well as higher profit in the Manufacturing and Trading segment.

Manufacturing and Trading Segment

The Manufacturing and Trading Segment registered higher revenue at RM53.13million, as compared to RM44.02million in 2021 which translated to an increase into the profit before tax of RM1.88million as compared to the loss of RM0.41million in 2021. This was mainly due to higher sales achieved and the reversal of RM0.46million worth of written down inventories from the previous year.

Palm Oil Mill Segment

The Palm Oil Mill Segment's revenue rose to RM436.17million in 2022 from RM349.12million in 2021. The increase in revenue was mainly due to the higher average traded CPO prices by about 16%, averaging RM5,035 per tonne compared with RM4,352 per tonne in the previous year while the average price of PK had increased by 9% to RM3,109 per tonne from RM2,856 per tonne in 2021 as well as higher CPO and PK output. The higher output has resulted in an increase of the profit before tax to RM19.02million from RM14.70million in the preceding year.

Renewable Energy Segment

The Renewable Energy Segment recorded a higher revenue at RM6.71million as compared to RM6.07million in 2021. However, the segment recorded a loss of RM47,131 as compared to the profit before tax of RM746,771 in 2021 mainly due to the higher operation cost as a result of scheduled periodic maintenance during the year.

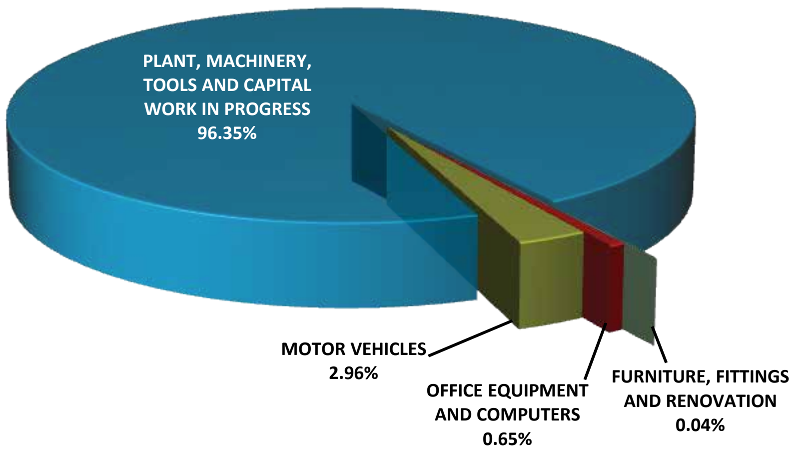
Liquidity and Capital Resources

The Group has periodically undergone reviews and assessments of its financial stability and flexibility, as well as the efficiency of the Group's working capital management and its ability to comfortably meet its short-term and long-term financial obligations and commitments. In support of the Group's vision of long-term growth, adequate funds are allocated for capital expenditures, including the improvement of our existing production capacity and its efficiency.

Total equity attributable to shareholders grew from RM125.81million to RM139.48million as at 31 December 2022. The increase in retained profits was partially offset by the payment of a dividend of RM1.91 million in respect of FY2022 of RM1.91 million as well as of repurchase of shares of RM652,014.

Total cash and cash equivalents of the Group at the end of the financial year 2022 were RM32.56million. The Group generated positive net cash from operations with RM21.05million in the year 2022. Total loans and borrowings of the Group had reduced by RM15.40million which resulted in the reduction of the gearing ratio to 0.22, as compared to 0.37 times in the previous year.

The total capital expenditure of RM8.97million for the year 2022 comprises mainly the acquisition of plants, machineries and tools as well as capital work-in-progress.



The Management is confident that the current credit facilities combined with our existing cash on hand and anticipated operating cash flows, will be adequate to meet the working capital and capital expenditure requirements for the foreseeable future.

Potential Risks Overview

(i) Business risks

The Group is inevitably subject to certain business risks inherent in the manufacturing industry such as shortages of labour and raw materials, increases in the cost of labour and raw materials, changes in general economic, technological, business and credit conditions, fluctuation of foreign exchange rates and changes in government policies. Although the Group seeks to limit these risks through and via carries the similar meaning the utilisation of automated production processes and prudent management policies, no assurance can be given that any change to these factors will not have a material effect on the Group's business.

(ii) Financial risks

The Group is exposed to financial risks such as credit risk, foreign currency risk, interest rate risk and liquidity risk. The Group's financial risk management objectives and policies were set out in detail in Note 30 of this Annual Report.

(iii) Dependency on major customers and suppliers

For the FY2022, the revenue contribution from two major customers in the palm oil mill segment contributed about 66.6% of the Group's revenue as set out in Note 28 of this Annual Report. Save as disclosed, there is no other single customer or supplier in the Group who contributed more than 10% to the Group's revenue.

OUTLOOK OF GROUP FUTURE PROSPECTS

The economic condition in the year 2023 remain challenging. Despite this, the Group will continue its efforts to closely monitor and realign its business plans and strategies to improve growth in its businesses and financial position. The Group will also continue to pursue additional growth opportunities to further strengthen the Group's financial performance.

FORWARD-LOOKING STATEMENTS

Certain statements in this MD&A are based on historical data that may not be reflective of future results, while others are forward-looking in nature which are subject to uncertainties and contingencies.

These statements reflect the expectations of the management regarding the future growth, general industry and economic outlook, financial and operating conditions, business risks and opportunities as well as plans and strategies of the Group. Whenever used, words such as “will,” “expect,” and other terms of similar meaning are intended to identify such forward-looking statements. Forward-looking statements, including these, are based on the current beliefs and expectations of our management and are subject to future uncertainties that are beyond the Management’s control and that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements.

CAM Resources Berhad and its subsidiaries, collectively referred to as "CAMRES" or "the Group", are producers of crude palm oil ("CPO") and palm oil-related products, household products, and renewable energy in Malaysia. We acknowledge that sustainability is a vital element contributing to the growth of our businesses. Therefore, we are committed to embedding sustainable practices throughout every aspect of our businesses, operations, and communities to create long-term value for our stakeholders.

This Sustainability Statement serves as an update to the previous year's statement and outlines the progress that CAMRES has made in its journey towards sustainability. It provides a detailed narrative and disclosures on how we have continued to embed sustainable practices throughout our businesses, operations, and communities. We believe that transparency and accountability are essential components of our sustainability journey, and we hope that this report will demonstrate our commitment to these principles.

SCOPE AND BOUNDARIES

The scope of this Statement encompasses all of the Group's operations, with the exception of dormant and inactive companies, which are disclosed in Note 12 of the financial statements, as well as third-party contractors, suppliers, and vendors within the Group's value chain.

In this Statement, we focus on the Group's most pertinent sustainability initiatives, processes, and activities. However, we are committed to continually improving our sustainability disclosures and aim to provide more comprehensive reporting in the future.

REPORTING PERIOD

This Statement covers CAMRES's Sustainability development measures from 1 January 2022 to 31 December 2022, the Financial Year ("FY"), unless otherwise stated.

REPORTING FRAMEWORK

This Statement provides insights into CAMRES's sustainability development and performance, in accordance with Bursa Malaysia Securities Berhad's ("Bursa Securities") Main Market Listing Requirements and the 2nd edition of the Sustainability Reporting Guide by Bursa Securities.

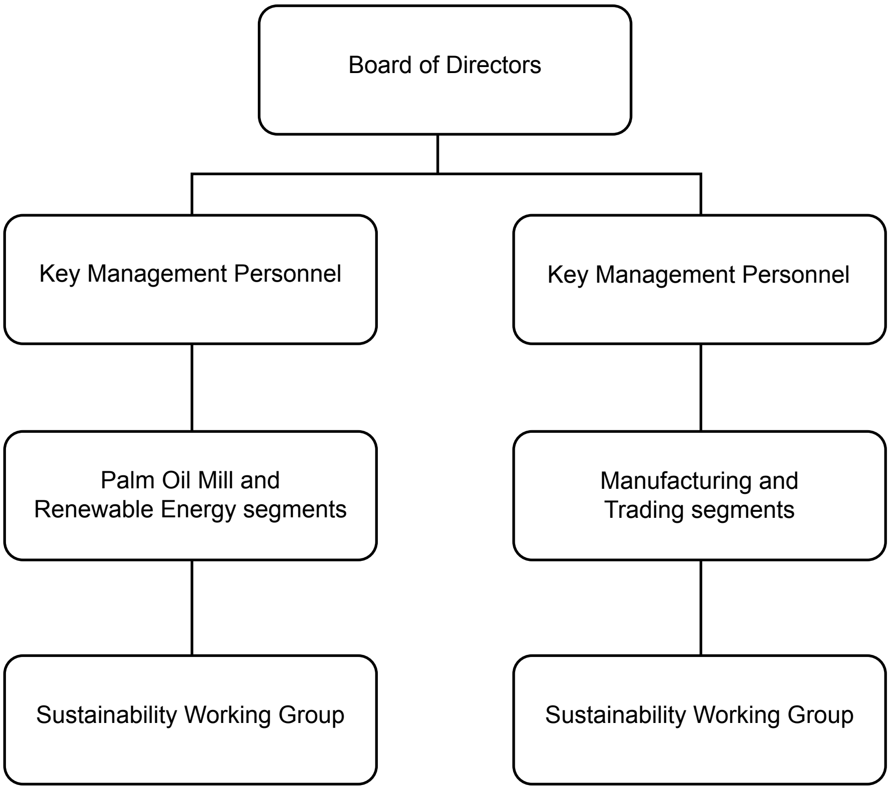
Furthermore, in alignment with CAMRES' commitment to the United Nations Sustainable Development Goals ("SDGs"), we have incorporated relevant SDGs into our sustainability initiatives.

SUSTAINABILITY GOVERNANCE STRUCTURE

The Group's Sustainability Governance structure follows a top-down approach consisting of two levels of committees to ensure active participation in championing and implementing sustainability measures across daily operations. The Board of Directors ("the Board") provides oversight on the Group's sustainability efforts and is supported by the Sustainability Working Group.

The Sustainability Working Group comprises key management personnel from various departments of the operating companies, led by General Managers ("GMs") of their respective segments. The main responsibilities of the Sustainability Working Group include implementing sustainable development plans, collecting relevant data, and regularly reviewing and monitoring performance data for continual improvement.

Outlined below is the CAMRES Sustainability Governance Structure:



STAKEHOLDER ENGAGEMENT

At CAMRES, we recognise that the expectations and concerns of our stakeholders may evolve over time. As such, we engage with our stakeholders continuously to understand and address their concerns and align them with the Company's business strategies and operations.

Below is a summary of the Group's stakeholder groups, their areas of interest, engagement approach, and frequency of engagement:

Stakeholder Group	Areas of Interest	Engagement Approach	Frequency
Customers	Product/service quality, pricing, inventory supply commitment	Meetings with client/ service managers, website, and customer surveys	Regular
Employees	Employee benefits and wellbeing, skills development, occupational safety and health	Engagement events (virtual in-house talks, website, virtual meetings, training, employee activities, etc.)	Regular
		Discussions	Once a year
Shareholders, investors and analysts	Financial performance, business strategy/outlook, dividend, and capital appreciation	Annual report	Once a year
		Annual general meetings	Once a year
		Financial reports and investor briefings	Quarterly
		Shareholder updates	Regular
		Investor Relations webpage	Periodic

Stakeholder Group	Areas of Interest	Engagement Approach	Frequency
Authorities / government / regulators	Compliance, approvals/permits	Meetings and visits	Regular
		Reports	Periodic
		Participation in government and regulatory events	Ad-hoc
		Discussions	Regular
Suppliers / service providers	Price, payment, work scope	Meetings and visits	Regular
		Performance evaluation	Once a year
Smallholders, planters and local community	Community living	Social contribution programmes and dialogues	Regular

IDENTIFYING AND ASSESSING MATERIAL SUSTAINABILITY MATTERS

Conducting a materiality assessment enables us to identify and prioritise the Economic, Environmental, and Social ("EES") issues that are most significant to our organisation and its stakeholders. After conducting a reassessment, we have determined that the nine (9) Material Sustainability Matters ("MSMs") highlighted in FY2021 remain relevant to our businesses and operations in FY2022.

These nine (9) key MSMs which are commonly shared across all business units were plotted on a matrix, as shown in Figure 1, based on the importance of the MSMs to stakeholders and business operations.

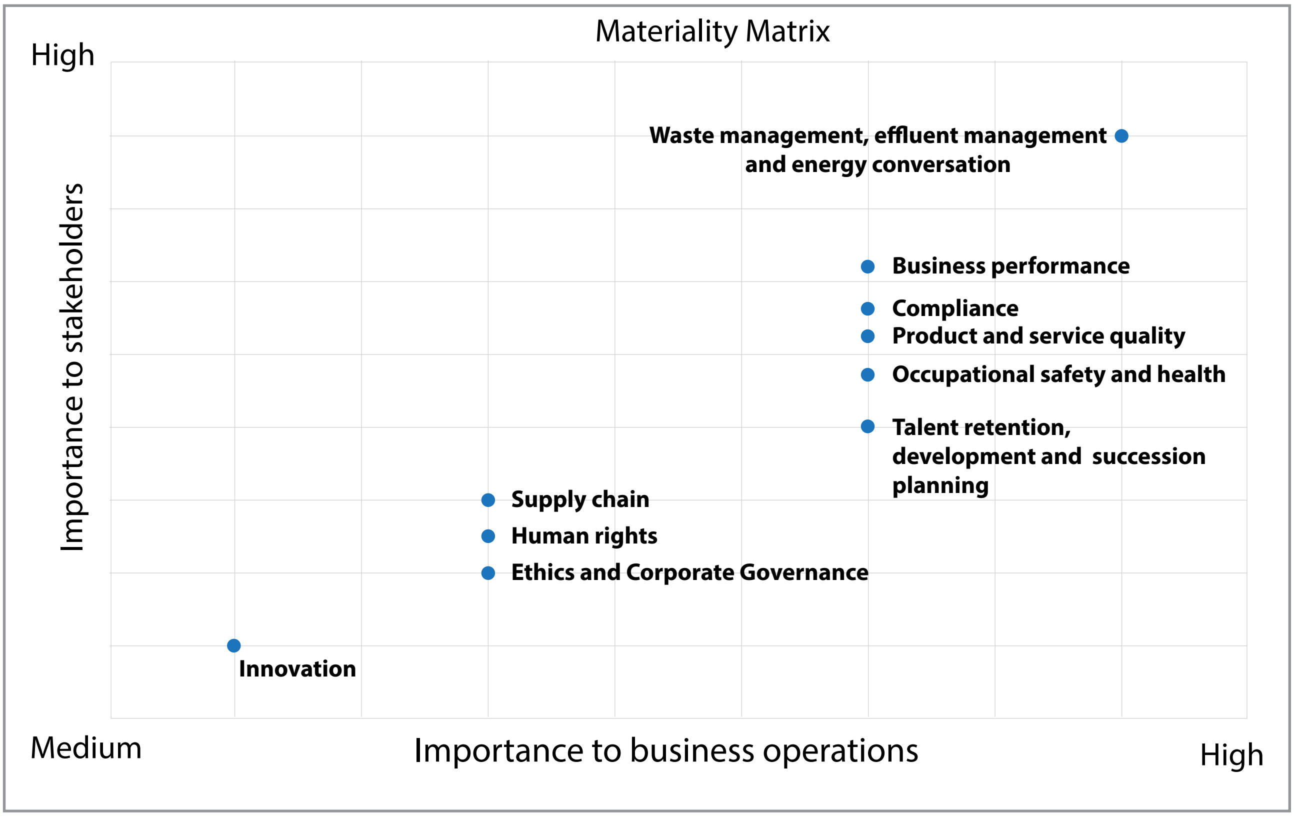


Figure 1 : Sustainability Matters Materiality Matrix

We remain committed to monitoring and addressing these material sustainability matters in a responsible and transparent manner, and will continue to engage with our stakeholders to ensure that we are aligned with their expectations and concerns.

Contributing to the United Nations Sustainability Development Goals ("UNSDGs")

CAMRES is committed to contribute to the UNSDGs, and we have identified five goals towards the end. These goals are:
1. Goal 3: Good Health and Well-Being
2. Goal 8: Decent Work and Economic Growth
3. Goal 9: Industry, Innovation and Infrastructure
4. Goal 12: Responsible Consumption and Production
5. Goal 13: Climate Action

We have mapped our identified material sustainability matters to the relevant UNSDGs to demonstrate our commitment to sustainability and our contribution to these global goals.

Economic	Environment	Social
1. Business Performance 2. Supply Chain 3. Ethics and Corporate Governance	4. Compliance 5. Waste Management, Effluent Management and Energy Conservation	6. Product and Service Quality 7. Occupational Safety and Health 8. Talent Retention, Development and Succession Planning 9. Human Rights
8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION	3 GOOD HEALTH AND WELL-BEING

MANAGING MATERIAL SUSTAINABILITY MATTERS

Material Sustainability Matters include economic, environmental and social components as enumerated above, impacting the Group's ability to meet present and future needs.

ECONOMIC

Our commitment is to generate long term economic value for all of our stakeholders including shareholders, employees, suppliers and local communities.

1.0 BUSINESS PERFORMANCE

The Group engages in several business activities, including the manufacturing and trading of household products, the processing and sale of CPO and palm oil-related products, and the production of biogas to generate renewable energy.

Given the trust placed in us by our stakeholders, we are committed to being responsible corporate citizens. Our main focus is to deliver operational excellence and achieve sustainable long-term growth across all business units, which will contribute to Malaysia's economic development. We are proud to report that our Manufacturing and Trading segment, Palm Oil Mill segment and Renewable Energy segments have consistently created job opportunities and improved the livelihoods of our employees and local communities.

In FY2022, the Group achieved total revenue of RM496.01 million, representing a 24% increment from FY2021 with RM399.20million.

The detailed breakdown of the direct economic values generated and distributed by our Group's operations for years 2020, 2021, and 2022 as follows:

Direct Economic Value Generated and Distributed	2020 (RM'000)	2021 (RM'000)	2022 (RM'000)
Revenue	252,028	399,201	496,011
Employee Wages and Benefits	20,489	20,163	23,801
Payment to the Government (Taxes)	1,902	2,642	5,635

We will continue to strengthen the business fundamentals, both operationally and financially, by confronting and mitigating prevailing economic challenges to deliver sustainable performance in the long term.

2.0 SUPPLY CHAIN

Our supply chain is a critical element in sustaining our business operations, and we are committed to using only high-quality, safe, and sustainable materials. To achieve this, we work closely with our business partners to identify and employ economically viable and sustainable materials and solutions.

For our Manufacturing and Trading segment, we select vendors based on their expertise and capability in meeting our in-house requirements and standards. Underperforming vendors, will be temporarily removed from our approved vendors' list until the underlying issues are resolved.

In the Palm Oil Mill segment, our fresh fruit bunches ("FFBs") suppliers are mainly smallholders, dealers, and estate owners. To ensure a consistent supply of FFBs, we continuously engage and assist our suppliers in adhering to the Malaysian Sustainable Palm Oil ("MSPO") criteria.

Malaysian Sustainable Palm Oil ("MSPO")

The MSPO is the Malaysian National Certification Scheme for the palm oil industry, aimed at ensuring the sustainable development of the industry while minimising its social and environmental impact. We obtained MSPO Management System Certification under the Standard: MS2530-4:2013 in February 2019 and subsequently received Supply Chain Certification Standard ("SCCS") under the Standard: MSPO-SCCS-01 in November 2019. In January 2023, we were successfully recertified for both certifications.

Supporting the Smallholders

We understand that many smallholders lack the capacity, knowledge, and financial resources to meet MSPO requirements. As smallholders contribute significantly to the palm oil production volume, we have established the Group Managing Scheme to assist them in improving their capabilities and developing the skills necessary to enhance the quality of their fruits. This programme is open to all smallholders supplying our company, and in the reporting year, 60 smallholders participated in the scheme.

Traceability

Ensuring traceability of our products from raw materials to the manufacturing of palm oil and palm oil related products is a crucial aspect of complying with MSPO standards. As part of our commitment to upholding these standards, we have implemented the MSPO SCCS, which has helped to enhance traceability and transparency in all our supply chain transactions.

Local Sourcing

The Group places high importance on partnering with local suppliers whenever possible to not only support the local economies but also to foster the growth of smaller companies in the communities we operate in. In addition to the positive economic impact, local sourcing is also more environmentally friendly as it reduces carbon emissions from transportation, resulting in cost and time savings in terms of logistics. As of now, 98% of the materials and services required by the Group are sourced locally.

3.0 ETHICS AND CORPORATE GOVERNANCE

CAMRES remains committed to upholding high standards of corporate governance and ethical business conduct. The Board has adopted the Code of Business Conduct, which sets out the rules for proper behaviour across all levels of the Group's operations. The Code, along with related policies, procedures, and guidelines, outlines fundamental rules that define how the company conducts its business and the standards expected of CAMRES and its employees.

In addition, the Group has implemented an Anti-Bribery and Corruption Policy to comply with all applicable laws relating to anti-bribery and corruption. CAMRES practices a zero-tolerance approach against all forms of bribery and corruption and conducts business with integrity, honesty, and respect. In the FY2022, there were no disciplinary actions or dismissals of employees, contract terminations with suppliers or customers, or cases against CAMRES and its employees due to non-compliance with the Code, Anti-Bribery and Corruption Policy, and/or other relevant laws and regulations.

The Code and Anti-Bribery and Corruption Policy are available on the company's website for public reference as well as the Corporate Governance Overview Statement on page 27 to page 39 of this Annual Report.

ENVIRONMENT

At CAMRES, we are committed to reducing our environmental impact by continuously optimising our business processes. We recognise that environmental issues have significant impacts on our operations and stakeholders, and we aim to minimise our carbon footprint through various campaigns and initiatives that promote environmental awareness and values among our employees.

Our efforts include promoting paperless activities, minimising waste, reducing energy consumption, and enforcing a strict Zero Open Burning Policy without exception. We strive to comply with all applicable environmental regulations and standards in all locations where we operate.

4.0 COMPLIANCE

We strive to adhere to all relevant rules, regulations, and standards applicable to our operations. To date, all practices across our divisions adhere to the established internal Environmental Policy. In FY2022, we complied with all environmental regulations and had no penalties or fines resulting from non-compliance for all business operations.

5.0 WASTE MANAGEMENT, EFFLUENT MANAGEMENT AND ENERGY CONSERVATION

Waste and Effluent Managements

We implement proper management and control measures for waste and effluent management to prevent environmental pollution within the vicinity of our palm oil mill and manufacturing plants. Our hazardous waste disposal procedures comply with stringent statutory requirements and industry standards.

Manufacturing

The table below describes the Waste Management initiatives that have been carried out across the Group:

Types of Wastes	Waste Management
Dust	Dust is removed through the dust collector system before discharging into the atmosphere.
Wastewater	Industrial effluent is treated in the effluent treatment plant to meet the discharge standard set by the Department of Environment ("DOE") before being released into the environment.
Aluminium dross	Disposal of scheduled aluminium dross through a licensed waste management company approved by the DOE.
Used oil and chemical storage tanks	Labelling and storage of all used oil and chemical containers in designated areas. All empty tanks are collected by DOE-licensed waste management company.

Palm Oil Mill

We recognise the environmental impact of palm oil mill operations, and we actively incorporate environmental considerations into our milling processes and daily operations.

Effluent Treatment

The wastewater discharged during Palm Oil segment's milling process, known as Palm Oil Mill Effluent ("POME"), can be harmful if left untreated and released into the environment due to high amounts of biodegradable organic matter. To mitigate this, the Palm Oil Mill segment continuously monitors the performance of our POME Treatment System to ensure the treated effluent meets the required standards before discharge. In FY2022, an estimated 208,408 m3 of wastewater was produced from our mill.

To improve the efficiency of our wastewater treatment, the Palm Oil Mill segment has installed an extended aeration activated sludge plant. This technology reduces the concentration of organic matter and other pollutants in the effluent, resulting in better-treated wastewater quality. We also regularly monitor the effluent discharge to ensure compliance with environmental regulations.

We are committed to continuously improving our environmental management practices and exploring innovative solutions to reduce any negative impact on the environment.

Greenhouse Gases

At the palm oil mill, we are committed to minimising our impact on the environment and continuously improving our operations. During the POME treatment process, methane gas is generated as a by-product of the anaerobic process. Methane is a potent greenhouse gas with a global warming potential 21 times higher than carbon dioxide. To mitigate our greenhouse gas emissions, we have invested in methane capture and power generation plants. In FY2022, we converted waste into renewable energy and sold 14,372,508 kw/h of renewable energy to Tenaga Nasional Berhad.

Other Types of Wastes

We take our waste management practices seriously at the palm oil mill and adhere to the best practices in handling and managing the following waste products:

Type of Wastes	Waste Management
Scheduled wastes such as spent lubricating oil, spent hydraulic oil, rags, plastics, papers or filters contaminated with scheduled wastes, and containers, bags or equipment contaminated with chemicals, pesticides, mineral oil or scheduled wastes	Disposed of by DOE-licensed and registered third-party contractors
General or domestic waste	Disposed into landfills
By-products such as fibre, palm kernel shell and decanter cake	Sold to customers as biomass
Solids from POME treatment plant desludging process	Sold to customers as fertiliser

Energy and Water Conservation

Energy consumption is one of the largest variables in operating costs. Therefore, we always carefully track and monitor energy consumption in our manufacturing and palm oil mill operations. We have been actively exploring ways to reduce energy consumption in our operations, such as switching to energy-efficient features (e.g., LED light fittings, energy-saving machinery/production processes or air-conditioning systems) and switching off the equipment immediately if not in use.

Also, the Group is committed to minimising and reducing water consumption in a responsible manner. Our initiatives to achieve this goal include:

- recycling steam condensate from heaters for boiler usage;
- periodic checking and monitoring of all operations to minimise leakage incidences; and
- collecting and using rainwater to clean and water plants.

We recognise the importance of reducing emissions from energy and water, and we are exploring ways to improve our tracking and monitoring systems to identify opportunities for energy and water conservation.

SOCIAL

CAMRES values product and service quality and strives to maintain a safe and healthy workplace for its employees. The Company also aims to generate shared value to uplift local communities.

6.0 PRODUCT AND SERVICE QUALITY

Continuous quality improvements to our products and services are critical success factor for CAMRES' business operations. We understand that maintaining consistent product quality is key to building and maintaining customer loyalty. Our quality focus begins with the sourcing of raw materials and continues through every aspect of our manufacturing and milling activities until the final products are delivered to our customers, and even after sales services.

Our manufacturing segment is certified to the ISO 9001:2015 Standard, which gives our customers the assurance that our products and services meet stringent specifications in quality and workmanship. We also regularly review our operational processes to identify areas for improvement in production and quality control.

In line with our commitment to producing high-quality products, we implement stringent quality inspections on our products throughout the entire production process. We impose 100% quality checks on end products before delivery to ensure they meet our standards. Our dedication to providing quality products is reflected in our rejection rate, which was less than 5% in FY2022.

In addition to product quality, we also focus on the quality of our CPO and palm kernel ("PK"). Our palm oil mill segment has implemented a strict in-house product grading methodology for FFBs grading. All graders are required to adhere to the established standards throughout the entire process, from receiving to processing.

Before dispatching each batch of CPO and PK, we test the products to ensure compliance with the Quality Standard denoted in trade contracts. Our commitment to quality is demonstrated by the absence of any claims or rejections filed by our customers in FY2022. We are continually exploring ways to improve our product and service quality to meet evolving customer needs and maintain our position as a leading player in the industry.

Measuring Quality Through Customer Satisfaction

In addition to ensuring the quality of its products and services, CAMRES places great importance on customer satisfaction. To achieve this, the company conducts an annual Customer Satisfaction Survey for its Manufacturing and Trading segments, focusing on key areas such as Product Quality, Timely Delivery, Service Quality, and Technical Knowledge. The collected survey responses allow the company to gauge customer satisfaction levels, understand their needs, and improve product quality and delivery service accordingly.

Furthermore, CAMRES regularly engages with customers in both the Manufacturing and Trading segment and the Palm Oil Mill segment to solicit valuable feedback for product development and improvements. These engagements enable the company to remain the preferred brand among its customers. In FY2022, CAMRES achieved a Customer Satisfaction Index of 93%, which is well above the 90% target of its internal benchmark. CAMRES believes that satisfied customers lead to loyalty and higher levels of retention and expansion, which is why customer satisfaction remains a top priority for the Group.

7.0 OCCUPATIONAL SAFETY AND HEALTH

Safe Working Environment

The Group is committed to providing a safe and healthy working environment for all employees, contractors, and visitors. This commitment is reflected in the Occupational Safety and Health ("OSH") policy established by each operating companies. Standard operating procedures are developed and implemented to mitigate exposure risks, and OSH committees are established to cultivate safe workplace practices, develop and review safety policies, conduct regular safety inspections, and ensure compliance with relevant OSH regulations and procedures.

To comply with local statutory regulations and rules, the Group regularly performs preventive maintenance and repairs on facilities, plants, equipment, storage, and machineries. New employees undergo orientation training on safety and health, and existing employees receive retraining to raise awareness and ensure continued compliance with OSH regulations.

In FY2022, the Group conducted various safety and health training programmes, such as Hazard Identification, Risk Assessment and Risk Control ("HIRARC"), Emergency Preparedness Team Training, Chemical Health Risk Assessment ("CHRA"), Noise Hearing Conservation, and fire drills. The Group also investigates 8 reported cases to determine the root causes and implement appropriate corrective actions to prevent recurrence.

The Group has installed dust collector systems and local exhaust ventilation mechanisms to minimise adverse health effects from workers' exposure to dust. In addition, the Group has replaced the zinc roofing of one of its factories with Polyurethane ("PU") Metal to reduce temperature and create a more conducive workplace. The Group also ensures that all machineries, tools, and equipment are regularly maintained and inspected to prevent any unfavourable incidents.

It is the Group's policy to achieve zero fatalities, and every practical preventive measure is taken to ensure safe operations.

8.0 TALENT RETENTION, DEVELOPMENT AND SUCCESSION PLANNING

Human Capital

The Group recognises that its people are crucial to its long-term sustainability. CAMRES employed a total of 409 employees, with 81% of them being manual workers based in factories and mills. The workforce is diverse and comprises locals and foreigners, primarily Myanmarese and Bangladeshis.

Diversity and Gender Balance

The Group is committed to providing a working environment free from discrimination and unfair bias, with every employee given an equal opportunity in the workplace, irrespective of their age, race, religion, or gender. Currently, 28% of the employees are women, with 0.6% of them holding leadership roles in top management.

The Group aims to increase the proportion of female employees in its workforce. Remuneration benefits, training, recruitment, and termination decisions are based on merits, abilities, and business requirements, regardless of ethnicity, gender, or background. However, the Group gives priority to hiring Malaysians whenever possible.

Succession Planning

Succession planning is a crucial aspect of our talent development strategy. We believe that identifying and developing high-potential employees for leadership positions is essential to ensuring business continuity and sustaining our competitive advantage.

To achieve this goal, we have been conducting regular talent reviews and assessments to identify employees with potential to take on leadership roles in the future. These identified employees are then provided with development plans and opportunities to acquire the necessary skills and experience needed to assume leadership roles in the future.

In addition, we have also implemented a structured mentoring programme to provide guidance and support to high-potential employees. This programme enables them to gain insights and advice from experienced leaders, allowing them to develop the necessary competencies required to excel in their future leadership roles.

Our succession planning strategy also includes providing opportunities for our employees to gain international exposure and experience. This exposure enables our employees to broaden their perspectives and gain insights into different business environments, cultures and practices.

Through these efforts, we believe that we can develop a pipeline of strong leaders who can drive our businesses forward and sustain our competitive advantage in the long run.

9.0 HUMAN RIGHTS

The Group is committed to upholding human rights and ensuring that all individuals are treated fairly and with dignity. We have integrated human rights principles into our policies, business procedures, systems and processes. We recognise the importance of providing a safe and supportive working environment for our employees, contractors and visitors, free from discrimination and unfair treatment.

To proactively promote human rights, we have established a formal grievance mechanism and whistle-blowing platform to allow employees to report suspected mistreatment and abuse. This mechanism covers complaints related to labour practices and human rights, and we have a remediation process in place to address any reported issues. In FY2022, we did not receive any whistle-blowing, complaint, or grievance cases.

The Group recognises the importance of respecting human rights beyond our operations and supply chain. As a responsible corporate citizen, we are committed to upholding and respecting human rights, including those defined by international human rights standards. We work to ensure that our business practices align with these standards and strive to positively contribute to the well-being of the communities where we operate.

Minimum Wage

The Group strives to ensure that our employees can earn a modest living while they are contributing positively to our businesses. All our employees are provided with at least a minimum wage, as stipulated by the Minimum Wages Order (Amendment) 2018. We will continue to do our best to attract and retain the best talents for the Group through competitive remuneration and benefits.

In FY2022, no human rights or labour standards violations were reported in the Group.

Labour Quarters

We are committed to providing our employees with a living environment that is safe, comfortable and conducive. All living quarters comply with the latest amendments of the Employees' Minimum Standards of Housing, Accommodations and Amenities Act 1990. Weekly inspections have also been carried out to ensure all living quarters and facilities are in good condition.

Fair Treatment of Employees

The Group embraces all aspects of equality within our workforce. Therefore, we have been employing, paying and promoting employees, whether contractual or permanent, based on their abilities and skills. In addition, we have also been ensuring that they are treated fairly and are not being discriminated against, on the basis of nationality, race, gender or age. Furthermore, we have been endeavouring to achieve a good work-life balance to ensure the physical, mental and emotional well-being of our people.

Sexual Harassment and Violence

CAMRES is committed to providing a workplace free from violence and sexual harassment for all employees and visitors. In our Sexual Harassment and Violence policy, we have zero tolerance for violence or sexual harassment of any kind in the workplace. We continue to provide ongoing education and awareness to help employees have a better understanding of the context of Sexual Harassment in the workplace.

In FY2022, no cases of sexual harassment or violence were reported.

Child Labour Practice

The Children and Young Persons (Employment) Act 1966 defines a "child" as any person below 15 years old and a "young person" as anyone under 18 years of age. The Group opposes all forms of child labour. To ensure all our employees meet the minimum age requirements stipulated under the Act, our Human Resources Department has checked and kept the identification documents and other relevant documents of each of our employees.

Community

As a responsible corporate citizen, we are committed to engaging with the local community and ensuring their well-being. In FY2022, we had the pleasure of not receiving any complaints or negative feedback from the community.

Additionally, we actively supported numerous community programmes to enhance the livelihood of our surrounding communities. In 2022, the Manufacturing and Palm Oil Mill segment provided essential support to the community in the form of food and donations.

MOVING FORWARD

At CAMRES, we remain committed to sustainability and will continue to prioritise the well-being of our stakeholders. We recognise that sustainability is an ongoing journey, and we will remain vigilant in identifying new opportunities to enhance our sustainable practices. As we move forward, we will continue to review our sustainability initiatives and assess their effectiveness. We believe that by working collaboratively with our stakeholders, we can build a more sustainable future for all.

This Statement was approved by the Board on 6 April 2023.

LEE CHIN YEN

Executive Chairman

Malaysian *Aged 74* *Male*

Mr Lee Chin Yen was appointed as the Executive Chairman/Director of CAM Resources Berhad on 29 December 2000.

Mr Lee was appointed as the Managing Director of Central Aluminium Manufactory Sdn. Bhd. ("CAluminium") in 1979, a Director of Central Melamineware Sdn. Bhd. ("CMelamine") in 1988, and a Director of Advance Eagle Marketing Sdn. Bhd. ("AEMkt") in 1989. A founding member and the driving force in the Group, he commenced his career in 1972 as an apprentice at Choo Chin Wah Company, a company principally involved in the manufacturing of aluminium in Thailand.

After acquiring all the technical expertise, he returned to Malaysia in 1975 and formed a partnership with Tan Hong Cheng and others to manufacture aluminium household products in 1975. In 1979, this partnership was incorporated into a private limited company under the name of CAluminium and he was appointed the Managing Director. At present, he is also a committee member of a few associations in Teluk Intan, Perak. He does not hold any directorships in other public companies and listed issuers.

He is the father of Ms Lee Poh Choo, the Executive Director of the Company, and has no conflict of interest with the Company. He has not been convicted of any offences within the past five (5) years, other than traffic offences. There were no public sanctions and/or penalties imposed on him by any relevant regulatory bodies during the financial year ended 31 December 2022 ("FY2022").

Details of the number of Board meetings attended by him during the financial year are set out in page 33 of this Annual Report.

TAN HONG CHENG

Managing Director

Malaysian *Aged 74* *Male*

Mr Tan Hong Cheng was appointed as the Managing Director/ Director of CAM Resources Berhad on 29 December 2000.

Mr Tan was appointed as the Managing Director of CMelamine in 1988, a Director of CAluminium in 1979, and a Director of AEMkt in 1989. He began his career at Loke Hup Porcelain as a shop assistant. In 1975, he formed a partnership with Lee Chin Yen and others to manufacture aluminium household products. This partnership was subsequently incorporated as CAluminium. He has more than 31 years of experience in the manufacturing of aluminium and stainless-steel products. At present, he is the Chairman for S.J.K. (C) Chong Min in Teluk Intan. He does not hold any directorships in other public companies and listed issuers.

He is the father of Ms Tan Kim Hong, the Executive Director of the Company and he has no conflict of interest with the Company. He has not been convicted of any offences within the past five (5) years, other than traffic offences. There were no public sanctions and/or penalties imposed on him by any relevant regulatory bodies during FY2022.

Details of the number of Board meetings attended by him during the financial year are set out in page 33 of this Annual Report.

HIA WAN KIGA

Executive Director

Malaysian *Aged 69* *Male*

Mr Hia Wan Kiga was appointed as a Non-Executive Director of CAM Resources Berhad on 29 December 2000 and a Non-Executive Director of CAluminium since 1999. Subsequently, he was re-designated as Executive Director on 22 February 2010.

Mr Hia began his career as an apprentice at Sungai Besar Engineering Sdn. Bhd., a company involved in engineering works. In 1975, he set up his own partnership company, which was incorporated into a private limited company in 2004 under the name of Hia Union Engineering Sdn. Bhd., a company principally involved in agriculture engineering. He is presently a committee member of a few local associations. He does not hold any directorships in other public companies and listed issuers.

He does not have any family relationship with any Director and/or major shareholder of the Company and has no conflict of interest with the Company. He has not been convicted of any offences within the past five (5) years, other than traffic offences. There were no public sanctions and/or penalties imposed on him by any relevant regulatory bodies during FY2022.

Details of the number of Board meetings attended by him during the financial year are set out in page 33 of this Annual Report.

TAN KIM HONG

Executive Director

Malaysian *Aged 50* *Female*

Ms Tan Kim Hong was appointed as the Executive Director of CAM Resources Berhad on 15 January 2002 and, the Factory Manager of CMelamine. She joined the Group in 1993 as a clerk and was subsequently promoted to her current position in 2000.

Ms Tan is responsible for overseeing the overall production processes and maintenance of product quality in CMelamineware. She does not hold any directorships in other public companies and listed issuers.

She is the daughter of Mr Tan Hong Cheng, the Managing Director of the Company and she has no conflict of interest with the Company. She has not been convicted of any offences within the past five (5) years, other than traffic offences. There were no public sanctions and/or penalties imposed on her by any relevant regulatory bodies during FY2022.

Details of the number of Board meetings attended by her during the financial year are set out in page 33 of this Annual Report.

LEE POH CHOO

Executive Director

Malaysian *Aged 48* *Female*

Ms Lee Poh Choo was appointed as the Executive Director of CAM Resources Berhad on 15 January 2002.

Ms Lee graduated from the Campbell University, United States of America in 1998 with a Bachelor's degree in Business Administration. She joined CAluminium in 1998 and was responsible for the areas of MIS and Marketing. Since December 1998, she has assumed the role of Factory Manager before being promoted to General Manager in 2013 to oversee the overall administrative and business operations in CAluminium. She does not hold any directorships in other public companies and listed issuers.

She is the daughter of Mr Lee Chin Yen, the Executive Chairman of the Company and has no conflict of interest with the Company. She has not been convicted of any offences within the past five (5) years, other than traffic offences. There were no public sanctions and/or penalties imposed on her by any relevant regulatory bodies during FY2022.

Details of the number of Board meetings attended by her during the financial year are set out in page 33 of this Annual Report.

TEH SIN CHAY

Independent Non-Executive Director

Malaysian *Aged 56* *Male*

Mr Teh Sin Chay was appointed as an Independent and Non-Executive Director of CAM Resources Berhad on 1 March 2023. He sits on the Audit Committee and the Nomination Committee as Chairman and also serves as a member of the Remuneration Committee and the Risk Management Committee of the Company.

Mr Teh is a member of the Malaysian Institute of Accountants, the Association of Chartered Certified Accountants and Member of the Chartered Tax Institute of Malaysia. He is also a Licensed Tax Agent and Auditor with the Ministry of Finance. He has more than 25 years of experience in financial audit, financial management, taxation and consultancy. He has worked with one of the top public accounting firms and a listed subsidiary of an American Company in Malaysia.

He started his career in 1989 as an audit assistant with a local audit firm. He is currently the Audit Partner of SC Teh & Co PLT, after having joined the company in 2001. He does not hold any directorships in other public companies and listed issuers.

He does not have any family relationship with any Director and/or major shareholder of the Company and has no conflict of interest with the Company. He has not been convicted of any offences within the past five (5) years, other than traffic offences. There were no public sanctions and/or penalties imposed on him by any relevant regulatory bodies during his appointment.

Details of the number of Board meetings attended by him during the financial year are set out in page 33 of this Annual Report.

ZAHARATUL NADZIRAH BINTI AZIZUL

Independent Non-Executive Director

Malaysian *Aged 32* *Female*

Ms Zaharatul Nadzirah Binti Azizul was appointed as an Independent and Non-Executive Director of CAM Resources Berhad on 1 March 2023. She was appointed as the Chairperson of the Remuneration Committee and also serves as a member of the Audit Committee and the Nomination Committee of the Company.

Ms Nadzirah holds a Bachelor's Degree in Business Administration (Hons) (Marketing) and Diploma in Accountancy from the Universiti Teknologi MARA in 2009. She had exposure to various industries, including manufacturing, hospitality, financial and education, managing stakeholders locally and internationally since 2015.

Ms Nadzirah started her career as an intern at PETRONAS in 2014. She served as Top Glove's Marketing Executive after completing her internship with PETRONAS. She also has served the Asia School of Business (Bank Negara Malaysia in collaboration with MIT Sloan). She is currently attached to Universiti Teknologi PETRONAS. She does not hold any directorships in other public companies and listed issuers.

She does not have any family relationship with any Director and/or major shareholder of the Company and has no conflict of interest with the Company. She has not been convicted of any offences within the past five (5) years, other than traffic offences. There were no public sanctions and/or penalties imposed on her by any relevant regulatory bodies during her appointment.

Details of the number of Board meetings attended by her during the financial year are set out in page 33 of this Annual Report.

CHIA SONG MING

Independent Non-Executive Director

Malaysian *Aged 33* *Female*

Ms Chia Song Ming was appointed as an Independent and Non-Executive Director of CAM Resources Berhad on 1 March 2023. She also serves as a member of the Audit Committee, Nomination Committee, Remuneration Committee and Risk Management Committee of the Company.

Ms Chia graduated with a Degree of Bachelor of Laws (Hons) with Second Class Honours from the Multimedia University, Melaka in 2016. After having chambered in Messrs. Chia Kay Joo & Co. She was later admitted as an Advocate and Solicitor of the High Court of Malaya in May 2017, and has continued her legal practice with the firm up to date.

In her legal practice, she has mainly handled matters related to corporate, business partnerships, banking, landed properties, probate and administration matters, both in conveyancing and litigations. Presently, she has been appointed as the honorary legal advisor to Pertubuhan Kebajikan Anak-Anak Yatim Jaz Teluk Intan and San Min Independent Secondary School Suwa Teluk Intan. She does not hold any directorships in other public companies and listed issuers.

She does not have any family relationship with any Director and/or major shareholder of the Company and has no conflict of interest with the Company. She has not been convicted of any offences within the past five (5) years, other than traffic offences. There were no public sanctions and/or penalties imposed on her by any relevant regulatory bodies during her appointment.

Details of the number of Board meetings attended by her during the financial year are set out in page 33 of this Annual Report.

Lee Poh Hong
Group Accounts Manager
Malaysian | Aged 45 | Female

Ms Lee Poh Hong was appointed as the Group Accounts Manager on 15 July 2008. She holds a Bachelor's Degree in Business and she is currently a member of the Malaysian Institute of Accountants.

Ms Lee began her career with CAluminium as an Accounts Manager in 2001 and was subsequently promoted as the Group Accounts Manager on 15 July 2008. She has over 19 years of experience overseeing a variety of finance functions within the Group.

She is the daughter of Mr Lee Chin Yen and also the sister of Ms Lee Poh Choo, the Executive Chairman and Executive Director of the Company. She has no conflict of interest with the Company and has not been convicted of any offences within the past five (5) years other than traffic offences. There were no public sanctions and/or penalties imposed on her by any relevant regulatory bodies during FY2022.

The Board of Directors ("the Board") of CAM Resources Berhad ("CAM" or "the Company") remains committed by maintaining good corporate governance ("CG") within the Company and adhering to the principles and best practices of CG, by observing the CG Guide issued by Bursa Malaysia Securities Berhad ("Bursa Securities"), in our efforts to safeguard stakeholders' interest as well as enhancing shareholders' value.

The Board is pleased to present our Corporate Governance Overview Statement ("Statement") to provide shareholders and investors with an overview of the CAM Group CG practices, as set out in the Malaysian Code on Corporate Governance 2021 ("MCCG") for the financial year ended 31 December 2022 ("FY2022").

This Statement is prepared in accordance with Main Market Listing Requirements ("MMLR") of Bursa Securities and it is to be read in conjunction with the Company's CG Report in respect of the FY2022 ("CG Report"), which is published on Bursa Securities and the Company's website at https://www.camres.com.my

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

1.1 Board Responsibilities

The Company is led by an experienced Board, with high personal integrity, business acumen and management skills, with whom the primary responsibility of charting the direction of the Group is entrusted.

The major responsibilities of the Board are outlined in the Board Charter. In the FY2022, the Board discharged its key fiduciary duties, leadership functions and responsibilities as follows:

- Together with Senior Management, promoted good corporate governance culture within the Group, whilst reinforcing ethical, prudent and professional behaviour;
- Reviewed and approved the Company's strategies, business plans and policies;
- Reviewed and monitored matters on strategy to promote sustainability;
- Oversee the conduct of the Company's businesses and evaluated whether the businesses are being properly managed and sustained;
- Ensured competency and succession planning of the Board and Key Senior Management;
- Ensured a sound risk management framework;
- Ensured the adequacy and integrity of the Company's internal control system;
- Ensured effective communication with stakeholders; and
- Ensured the integrity of the Company's financial and non-financial reporting.

For the effective functioning of the Board, the Board has established Board Committees to assist in the discharge of its responsibilities.

The Board delegates and confers some of its authorities and discretion on the Chairman, Executive Directors and Management as well as to properly constituted Board Committees comprising exclusively of Non-Executive Directors which operated within clearly defined Terms of Reference.

The Board Committees, comprising the Audit Committee, Nomination Committee, Remuneration Committee and Risk Management Committee, are entrusted with specific responsibilities to oversee the Group's affairs, with and have an authority to act on behalf of the Board in accordance with their respective Terms of Reference.

However, it should be noted that the Board exercises collective oversight over the Board Committees at all times and retains the authority and responsibility to make decisions. At each Board meeting, the Chairman of the relevant Board Committees reports to the Board on key issues deliberated at their respective meetings. The Terms of Reference of the Commitees are published on the Company's websites at www.camres.com.my.

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

1.1 Board Responsibilities (cont'd)

The positions of the Chairman and the Managing Director ("MD") are held by two different individuals and their roles and responsibilities are distinct and clearly defined in the Board Charter. The Board is helmed by the Executive Chairman, Mr Lee Chin Yen whilst the role of the MD is assumed by Mr Tan Hong Cheng.

In addition, the Chairman is also not a member of Audit Committee, Nomination Committee, Remuneration Committee or Risk Management Committee. The Board recognises the importance of having clear separation of responsibilities between the Chairman and the MD to promote accountability and ensure an appropriate balance of roles, facilitates the division of responsibilities between them so that no one individual can influence the Board's discussion and decision making. There is a clear division of responsibilities between the Chairman of the Board and the MD to ensure that there is a balance of power and authority.

The Chairman ensures the smooth and effective functioning of the Board, leads strategic planning at the Board level and instill good corporate governance practices. Also, he acts as a facilitator at the Board meetings to ensure that contributions by Directors are forthcoming on matters being deliberated and that no Board member dominates any discussion.

The MD is responsible for the vision and strategic directions of the Group as well as initiating innovative ideas to create a competitive edge and the development of business and corporate strategies, but he is primarily accountable for overseeing the day-to-day operations of the Group to ensure effective running.

To enhance accountability, the Board has established clear functions reserved for the Board and those delegated to Management. There is a formal schedule of matters reserved to the Board for its deliberation and decision to ensure the direction and control of the Company are in its hands.

The role of Management is to support the Executive Directors and implement the general operations and business of the Company, in accordance with the delegated authority of the Board.

In general, the Non-Executive Directors are independent of Management. Their roles are to constructively challenge Management and monitor the success of Management in delivering the approved targets and business plans within the risk appetite set by the Board. They have free and open contact with Management at all levels, and they engage with the external and internal auditors to address matters concerning Management and oversight of the Company's business and operations.

During the financial year under review, the Board, in addition to the above matters, has adopted a Directors' Fit and Proper Policy in line with Paragraph 15.01A of the MMLR of Bursa Securities to have a Fit and Proper Policy for the appointment and re-election of Directors of the Group. The Directors' Fit and Proper Policy serves as a guide to the Nomination Committee and the Board in the assessment of candidates to be appointed to the Board as well as Directors who are seeking for election or re-election. The Directors' Fit and Proper Policy is published on the Company's website.

On 17 November 2022, the Board reviewed and revised the Board Charter, Terms of Reference of the Nomination Committee, Remuneration Committee, and Audit Committee to align with the amendments of the MMLR of Bursa Securities and MCCG.

The Board performance evaluation form was also revised to incorporate Environmental, Social and Governance matters in line with the MMLR's amendments on sustainability and MCCG.

Looking ahead to year 2023, the priorities of the Board will be in the following areas:

1. To improve and implement sustainability practices, policies and procedures to embrace the enhanced sustainability requirements and to gear up for the enhanced sustainability disclosures under the Enhanced Sustainability Reporting Framework issued by Bursa Securities and the amendments to the MMLR arising therefrom, which will be implemented in phases; and

2. Continue working towards achieving high standards of corporate governance and leverage on technology to broaden its channel of dissemination of information and enhance the quality of engagement with the shareholders.

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

1.1 Board Responsibilities (cont'd)

The Board regularly reviews the strategic direction of the Company and the progress of the Company's operations, taking into account changes in the business and political environment and risk factors.

1.2 Qualified and competent company secretaries

In performing their duties, all Directors have access to the advice and services of two (2) qualified Company Secretaries. The Company Secretaries play an advisory role and ensure good information flow within the Board, Board Committee and Management. The Company Secretaries attend all meetings of the Board and Board Committees and advise the Directors on issues relating to corporate governance matters, requirements encapsulated in the Company's Constitution and legislative promulgations such as the Companies Act 2016, MMLR and etc. The Company Secretaries shall continue to guide the Directors on the requirements to be observed arising from new regulations and guidelines issued by authorities.

The Company Secretaries are entrusted to record the Board's deliberations, in terms of issues discussed, ensure that deliberations at Board and Board Committee meetings are well documented, and subsequently communicated to Management for appropriate actions. The minutes of the previous Board and Board Committee meetings are distributed to the Directors/ Committee prior to the meeting for their perusal before confirmation at the commencement of the following Board and Board Committees meeting. The Directors may comment or request clarification before the minutes are tabled for confirmation as a correct record of the proceedings of the meeting. The Management provides the Directors with complete and timely information prior to meetings and an ongoing as well as basis to enable them to make informed decisions.

1.3 Access to Information and Advice

All Directors are entitled to seek independent professional advice at the Company's expense on specific issues to enable them to discharge their duties, where necessary.

Board and Board Committee meetings for the ensuing year are scheduled in advance before the end of the current financial year so that the Directors are able to plan ahead and ensure their full attendance at the meetings.

The notice of agenda together with minutes of the previous meeting and other relevant information will be circulated to the Board at least five (5) days before the meetings. This is to ensure that all Directors have sufficient time to obtain further explanation, where necessary, in order to be fully informed of the matters to be discussed during the meeting. The Board papers contain all relevant information and reports on financial, operational, corporate, regulatory, market developments as well as minutes of meetings. These documents are comprehensive and include qualitative and quantitative information to enable the Board members to make informed decisions.

1.4 Board Charter

In discharging its duties, the Board is constantly mindful of the need to safeguard the interests of the Group's stakeholders. In order to facilitate the effective discharge of its duties, the Board is guided by the Board Charter that sets out, among others, the responsibilities, authorities, procedures, evaluations and structures of the Board and Board Committees, as well as the relationship between the Board and its Management and shareholders.

The Board Charter serves to ensure that all Board members acting on the Group's behalf are aware of their expanding roles and responsibilities. It sets out the strategic intent and specific responsibilities to be discharged by the Board members collectively and individually. It also regulates how the Board conducts business in accordance with Corporate Governance principles.

The Board will continue to review the Board Charter from time to time to ensure that it is updated in accordance with the needs of the Company and any new regulations that may have an impact on the corporate governance practices of the Company and the responsibilities of the Board in discharging its governance function.

The Board Charter is available at the Company's website at www.camres.com.my and was last reviewed on 17 November 2022.

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

1.5 Code of Ethics and Conduct

The Group is committed to achieving and monitoring high standards pertaining to behaviour at work.

The Board is guided by the Company's Code of Ethics and Conduct in discharging its oversight role effectively. The Code of Ethics and Conduct requires all Directors and Management to observe high ethical business standards, honesty and integrity and to apply these values to all aspects of the Group's business and professional practice and act in good faith in the best interest of the Company and its shareholders.

In addition, all employees are encouraged to report genuine concern about unethical behaviour or malpractices. Any such concern should be raised with to the immediate superior, Heads of Departments or the Chief Executive Director and Employees of the Group to observe high ethical business standards, apply these values to all aspects of the Group's business and professional practice and act in good faith in the best interest of the Group and its shareholders.

The Code of Ethics and Conduct is available at the Company's website at www.camres.com.my.

1.6 Whistle Blowing Policy

The Group has developed a Whistle Blowing Policy ("WB Policy") to enable employees and any other persons to report instances of unethical behaviour, actual or suspected fraud and/or abuse within the Company. This WB policy has been disseminated throughout the organisation with briefings by the Human Resources or Administration department on its use to the employees.

The WB Policy facilities an open and transparent corporate culture within the organisation, promoting accountability and enabling the Group to respond nimbly to changes in the environment. It also serves to encourage and provide an alternative means for employees, stakeholders and members of the public to report genuine concern about unethical behaviour, malpractice, illegal acts or failure to comply with regulatory requirements.

Any party who has a reasonable belief that there is serious malpractice relating to any matter disclosed, may direct such a complaint and report to the Chairman of the Audit Committee in writing. Management will ensure that any employee of the Company who raises a genuine complaint in good faith shall not be penalised for such disclosure and the identity of such a complainant shall be kept confidential.

The WB Policy has been disseminated to all staff and is available on the Company's website at www.camres.com.my.

1.7 Anti-Corruption Policy

In compliance with Section 17A of the Malaysian Anti-Corruption Commission Act 2009 and guided by the principles of the Ministerial Guidelines and Paragraph 15.29 of the MMLR of Bursa Securities in relation to anti-bribery, the Board has adopted an Anti-Corruption Policy in order to achieve and maintain the highest standard of integrity and work ethics in the conduct of its business and operations.

The Anti-Corruption Policy provides guidance to all Directors, employees and business associates of the Group relating to specific acts of bribery and corruption and also to related matters such as proper reporting and accounting.

The Anti-Corruption Policy is available at the Company's website at www.camres.com.my.

1.8 Sustainability Leadership

The Board takes cognisance of the importance of improving the values affecting stakeholders, employees, society, and the environment towards the sustainability of the Group's business. The Board with consultation from management, oversees and evaluates the economic, environmental, social, and governance issues and any other external matters that may affect the development of the Group's business or the interests of the shareholders, ensuring that the Company's strategies promote sustainability. The sustainability practices of the Group are disclosed in the Sustainability Statement, which is reviewed and approved by the Board.

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

1.8 Sustainability Leadership (cont'd)

The Group is fully committed to discharge its duty in curbing environmental concerns, ensuring the safety and health of employees and consumers are safeguarded.

The Company recognises the importance of stakeholder engagement and engages with stakeholders through communication avenues such as dialogues, media engagement, general meetings, surveys, feedback, annual, quarterly reports and announcements, and designated email allowing stakeholders to communicate their views and concerns to the Board and Management.

Aside from environmental and social sustainability practices, the Group has adopted the Code of Ethics and Conduct, the WB Policy, and the Anti-Corruption Policy to uphold high standards of governance practice across the Group and exercise zero tolerance against all forms of bribery and corruption. The codes and policies are accessible on the Company's website at www.camres.com.my

2. Board Composition

The Board comprises competent members with a wide spectrum of skills and experience whom it believes can lead CAM to achieve its operational performance goals and attain good corporate standing in terms of governance and credibility. The Nomination Committee is responsible for reviewing the Board Composition and making recommendations to the Board on the appointment of Directors. There are presently eight (8) members, three (3) Independent and Non-Executive Directors ("INEDs") and five (5) Executive Directors. The Company complies with Paragraph 15.02 of the MMLR of Bursa Securities by having at least two (2) or one third (1/3) of the Board comprised of independent directors.

The Board acknowledges that although the current Board composition complies with the MMLR of Bursa Securities, the Company has not applied MCCG's practice of having at least half of the Board comprises Independent Directors. The Board will endeavor to fulfill the recommendation of the MCCG. The Directors' Profile is disclosed on pages 22 to 25 in the Annual Report 2022.

The three (3) INEDs fulfilled the criteria of independence as defined in the MMLR of Bursa Securities. All the INEDs bring considerable knowledge, judgement, and experience to the Board's deliberations. In order not to compromise their objectivity, the INEDs do not participate in the day-to-day management of the Company and do not involve themselves in business transactions or relationships with the Company. In staying clear of any potential conflict of interest, the INEDs remained in a position where they are able to fulfill their responsibility and act independently to provide checks and balances to the Board.

The Board acknowledges the importance of diversity in the boardroom and senior management and has set a target of 30% female directors in compliance with Practice 5.9 of MCCG. The Group strictly adhered to the practice of non-discrimination in any form, whether based on race, age, religion and gender throughout the organisation, which included the selection of Board members.

The size and composition of the Board are reviewed by the Nomination Committee annually, to determine if the Board has the right size, sufficient diversity and independence elements that fit the Company's objectives. The Nomination Committee also aims to maintain a diversity of gender, expertise, skills, ethnicity and attributes among the Directors, so as to form a quality Board that can contribute to more robust decision making and thereby, increase governance and shareholders value.

The Board currently has four (4) female directors, representing 50% women's representation on the Board.

The Board is of the view that the current composition of the Board with its diverse background in various fields provides a reasonable check and balance within the Board, which sufficiently enables it to discharge its duties objectively and will continue to search for suitably qualified personnel to increase the representation of the Independent Directors on the Board.

The Company is helmed by an experienced Board comprising members of high calibre with integrity and capable of providing a wealth of diverse knowledge, experience and skills in the key areas of accountancy, finance, business operations and development, legal and compliance, corporate governance, risk management and technology know-how, amongst others.

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

2. Board Composition (cont'd)

The appointment of a new Board member will not be guided solely by gender but will also take into account the skill-set, experience and knowledge of the candidate. The Company's prime responsibility in making new appointments is always to select the best candidates available. Hence, the normal selection criteria based on an effective blend of competencies, skills, extensive experience and knowledge to strengthen the Board remain a priority.

2.1 Tenure of Independent Director

The Board has not adopted a nine-year policy for Independent Non-Executive Directors. An Independent Director may continue to serve on the Board after serving nine (9) years subject to the director's re-designation as a Non-Independent Director. Otherwise, the Board will justify and seek annual shareholders' approval at the Annual General Meeting ("AGM") through a two-tier voting process in accordance with the MCCG in the event it retains the directors as an Independent Director. However, the tenure of an Independent Director is limited to not more than a cumulative period of twelve (12) years and an Independent Director may continue to serve on the board as a Non-Independent Director.

Mr Chai Moi Kim ("Mr Chai"), Mr Chia Kay Joo ("Mr Chia"), En Azizul bin Mohd Othman ("En Azizul") and Mr Chan Kee Loin ("Mr Chan") had all served the Company as INEDs for a cumulative term of more than 12 years. On 1 March 2023, Mr Chai, Mr Chia, En Azizul and Mr Chan resigned from the Board in accordance with the requirements of the amended definition of Independent Director as prescribed in the MMLR of Bursa Securities, where an independent director who has served for more than 12 years must resign or be re-designated as a Non-Independent Director.

Subsequently, Mr Teh Sin Chay, Cik Zaharatul Nadzirah Binti Azizul and Ms Chia Song Ming were appointed in their place thereof. Following the Change of Directors on 1 March 2023, none of the Independent Directors has exceeded a cumulative term of nine (9) years as at the date of this Statement.

The Nomination Committee will carry out the evaluation of independence for each independent director annually and undertake a review and assessment of the level of independence based on the declarations made by the independent directors.

2.2 Diverse Board and Senior Management Team

The Board acknowledges the importance of a diverse Board and Senior Management and encourages a dynamic and diverse composition by nurturing suitable and potential candidates equipped with competency, skills, experience, character, time commitment, integrity and other qualities in meeting the needs of the Company. The Group will endeavour to meet the diversity requirements at the Senior Management level and the composition of the Key Senior Management of the Group comprises a mixture of both genders.

The Board has established a Board Diversity Policy whereby the Group adheres to the practice of non-discrimination in any form, whether based on race, age, religion and gender throughout the organisation, which includes the selection of Board members. Notwithstanding the challenges in achieving the appropriate level of diversity on the Board, the Board continues to work towards addressing this as and when vacancies arise, and suitable candidates are identified. However, the appointment of a new Board member will not be guided solely by gender but will also take into account the skills set, experience and knowledge of the candidate. The Company's prime responsibility in making new appointments is always to select the best candidates available.

Hence, the normal selection criteria based on an effective blend of competencies, skills, extensive experience, and knowledge to strengthen the Board remain a priority.

Presently, there are four (4) female Directors on the Board and one (1) female representatives at the Senior Management level. It meets the requirement of Practice 5.9 of the MCCG, whereby the Board consist of at least 30% female directors.

The Board Diversity Policy is available at the Company's website at www.camres.com.my

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

2.3 Board's Commitment

The Directors allocate sufficient time to discharge their responsibilities effectively and attend Board Meeting and Board Committee Meetings to deliberate on matters under their purview. Board Meeting and Audit Committee meeting are held at quarterly intervals with additional meetings convened when necessary. During the financial year, the Board has deliberated on business strategies and issues concerning the Group including business plan, annual budget, financial results, etc.

The attendance record of the Directors at Board and Board Committees meetings during the financial year is set out below:

Directors	Number of meetings attended				
	Board	**AC**	**NC**	**RC**	**AGM**
Lee Chin Yen	6/6	-	-	-	1/1
Tan Hong Cheng	6/6	-	-	-	1/1
Lee Poh Choo	6/6	-	-	-	1/1
Tan Kim Hong	6/6	-	-	-	1/1
Hia Wan Kiga	5/6	-	-	-	1/1
Chai Moi Kim *(Resigned on 1 March 2023)*	6/6	5/5	2/2	2/2	1/1
Azizul Bin Mohd Othman *(Resigned on 1 March 2023)*	6/6	5/5	2/2	2/2	1/1
Chia Kay Joo *(Resigned on 1 March 2023)*	6/6	5/5	2/2	2/2	1/1
Chan Kee Loin *(Resigned on 1 March 2023)*	6/6	-	-	-	1/1
Teh Sin Chay *(Appointed on 1 March 2023)*	-	-	-	-	-
Zaharatul Nadzirah Binti Azizul *(Appointed on 1 March 2023)*	-	-	-	-	-
Chia Song Ming *(Appointed on 1 March 2023)*	-	-	-	-	-

To ensure that the Directors have the time to focus and fulfill their roles and responsibilities effectively, the Directors must not hold directorships in more than five (5) public listed companies and shall notify the Chairman before accepting any new directorships.

The Directors shall remain fully committed in carrying of their duties and responsibilities by:

(a) ensuring the total number of directorships held by each Director is below the maximum number set by the Board; and

(b) the time commitment in the full attendance at the Board Meetings.

During FY2022, the Directors have attended the following training, seminars, conferences and exhibitions to keep themselves abreast of the changes in laws and regulations, business environment and corporate governance development:

	Directors	Course Title and Organiser	Date attended
1.	Lee Chin Yen	Introduction to Sustainability Corruption and Bribery	22 December 2022 22 December 2022
2.	Hia Wan Kiga	Corruption and Bribery	31 December 2022

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

2.3 Board's Commitment (cont'd)

	Directors	Course Title and Organiser	Date attended
3.	Lee Poh Choo	1. Safetyedge Virtual Conference 2022: Empowering the Nation with OSHMP25	28 - 29 March 2022
		2. Accident Investigation & Reporting, and Nadopod Requirements	26 - 27 July 2022
		3. Practical Guide to Effective Workplace Accident Investigation	8 - 9 November 2022
		4. Chemical Safety Management: "Cradle to Grave" Concept	29 November 2022 & 5 December 2022
4.	*Chan Kee Loin	Environmental, Social and Governance (ESG) Awareness Training by IMS (UK) Approved Training Centre	20 December 2022
5.	*Chai Moi Kim	1. Workshop on Transfer Pricing - Principles and Contemporaneous Documentation	8 February 2022
		2. Workshop on Guide to Prepare Transfer Pricing Documentation for Intragroup Services and Highlight of Issues	14 July 2022
		3. National Tax Conference 2022	2 - 3 November 2022
		4. Audit Quality Enhancement Programme for SMPs	23 - 24 August 2022
		5. Update on Transfer Pricing Documentation	16 November 2022
6.	*Chia Kay Joo	Corruption and Bribery	30 December 2022

Note:

* *Mr Chai Moi Kim, Mr Chia Kay Joo, Mr Azizul Bin Mohd Othman and Mr Chan Kee Loin resigned on 1 March 2023.*

Mr Tan Hong Cheng, Ms Tan Kim Hong and En. Azizul bin Mohd Othman did not attend any training due to their busy schedules and there was no suitable training that suited their schedules.

All Directors have completed the Mandatory Accreditation Programme as prescribed by Bursa Securities, save for Mr Teh Sin Chay, Cik Zaharatul Nadzirah Binti Azizul and Ms Chia Song Ming who were appointed to the Board on 1 March 2023, will be completing the Mandatory Accreditation Programme within four months from the date of their appointment.

The Company will continue to identify suitable training for the Directors to equip and update themselves of the necessary knowledge discharging their duties and responsibilities as Directors.

The Directors are encouraged to attend briefings, conferences, forums, trade fairs (locally and internationally), seminars and training related to their functions or roles to keep abreast with the latest developments in the industry and to enhance their skills and knowledge.

2.4 Nomination Committee ("NC")

The NC consists of exclusively Independent Non-Executive Directors ("INEDs") with the responsibilities of overseeing and reviewing on an ongoing basis, the overall composition of the Board in terms of size, the required mix of skills, experience and other qualities and core competencies for the Directors of the Company. The effectiveness of the Board as a whole and the contribution and performance of each individual Director to the effectiveness of the Board and the Board Committees will also be assessed by the NC on an annual basis.

Terms of Reference, which sets out the duties and functions of the NC, can be viewed at the Company's website.

The NC met twice during the financial year 2022 to discharge its functions and duties. The following activities were carried out during the financial year end:

- Reviewed the size, composition and required mix of skills of the Board and Board Committees;
- Assessed the effectiveness of the Board as a whole, the Board Committees and the contribution of each individual Director;
- Reviewed the tenure of Independent Non-Executive Directors and their independence;
- Reviewed the term of office and performance if the AC and each of its members;
- Assessed the training needs of each directors;
- Assessed the Financial Literacy of the members of AC;

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

2.4 Nomination Committee ("NC") (cont'd)

- Assessed the performance of the Group Accountant;
- Reviewed the directors who are due for retirement by rotation and are eligible to stand for re-election;
- Reviewed and revised its Term of Reference to align with the MCCG and MMLR of Bursa Securities;
- Reviewed and recommended adoption of the Director's Fit and Proper Policy; and
- Reviewed and recommended to the Board the revised assessment for the Board and Board Committee with the inclusion of Environmental, Social and Governance.

The appointment of a new directorship would be through a formal and transparent selection process that included a fit and proper assessment and took into consideration the evaluation of the candidates' abilities in terms of their character, skill, knowledge, experience, expertise, independent element, diversity, integrity and time commitment to discharge their responsibilities. In the case of candidates for the position of INEDs, evaluation will be made on the candidates' ability to discharge such responsibilities/functions as are expected of INEDs.

Candidates for appointment to the Board will be provided the Prospective Directors Information Form, which is set out in the Directors' Fit and Proper Policy adopted by the Company on 30 June 2022, for completion. With the completed Prospective Directors Information Form and the resume of the candidate, the NC evaluates and matches the criteria of the candidate based on the Directors' Fit and Proper Policy.

The NC evaluates and matches the criteria of the candidate, and will consider diversity, including gender, where appropriate, and recommends to the Board for appointment. In its effort to promote boardroom diversity, the NC has taken various steps to ensure that women candidates are sought from various sources as part of its recruitment exercise.

In March 2023, the NC obtained recommendation from the Board for the appointment of Mr Teh Sin Chay, Cik Zaharatul Nadzirah Binti Azizul and Ms Chia Song Ming as the new independent directors in place of the long serving independent directors of the Company. The new Directors were appointed to the Board on 1 March 2023.

The Board acknowledges the importance of not solely relying on recommendations from existing Board members, Management or major shareholders in identifying candidates for appointment of Directors, but trust that the nomination has its merits. The NC and Board have assessed and reviewed the skill, knowledge, expertise and experience of Mr Teh Sin Chay, Cik Zaharatul Nadzirah Binti Azizul and Ms Chia Song Ming and believed that they are suitably qualified to be appointed as the independent directors of the Company.

The new Directors duly appointed by the Board shall retire and eligible for re-election at the forthcoming AGM.

2.5 Annual Assessment

The NC reviews and evaluates its own performance and the performance of Board Committees on an annual basis. The Board evaluation comprises a Board Assessment, an Individual Director Self-Assessment and an Assessment of Independence of the Independent Directors.

The assessment of the Board is based on specific criteria, covering areas such as the Board structure, the Board operations, roles and responsibilities of the Board, the Board Committees and the Chairman's role and responsibilities. As for the Individual Director Self-Assessment, the assessment criteria include contribution to interaction, quality of input, understanding of role and time commitment.

Based on the above assessment for 2022, the Board is generally satisfied with the level of independence demonstrated by all the Independent Directors and their ability to bring independent and objective judgement to the board deliberations.

The results of the assessment would form the basis of the NC's recommendation to the Board for the re-election of Directors at the next AGM. To further discharge the duties, the NC reviews and evaluates the performance of the Group Accounts Manager on an annual basis.

In addition, the NC also reviewed the term of office and performance of the Audit Committee and each of its members and opined that the Audit Committee and all members have carried out their duties in accordance with their terms of reference.

Based on the annual assessment conducted, the NC was satisfied with the existing Board composition and concluded that each Director has the requisite competence to serve on the Board and has sufficiently demonstrated their commitment to the Company in terms of time and participation during the year under review. The NC recommended to the Board the re-election of retiring Directors at the Company's forthcoming AGM. All assessments and evaluations carried out by the NC in the discharge of its functions were properly documented.

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

2.5 Annual Assessment (cont'd)

The Board is of the view that its present size and composition are optimal based on the Group's operations and that it reflects a fair mix of financial, technical and business experiences that are important to the stewardship of the Group.

2.6 Re-election of Retiring Director

In accordance with the Company's Constitution, one-third of the Directors (with the exception of the Alternate Director) are subject to retirement by rotation annually and all Directors shall retire from office once at least every three years. The Directors to retire each year are those who have been longest in office since their last appointment on re-election.

The Directors appointed during the financial year are subject to retirement at the next AGM held following their appointments in accordance with the Company's Constitution. All retiring Directors are eligible for re-election.

The following Directors are subject to retirement at the forthcoming 22nd AGM and they have expressed their willingness to seek for re-election at the 22nd AGM:

1. Ms Lee Poh Choo is subject to retirement by rotation pursuant to Clause 97.1 of the Company's Constitution;
2. Mr Hia Wan Kiga is subject to retirement by rotation pursuant to Clause 97.1 of the Company's Constitution;
3. Mr Teh Sin Chay is subject to retirement pursuant to Clause 104 of the Company's Constitution;
4. Cik Zaharatul Nadzirah Binti Azizul is subject to retirement pursuant to Clause 104 of the Company's Constitution; and
5. Ms Chia Song Ming is subject to retirement pursuant to Clause 104 of the Company's Constitution.

The NC and the Board have considered the results of the annual assessment for the above retiring Directors and collectively agreed that they can each meet the criteria of character, experience, integrity, competence, and time required to effectively discharge their respective roles as Directors. The Board approved the NC's recommendation that these Directors who retire in accordance with the Company's Constitution are eligible to seek for re-election at the forthcoming AGM.

To assist the shareholders in their decision, sufficient information such as the personal profile of the retiring Directors standing for re-election is disclosed in the Profile of Directors of this Annual Report. The details of their interest in the securities of the Company are set out in the Analysis of Shareholdings of this Annual Report.

3. Remuneration

The RC comprises entirely of INEDs.

The RC and the Board ensure that the Company's remuneration policy remains supportive of the Company's corporate objectives and is aligned with the interest of shareholders, and that the remuneration packages of Directors and key Senior Management Officers are sufficiently attractive to attract and retain persons of high calibre.

The RC is tasked with reviewing annually the remuneration of the Executive Directors and submitting recommendations to the Board on specific adjustments in remuneration and/or reward payments that reflect their respective contributions for the year, and which depend on the performance of the Group, achievement of goals and/or quantified organisational targets, as well as strategic initiatives set at the beginning of each year.

The remuneration package of the Executive Directors consists of monthly salary, bonus (if any), and benefit-in-kind ("BIK").

The Non-Executive Directors are remunerated with Directors' fees, which are subject to shareholders' approval at the AGM annually in accordance with Clause 105 of the Company's Constitution. In recommending the proposed Directors' fees, the RC takes into consideration the Director's qualification, level of responsibilities undertaken, and the extent of contributions required from a Director in light of the Group's complexity, as well as prevailing market practice and the economic condition. The Board as a whole determines the remuneration of the Non-Executive Directors and recommends the same for shareholders' approval.

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

3. Remuneration (cont'd)

The aggregate remuneration of Directors received from the Company and on Group basis for the FY2022 are as follows:

	Group			Company		
	Director Fees	Other Emolument and BIK^	Meeting Allowance	Director Fees	Other Emolument and BIK^	Meeting Allowance
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Executive Directors*						
Lee Chin Yen	30	825	-	30	-	-
Tan Hong Cheng	30	719	-	30	-	-
Hia Wan Kiga	30	111	-	30	-	-
Lee Poh Choo	30	94	-	30	-	-
Tan Kim Hong	30	-	-	30	-	-
Non-Executive Directors						
Azizul Bin Mohd Othman	30	-	4	30	-	4
Chai Moi Kim	32	-	4	32	-	4
Chan Kee Loin	30	-	4	30	-	4
Chia Kay Joo	30	-	4	30	-	4

* the remuneration paid to the Executive Directors were in respect of their employment with the Company/Group.
^ other emolument and BIK consist of salary, bonus, allowance and benefits-in-kind.

The top five (5) Senior Management whose remuneration (comprising salary, bonus, BIK and other emoluments) for the FY2022 within the successive bands of RM50,000 are as follows:

Range of Remuneration (RM)	Top Five Senior Management
50,000 and below	-
50,001 - 100,000	-
100,001 - 150,000	-
150,001 - 200,000	2
200,001 - 250,000	1
250,001 - 300,000	1
300,001 - 350,000	1

PRINCIPLE B: EFFECTVE AUDIT AND RISK MANAGEMENT

I. Audit Committee ("AC")

The AC is relied upon by the Board to, amongst others, provide advice in the areas of financial reporting, external audit, internal control environment and internal audit process, review of related party transactions and conflict of interest situation. The AC also undertakes to provide oversight on the risk management framework of the Group.

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

I. Audit Committee ("AC") (cont'd)

The AC is chaired by an independent director who is distinct from the Chairman of the Board and all of the members of the AC are independent directors. All members of the AC have a wide range of relevant skills, knowledge and experience in discharging their duties and are financially literate to assist the Board in its oversight over the financial reporting process.

The composition of the AC, including its roles and responsibilities as well as a summary of its activities carried out during the FY2022, are set out in the AC Report on pages 40 to 43 of this Annual Report.

The AC has adopted a policy that requires a former key audit partner to observe a cooling-off period of at least three (3) years before being appointed as a member of the AC and the said policy has been incorporated into the Terms of Reference of the AC in accordance with Practice 9.2 of the MCCG, which is published on the Company's website.

Annually, the AC reviews the appointment, performance and remuneration of the External Auditors before recommending them to the shareholders for re-appointment at the next AGM. The AC will have private discussions with External Auditors without the presence of the Executive Directors and Management of the Group as and when necessary, on matters relating to the Group and its audit activities.

As part of the AC's review processes, the AC has obtained assurance from the External Auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

Based on the AC's annual assessment of the External Auditors, Messrs Baker Tilly Monteiro Heng PLT, the Board is satisfied with the independence, quality of service and adequacy of resources provided by the External Auditors in carrying out the annual audit for FY2022. In view thereof, the Board has recommended the re-appointment of the External Auditors for the approval of shareholders at the forthcoming 22nd AGM.

II. Risk Management and Internal Control Framework

The Board has overall responsibility for maintaining a sound system of risk management and internal control of the Group that provides reasonable assurance of effective and efficient business operations, compliance with laws and regulations as well as internal procedures and guidelines.

The Board has established an Enterprise Risk Management ("ERM") Framework and Internal Control Procedures to assist it in fulfilling its responsibilities in relation to risk management. These responsibilities include ensuring that the management maintains a sound and effective risk management framework to safeguard the interests of shareholders, customers, staff and the Group's assets, as well as assessing the effectiveness of internal controls in providing an independent view on specific risks and control issues, the state of internal controls, trends and events.

The Board has established the Risk Management Committee ("RMC") which comprised a majority of INEDs, to assist the Board in managing the risks and internal control of the Group. The responsibilities of RMC include ensuring that management maintains a sound and effective risk management framework to safeguard shareholders' investments and the Group's assets as well as managing the principal risk exposure of the Group.

Risk management and internal control are ongoing processes, and the Company will continuously enhance the existing system of risk management and internal control by taking into consideration the changing business environment.

The Company has outsourced its internal audit function to a professional services firm, namely Silver Ocean Governance Sdn. Bhd. to assist the AC in discharging its duties and responsibilities in respect of reviewing the adequacy and effectiveness of the Group's risk management and internal control systems.

The Statement on Risk Management and Internal Control as included on page 45 to 47 in this Annual Report provides an overview of the internal control framework adopted by the Company during FY2022.

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

I. Communication with stakeholders

The Board recognises the importance of being transparent and accountable to the Company's stakeholders and acknowledges that continuous communication between the Company and its stakeholders would facilitate mutual understanding of each other's objectives and expectations. As such, the Board consistently ensures the supply of clear, comprehensive and timely information to their stakeholders via various disclosures and announcements including quarterly and annual financial statements which provide investors with up-to-date financial information of the Group. All these announcements and other information about the Company are available on the Company's website at www.camres.com.my which shareholders, investors and the public may access.

In addition to the above, shareholders and investors can make inquiries about investor relations matters with designated management personnel directly responsible for investor relations matters via a dedicated e-mail address available on the corporate website.

The Company's website provides all relevant corporate information, and it is accessible by the public. The Company's website includes Annual Report, financial results, share price information and all corporate announcements made by the Company. Where possible and applicable, the Group provides additional disclosures on a voluntary basis. The Board believes that on-going communication with shareholders is vital for shareholders and investors to make informed investment decisions.

II. Conduct of General Meetings

The AGM serve as the principal forum for dialogue and interaction with shareholders and provides an opportunity for the shareholders to seek and clarify any issues and have a better understanding of the Group's business, governance and corporate developments.

The 21st AGM of the Company held on 21 June 2022 was conducted on a fully virtual basis via live streaming and through the Remote Participation and Voting ("RPV") facilities. Shareholders who attended the 21st AGM of the Company could submit their questions during the meeting via RPV for the Board to respond to. All the Directors of the Company were present at the 21st AGM of the Company to engage directly with shareholders and responded to all questions raised and provided clarification as required by the shareholders.

During the 21st AGM, the Chairman had invited shareholders and proxies to raise their questions on the Company's financial statement and other agenda items for adoption at the meeting, before putting a resolution to a vote. The Chairman of the Board ensured that sufficient opportunities were given to shareholders and proxies to raise questions relating to the affairs of the Company and that adequate responses were given.

The minutes of the 21st AGM which included the questions raised by shareholders together with the responses by the Board and the outcome of the voting results, were made available to the shareholders at the Company's website.

In line with good corporate governance practice, the notice of the forthcoming 22nd AGM, the Form of Proxy and Annual Report would be issued to the shareholders at least 28 days before the AGM date. This is to ensure that shareholders are given sufficient time to read and consider the resolutions to be resolved. All the Directors of the Company will endeavour to attend all general meetings and the Chair of the Board Committee will provide a meaningful response to questions addressed to them.

Pursuant to Paragraph 2.19B of the MMLR and Company's Constitution, the Annual Report 2022, Administrative Guide and Circular/Statement in relation to the Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature and the Proposed Renewal of Share Buy-Back Authority for the Company to Purchase its Own Shares are sent out to shareholders by electronic means, a copy of which can be downloaded from the Company's website at www.camres.com.my and Bursa Securities's website at www.bursamalaysia.com

This statement is made in accordance with the resolution of the Board dated 6 April 2023.

The Board of Directors of CAM Resources Berhad ("the Board") is pleased to present the following Report of the Audit Committee ("AC") and its activities for the financial year ended 31 December 2022 ("FY2022") in accordance with Paragraph 15.15 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities").

COMPOSITION AND MEETING ATTENDANCE

The AC consist of three (3) members, all of whom are Independent and Non-Executive Directors ("INEDs"). The composition of the AC complies with Paragraph 15.09 of the MMLR of Bursa Securities. No alternate Director is appointed as a member of the AC.

The members of the AC and their attendance at the meetings held during the FY2022 are as follows:-

Name of Director/Designation	Attendance
Chai Moi Kim Chairman, Independent and Non-Executive Director *(Resigned w.e.f. 1 March 2023)*	5/5
Azizul Bin Mohd Othman Member, Independent and Non-Executive Director *(Resigned w.e.f. 1 March 2023)*	5/5
Chia Kay Joo Member, Independent and Non-Executive Director *(Resigned w.e.f. 1 March 2023)*	5/5
Teh Sin Chay Chairman, Independent and Non-Executive Director *(Appointed w.e.f. 1 March 2023)*	0/0
Zaharatul Nadzirah Binti Azizul Member, Independent and Non-Executive Director *(Appointed w.e.f. 1 March 2023)*	0/0
Chia Song Ming Member, Independent and Non-Executive Director *(Appointed w.e.f. 1 March 2023)*	0/0

The AC Chairman is a Member of the Malaysian Institute of Accountants ("MIA") and the Association of Chartered Certified Accountants. Accordingly, the requirement of Paragraph 15.09(c) of the MMLR of Bursa Securities has been complied with.

All the AC members possess a wide range of necessary skills to discharge their duties. They are financially literate and able to understand matters under the purview of the AC including the financial reporting process.

The meetings were conducted with a quorum of two (2) AC members and all the members present at the meetings were INEDs. The other Directors, Senior Management, External Auditors ("EA") and persons carrying out the internal audit function or activity, or both, who were invited to attend the AC meeting were considered necessary.

The meetings were appropriately structured through the use of agendas, which were distributed together with the minutes of the previous meeting, the relevant papers and reports to the members at least five (5) days before the meetings to allow the members sufficient time to review the information in order to discharge their duties and responsibilities diligently and effectively in compliance with the MMLR of Bursa Securities and its Terms of Reference.

The AC has been given adequate resources to discharge its functions and has full and unrestricted access to and co-operation from Management. The AC also has full discretion to invite Senior Management, EA and Internal Auditors to attend and brief the members on specific issues during the AC meetings.

In addition, the AC held meetings with the EA without the presence of Management and Executive Directors where they were given the opportunity to raise any concern or professional opinion and, thus, be able to carry out their functions independently.

COMPOSITION AND MEETING ATTENDANCE (cont'd)

Company Secretaries are also the Secretary of the AC and are responsible, together the Committee Chairman, for drafting the meeting agenda and circulate them prior to each meeting. The Secretary is also present to record the proceedings of the AC meetings.

Annually, the AC and each of its members conduct a self-assessment on their performance and the Nomination Committee will review the assessment results and the terms of office of the AC members prior to recommending to the Board for notation. During the FY2022, the Board is satisfied that the AC has discharged its functions, duties and responsibilities in accordance with its Terms of Reference.

TERMS OF REFERENCE

The AC reviewed and revised its Terms of Reference ("TOR") during the financial year to ensure the TOR were in line with the MCCG 2021 and MMLR of Bursa Securities before recommending to the Board for approval.

The AC is guided by its TOR, which sets out the authority, duties and functions of the AC. The full details of the TOR of the AC are accessible through the Company's website at https://camres.com.my/camres/terms-of-reference/

SUMMARY OF WORKS DONE DURING THE FINANCIAL YEAR

The work carried out by the AC in discharging its duties and functions with respect to their responsibilities during FY2022 were summarised as follows:

Financial Reporting

1. The AC reviewed the quarterly and annual financial statements of the Company and the Group required by Bursa Securities with the Management team prior to making a recommendation for the Board's approval. The review focused on changes in accounting policies and practices, major judgmental and risk areas, significant adjustments resulting from the audit, the going concern assumption, compliance with accounting standards, compliance with the MMLR of Bursa Securities and other legal requirements.

2 In reviewing the annual financial results of the Group, the AC communicated with the EA, Messrs Baker Tilly Monteiro Heng PLT ("Baker Tilly") with particular focus on the significant matters highlighted including financial reporting issues, significant judgements made by Management, significant and unusual events, or transactions, and how these matters are addressed; and compliance with the applicable approved accounting/auditing standards in Malaysia and other legal and regulatory requirements.

   The Audit Committee keeps itself abreast of changes in accounting policies and guidelines through regular updates by the EA.

External Audit

The AC discussed with the EA its audit plan, and the report on the audit of the year end financial statements which were updated by the EA's audit reviews and Management's responses. It is through these reviews that the AC assesses the EA's suitability, objectivity, and independence.

In assessing the independence of the EA, the AC reviewed the fees paid to the EA, including fees paid for non-audit services during the year. The AC ensures the reasonableness of the fee charge against the size and complexity of the Group so that the auditors' independence has not been compromised and is suitable for re-appointment.

In addition, the AC also assessed the information presented in the Annual Transparency Report of Messrs Baker Tilly as the criteria to guide decisions on the appointment and re-appointment of the EA.

The AC held two (2) private sessions with the EA without the presence of the Management and Executive Directors during the financial year in order to provide the EA with an avenue to candidly express any concerns they may have, including those relating to their ability to perform their work without restraint or interference, and to notify the AC on any issues such as major financial and control issues encountered during the audit of the Group.

SUMMARY OF WORKS DONE DURING THE FINANCIAL YEAR (cont'd)

External Audit (cont'd)

The AC evaluated the EA's suitability, independence and objectivity taking into consideration their technical competencies, audit quality and manpower resources sufficient to perform the audit of the Group. After carrying out an evaluation of the performance and independence of the EA, recommended to the Board to propose to shareholders the re-appointment of the EA at the forthcoming Annual General Meeting of the Company.

Internal Audit

The AC reviewed the following to ensure that the Company meets its objectives of compliance with applicable laws, regulations, policies and standard operating procedures, reliability and integrity of information and safeguarding of assets:

1. Reviewed with the Internal Auditors, on the internal audit reports including follow-up review reports, which covers the audit findings and recommendations, management's responses and/or actions taken thereto, and ensured that material findings were satisfactorily addressed by management.
2. Evaluated the internal audit function and ensured the adequacy of scope, competency, and resource sufficiency of the outsourced internal audit function.
3. Reviewed the effectiveness and efficiency of the internal controls system in place and the risk factors affecting the Company as well as the action plans taken by management to resolve the issues and ensure the adequacy of the internal controls system.

Related Party Transactions

The AC reviewed the potential related party transactions entered into by the Group and any conflict of interest situations if any, that may arise within the Group on a quarterly basis to ensure that all transactions are fair and reasonable and are not detrimental to the shareholders of the Company. There were no material related party transactions during the financial year.

The AC also reviewed the recurrent related party transactions of a revenue or trading nature and any outstanding amount due/owing to the Group by its related parties on a quarterly basis to ensure the amounts transacted were within the approved shareholders' mandate as well as the circular to shareholders in respect of the recurrent related party transactions prior to recommending it for the Board's approval to seek shareholders' mandate at the Annual General Meeting of the Company.

Other Matters

During the annual preparation of the Annual Report, the AC reviewed the Statement on Risk Management and Internal Control, AC Report and Corporate Governance Overview Statement to ensure adherence to legal and regulatory reporting requirements and appropriate resolution of all accounting matters requiring significant judgement and recommended the same to the Board for approval.

SUMMARY OF ACTIVITIES OF THE INTERNAL AUDIT FUNCTION

The Company recognised that an internal audit function is essential to ensuring the effectiveness of the Group's systems of internal control and is an integral part of the risk management process. The internal audit function of the Group was outsourced to an external service provider, Silver Ocean Governance Sdn. Bhd. who conducted an independent review of the Group's key processes and control system in place. The role of the internal audit function is not related to the Group's EA.

The internal audit activities have been carried out according to the internal audit plan that was approved by the Risk Management Committee and AC with feedback from Management. The Board had, via the AC, evaluated the effectiveness, suitability, and performance of the internal audit functions by reviewing the work of the internal auditors in the AC meetings.

SUMMARY OF ACTIVITIES OF THE INTERNAL AUDIT FUNCTION (cont'd)

During the FY2022, the internal audit functions have undertaken the following activities in accordance with the approved audit plan:

i) Internal control review of sales and credit control functions; and
ii) Internal control review of recurrent related party transactions and a follow up review of the inventory management report.

The AC ensures that the internal auditors are given full access to all documents relating to the Company's governance, financial statements and operational assessments, as well as direct access to the AC. The audit plan covers a review of the adequacy of operational control, risk management, compliance with established policies and procedures, and laws and regulations.

The Internal Auditors reported that overall, the internal control over the key areas reviewed is in place and adequate and there are no major exceptions noted or reported by the Internal Auditors that require the AC's attention. Therefore, the AC and internal auditors did not detect any significant weaknesses that would result in material losses, contingencies or uncertainties that would require a separate disclosure in the Group's annual report.

The total cost incurred for the internal audit function in respect of the FY2022 was RM65,000.

Further details of the Internal Audit functions are set out in the "Statement on Risk Management and Internal Control" on pages 45 to 47 of this Annual Report.

STATEMENT ON DIRECTORS' RESPONSIBILITIES FOR PREPARATION OF THE AUDITED FINANCIAL STATEMENTS

The Directors of the Company are required to prepare financial statements for each financial year which have been drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act 2016 so as to give a true and fair view of the financial position of the Group and the Company as at the end of the financial year and the financial performance and cash flow of the Group and the Company for the financial year then ended.

In the preparation of the financial statements for the financial year ended 31 December 2022, the Directors of the Company have:

- adopted appropriate accounting policies and have applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- ensured applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepared the financial statements on a going concern basis as the Directors have a reasonable expectation, having made enquiries, that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future

The Directors of the Company are responsible for ensuring that the Group and the Company maintain proper accounting records that disclose with reasonable accuracy the financial positions of the Group and the Company and that enable them to ensure that the financial statements comply with the Companies Act, 2016.

The Directors of the Company have general responsibility for taking such steps that are reasonably available to them to safeguard the assets of the Group and the Company, and to detect and prevent fraud and other irregularities.

This Statement of Directors' Responsibility is made in accordance with a resolution of the Board dated 6 April 2023.

INTRODUCTION

In compliance with paragraph 15.26 (b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), principle as set out in the Malaysian Code on Corporate Governance 2021 ("MCCG 2021") with guidance from the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, the Board of Directors ("the Board") is pleased to present the Statement on Risk Management and Internal Control.

BOARD RESPONSIBILITY

The Board acknowledges its responsibility for maintaining a sound system of risk management and internal control which includes strategic, operational, financial, compliance controls within the Group in order to safeguard shareholders' investments and the Group's assets. This system includes the establishment of an appropriate control environment and framework as well as review its effectiveness, adequacy and integrity.

The Board confirms that there is continuous process for identifying, evaluating and managing the significant risks that may affect the achievement of the business objectives and it is in place for the financial year under review. This ongoing process includes updating the risk management and internal control system whenever there are changes in the business environment and regulatory guidelines.

However, in view of the inherent limitations in any system of risk management and internal control, the system is designed to manage rather than to eliminate the risk of failure in achieving the Group's goals and objectives. It can therefore only provide reasonable but not absolute assurance against material misstatements, losses or frauds and unforeseen emerging risks.

The Board has received assurance from both the Executive Chairman and the Group Accounts Manager that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects for the financial year ended 31 December 2022 up to the date of issuance of this statement.

The key features of the risk management systems are described as follows:

RISK MANAGEMENT

The Board recognises the importance of risk management. Hence, during the year of review, the Group has in place a formal risk management process to identify, evaluate and manage the key risks impacting the Group to an acceptable level. This process is supported by framework, policies, detailed procedures and evaluation criteria to ensure clarity and consistency of application across the Group.

To fulfill its oversight responsibility, the Board is guided by the Risk Management Committee ("RMC"). RMC is governed by the defined lines of responsibilities and delegation of authorities which set out in the Terms of Reference.

The Group also maintains a database of risks and controls information captured in the format of risk registers. Key risks of major business units are identified, their impacts and the likelihood of occurrence are assessed and evaluated by comparing against the approved risk criteria. Risk profiles for these major operating units are presented to the Board for deliberation and approval. The overall process is facilitated by the outsourced service provider which is appointed by the Board.

INTERNAL CONTROL

The Audit Committee ("AC") is responsible for reviewing and monitoring the adequacy and effectiveness of the Group's internal control system. In this respect, the Group's Internal Auditors undertakes the obligation to conduct regular reviews on the Group's various operations and reports directly to the AC.

The external auditors provide assurance in the form of their annual statutory audit of the financial statements. Further areas for improvement identified during the course of the statutory audit by the external auditors are brought to the attention of the AC through their audit memorandum or discussion at AC meetings.

KEY ELEMENTS OF INTERNAL CONTROL

The following are the key elements of the Group's internal control system:

- A well defined organisational structure with proper lines of responsibilities and delegation of authority for major transactions;
- The information systems capable of reporting financial and operational performance are available for monitoring and decision making;
- The control procedures are also in place to ensure the Group's assets are subject to proper physical controls and periodic maintenance;
- The AC members are Independent Non-Executive Directors;
- The AC and the Board review and monitor the performance and results of the Group at quarterly meeting, deliberating on significant internal control and performance issues;
- A proper documentation of internal policies and procedures which relates to human resources, safety and health, environment, operating and insurance are subject to review, as and when required. Improvement from the review which helps to identify and close gap as well as compliance with the Group's policies, regulatory requirements and standards;
- Timely and effective internal and external reporting involving the services of qualified professionals such as auditors and Company Secretary;
- Visit of plant by Executive Directors;
- The Group has obtained ISO certification for stainless steel and melamineware divisions. The system documentation and control procedures are audited annually for continuous compliance and enhancement of quality management system;
- Internal control requirements are embedded in the computerised system as well; and
- The Credit Control assessment is conducted at subsidiary level by Marketing department upon the placement of order with the objective of maximising the turning of account receivables into cash flow from collections and minimising impaired debts written off.

INTERNAL AUDIT

In accordance with the Best Practice as set out in the MCCG 2021, the Board has engaged an independent professional firm to provide independent assurance on the effectiveness and efficiency of the Group's system of risk management and internal control.

The internal audit function ("Internal Auditor") is to assist the AC to discharge its functions effectively. The Internal Auditor performs checking on compliance with policies and procedures and effectiveness of the internal control systems and highlight significant findings in respect of non-compliances. Audits are carried out on subsidiaries in the Group, the frequency of audit is determined by the level of risk assessed, to provide an independent objective report on operational and management activities within the Group. The audit findings on internal control weaknesses and improvement are tabled at the AC meeting for deliberation and the AC's expectation on the corrective measures will be communicated to the management.

The AC reviews any internal control issues identified by the Internal Auditor, external auditors, regulators and management, and evaluate the adequacy of the risk management and internal control systems. The AC also reviews the internal audit functions and quality of internal audits. The minutes of the AC meetings are tabled to the Board.

The Board has also adopted a Board Charter recommended by the AC. The primary purpose of the Board Charter is to formally define the structure, responsibilities, rights and procedures of the Board.

INTERNAL AUDIT (cont'd)

During the financial year under review, the internal auditors had performed audit reviews on various functions in the Group in accordance with the approved audit plan. The results of their review were tabled to the AC at their scheduled meetings. Senior management is responsible for ensuring that corrective actions are taken within the stipulated time frame on the reported weaknesses. There were no significant control weaknesses identified during the financial year 2022. A number of minor control weaknesses identified which were mainly related to operational controls, had been reported to the AC periodically. Furthermore, the internal auditors work closely with and brief salient audit issues to the management team during audit meetings. Respective heads of department will be called to attend these meetings (if required) to explain to the management team and develop timely actions plans to rectify issues which are found not in compliance with the Group's Procedures, Guidelines and Directions. Subsequent follow-up audits were conducted by the internal auditors to ensure that measures had been or are being taken by the management to address these weaknesses.

The cost of internal audit function for the financial year ended 31 December 2022 was RM65,000 (2021: RM18,000).

REVIEW OF EFFECTIVENESS

The Board is committed to ensure that a sound system of internal control is in place and recognises that the system must continuously evolve to support the business and the size of the Group.

The process for identifying, evaluating and managing risks as outlined in this Statement had been in place for the year under review and up to the date of approval of this Statement.

After due and careful assessment and based on the information and assurance provided, save for those findings highlighted by the auditors, the Board is satisfied that there were no material losses or contingencies resulting from weakness in the system of internal control. The risks are considered to be at an acceptable level within the context of the Group's business environment.

Nevertheless, the Board and its management will continue to take proactive measures to strengthen the system of risk management and internal control of the Group.

REVIEW OF THE STATEMENT ON INTERNAL CONTROL

The external auditors have reviewed this Statement on Risk Management and Internal Control based on limited assurance engagement for inclusion in the annual report of the Company for the financial year ended 31 December 2022 pursuant to paragraph 15.23 of the Main Market Listing Requirements of Bursa Securities and the scope set out in the Audit and Assurance Practice Guide ("AAPG") 3. They have reported to the Board that nothing has come to their attention that causes them to believe that the Statement on Risk Management and Internal Controls intended to be included in the annual report is not prepared, in all material respects, 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 to be set out, nor 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 Directors and Management thereon.

The Statement on Risk Management and Internal Control was approved by the Board on 6 April 2023.

ADDITIONAL COMPLIANCE INFORMATION

1. Utilisation of Proceeds

There were no proceeds raised from corporate proposals during the financial year.

2. Audit and Non-Audit Fees

For the FY2022, the amounts of audit and non-audit fees paid by the Company and the Group to the External Auditors are as follows:

	Group RM'000	Company RM'000
Audit fees	219	62
Non-audit fees	6	6

3. Material Contracts Involving Directors' Or Major Shareholders' Interests

Since the end of the previous financial year, there were no material contracts entered into by the Group involving the interests of Directors or major shareholders.

4. Recurrent Related Party Transactions ("RRPT") of Revenue or Trading Nature

At the Twenty-First Annual General Meeting held on 21 June 2022, the Company obtained a mandate from its shareholders to enter into RRPT with a person who is considered a Related Party as defined in Chapter 10 of the Main Market Listing Requirements.

Details of the RRPT during the financial year ended 31 December 2022 pursuant to the Shareholders' Mandate are as follows:

CAM or Subsidiary of CAM involved in RRPT	Transacting Parties	Interested Related Parties	Nature of Transaction	Actual Value Transacted (RM'000)
Central Palm Oil Mill Sdn. Bhd.	Hia Union Engineering Sdn. Bhd. ("HUE")	Hia Wan Kiga	Purchase of building materials and metal fabrication equipment and products from HUE	1,840

Notes:
1) Actual value transacted is for the period from 1 January 2022 to 31 December 2022
2) Mr Hia Wan Kiga is an Executive Director and a major shareholder of CAM Resources Berhad ("CAM"). He is also a Director and Major Shareholder of HUE.

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 the subsidiaries are disclosed in Note 12 to the financial statements.

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

RESULTS

	Group RM	Company RM
Profit for the financial year	16,230,707	2,502,888
Attributable to:		
Owners of the Company	16,230,707	2,502,888

DIVIDENDS

The amount of dividend declared and paid by the Company since the end of the previous financial year were as follows:

	RM
Single tier interim dividend of RM0.01 per ordinary share in respect of the financial year ended 31 December 2022, paid on 28 July 2022	1,914,157

The directors do not recommend the payment of final dividend 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 as bad debts or render the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent.

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.

ISSUE OF SHARES AND DEBENTURES

During the financial year, no new issue of shares or debentures were made by the Company.

TREASURY SHARES

Treasury shares relate to ordinary shares of the Company that are repurchased and held by the Company in accordance with the requirements of Section 127 of the Companies Act 2016 in Malaysia.

There was no repurchase of the Company's issued ordinary shares, nor any resale, cancellation or distribution of treasure shares during the year, except for the following:

During the financial year, the Company repurchased 1,800,000 shares of its issued shares from the open market. The average price paid for the shares repurchased was RM0.362.

As at 31 December 2022, the Company held 7,184,256 treasury shares out of its 196,800,000 issued and paid-up ordinary shares. Such treasury shares are held at a carrying amount of RM2,142,959. Further details are disclosed in Note 19 to the financial statements.

DIRECTORS

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

Hia Wan Kiga*	
Lee Chin Yen*	
Lee Poh Choo*	
Tan Hong Cheng*	
Tan Kim Hong	
Chia Song Ming	(Appointed on 1 March 2023)
Teh Sin Chay	(Appointed on 1 March 2023)
Zaharatul Nadzirah Binti Azizul	(Appointed on 1 March 2023)
Azizul bin Mohd Othman	(Resigned on 1 March 2023)
Chai Moi Kim	(Resigned on 1 March 2023)
Chan Kee Loin	(Resigned on 1 March 2023)
Chia Kay Joo	(Resigned on 1 March 2023)

Note:

* *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:

Lee Teng Kok
Tan Ooi Khoi

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 corporation during the financial year were as follows:

Interests in the Company

		Number of ordinary shares			
		At 1 January 2022	**Bought**	**Sold**	**At 31 December 2022**
Direct interests:					
Lee Chin Yen		28,550,240	-	-	**28,550,240**
Tan Hong Cheng		22,287,350	1,000,000	-	**23,287,350**
Hia Wan Kiga		20,895,374	-	-	**20,895,374**
Lee Poh Choo		4,411,093	-	-	**4,411,093**
Tan Kim Hong		557,700	-	-	**557,700**
Indirect interests:					
Lee Chin Yen	# ^	28,831,304	1,658,800	-	**30,490,104**
Tan Hong Cheng	#	1,950,355	-	-	**1,950,355**
Lee Poh Choo	^	19,570,091	1,658,800	-	**21,228,891**

Notes:

\# *Shares held by children who are not directors of the Company.*
^ *Shares held through Company in which the director has substantial financial interests.*

By virtue of Lee Chin Yen's interests in the ordinary shares of the Company and pursuant to Section 8 of the Companies Act 2016 in Malaysia, he is deemed to have an interest in the ordinary shares of the subsidiaries to the extent that the Company has an interest.

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 debentures of the Company and its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable, by the directors as shown 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.

The directors' benefits of the Group and the Company were as follows:

	Group RM	Company RM
Directors of the Company		
Executive directors:		
- Fees	150,000	150,000
- Salaries and other emoluments	1,629,552	-
- Defined contribution plan	67,808	-
	1,847,360	150,000
Non-executive directors:		
- Fees	122,000	122,000
- Salaries and other emoluments	16,800	16,800
	138,800	138,800
	1,986,160	288,800
Directors of subsidiaries		
- Salaries and other emoluments	425,200	-
- Defined contribution plan	52,308	-
	477,508	-

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.

INDEMNITY TO DIRECTORS AND OFFICERS

During the financial year, the total amount of indemnity insurance coverage and insurance premium paid for the directors and officers of the Company were RM15,000,000 and RM20,000 respectively.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 12 to the financial statements.

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

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 32 and Note 33 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 the Company during the financial year are RM225,000 and RM68,000 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.

LEE CHIN YEN	**TAN HONG CHENG**
Director	Director

Date: 6 April 2023

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

		Group		Company	
		2022	**2021**	**2022**	**2021**
	Note	**RM**	**RM**	**RM**	**RM**
Revenue	5	**496,010,596**	399,201,405	**3,200,000**	600,000
Cost of goods sold		**(464,973,648)**	(376,595,839)	**-**	-
Gross profit		**31,036,948**	22,605,566	**3,200,000**	600,000
Other income		**7,624,165**	4,925,702	**-**	-
Distribution expenses		**(7,831,056)**	(5,899,043)	**-**	-
Administrative expenses		**(7,503,573)**	(6,147,123)	**(636,083)**	(570,326)
Net impairment losses of financial assets		**(324,777)**	(15,599)	**-**	(167,418)
Other expenses		**(517,787)**	(714,403)	**(61,029)**	(11,387)
		(16,177,193)	(12,776,168)	**(697,112)**	(749,131)
Operating profit/(loss)		**22,483,920**	14,755,100	**2,502,888**	(149,131)
Finance costs		**(1,068,153)**	(1,596,600)	**-**	-
Profit/(Loss) before tax	6	**21,415,767**	13,158,500	**2,502,888**	(149,131)
Tax expense	7	**(5,185,060)**	(3,281,880)	**-**	-
Profit/(Loss) for the financial year, representing total comprehensive income /(loss) for the financial year		**16,230,707**	9,876,620	**2,502,888**	(149,131)
Profit/(Loss) attributable to:					
Owners of the Company		**16,230,707**	9,876,620	**2,502,888**	(149,131)
Earnings per ordinary share attributable to the owners of the Company:					
- Basic/Diluted (sen)	8	**8.48**	5.16		

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

		Group		Company	
		2022	2021	2022	2021
	Note	RM	RM	RM	RM
ASSETS					
Non-current assets					
Property, plant and equipment	9	**103,564,600**	110,739,370	**-**	-
Intangible assets	10	**45,617**	45,617	**-**	-
Goodwill on consolidation	11	**6,078,933**	6,078,933	**-**	-
Investment in subsidiaries	12	**-**	-	**85,688,148**	85,726,668
Total non-current assets		**109,689,150**	116,863,920	**85,688,148**	85,726,668
Current assets					
Inventories	13	**29,200,418**	29,276,943	**-**	-
Tax assets		**1,591,887**	862,036	**6,212**	6,397
Trade receivables	14	**15,605,820**	12,251,125	**-**	-
Other receivables, deposits and prepayments	15	**2,340,873**	3,088,279	**12,367**	14,139
Deposits, cash and bank balances	16	**33,922,553**	34,530,072	**997**	4,224
		82,661,551	80,008,455	**19,576**	24,760
Non-current assets classified as held for sale	17	**3,522,893**	-	**-**	-
Total current assets		**86,184,444**	80,008,455	**19,576**	24,760
TOTAL ASSETS		**195,873,594**	196,872,375	**85,707,724**	85,751,428

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022
(Cont'd)

		Group		Company	
		2022	**2021**	**2022**	**2021**
	Note	**RM**	**RM**	**RM**	**RM**
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	18	**54,378,474**	54,378,474	**54,378,474**	54,378,474
Treasury shares	19	**(2,142,959)**	(1,490,945)	**(2,142,959)**	(1,490,945)
Retained earnings		**87,241,306**	72,924,756	**33,175,171**	32,586,440
TOTAL EQUITY		**139,476,821**	125,812,285	**85,410,686**	85,473,969
Non-current liabilities					
Loans and borrowings	20	**6,548,764**	18,389,102	**-**	-
Deferred tax liabilities	21	**5,315,102**	4,923,275	**-**	-
Total non-current liabilities		**11,863,866**	23,312,377	**-**	-
Current liabilities					
Loans and borrowings	20	**24,637,113**	28,196,054	**-**	-
Tax liabilities		**1,740**	114,071	**-**	-
Trade payables	22	**12,972,137**	13,820,023	**-**	-
Other payables, deposits and accruals	23	**6,532,611**	4,963,871	**297,038**	277,459
Contract liabilities	24	**389,306**	653,694	**-**	-
Total current liabilities		**44,532,907**	47,747,713	**297,038**	277,459
TOTAL LIABILITIES		**56,396,773**	71,060,090	**297,038**	277,459
TOTAL EQUITY AND LIABILITIES		**195,873,594**	196,872,375	**85,707,724**	85,751,428

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

Group	Note	Share capital RM	Treasury shares RM	Retained earnings RM	Total equity RM
		Attributable to owners of the Company			
At 1 January 2021		54,378,474	(1,490,945)	63,048,136	115,935,665
Total comprehensive income for the financial year					
Profit for the financial year, representing total comprehensive income		-	-	9,876,620	9,876,620
At 31 December 2021		54,378,474	(1,490,945)	72,924,756	125,812,285
Total comprehensive income for the financial year					
Profit for the financial year, representing total comprehensive income		-	-	16,230,707	16,230,707
Transactions with owners					
Dividends paid on shares	26	-	-	(1,914,157)	(1,914,157)
Purchase of ordinary shares	19	-	(652,014)	-	(652,014)
Total transactions with owners		-	(652,014)	(1,914,157)	(2,566,171)
At 31 December 2022		54,378,474	(2,142,959)	87,241,306	139,476,821

Company	Note	Share capital RM	Treasury shares RM	Retained earnings RM	Total equity RM
At 1 January 2021		54,378,474	(1,490,945)	32,735,571	85,623,100
Total comprehensive loss for the financial year					
Loss for the financial year, representing total comprehensive loss		-	-	(149,131)	(149,131)
At 31 December 2021		54,378,474	(1,490,945)	32,586,440	85,473,969
Total comprehensive loss income the financial year					
Income for the financial year, representing total comprehensive income		-	-	2,502,888	2,502,888
Transaction with owners					
Purchase of ordinary shares, representing total transaction with owners	19	-	(652,014)	(1,914,157)	(2,566,171)
At 31 December 2022		54,378,474	(2,142,959)	33,175,171	85,410,686

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	2021	2022	2021
	Note	RM	RM	RM	RM
Cash flows from operating activities					
Profit/(Loss) before tax		**21,415,767**	13,158,500	**2,502,888**	(149,131)
Adjustments for:					
Depreciation of property, plant and equipment	9	**8,791,871**	9,442,521	**-**	-
Dividend income from subsidiaries	5	**-**	-	**(3,200,000)**	(600,000)
(Gain)/Loss on disposal of property, plant and equipment	9	**(2,412,147)**	28,517	**-**	-
Gain on lease modification		**(263)**	(3,000)	**-**	-
Interest expense	6	**1,068,153**	1,596,600	**-**	-
Interest income	6	**(291,622)**	(97,877)	**-**	-
Impairment losses on:					
- investment in susidiaries	12	**-**	-	**38,520**	167,418
- trade receivables	14	**298,153**	17,199	**-**	-
Reversal of impairment losses on trade receivables	14	**(11,896)**	(1,600)	**-**	-
Net provision for employee benefits	23	**35,716**	6,108	**-**	-
Other receivables written off	6	**152,671**	4,545	**-**	-
Property, plant and equipment written off	9	**189,831**	579,757	**-**	-
Unrealised loss on foreign exchange	6	**3,708**	7,109	**-**	-
Write down of slow moving inventories	6	**-**	1,352,269	**-**	-
Reversal of inventories written down	13	**(455,435)**	-	**-**	-
Operating profit/(loss) before working capital changes		**28,784,507**	26,090,648	**(658,592)**	(581,713)
Changes in working capital:					
Contract liabilities		**(264,388)**	289,601	**-**	-
Inventories		**531,960**	(300,446)	**-**	-
Receivables		**(3,051,114)**	2,973,777	**1,772**	(1,237)
Payables		**682,554**	4,407,833	**19,579**	(30,652)
Net cash generated from/(used in) operations		**26,683,519**	33,461,413	**(637,241)**	(613,602)
Tax (paid)/refund		**(5,635,415)**	(2,642,382)	**185**	(64)
Net cash from/(used in) operating activities, carried forward		**21,048,104**	30,819,031	**(637,056)**	(613,666)

		Group		Company	
		2022	**2021**	**2022**	**2021**
	Note	**RM**	**RM**	**RM**	**RM**
Net cash from/(used in) operating activities, brought forward		**21,048,104**	30,819,031	**(637,056)**	(613,666)
Cash flows from investing activities					
Acquisition of additional interests in subsidiaries	12	**-**	-	**-**	(20,420)
Dividend income received from subsidiaries		**-**	-	**3,200,000**	600,000
Interest received		**291,622**	97,877	**-**	-
Placement of fixed deposit		**(8,044)**	(500,000)	**-**	-
Proceeds from disposal of property, plant and equipment		**6,032,379**	69,974	**-**	-
Acquisition of property, plant and equipment	(a)	**(8,654,426)**	(6,307,912)	**-**	-
Net cash (used in)/from investing activities		**(2,338,469)**	(6,640,061)	**3,200,000**	579,580
Cash flows from financing activities	(b)				
Repurchased of treasury shares	19	**(652,014)**	-	**(652,014)**	-
Interest paid		**(1,068,153)**	(1,596,600)	**-**	-
Net drawdown/(repayments) of bankers' acceptances		**145,642**	(299,834)	**-**	-
Net drawdown of revolving credits		**(1,800,000)**	800,000	**-**	-
Repayments of lease liabilities		**(341,451)**	(233,709)	**-**	-
Dividends paid	26	**(1,914,157)**	-	**(1,914,157)**	-
Net drawndown/(repayments) of term loans		**(11,930,244)**	2,745,482	**-**	-
Net cash from/(used in) financing activities		**(17,560,377)**	1,415,339	**(2,566,171)**	-
Net increase/(decrease) in cash and cash equivalents		**1,149,258**	25,594,309	**(3,227)**	(34,086)
Cash and cash equivalents at the beginning of the financial year		**31,411,487**	5,825,464	**4,224**	38,310
Effects of exchange rate changes on cash and cash equivalents		**3,773**	(8,286)	**-**	-
Cash and cash equivalents at the end of the financial year	15	**32,564,518**	31,411,487	**997**	4,224

a) Acquisition of property, plant and equipment:

	Group	
	2022	**2021**
	RM	**RM**
Acquisition of property, plant and equipment	**8,965,496**	6,704,596
Financed by way of lease arrangements	**(311,070)**	(396,684)
Cash payments on acquisition of property, plant and equipment	**8,654,426**	6,307,912

b) Reconciliation of liabilities arising from financing activities:

	At 1 January 2022	Cash flows	← Non-cash Addition	Others →	At 31 December 2022
	RM	RM	RM	RM	RM
Group					
Bankers' acceptances	17,183,166	145,642	-	-	17,328,808
Revolving credit	5,200,000	(1,800,000)	-	-	3,400,000
Lease liabilities	883,236	(341,451)	311,070	(15,702)	837,153
Term loans	20,700,169	(11,930,244)	-	-	8,769,925
	43,966,571	(13,926,053)	311,070	(15,702)	30,335,886

	At 1 January 2021	Cash flows	← Non-cash Addition	Others →	At 31 December 2021
	RM	RM	RM	RM	RM
Group					
Bankers' acceptances	17,483,000	(299,834)	-	-	17,183,166
Revolving credit	4,400,000	800,000	-	-	5,200,000
Lease liabilities	723,261	(233,709)	396,684	(3,000)	883,236
Term loans	17,954,687	2,745,482	-	-	20,700,169
	40,560,948	3,011,939	396,684	(3,000)	43,966,571

c) Total cashflow for leases as a lessee:

	Group 2022	Group 2021
	RM	RM
Included in net cash from operating activities:		
Payment relating to short-term leases	**208,420**	180,344
Payment relating to leases of low-value assets	**297,731**	161,667
Included in net cash from financing activities:		
Payment of lease liabilities	**341,451**	233,709
Interest paid in relation to lease liabilities	**37,078**	27,041
Total cash outflow of leases	**847,602**	575,720

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

1. CORPORATE INFORMATION

CAM Resources 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 10th Floor, Menara Hap Seng, No. 1 & 3, Jalan P. Ramlee, 50250 Kuala Lumpur.

The principal place of business of the Company is located at Batu 12, Jalan Hutan Melintang, 36400 Hutan Melintang, Perak Darul Ridzuan.

The principal activity of the Company is an investment holding. The principal activities of the subsidiaries are disclosed in Note 12. There have been no significant changes in the nature of these 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 6 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"), the 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 Malaysian Financial Reporting Standards
MFRS 3	Business Combinations
MFRS 9	Financial Instruments
MFRS 16	Leases
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.

2. BASIS OF PREPARATION (cont'd)

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

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 (cont'd)

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

2.3.1 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 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.

2.3.2 The Group and the Company are currently assessing the impact of initial application of the above applicable amendments/improvements to MFRSs. Nevertheless, the Group and the Company expect that the initial application is unlikely to have material financial impacts to the current period and prior period financial statements of the Group and of 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 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.

3. SUMMARY OF 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 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.1 Basis of consolidation (cont'd)

(a) Subsidiaries and business combination (cont'd)

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.

The accounting policy for goodwill is set out in Note 3.13.

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.

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, an available-for-sale financial asset or a held for trading 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.1 Basis of consolidation (cont'd)

(b) Transactions eliminated on consolidation

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

Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3.2 Separate financial statements

In the Company's statement of financial position, investment in subsidiaries are measured at cost less any accumulated impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs. 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 3.16(b).

3.3 Foreign currency transactions

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.

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).

3.4 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.

Revenue recognition of the Group and the Company are applied for each contract with a customer or a combination of contracts with the same customer (or related parties of the customer). For practical expedient, the Group and the Company applied revenue recognition to a portfolio of contracts (or performance obligations) with similar characteristics if the Group and the Company reasonably expect that the effects on the financial statements would not differ materially from recognising revenue on the individual contracts (or performance obligations) within that portfolio.

The Group and the Company measure revenue 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. If the transaction price includes variable consideration, the Group and the Company use the expected value method by estimating the sum of probability-weighted amounts in a range or possible consideration amounts, or the most likely outcome method, depending on which method the Group and the Company expect to better predict the amount of consideration to which it is entitled.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.4 Revenue and other income (cont'd)

For contract with separate performance obligations, the transaction price is allocated to the separate performance obligations on the relative stand-alone selling price basis. If the standalone selling price is not directly observable, the Group and the Company estimate it by using the costs plus margin approach.

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.

A contract modification is a change in the scope or price (or both) of a contract that is approved by the parties to the contract. A modification exists when the change either creates new or changes existing enforceable rights and obligations of the parties to the contract. The Group and the Company have assessed the type of modification and accounted for as either creates a separate new contract, terminates the existing contract and creation of a new contract; or forms a part of the existing contracts.

(a) Sales of goods

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

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.

(b) Interest income

Interest income is recognised using the effective interest method.

(c) Dividend income

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

(d) Rental income

Rental income is recognised in profit or loss on the straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of lease.

3.5 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 where the employees have rendered their services to the Group and the Company.

(b) Defined contribution plan

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

3.6 Borrowing costs

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.6 Borrowing costs (cont'd)

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 capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

The Group begins capitalising borrowing costs when the Group has incurred the expenditures for the asset, incurred related borrowing costs and undertaken activities that are necessary to prepare the asset for its intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

3.7 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 receivables 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 reporting period, 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 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 and unused tax credits can be utilised.

Deferred tax is not recognised if the temporary differences arise from the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal timing 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.7 Income tax (cont'd)

(b) Deferred tax (cont'd)

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 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.

(c) Sales and services tax

Revenue, 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.

3.8 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 the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

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

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 instruments.

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 *Revenue from Contracts with Customers*.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.9 Financial instruments (cont'd)

(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.

Debt instruments

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 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 losses is in accordance with Note 3.16(a). Gains and losses are recognised in profit or loss when the financial asset is derecognised, modified or impaired.

(ii) Financial liabilities

The Group and the Company classify their 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 liablities 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) Regular way purchase or sale of financial assets

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date accounting (i.e. the date the Group and the Company themselves purchase or sell an asset).

3. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

3.9 Financial instruments (cont'd)

(c) Regular way purchase or sale of financial assets (cont'd)

Trade date accounting refers to:

(i) the recognition of an asset to be received and the liability to pay for it on the trade date; and
(ii) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

Generally, interest does not start to accrue on the asset and corresponding liability until the settlement date when title passes.

(d) 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.

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.

(e) 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.10 Property, plant and equipment

(a) Recognition and measurement

Property, plant and equipment (except for freehold land and capital work-in-progress) 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 3.16(b).

Freehold land is stated at cost less accumulated impairment losses, if any.

Capital work-in-progress consists of expenditure incurred on construction of property, plant and equipment which take a substantial period of time to be ready for their intended use. This expenditure is stated at cost less accumulated impairment losses, if any. Upon completion of construction, the cost will be reclassified to the respective property, plant and equipment and depreciated according to the depreciation policy of the Group.

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, direct labour, and any other direct attributable costs but excludes internal profits. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs in Note 3.6.

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.

(b) 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 and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss as incurred.

(c) Depreciation

Freehold land has an unlimited useful life and therefore is not depreciated. Capital work-in-progress 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. The principal useful lives and depreciation rates are as follows:

Buildings and warehouse	2% - 20%
Plant, machinery and tools	5% - 20%
Furniture, fittings and renovation	5% - 10%
Office equipment and computers	5% - 20%
Motor vehicles	20%

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

(d) 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 arising on derecognition of the asset is recognised in profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.11 Leases

(a) Definition of lease

At inception of a contract, the Group assesses 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 assesses whether:

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

(b) Lessee accounting

At the lease commencement date, the Group recognises right-of-use assets and lease liabilities 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 presents right-of-use assets that does not meet the definition of investment property in Note 9 and lease liabilities on Note 20(b).

Right-of-use asset

The right-of-use asset 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. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.16(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 uses 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.11 Leases (cont'd)

(b) Lessee accounting (cont'd)

Lease liability **(cont'd)**

The Group remeasures 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.

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 has 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 has elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low value assets. The Group recognises 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 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 3.11(a), 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 statements 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 apply MFRS 15 Revenue from Contracts with Customers allocate the consideration under the contract to each component.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.12 Intangible assets

(a) Trademarks

Trademarks acquired are measured on initial recognition at cost. The useful lives of the trademarks are assessed to be indefinite and are not amortised but tested for impairment annually or more frequently if the events or changes in circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level.

(b) License

License acquired in a business combination is recognised at fair value at the acquisition date.

Subsequent to recognition, license is stated at cost less accumulated amortisation and any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.16(b).

3.13 Goodwill on consolidation

Goodwill arising from business combinations is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. After initially recognition, goodwill is measured at cost less any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.16(b).

3.14 Inventories

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

Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- raw materials: purchase costs on a weighted average cost basis.
- finished goods and work-in-progress on self-manufactured products: costs of direct materials, labour and 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 the 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. Cash and cash equivalents are presented net of bank overdrafts.

3.16 Impairment of assets

(a) Impairment of financial assets

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.16 Impairment of assets (cont'd)

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

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, the Group applies the simplified approach permitted by MFRS 9 to measure the loss allowance at an amount equal to lifetime expected credit losses.

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.

The Group and the Company assume that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

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

- the debtor 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 90 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 borrower;
- a breach of contract, such as a default of past due event; or
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

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

3. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

3.16 Impairment of assets (cont'd)

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

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 goodwill and intangible assets that have indefinite useful life and are not yet available for use, the recoverable amount is estimated at each reporting date.

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 non-financial assets or cash-generating units ("CGUs"). Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a CGU or a group of CGUs that are expected to benefit from the synergies of business combination.

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 in respect of goodwill are not reversed. For other assets, 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 unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

3.17 Share capital

(a) Ordinary shares

Ordinary shares are equity instruments. An equity instrument is a contract that evidences a residual interest in the assets 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.17 Share capital (cont'd)

(b) Treasury shares

When share capital recognised as equity is repurchased, the amount of consideration paid is recognised directly in equity. Repurchased shares that have not been cancelled including any attributable transaction costs are classified as treasury shares and presented as a deduction from total equity.

When treasury shares are sold or reissued subsequently, the difference between the sales consideration and the carrying amount is presented as a movement in equity.

3.18 Provisions

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

If the effect of the time value of money is material, provisions that are determined based on the expected future cash flows to settle the obligation are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provisions due to passage of time is recognised as finance costs.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

3.19 Operating segments

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

3.20 Fair value measurements

Fair value of an asset or a liability, except for 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 a 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.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.21 Contingencies

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

Contingent 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.

3.22 Contract liabilities

Contract liability is the obligation to transfer goods or services to customers for which the Group and the Company have received the consideration.

3.23 Non-current assets or disposal groups held for sale

Non-current assets or disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

The criteria for held for sale classification is regarded as met only when:

- the asset or disposal group is available for immediate sale in its present condition;
- the management is committed to a plan to sell the asset and the asset or disposal group is actively marketed for sale at a price that is reasonable in relation to its current fair value; and
- the sale is expected to be completed within one year from the date of classification and actions required to complete the plan indicates that it is unlikely that significant changes to the plan will be made or that the sale will be withdrawn.

Immediately before classification as held for sale, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter, generally the assets or disposal groups are measured at the lower of carrying amount and fair value less costs to sell.

Any impairment loss on the disposal group is first allocated to goodwill, and then to remaining assets and liabilities on pro-rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets and investment property that is measured at fair value, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. A gain for any subsequent increase in fair value less costs to sell of an asset is recognised but not in excess of the cumulative impairment loss that has been recognised. Intangible assets and property, plant and equipment once classified as held for sale are not amortised or depreciated. In addition, equity accounting of equity-accounted associates and joint venture ceases once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

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 reporting 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.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (cont'd)

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:

(a) Write-down of obsolete or slow moving inventories

The Group evaluates the adequacy of write-down of its obsolete or slow moving inventories based on the assessment of its estimated net selling price. Inventories are written down when events or changes in circumstances indicate that the carrying amounts may not be recoverable. The management specifically analyses sales trend and current economic trends when making a judgement to evaluate the adequacy of the write-down of obsolete or slow moving 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 13.

(b) Impairment of trade receivables

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

The Company uses a provision matrix to calculate expected credit losses for trade receivables. The provision rates are dependent on the number of days that a trade receivable is past due.

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

The assessment of the correlation between historical observed default rates, forward-looking estimates and expected credit losses is a significant estimate. The amount of expected credit losses is sensitive to changes in circumstances and forecast of economic conditions over the expected lives of the financial assets. The Company's historical credit loss experience and forecast of economic conditions may also not be representatives of customer's actual default in the future.

The information about the impairment loss on the Company's trade receivables is disclosed in Note 14.

5. REVENUE

	Group		Company	
	2022	2021	**2022**	2021
	RM	RM	**RM**	RM
At a point in time:				
Sales of goods	**496,010,596**	399,201,405	**-**	-
Other:				
Dividend income from subsidiaries	**-**	-	**3,200,000**	600,000
	496,010,596	399,201,405	**3,200,000**	600,000

6. PROFIT/(LOSS) BEFORE TAX

Other than disclosed elsewhere in the financial statements, the following items have been charged/(credited) in arriving at profit/(loss) before tax:

		Group		Company	
		2022	**2021**	**2022**	**2021**
	Note	**RM**	**RM**	**RM**	**RM**
Auditors' remuneration:					
- statutory:					
- current year		**219,000**	183,000	**62,000**	52,000
- over provision in prior year		**(500)**	-	**-**	-
- non-statutory		**6,000**	5,000	**6,000**	5,000
Depreciation of property, plant and equipment	9	**8,791,871**	9,442,521	**-**	-
Dividend income from subsidiaries	5	**-**	-	**(3,200,000)**	(600,000)
Employee benefits expenses	6(a)	**23,800,981**	20,162,966	**288,800**	287,400
Expenses relating to low value assets		**297,731**	161,667	**-**	-
Expenses relating to short-term leases		**208,420**	180,344	**-**	-
Gain on modification of lease		**(263)**	(3,000)	**-**	-
(Gain)/Loss on disposal of property, plant and equipment		**(2,412,147)**	28,517	**-**	-
Impairment losses on financial assets:					
- investment in subsidiaries	12	**-**	-	**38,520**	167,418
- trade receivables	14	**298,153**	17,199	**-**	-
Interest expenses on:					
- bank overdrafts		**35,798**	147,096	**-**	-
- bankers' acceptances		**286,890**	387,461	**-**	-
- lease liabilities		**37,078**	27,041	**-**	-
- revolving credits		**165,106**	168,355	**-**	-
- term loans		**543,281**	866,647	**-**	-
Interest income		**(291,622)**	(97,877)	**-**	-
Net (gain)/loss on foreign exchange:					
- realised		**(112,307)**	(111,785)	**-**	-
- unrealised		**3,708**	7,109	**-**	-
Other receivables written off		**152,671**	4,545	**-**	-
Property, plant and equipment written off	9	**189,831**	579,757	**-**	-
Rental income on land and buildings		**(32,450)**	(37,980)	**-**	-
Reversal of impairment losses on trade receivables	14	**(11,896)**	(1,600)	**-**	-
Reversal of inventories written down	13	**(455,435)**	-	**-**	-
Write down of slow moving inventories	13	**-**	1,352,269	**-**	-

6. PROFIT/(LOSS) BEFORE TAX (cont'd)

(a) Employee benefits expenses:

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM	**RM**	**RM**	**RM**
Salaries, wages, bonuses and others	**22,294,622**	18,829,006	**288,800**	287,400
Defined contribution plan	**1,470,643**	1,327,852	**-**	-
Net provision of employee benefits (Note 23(c))	**35,716**	6,108	**-**	-
	23,800,981	20,162,966	**288,800**	287,400

(b) Included in employee benefits expenses are:

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM	**RM**	**RM**	**RM**
Directors of the Company				
Executive Directors:				
- fees	**150,000**	150,000	**150,000**	150,000
- salaries and other emoluments	**1,697,360**	1,435,356	**-**	-
	1,847,360	1,585,356	**150,000**	150,000
Non-executive Directors:				
- fees	**122,000**	122,000	**122,000**	122,000
- other emoluments	**16,800**	15,400	**16,800**	15,400
	138,800	137,400	**138,800**	137,400
	1,986,160	1,722,756	**288,800**	287,400
Directors of subsidiaries				
Executive Directors:				
- salaries and other emoluments	**477,508**	447,594	**-**	-
Total directors' remuneration	**2,463,668**	2,170,350	**288,800**	287,400

The estimated monetary value of benefits-in-kind (which were not included in the above directors' remunerations) received by the directors otherwise than in cash from the Group amounted to RM63,121 (2021: RM47,675).

7. TAX EXPENSE

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Statements of comprehensive income				
Current tax:				
- Current income tax charge	**4,654,996**	3,458,421	**-**	-
- Real property gain tax	**49,729**	-	**-**	-
- Adjustment in respect of of prior years	**88,508**	(859,454)	**-**	-
	4,793,233	2,598,967	**-**	-
Deferred tax (Note 21):				
- Origination/(Reversal) of temporary differences	**76,155**	(96,665)	**-**	-
- Adjustment in respect of prior years	**315,672**	779,578	**-**	-
	391,827	682,913	**-**	-
Tax expense	**5,185,060**	3,281,880	**-**	-

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

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

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Profit/(loss) before tax	**21,415,767**	13,158,500	**2,502,888**	(149,131)
Tax at Malaysian statutory income tax rate of 24% (2021: 24%)"	**5,139,784**	3,158,040	**600,693**	(35,791)
Tax effects arising from:				
- non-deductible expenses	**96,604**	589,986	**167,307**	179,791
- non-taxable income	**(284,466)**	(209,442)	**(768,000)**	(144,000)
Deferred tax assets not recognised during the financial year	**165,231**	200,652	**-**	-
Utilisation of deferred tax assets not recognised in prior financial years	**(386,002)**	(377,480)	**-**	-
Real property gain tax	**49,729**	-	**-**	-
Adjustments in respect of prior years:				
- current tax	**88,508**	(859,454)	**-**	-
- deferred tax	**315,672**	779,578	**-**	-
Tax expense recognised in profit or loss	**5,185,060**	3,281,880	**-**	-

8. EARNINGS PER SHARE

(a) Basic earnings per ordinary share

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

	Group	
	2022	**2021**
Profit attributable to owners of the Company (RM)	**16,230,707**	9,876,620
Weighted average number of ordinary shares for basic earnings per share (unit)	**191,297,388**	191,415,744
Basic earnings per ordinary share (sen)	**8.48**	5.16

(b) Diluted earnings per ordinary share

The diluted earnings per ordinary share of the Group for the financial years ended 31 December 2022 and 31 December 2021 are same as the basic earnings per ordinary share of the Group as the Company has no dilutive potential ordinary shares.

9. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM	Buildings and warehouse RM	Plant, machinery and tools RM	Furniture, fittings and renovation RM	Office equipment and computers RM	Motor vehicles RM	Capital work-in-progress RM	Right-of use assets RM	Total RM
2022									
Cost									
At 1 January 2022	24,688,076	36,878,183	121,430,898	673,550	2,538,814	7,143,272	5,732,810	12,119,572	211,205,175
Additions	-	-	411,285	4,108	58,125	264,816	7,942,220	284,942	8,965,496
Reclassification	-	1,258,537	5,305,289	172,226	-	-	(6,736,052)	-	-
Derecognition	-	-	-	-	-	-	-	(174,860)	(174,860)
Disposals	(1,775,353)	(2,120,962)	(21,120)	-	(1,550)	(402,830)	-	-	(4,321,815)
Written off	-	-	(735,054)	(1,599)	(2,400)	-	(539)	-	(739,592)
Transfer to non-current assets held for sale (Note 17)	(1,530,000)	-	-	-	-	-	-	(2,296,674)	(3,826,674)
At 31 December 2022	21,382,723	36,015,758	126,391,298	848,285	2,592,989	7,005,258	6,938,439	9,932,980	211,107,730
Accumulated depreciation									
At 1 January 2022	-	11,666,277	78,112,747	481,647	2,356,749	6,052,877	-	1,795,508	100,465,805
Charge for the financial year	-	926,280	7,137,839	24,630	70,546	344,391	-	288,185	8,791,871
Derecognition	-	-	-	-	-	-	-	(159,421)	(159,421)
Disposals	-	(282,795)	(15,664)	-	(297)	(402,827)	-	-	(701,583)
Written off	-	-	(546,307)	(1,598)	(1,856)	-	-	-	(549,761)
Transfer to non-current assets held for sale (Note 17)	-	-	-	-	-	-	-	(303,781)	(303,781)
At 31 December 2022	-	12,309,762	84,688,615	504,679	2,425,142	5,994,441	-	1,620,491	107,543,130
Carrying amount									
At 31 December 2022	21,382,723	23,705,996	41,702,683	343,606	167,847	1,010,817	6,938,439	8,312,489	103,564,600

9. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Group	Freehold land RM	Buildings and warehouse RM	Plant, machinery and tools RM	Furniture, fittings and renovation RM	Office equipment and computers RM	Motor vehicles RM	Capital work-in-progress RM	Right-of use assets RM	Total RM
2021									
Cost									
At 1 January 2021	24,688,076	34,286,690	118,838,800	666,986	2,500,902	6,659,423	6,394,238	12,149,913	206,185,028
Additions	-	20,000	1,128,681	630	60,707	562,822	4,898,074	33,682	6,704,596
Reclassification	-	2,571,493	2,975,907	5,934	-	-	(5,553,334)	-	-
Disposals	-	-	(130,945)	-	-	(78,973)	-	-	(209,918)
Written off	-	-	(1,381,545)	-	(22,795)	-	(6,168)	(64,023)	(1,474,531)
At 31 December 2021	24,688,076	36,878,183	121,430,898	673,550	2,538,814	7,143,272	5,732,810	12,119,572	211,205,175
Accumulated depreciation									
At 1 January 2021	-	10,768,815	71,061,773	456,507	2,296,670	5,865,103	-	1,580,618	92,029,486
Charge for the financial year	-	897,462	7,895,202	25,140	79,059	266,744	-	278,913	9,442,520
Disposals	-	-	(32,457)	-	-	(78,970)	-	-	(111,427)
Written off	-	-	(811,771)	-	(18,980)	-	-	(64,023)	(894,774)
At 31 December 2021	-	11,666,277	78,112,747	481,647	2,356,749	6,052,877	-	1,795,508	100,465,805
Carrying amount									
At 31 December 2021	24,688,076	25,211,906	43,318,151	191,903	182,065	1,090,395	5,732,810	10,324,064	110,739,370

9. PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Company	
	2022	**2021**
	RM	**RM**
Office equipment		
Cost		
At 1 January/31 December	**4,000**	4,000
Accumulated depreciation		
At 1 January/31 December	**4,000**	4,000
Carrying amount		
At 31 December	**-**	-

(a) Property, plant and equipment pledged to licensed banks for banking facilities granted to the Group as disclosed in Note 20 are as follows:

	Group	
	2022	**2021**
	RM	**RM**
Carrying amount		
Freehold land	**16,901,538**	20,001,538
Leasehold land	**5,720,299**	7,835,119
Buildings and warehouse	**19,203,089**	20,463,770
	41,824,926	48,300,427

(b) The carrying amount of assets under finance lease arrangements are as follows:

	Group	
	2022	**2021**
	RM	**RM**
Motor vehicles	**594,900**	853,329

(c) The capital work-in-progress is in respect of cost incurred on the construction and restoration of factory, office building, extension of factory building and restoration, upgrading and fabrication of plant and machinery of the subsidiaries.

9. PROPERTY, PLANT AND EQUIPMENT (cont'd)

(d) Right-of-use assets

The Group leases several assets including leasehold lands, warehouse and buildings.

Information about leases for which the Group are lessees is presented below:

	Leasehold lands RM	Buildings RM	Warehouse RM	Total RM
Carrying amount				
At 1 January 2022	7,835,119	2,457,067	31,878	10,324,064
Addition	-	174,759	110,183	284,942
Depreciation	(121,927)	(111,424)	(54,834)	(288,185)
Derecognition	-	(15,439)	-	(15,439)
Transfer to non-current assets held for sale (Note 17)	(1,992,893)	-	-	(1,992,893)
At 31 December 2022	5,720,299	2,504,963	87,227	8,312,489

	Leasehold lands RM	Buildings RM	Warehouse RM	Total RM
Carrying amount				
At 1 January 2021	7,985,406	2,497,362	86,527	10,569,295
Addition	-	33,682	-	33,682
Depreciation	(150,287)	(73,977)	(54,649)	(278,913)
At 31 December 2021	7,835,119	2,457,067	31,878	10,324,064

The Group leases land and buildings for their office space and operation site. The leases generally have lease term between 43 to 95 years.

10. INTANGIBLE ASSETS

	Trademarks RM
Group	
Cost	
At 1 January/31 December	45,617
Carrying amount	
At 31 December 2021/2022	45,617

Trademarks relate to "Kiwi", "Kiwiware", "Goldenware" and "Ji Seng Hong Goldenware" brand names with logo for the Group. As disclosed in Note 3.12, the useful lives of these brands are estimated to be indefinite.

11. GOODWILL ON CONSOLIDATION

	Group	
	2022	2021
	RM	RM
At cost		
At 1 January/31 December	**6,078,933**	6,078,933

Goodwill on consolidation arise from the acquisition of Central Palm Oil Mill Sdn. Bhd. ("CPOM"). CPOM is identified as a single CGU, which represent the lowest level within the Group at which goodwill is monitored for internal management purposes. Goodwill is tested for impairment on annual basis by comparing the carrying amount with the recoverable amount of the CGU based on value-in-use. Value-in-use is determined by discounting the future cash flows to be generated from the continuing use of the CGU based on the following key assumptions:

(i) Cash flows are projected based on the management's three-year business plan for CPOM.
(ii) Discount rate of 16.17% used for cash flows discounting purpose is the average industry's weighted average cost of capital.
(iii) Sales are determined based on the management's past experience and estimate of industry trend for the next three financial years and assuming no growth for the subsequent years.
(iv) Gross margins are projected based on historical profit margin.

Based on the sensitivity analysis performed, the management does not foresee any reasonably possible change in the above key assumptions that would cause the carrying amount of the CGU to materially exceed its recoverable amount.

12. INVESTMENT IN SUBSIDIARIES

	Company	
	2022	2021
	RM	RM
Unquoted shares, at cost		
At 1 January	**87,406,086**	87,570,666
Additions	**-**	20,420
Written off	**-**	(185,000)
At 31 December	**87,406,086**	87,406,086
Accumulated impairment losses		
At 1 January	**(1,679,418)**	(1,697,000)
Impairment losses (Note 6)	**(38,520)**	(167,418)
Written off	**-**	185,000
At 31 December	**(1,717,938)**	(1,679,418)
Carrying amount	**85,688,148**	85,726,668

12. INVESTMENT IN SUBSIDIARIES (cont'd)

Details of the subsidiaries which are all incorporated in Malaysia, are as follows:

Name of company	Principal activities	Effective equity interest	
		2022	2021
CAM Plastic Industry Sdn. Bhd.	Manufacturing and trading in plastic household products	**100%**	100%
Central Aluminium Manufactory Sdn. Bhd.	Manufacturing and trading in aluminium and stainless steel household products and transportation agent	**100%**	100%
Central Melamineware Sdn. Bhd.	Manufacturing and trading in melamineware products	**100%**	100%
Central Palm Oil Mill Sdn. Bhd.	Processing and sale of crude palm oil, palm kernel, palm fibre and related products	**100%**	100%
Future Atlas Sdn. Bhd.	Generating renewable energy	**100%**	100%
Advance Eagle Marketing Sdn. Bhd.	Inactive	**100%**	100%
Prestile Industries Sdn. Bhd.	Inactive	**100%**	100%
Naprogen Sdn. Bhd.	Dormant	**100%**	100%
Saluran Suriamas Sdn. Bhd.	Dormant	**100%**	100%

Acquisition of subsidiaries

(i) 2021

(a) On 31 December 2021, the Company subscribed for an additional 10,120 ordinary shares in Saluran Suriamas Sdn. Bhd. ("SSSB") for a total cash consideration of RM10,120. The acquisition does not change the effective equity interest held by the Company.

(b) On 31 December 2021, the Company subscribed for an additional 10,300 ordinary shares in Naprogen Sdn. Bhd. ("Naprogen") for a total cash consideration of RM10,300. The acquisition does not change the effective equity interest held by the Company.

Strike off of subsidiary

(i) 2021

(a) On 24 June 2021, a wholly owned subsidiary of the Company, namely Kitchenally Sdn. Bhd. ("KSB") received the notification published on the Companies Commission of Malaysia's website under Section 551 of the Companies Act 2016. Hence, KSB shall deem to be dissolved upon publication of the notice pursuant to Section 551 (3) of the Companies Act 2016 in the Gazette.

13. INVENTORIES

	Group	
	2022	**2021**
	RM	**RM**
At lower of cost and net realisable value:		
Raw materials	**9,153,194**	10,085,479
Work-in-progress	**6,642,195**	6,686,612
Finished goods	**13,405,029**	12,504,852
	29,200,418	29,276,943

Recognised in profit or loss:

	Group	
	2022	**2021**
	RM	**RM**
Inventories recognised as cost of sales	**461,287,499**	371,974,946
Inventories written down	**-**	1,352,269
Reversal of inventories written down	**(455,435)**	-

14. TRADE RECEIVABLES

	Group	
	2022	**2021**
	RM	**RM**
Third parties	**16,842,647**	13,207,501
Related parties	**5,806**	-
Less: Impairment losses	**(1,242,633)**	(956,376)
Trade receivables, net	**15,605,820**	12,251,125

The foreign currency exposure profile of trade receivables of the Group is as follows:

	Group	
	2022	**2021**
	RM	**RM**
Singapore Dollar	**182,619**	262,109
United States Dollar	**526,687**	218,174
	709,306	480,283

Trade receivables are non-interest bearing and normal credit terms offered by the Group ranging from 7 to 120 days (2021: 7 to 120 days) from the date of invoices. Other credit terms are assessed and approved on a case-by-case basis.

14. TRADE RECEIVABLES (cont'd)

Receivables that are impaired

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

	Group	
	2022	**2021**
	RM	**RM**
At 1 January	**956,376**	940,777
Charge for the financial year		
- individually assessed (Note 6)	**298,153**	17,199
Reversal of impairment losses (Note 6)	**(11,896)**	(1,600)
At 31 December	**1,242,633**	956,376

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. These receivables are not secured by any collateral or credit enhancements.

The information about the credit exposure are disclosed in Note 30(i).

15. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

		Group		Company	
		2022	**2021**	**2022**	**2021**
	Note	**RM**	**RM**	**RM**	**RM**
Other receivables		**212,889**	730,828	**-**	-
Deposits		**330,976**	298,735	**-**	530
Advances to suppliers	(a)	**755,714**	1,329,371	**-**	-
GST refundable		**30**	30	**-**	-
Prepayments		**483,109**	365,215	**12,367**	13,609
Staff advances		**558,155**	364,100	**-**	-
		2,340,873	3,088,279	**12,367**	14,139

(a) Included in advances to suppliers of the Group is an amount of RM300,245 and RM5,039 (2021: RM935,840 and RM850) denominated in United States Dollar and Chinese Yuan Renminbi respectively, being advances to foreign suppliers for the acquisition of plant and machinery and inventories.

16. DEPOSITS, CASH AND BANK BALANCES

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM	**RM**	**RM**	**RM**
Cash and bank balances	**12,414,509**	1,668,072	**997**	4,224
Deposits placed with licensed banks	**21,508,044**	32,862,000	**-**	-
Cash and cash equivalents as reported in the statements of financial position	**33,922,553**	34,530,072	**997**	4,224
Less:				
Bank overdrafts (Note 20)	**(849,991)**	(2,618,585)	**-**	-
Fixed deposits with maturity more than 3 months	**(508,044)**	(500,000)	**-**	-
Cash and cash equivalents as reported in the statements of cash flows	**32,564,518**	31,411,487	**997**	4,224

The cash deposits placed with licensed banks are placement with period less than 3 months and bear interests at rates ranging from 0.60% to 2.85% (2021: 0.60% to 0.99%) per annum and mature within 3 months.

The foreign currency exposure profile of cash and bank balances of the Group is as follows:

	Group	
	2022	**2021**
	RM	**RM**
Singapore Dollar	**389,860**	244,958
United States Dollar	**719,974**	86,341
	1,109,834	331,299

17. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

On 7 December 2022, Central Melamineware Sdn. Bhd., a wholly-owned subsidiary of the Company, entered into a Sales and Purchase Agreement with Healthlink Services Sdn. Bhd. for the disposal of two pieces of land for a total cash consideration of RM11,919,283.

18. SHARE CAPITAL

	Group and Company			
	Number of ordinary shares		Amounts	
	2022	**2021**	**2022**	**2021**
	Unit	**Unit**	**RM**	**RM**
Issued and fully paid up (no par value):				
At beginning/end of the financial year	**196,800,000**	196,800,000	**54,378,474**	54,378,474

The holders of ordinary shares (except treasury 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.

19. TREASURY SHARES

	Group and Company			
	Number of shares		Amounts	
	2022	2021	2022	2021
	Unit	Unit	RM	RM
Treasury shares:				
At the beginning of the financial year	**5,384,256**	5,384,256	**1,490,945**	1,490,945
Repurchase	**1,800,000**	-	**652,014**	-
At the end of the financial year	**7,184,256**	5,384,256	**2,142,959**	1,490,945

Treasury shares relate to ordinary shares of the Company that are repurchased and held by the Company. The amount consists of the acquisition costs of treasury shares net of the proceeds received on their subsequent sale or issuance. The shares repurchased to date financed by internally generated funds are being held as treasury shares in accordance with the requirement of section 127 of the Companies Act 2016 in Malaysia.

The shareholders of the Company, by way of resolution passed at the Annual General Meeting held on 21 June 2022 renewed the authority given to the Company to repurchase up to 10% of the issued and paid-up ordinary share capital of the Company ("Share Buy-Back"). The directors of the Company are committed to enhancing the value of the Company to its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders.

There was no repurchase of the Company's issued ordinary shares, nor any resale, cancellation or distribution of treasure shares during the year, except for the following:

For the financial year ended 31 December 2022, the Company repurchased 1,800,000 shares of its issued shares from the open market. The average price paid for the shares repurchased was RM0.362.

20. LOANS AND BORROWINGS

		Group	
		2022	2021
	Note	RM	RM
Non-current:			
Secured			
Term loans	(a)	**6,078,609**	17,787,277
Lease liabilities	(b)	**418,744**	590,361
		6,497,353	18,377,638
Unsecured			
Lease liabilities	(b)	**51,411**	11,464
		6,548,764	18,389,102

20. LOANS AND BORROWINGS (cont'd)

	Note	Group 2022 RM	Group 2021 RM
Current:			
Secured			
Term loans	(a)	**2,691,316**	2,912,892
Bank overdrafts	(c)	**-**	1,375,690
Bankers' acceptances	(d)	**11,032,808**	9,179,066
Lease liabilities	(b)	**249,622**	230,863
		13,973,746	13,698,511
Unsecured			
Bank overdrafts	(c)	**849,991**	1,242,895
Bankers' acceptances	(d)	**6,296,000**	8,004,100
Lease liabilities	(b)	**117,376**	50,548
Revolving credit	(e)	**3,400,000**	5,200,000
		10,663,367	14,497,543
		24,637,113	28,196,054
		31,185,877	46,585,156
Total loans and borrowings:			
Term loans	(a)	**8,769,925**	20,700,169
Lease liabilities	(b)	**837,153**	883,236
Bank overdrafts	(c)	**849,991**	2,618,585
Bankers' acceptances	(d)	**17,328,808**	17,183,166
Revolving credits	(e)	**3,400,000**	5,200,000
		31,185,877	46,585,156

(a) Term loans

The term loans of the Group bear interest at rates ranging from 4.30% to 8.40% (2021: 3.30% to 7.40%) per annum and are secured and supported as follows:

(a) fixed and floating charge over certain freehold and leasehold land, buildings and warehouse of subsidiaries as disclosed in Note 9(a);
(b) corporate guarantee of the Company;
(c) a fixed deposit-i;
(d) assignment of Contract Proceeds; and
(e) assignment of Takaful Policy by a director of a subsidiary.

(b) Lease liabilities

Certain vehicles of the Group as disclosed in Note 9(b) are pledged for leases. The average interest rate implicit in the leases is ranging from 3.57% to 7.65% (2021: 3.15% to 5.95%).

20. LOANS AND BORROWINGS (cont'd)

(b) Lease liabilities (cont'd)

Future minimum lease payments together with the present value of net minimum lease payments are as follows:

	Group	
	2022	**2021**
	RM	**RM**
Minimum lease payments:		
Not later than one year	**396,013**	310,180
Later than one year and not later than 5 years	**492,027**	636,035
	888,040	946,215
Less: Future finance charges	**(50,887)**	(62,979)
Present value of minimum lease payments	**837,153**	883,236
Present value of minimum lease payments:		
Not later than one year	**366,998**	281,411
Later than one year and not later than 5 years	**470,155**	601,825
	837,153	883,236
Less: Amount due within 12 months	**(366,998)**	(281,411)
Amount due after 12 months	**470,155**	601,825

(c) Bank overdrafts

The bank overdraft facilities granted to subsidiaries bear interests at rates ranging from 6.65% to 7.65% (2021: 6.49% to 6.95%) per annum and are guaranteed by the Company.

(d) Bankers' acceptances

The bankers' acceptances granted to subsidiaries bear interests at rates ranging from 2.81% to 4.31% (2021: 1.93% to 2.81%) per annum and are secured and supported by the corporate guarantee of the Company.

(e) Revolving credit

The revolving credit of the Group bears interest at rates ranging from 4.45% to 4.60% (2021: 3.44% to 3.54%) per annum and are supported by the corporate guarantee of the Company.

21. DEFERRED TAX LIABILITIES

	Group	
	2022	**2021**
	RM	**RM**
Deferred tax		
At 1 January	**4,923,275**	4,240,362
Recognised in profit or loss (Note 7)	**391,827**	682,913
At 31 December	**5,315,102**	4,923,275

21. DEFERRED TAX LIABILITIES (cont'd)

This is in respect of deferred tax liabilities arising from the following temporary differences:

	Group	
	2022	**2021**
	RM	**RM**
Deferred tax liabilities		
Differences between the carrying amount of property, plant and equipment and their tax base	**4,217,991**	3,733,665
Fair value adjustment in respect of subsidiaries acquired	**1,098,758**	1,190,773
Deductible temporary differences in respect of expenses	**-**	1,001
Unrealised profit on inventories	**(1,647)**	(2,164)
	5,315,102	4,923,275

Unrecognised deferred tax assets

The estimated amount of temporary differences for which no deferred tax assets are recognised in the financial statements are as follows:

	Group	
	2022	**2021**
	RM	**RM**
Differences between the carrying amounts of property, plant and equipment and their tax base	**229,505**	329,503
Unabsorbed capital allowances	**2,273**	307,332
Unabsorbed industrial tax allowance	**21,657,962**	21,558,997
Unused tax losses	**1,706,572**	3,076,152
Others	**1,958,899**	1,203,105
	25,555,211	26,475,089

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

The unused tax losses are available for offset against future taxable profits of the Group up to the following financial years:

	Group
	RM
2028	**1,706,572**

22. TRADE PAYABLES

	Group	
	2022	**2021**
	RM	**RM**
Third parties	**12,873,137**	13,631,783
Related party	**99,000**	188,240
	12,972,137	13,820,023

22. TRADE PAYABLES (cont'd)

The foreign currency exposure profile of trade payables of the Group is as follows:

	Group	
	2022	2021
	RM	RM
United States Dollar	-	58,696

(a) The normal trade credit term granted by trade creditors to the Group ranging from 14 to 120 days (2021: 14 to 120 days).

(b) The related party is a company in which a director of the Company has financial interest and is also a director.

23. OTHER PAYABLES, DEPOSITS AND ACCRUALS

		Group		Company	
		2022	2021	2022	2021
	Note	RM	RM	RM	RM
Other payables	(a)	**1,200,122**	1,245,157	**26,758**	12,674
Deposits received	(b)	**844,122**	9,772	**-**	-
GST payable		**1,257**	1,257	**-**	-
Accruals and provision	(c)	**4,487,110**	3,707,685	**270,280**	264,785
		6,532,611	4,963,871	**297,038**	277,459

(a) The foreign currency exposure profile of other payables of the Group is as follows:

	Group	
	2022	2021
	RM	RM
United States Dollar	**379,570**	331,417

(b) Deposit received is an amount of RM834,350 (2021: Nil) which represents down payment received from purchaser for disposal of 2 pieces of land.

(c) Included in the accruals and provision is an amount of provision in respect of provision for employee benefits on short term accumulating compensated absences for the employees of the Group. The provision is made based on the number of days of outstanding compensated absences of each employee multiplied by their respective salary/wages as at the financial year end.

	Group	
	2022	2021
	RM	RM
At 1 January	**481,403**	475,295
Additions	**517,119**	481,403
Reversal	**(481,403)**	(475,295)
At 31 December	**517,119**	481,403

24. CONTRACT LIABILITIES

	Group	
	2022	**2021**
	RM	**RM**
Contract liabilities relating to sales of goods	**389,306**	653,694

	Contract liabilities (increase)/decrease	
	2022	**2021**
	RM	**RM**
Group		
Revenue recognised that was included in contract liability at the beginning of the financial year	**653,694**	364,093
Increases due to advances received from customers, but revenue not recognised	**(389,306)**	(653,694)

25. CAPITAL COMMITMENTS

	Group	
	2022	**2021**
	RM	**RM**
Approved and contracted for:		
- Property, plant and machinery	**6,711,420**	1,008,330
- Extension of building	**-**	380,000
	6,711,420	1,388,330

26. DIVIDENDS

	2022	**2021**
	RM	**RM**
Recognised during the financial year:		
Single tier interim dividend of RM0.01 per ordinary share in respect of the financial year ended 31 December 2022, paid on 28 July 2022	**1,914,157**	-

27. 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) Entities in which certain directors have financial interests;
(iii) Entities in which close family members of certain directors are the owners; and
(iv) Key management personnel of the Group and the Company, comprise persons (including directors) having the authority and responsibility for planning, directing and controlling the activities directly or indirectly.

27. RELATED PARTIES (cont'd)

(b) Significant related party transactions

Significant related party transactions other than disclosed elsewhere in the financial statements are as follows:

	Group	
	2022	**2021**
	RM	**RM**
Related parties		
A company in which the children and son-in-law of a director of the company are the shareholders of the company:		
- sales of goods	**(63,801)**	(10,467)
A company where a director of the Company has financal interest and is also a director:		
- sales of goods	**-**	(25,000)
- rendering of services	**297,180**	444,820
- purchase of asset	**1,543,315**	142,500

	Company	
	2022	**2021**
	RM	**RM**
Subsidiaries		
Dividend income	**(3,200,000)**	(600,000)

The Company provides secured corporate guarantees to banks in respect of banking facilities granted to the subsidiaries as disclosed in Notes 20.

(c) Compensation of key management personnel

Key management personnel including personnel having authority and responsibility for planning, directing and controlling the activities of the entities directly or indirectly, including any director of the Group and of the Company.

The remuneration of the key management personnel is as follows:

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM	**RM**	**RM**	**RM**
Fees	**272,000**	272,000	**272,000**	272,000
Other emoluments	**2,235,757**	2,282,594	**16,800**	15,400
Post-employment benefits	**142,078**	161,618	**-**	-
Estimated monetary value of benefits-in-kind	**61,821**	51,675	**-**	-
	2,711,656	2,767,887	**288,800**	287,400

28. SEGMENT INFORMATION

The Group prepared the following segment information in accordance with MFRS 8 *Operating Segments* based on the internal reports of the Group's strategic business units which are regularly reviewed by the Group's Executive Chairman for the purpose of making decisions about resource allocation and performance assessment.

The three reportable operating segments are as follows:

Segments	**Products and services**
Investment holding	Investment holding
Manufacturing and trading	Manufacturing and trading of aluminium, stainless steel, melamine and plastic household products
Palm oil mill	Processing and sale of crude palm oil, palm kernel, palm fibre and other related products
Renewable energy	Renewable energy generation

Inter-segment pricing is determined on negotiated basis.

Factors used to identify reportable segments
The investment holding, manufacturing and trading, palm oil mill and renewable energy are identified as separate reportable segments due to the nature of product being produced or traded of.

Segment profit
Segment performance is used to measure performance as Group's Executive Chairman believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Performance is evaluated based on operating profit or loss which is measured differently from operating profit or loss in the consolidated financial statements.

Segment assets
The total of segment asset is measured based on all assets of a segment, as included in the internal reports that are reviewed by the Group's Executive Chairman.

Segment liabilities
The total of segment liabilities is measured based on all liabilities of a segment, as included in the internal reports that are reviewed by the Group's Executive Chairman.

	Note	Investment holding RM	Manufacturing and trading RM	Palm oil mill RM	Renewable energy RM	Adjustments and eliminations RM	Consolidated RM
2022							
Revenue:							
Revenue from external customers		**-**	**53,131,574**	**436,168,498**	**6,710,524**	**-**	**496,010,596**
Inter-segment revenue	a	**3,200,000**	**1,472,178**	**-**	**-**	**(4,672,178)**	**-**
Total revenue		**3,200,000**	**54,603,752**	**436,168,498**	**6,710,524**	**(4,672,178)**	**496,010,596**

28. SEGMENT INFORMATION (cont'd)

	Note	Investment holding RM	Manufacturing and trading RM	Palm oil mill RM	Renewable energy RM	Adjustments and eliminations RM	Consolidated RM
2022 (cont'd)							
Results:							
Included in the measure of segment profit/(loss) are:							
Interest expense		-	**684,315**	**142,569**	**870,948**	**(629,679)**	**1,068,153**
Interest income		-	**(20,266)**	**(811,548)**	**(12,498)**	**552,690**	**(291,622)**
Depreciation of property, plant and equipment		-	**2,491,481**	**3,853,112**	**2,307,801**	**139,477**	**8,791,871**
Impairment losses on trade receivables	14	-	**298,153**	-	-	-	**298,153**
Gain on modification of lease		-	**(263)**	-	-	-	**(263)**
(Gain)/Loss on disposal of property, plant and equipment		-	**(1,020,103)**	-	**1,103**	**(1,393,147)**	**(2,412,147)**
Net provision for employee benefits	23(b)	-	**25,490**	**13,041**	**(2,815)**	-	**35,716**
Net unrealised loss on foreign exchange		-	**3,708**	-	-	-	**3,708**
Other receivables written off	9	-	**107,671**	**45,000**	-	-	**152,671**
Property, plant and equipment written off	9	-	**1,834**	**185,700**	**2,297**	-	**189,831**
Reversal of impairment losses on trade receivables	14	-	**(11,896)**	-	-	-	**(11,896)**
Reversal of inventories written down	13	-	**(455,435)**	-	-	-	**(455,435)**
Segment profit/(loss) before tax		**2,502,888**	**1,884,917**	**19,023,760**	**(47,131)**	**(1,948,667)**	**21,415,767**
Assets:							
Additions to non-current assets excluding deferred tax assets and financial assets		-	**2,975,839**	**5,907,285**	**82,372**	-	**8,965,496**
Segment assets	b	**85,707,724**	**94,037,028**	**93,592,508**	**18,319,770**	**(95,783,436)**	**195,873,594**
Liabilities:							
Segment liabilities	c	**297,038**	**22,689,787**	**29,489,591**	**14,182,778**	**(10,262,421)**	**56,396,773**

28. SEGMENT INFORMATION (cont'd)

	Note	Investment holding RM	Manufacturing and trading RM	Palm oil mill RM	Renewable energy RM	Adjustments and eliminations RM	Consolidated RM
2021							
Revenue:							
Revenue from external customers		-	44,017,484	349,118,079	6,065,842	-	399,201,405
Inter-segment revenue	a	600,000	68,536	-	-	(668,536)	-
Total revenue		600,000	44,086,020	349,118,079	6,065,842	(668,536)	399,201,405
Results:							
Included in the measure of segment profit/(loss) are:							
Interest expense		-	868,096	629,436	980,147	(881,079)	1,596,600
Interest income		-	(10,938)	(887,339)	(531)	800,931	(97,877)
Depreciation of property, plant and equipment		-	2,201,847	3,675,896	2,306,997	1,257,781	9,442,521
Impairment losses on trade receivables	14	-	17,199	-	-	-	17,199
Gain on modification of lease		-	(3,000)	-	-	-	(3,000)
(Gain)/Loss on disposal of property, plant and equipment		-	(31,700)	60,217	-	-	28,517
Net provision for employee benefits	23(b)	-	3,528	3,103	(523)	-	6,108
Net unrealised loss on foreign exchange		-	7,109	-	-	-	7,109
Other receivables written off	9	-	289	4,256	-	-	4,545
Property, plant and equipment written off	9	-	157,514	35,282	386,961	-	579,757
Reversal of impairment losses on trade receivables	14	-	(1,600)	-	-	-	(1,600)
Write down of slow moving inventories	13	-	1,352,269	-	-	-	1,352,269
Segment profit/(loss) before tax		(149,131)	(408,055)	14,697,234	746,771	(1,728,319)	13,158,500
Assets:							
Additions to non-current assets excluding deferred tax assets and financial assets		-	2,070,707	4,054,937	578,952	-	6,704,596
Segment assets	b	85,751,428	99,089,746	83,845,049	20,944,281	(92,758,129)	196,872,375
Liabilities:							
Segment liabilities	c	277,459	28,710,991	31,208,892	16,757,031	(5,894,283)	71,060,090

28. SEGMENT INFORMATION (cont'd)

Reconciliation of reportable segment revenue, profit or loss, assets, liabilities and other material items are as follows:

(a) Inter-segment revenues are eliminated on consolidation.

(b) The following items are deducted from segment assets to arrive at total assets reported in the Group's statement of financial position:

	2022 RM	2021 RM
Investment in subsidiaries	**(85,688,148)**	(85,726,668)
Inter-segment assets	**(10,095,288)**	(7,031,461)
	(95,783,436)	(92,758,129)

(c) The following items are deducted from segment liabilities to arrive at total liabilities reported in the Group's statement of financial position:

	2022 RM	2021 RM
Deferred tax liabilities	**1,097,111**	1,188,609
Inter-segment liabilities	**(11,359,532)**	(7,082,892)
	(10,262,421)	(5,894,283)

Geographical information
Revenue based on geographical location of customers are as follows:

	2022 RM	2021 RM
Malaysia	**490,632,797**	393,136,531
Asia other than Malaysia	**1,624,883**	1,354,665
America	**3,752,916**	4,696,482
Others	**-**	13,727
	496,010,596	399,201,405

The Group operates predominantly in Malaysia and accordingly, the non-current assets of the Group are located in Malaysia.

Information about major customers
Revenue from two (2021: three) major customers in palm oil mill segment represented RM330,236,558 (2021: RM292,075,705) for the Group's total revenue.

29. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned:

	2022 RM	2021 RM
Financial assets		
Group		
Trade and other receivables and deposits, net of advances to supliers, prepayments and GST refundable	**16,707,840**	13,644,788
Deposits, cash and bank balances	**33,922,553**	34,530,072
	50,630,393	48,174,860
Company		
Other receivables and deposits, net of prepayments	**-**	530
Bank balances	**997**	4,224
	997	4,754
Financial liabilities		
Group		
Loans and borrowings	**31,185,877**	46,585,156
Trade and other payables deposits and accruals, net of GST payable	**19,503,491**	18,782,637
	50,689,368	65,367,793
Company		
Other payables and accruals	**297,038**	277,459

(b) Fair value measurement

The carrying amounts of deposits, cash and bank balances, short-term receivables and payables and short-term borrowings reasonable approximate to their fair value due to the relatively short-term nature of these financial instruments.

The carrying amount of long-term floating rate term loan is reasonable approximate of fair values as the loans will be re-priced to market interest rate on or near reporting date.

There have been no transfers between Level 1 and Level 2 during the financial year (2021: no transfer in either directions).

29. FINANCIAL INSTRUMENTS (cont'd)

(b) Fair value measurement (cont'd)

The following table provides the fair value measurement hierarchy of the Group's financial instruments:

			Fair value of financial instruments not carried at fair value			
		Carrying Amount	Level 1	Level 2	Level 3	Total
	Note	RM	RM	RM	RM	RM
Group						
At 31 December 2022						
Financial liabilities:						
Term loans	20	**8,769,925**	**-**	**8,769,925**	**-**	**8,769,925**
At 31 December 2021						
Financial liabilities:						
Term loans	20	20,700,169	-	20,700,169	-	20,700,169

30. 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, foreign currency risk, interest rate risk and liquidity risk.

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its risks. The Group operates within clearly defined guidelines that are approved by the Board of Directors. It is, and has been throughout the current and previous financial years, the Group's policy that no derivatives shall be undertaken. The Group and the Company do not apply hedge accounting.

The Group's and the Company's exposure to the financial risks and the objectives, policies and processes put in place to manage these risks are discussed below.

(i) Credit risk

Credit risk is the risk of financial loss to the Group that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group is exposed to credit risk arises primarily from trade and other receivables. The Company is exposed to credit risk arises principally from the financial guarantees given. For other financial assets, the Group and the Company minimise credit risk by dealing with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivables balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

The Group's and the Company's exposure to the financial risks and the objectives, policies and processes put in place to manage these risks are discussed below. (continued)

30. FINANCIAL RISK MANAGEMENT (cont'd)

(i) Credit risk (cont'd)

Trade receivables

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables is represented by the carrying amount in the statements of financial position.

The carrying amount of trade receivables is not secured by any collateral or supported by any other credit enhancements. In determining the recoverability of these receivables, the Group considers any change in the credit quality of the receivables from the date the credit was initially granted up to the reporting date. The Group has 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 of its trade receivables by industry sector profile on an ongoing basis. At the end of the reporting period, approximately 18.46% (2021: 16.71%) of the Group receivables was due from one (2021: one) major customers.

The credit risk concentration profile of the Group's trade receivables at the reporting date are as follows:

	2022		2021	
	RM	%	RM	%
Group				
Manufacturing and trading	**8,359,233**	54%	8,723,226	71%
Palm oil mill	**6,575,288**	42%	3,170,015	26%
Renewable energy	**671,299**	4%	357,884	3%
	15,605,820	100%	12,251,125	100%

The Group applies the simplified approach to providing for impairment losses prescribed by MFRS 9 *Financial Instruments*, which permits the use of the lifetime expected credit losses provision for all trade receivables. To measure the impairment losses, trade receivables have been grouped based on shared credit risks characteristics and the days past due. The Group also assessed the risk of loss of each customer based on their financial information and past trend of payments, where applicable.

The information about the credit risk exposure on the Group's trade receivable using provision matrix is as follows:

	Expected credit loss rate	Gross carrying amount RM	Impairment losses RM	Net balance RM
Group				
At 31 December 2022				
Current	**0%**	**15,097,411**	**-**	**15,097,411**
1 to 90 days past due	**0%**	**333,796**	**-**	**333,796**
91 to 120 days past due	**0%**	**57,951**	**-**	**57,951**
More than 121 days past due	**0%**	**1,359,295**	**(1,242,633)**	**116,662**
		16,848,453	**(1,242,633)**	**15,605,820**

30. FINANCIAL RISK MANAGEMENT (cont'd)

(i) Credit risk (cont'd)

Trade receivables (cont'd)

Credit risk concentration profile (cont'd)

	Expected credit loss rate	Gross carrying amount RM	Impairment losses RM	Net balance RM
Group				
At 31 December 2021				
Current	0%	11,691,501	-	11,691,501
1 to 90 days past due	0%	38,635	-	38,635
91 to 120 days past due	0%	5,941	-	5,941
More than 121 days past due	0%	1,471,424	(956,376)	515,048
		13,207,501	(956,376)	12,251,125

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 asset are 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. Especially the following indicators are incorporated:

- internal credit rating
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 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 borrower does not have sufficient highly liquid resources when the loan is demanded, the Group will considers the expected manner of recovery and recovery period of the intercompany loan.

As at the end of the reporting date, the Group and the Company did not recognise any loss allowance for impairment for other receivables and other financial assets. Refer to Note 3.16(a) for the Group's and the Company's other accounting policies for impairment of financial assets.

Financial guarantees contracts

The Company provides unsecured corporate guarantees to banks in respect of credit and banking facilities granted to certain subsidiaries.

30. FINANCIAL RISK MANAGEMENT (cont'd)

(i) Credit risk (cont'd)

Financial guarantees contracts (cont'd)

The Company is exposed to credit risk in relation to unsecured financial guarantees given to banks in respect of loans 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 amounts to RM30,348,724 (2021: RM45,701,920) representing the maximum amount the Company could pay if the guarantee is called on as disclosed in Note 30(iv). As at the reporting date, there was no loss 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.

(ii) 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's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when sales and purchases that are denominated in a foreign currency).

The Group has transactional currency exposures arising from sales and purchases that are denominated in currencies other than the functional currency of the Group entities, primarily in United States Dollar ("USD"), Singapore Dollar ("SGD") and Chinese Yuan ("CNY").

The Group also holds cash and bank balances denominated in foreign currencies for working capital purposes.

Sensitivity analysis for foreign currency risk
The following table demonstrates the sensitivity to a reasonably possible change in the USD, SGD and CNY, with all other variables held constant on the Group's total equity and profit for the financial year.

		Group	
		2022	**2021**
		RM	**RM**
USD/RM	- strengthened 10% (2021: 10%)	**88,718**	64,618
	- weakened 10% (2021: 10%)	**(88,718)**	(64,618)
SGD/RM	- strengthened 10% (2021: 10%)	**43,508**	38,537
	- weakened 10% (2021: 10%)	**(43,508)**	(38,537)
CNY/RM	- strengthened 10% (2021: 10%)	**383**	65
	- weakened 10% (2021: 10%)	**(383)**	(65)

(iii) Interest rate risk

Interest rate risk is the risk of fluctuation in fair value or future cash flows of the Group's financial instruments as a results of changes in market interest rates.

The Group's exposure to interest rate risk relates to interest bearing financial liabilities and financial asset. Interest bearing financial liabilities includes bankers' acceptances, bank overdrafts, lease liabilities, revolving credits and term loans. Interest bearing financial asset includes deposits placed with licensed banks at fixed rate expose the Group to fair value interest rate risk.

The bank overdrafts, bankers' acceptances, revolving credit and term loans totalling RM30,348,724 (2021: RM45,701,920) at floating rates expose the Group to cash flow interest rate risk whilst lease liabilities of RM837,153 (2021: RM883,236) at fixed rates expose the Group to fair value interest rate risk.

30. FINANCIAL RISK MANAGEMENT (cont'd)

(iii) Interest rate risk (cont'd)

The Group adopts a strategy of mixing fixed and floating rate borrowing to minimise exposure to interest rate risk. The Group also reviews its debt portfolio to ensure favourable rates are obtained.

<u>Sensitivity analysis for interest rate risk</u>
If the interest rate had been 50 basis point higher/lower and all other variables held constant, the Group's profit net of tax for the financial year ended 31 December 2022 would decrease/increase by RM115,325 (2021: RM173,667) as a result of exposure to floating rate borrowings.

(iv) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations when they fall due. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities between financial assets and liabilities. The Group's and the Company's exposure to liquidity risk arise principally from trade payables, other payables and loans and borrowings. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through use of stand-by credit facilities.

The Group and the Company actively manage their operating cash flows and the availability of funding so as to ensure that all repayment and funding needs are met. As part of its overall prudent liquidity management, the Group and the Company maintain sufficient levels of cash to meet their working capital requirements.

<u>Maturity analysis</u>
The maturity analysis of the Group's and the Company's financial liabilities by their relevant maturity at the reporting date based on contractual undiscounted repayment obligations are as follows:

		← Contractual undiscounted cash flows →			
	Carrying amount	**On demand or within 1 year**	**Between 1 and 5 years**	**More than 5 years**	**Total**
	RM	**RM**	**RM**	**RM**	**RM**
2022					
Group					
Financial liabilities:					
Trade and other payables, deposits and accruals, net of advances from customers and GST payable	**19,503,491**	**19,503,491**	**-**	**-**	**19,503,491**
Term loans	**8,769,925**	**3,088,307**	**6,089,807**	**536,911**	**9,715,025**
Lease liabilities	**837,153**	**396,013**	**492,027**	**-**	**888,040**
Bank overdrafts	**849,991**	**849,991**	**-**	**-**	**849,991**
Bankers' acceptances	**17,328,808**	**17,328,808**	**-**	**-**	**17,328,808**
Revolving credit	**3,400,000**	**3,400,000**	**-**	**-**	**3,400,000**
	50,689,368	**44,566,610**	**6,581,834**	**536,911**	**51,685,355**
Company					
Financial liabilities:					
Other payables and accruals	**297,038**	**297,038**	**-**	**-**	**297,038**
Financial guarantee *	**-**	**30,348,724**	**-**	**-**	**30,348,724**

30. FINANCIAL RISK MANAGEMENT (cont'd)

(iv) Liquidity risk (cont'd)

Maturity analysis (cont'd)
The maturity analysis of the Group's and the Company's financial liabilities by their relevant maturity at the reporting date based on contractual undiscounted repayment obligations are as follows: (cont'd)

		← Contractual undiscounted cash flows →			
	Carrying amount	**On demand or within 1 year**	**Between 1 and 5 years**	**More than 5 years**	**Total**
	RM	**RM**	**RM**	**RM**	**RM**
2021					
Group					
Financial liabilities:					
Trade and other payables, deposits and accruals, net of advances from customers and GST payable	18,782,637	18,782,637	-	-	18,782,637
Term loans	20,700,169	3,071,745	11,362,620	9,324,524	23,758,889
Lease liabilities	883,236	310,180	636,035	-	946,215
Bank overdrafts	2,618,585	2,618,585	-	-	2,618,585
Bankers' acceptances	17,183,166	17,183,166	-	-	17,183,166
Revolving credit	5,200,000	5,200,000	-	-	5,200,000
	65,367,793	47,166,313	11,998,655	9,324,524	68,489,492
Company					
Financial liabilities:					
Other payables and accruals	277,459	277,459	-	-	277,459
Financial guarantee *	-	45,701,920	-	-	45,701,920

* The Company provides unsecured corporate guarantee to banks in respect of credit and banking facilities granted to certain subsidiaries. The potential exposure of the financial guarantee is equivalent to the amount of the banking facilities being utilised by the said subsidiaries.

31. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholders' value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies and processes during the financial years ended 31 December 2022 and 31 December 2021.

31. CAPITAL MANAGEMENT (cont'd)

The Group monitors capital using gearing ratio, which is total external borrowings divided by total equity. The gearing ratio as at 31 December 2022 and 31 December 2021, which are within the Group's objectives of capital management are as follows:

	Group	
	2022	**2021**
	RM	**RM**
Total external borrowings	**31,185,877**	46,585,156
Total equity	**139,476,821**	125,812,285
Gearing ratio	**0.22**	0.37

A subsidiary of the Group is required to maintain a gearing ratio not exceeding 1.50 to comply with a bank covenant. The subsidiary has complied with this requirement.

32. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(a) On 4 January 2022, Central Aluminium Manufactory Sdn. Bhd., a wholly-owned subsidiary of the Company, entered into a Sales and Purchase Agreement with Ooi Beng Liew & Sons Sdn. Bhd. for the disposal of two pieces of land for a total cash consideration of RM6,000,000.

The transaction had been completed on 17 May 2022.

(b) On 7 December 2022, Central Melamineware Sdn. Bhd., a wholly-owned subsidiary of the Company, entered into a Sales and Purchase Agreement with Healthlink Services Sdn. Bhd. for the disposal of two pieces of land for a total cash consideration of RM11,919,283.

This transaction has yet to be completed as at 31 December 2022.

33. SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

(a) Acquisition of land

On 8 February 2023, Central Palm Oil Mill Sdn. Bhd., a wholly-owned subsidiary of the Company, entered into a Sale and Purchase Agreement with Oh Kheng Long, Tham Ching Soon, Tham Her Ching and Wong Kee Fong for the purchase of a piece of agricultural land for a total consideration of RM6,146,539.

(b) Internal reorganisation

On 15 February 2023, the Company entered into a Share Acquisition Agreement with its wholly-owned subsidiary, Central Palm Oil Mill Sdn. Bhd. (CPOM), to transfer its entire shareholding of 4,000,000 ordinary shares in Future Atlas Sdn. Bhd. (FASB) to CPOM at a total cash consideration of RM4,200,000.

As a result of the internal reorganisation, CPOM shall own the entire share capital of FASB and the Company will be the ultimate holding company of FASB.

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, **LEE CHIN YEN** and **TAN HONG CHENG**, being two of the directors of CAM Resources Berhad, do hereby state that in the opinion of the directors, the accompanying financial statements set out on pages 56 to 113 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 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.

LEE CHIN YEN	**TAN HONG CHENG**
Director	Director

Teluk Intan

Date: 6 April 2023

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1) OF THE COMPANIES ACT 2016

I, **LEE CHIN YEN**, being the director primarily responsible for the financial management of CAM Resources Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements set out on pages 56 to 113 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.

LEE CHIN YEN

Subscribed and solemnly declared by the abovenamed at Teluk Intan in the State of Perak Darul Ridzuan on 6 April 2023.

Before me,

Commissioner for Oaths

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of CAM Resources 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 a summary of significant accounting policies, as set out on pages 56 to 113.

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 the 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") 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 (Notes 4 and 13 to the financial statements)

The Group evaluates the adequacy of write-down of its obsolete or slow moving inventories based on the assessment of their estimated net selling price. Inventories are written down when events or changes in circumstances indicate that the carrying amounts may not be recoverable. The management specifically analyses sales trends and current economic trends when making a judgement to evaluate the adequacy of the write-down of obsolete or slow moving inventories. Where expectations differ from the original estimates, the differences will impact the carrying amount of inventories.

We focused on this area because the review of the saleability and valuation of these inventories at the lower of cost and net realisable value by the Group is a major source of estimation uncertainty.

Our response:
Our audit procedures included, among others:
- observing year end physical inventory count to examine the physical existence and condition of the inventories;
- reviewing the Group's costing calculations on selected inventory items;
- reviewing subsequent sales and evaluating the Group's assessment on the estimated net realisable values on selected inventory items; and
- reviewing management's assessment on the net realisable value of inventories.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (cont'd)

Key Audit Matters (cont'd)

Group (cont'd)

Trade receivables (Notes 4 and 14 to the financial statements)

The Group has trade receivables as at 31 December 2022 which include certain amounts which are long outstanding. The directors calculated the impairment based on the Group's past history and existing market conditions at the end of the reporting period. We focused on this area because the Group made judgements over assumptions at this area.

Our response:
Our audit procedures included, among others:
- developing understanding of significant credit exposures which were significantly overdue or deemed to be in default through analysis of ageing reports prepared by management;
- obtaining confirmation of balances from selected samples of the receivables;
- checking subsequent receipts, customer correspondence, and considering level of activity with the customer and management explanation on recoverability; 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 to be communicated in our report which arose from the audit of the financial statements of the Company.

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 the 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.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (cont'd)

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.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (cont'd)

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

Ng Boon Hiang
No. 02916/03/2024 J
Chartered Accountant

Kuala Lumpur

Date: 6 April 2023

Issued Share Capital	:	196,800,000 Ordinary Shares (including 7,184,256 treasury shares)
Class of Shares	:	Ordinary Shares
Voting Rights	:	One (1) vote for each ordinary share
Number of shareholders	:	1,304

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares Held	%
1 - 99	67	5.138	3,034	0.001
100 – 1,000	119	9.125	57,082	0.030
1,001 – 10,000	472	36.196	2,580,389	1.360
10,001 – 100,000	524	40.184	16,372,688	8.634
100,001 – 9,480,786 *(1)	119	9.125	123,159,247	64.952
9,480,786 and above *(2)	3	0.230	47,443,324	25.020
TOTAL	**1,304**	**100.0**	**189,615,744#**	**100.0**

Adjusted capital after netting treasury shares of 7,184,256 ordinary shares.

Note:
*(1) Less than 5% of Issued Shares
*(2) 5% and above of Issued Shares

LIST OF SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS:

Name of Shareholders	Direct Interest No of Shares	Direct Interest %	Indirect Interest No of Shares	Indirect Interest %
Lee Chin Yen	28,550,240	15.06	30,490,104*	16.07
Tan Hong Cheng	23,287,350	12.28	1,950,355**	1.03
Sunleap Industries Sdn. Bhd.	21,228,891	11.20	-	-
Lee Poh Choo	4,411,093	2.33	21,228,891^	11.20
Lee Poh Hong	4,085,260	2.15	21,228,891^	11.20
Lee Poh Nai	764,860	0.40	21,228,891^	11.20
Lee Teng Kok	-	-	21,228,891^	11.20
Lee Teng Huii	-	-	21,228,891^	11.20
Hia Wan Kiga	20,895,374	11.02	-	-

* *Deemed interested by virtue of the shares held by his daughters and sons in Sunleap Industries Sdn. Bhd. and also interest in shares of his daughters in CAM Resources Berhad.*
** *Deemed interested by virtue of shares held by his son and daughter(s)*
^ *Deemed interested by virtue of shares held in Sunleap Industries Sdn. Bhd.*

LIST OF DIRECTORS' SHAREHOLDINGS

Name of Directors	Direct Interest No of Shares	%	Indirect Interest No of Shares	%
Lee Chin Yen	28,550,240	15.06	30,490,104*	16.07
Tan Hong Cheng	23,287,350	12.28	1,950,355**	1.03
Hia Wan Kiga	20,895,374	11.02	-	-
Lee Poh Choo	4,411,093	2.33	21,228,891^	11.20
Tan Kim Hong	557,700	0.29	-	-
Teh Sin Chay	-	-	-	-
Zaharatul Nadzirah Binti Azizul	-	-	-	-
Chia Song Ming	-	-	-	-

* *Deemed interested by virtue of the shares held by his daughters and sons in Sunleap Industries Sdn. Bhd. and also interest in shares of his daughters in CAM Resources Berhad.*
** *Deemed interested by virtue of shares held by his son and daughter(s)*
^ *Deemed interested by virtue of shares held in Sunleap Industries Sdn. Bhd.*

LIST OF THIRTY (30) LARGEST SHAREHOLDERS AS AT 31 March 2023

	Name of Shareholders	No of Shares	%
1.	Maybank Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account For Sunleap Industries Sdn. Bhd.*	14,102,150	7.437
2.	HLIB Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account For Lee Chin Yen*	12,547,000	6.617
3.	Hia Wan Kiga	9,632,942	5.080
4.	Lee Chin Yen	8,633,240	4.553
5.	Affin Hwang Nominees (Asing) Sdn. Bhd. *Exempt An For Phillip Securities (Hong Kong) Ltd (Clients' Account)*	8,234,340	4.342
6.	Maybank Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account For Tan Hong Cheng (508382011853)*	7,370,000	3.886
7	Maybank Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account For Lee Chin Yen (508382011883)*	7,370,000	3.886
8.	Sunleap Industries Sdn. Bhd.	7,126,741	3.758
9.	Tan Hong Cheng	6,913,291	3.645
10.	HLIB Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Tan Hong Cheng (M)*	5,870,500	3.095
11.	Hia Wan Kiga	3,984,208	2.101
12.	Hia Wan Kiga	3,826,680	2.018
13.	Hia Wan Kiga	3,350,344	1.766
14.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account For Kong Kok Choy (8092812)*	3,340,000	1.761
15.	Maybank Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Lee Poh Choo*	3,315,493	1.748
16.	Maybank Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Lee Poh Hong*	3,300,000	1.740
17.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account For Tan Hong Cheng (MM1103)*	3,133,504	1.652

LIST OF THIRTY (30) LARGEST SHAREHOLDERS AS AT 31 March 2023 (cont'd)

	Name of Shareholders	No of Shares	%
18.	Kong Kok Choy	2,800,000	1.476
19.	Chew Pay Chiam	2,768,850	1.460
20.	Loo Hooi Chen	2,640,000	1.392
21.	Koo Fong Ling	2,627,460	1.385
22.	Kenanga Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account For Chan Kam Fatt (022)*	2,396,400	1.263
23.	Goh Yok Tek	2,392,200	1.261
24.	PM Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Kong Kok Choy (B)*	2,280,000	1.202
25.	Liew Kim Siong	1,920,000	1.012
26.	Chew Beng Huat	1,861,200	0.981
27.	Chew Beng Huat	1,720,510	0.907
28.	RHB Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account For Chia Guan Seng*	1,672,510	0.882
29.	Lee Kok See	1,589,900	0.838
30.	RHB Capital Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account For Su Ming Keat*	1,304,160	0.687
	Total	**140,023,623**	**73.845**

LIST OF PROPERTIES
AS AT 31 DECEMBER 2022

Title Location	Description Existing use	Tenure Age of building	Land area Built-up area sq.ft.	Year of acquisition / revaluation*/ completion#	Net book value RM
Central Aluminium Manufactory Sdn Bhd					
GM 612 Lot 48 Mukim Hutan Melintang (3/4 share)	Vacant land	Freehold	143,748	2000*	198,000
GM 624 Lot 3516 Mukim Hutan Melintang (1/10 share)	Vacant land Quarter	Freehold 27 years	281,506 11,664	2000* 1996#	55,000 25,301
GM 550 Lot 889 Mukim Changkat Jong	Vacant land	Freehold	72,658	2000*	70,000
GM 544 Lot 51 Mukim Hutan Melintang	Factory land Factory	Freehold 24 years	155,455 70,152	2000* 2000*	643,000 2,272,422
GM 846 Lot 49 GM 875 Lot 2486 Mukim Hutan Melintang	Factory land Factory Office	Freehold 38 years 19 years	278,784 141,165 6,400	2000* 2000* 2003#	1,075,000 3,710,649 302,290
Geran 3843 Lot 5298 Mukim Hutan Melintang	Factory land	Freehold	224,062	2000*	547,023
Geran 3844 Lot 5299 Mukim Hutan Melintang	Factory land Factory	Freehold 12 years	324,250 34,880	2000* 2011	786,393 1,141,725
Geran 3843 Lot 5298 and Geran 3844 Lot 5299 Mukim Hutan Melintang	Factory Quarter Factory cum warehouse	19 years 19 years 17 years	64,000 10,384 48,000	2003# 2003# 2005#	1,650,522 79,232 860,955
Geran 27879 Lot 12208 Mukim Durian Sebatang	Factory land Factory	Freehold 11 years	281,261 44,496	2010 2010	3,014,517 5,152,959
PN 104453 Lot 17094 Mukim Durian Sebatang	Factory land	Leasehold expiring 12/5/2087	320,549	2010	2,321,582
PN 104454 Lot 17095 Mukim Durian Sebatang	Vacant land Quarter	Leasehold expiring 12/5/2087 11 years	870,800 3,000	2010 2011	2,681,713 17,900
Geran 38304 Lot 13209S Bandar Ipoh (S)	3 Storey Shophouse	Freehold	1,938	2010	443,045
					27,049,228

Title Location	Description Existing use	Tenure Age of building	Land area Built-up area sq.ft.	Year of acquisition / revaluation*/ completion#	Net book value RM
Central Melamineware Sdn Bhd					
LP 15142 PT 20041 Mukim Durian Sebatang	Vacant land	Freehold	1,308,020	2000*	1,441,000
Railway Wharf Jalan Maharaja Lela Teluk Intan	Factory building cum warehouse	26 years	16,000	1996#	3
	Factory building cum warehouse	13 years	7,670	2008	4
Geran HS(D) 17662 PT19518 Mukim Durian Sebatang	Vacant land	Leasehold expiring 12/9/2104	99,943	2010	1,992,895
G.M. No.304 Lot 1078 Mukim Changkat Jong	Vacant land	Freehold	155,721	2013	1,001,000
Geran Mukim 2641 Lot 6991 Mukim Durian Sebatang	Vacant land	Freehold	50,935	2015	1,530,000
					5,964,902
Central Palm Oil Mill Sdn Bhd					
Geran 48789 Lot 1108 Mukim Jebong, Larut & Matang, Perak	Vacant land	Freehold	842,337	2012	3,400,000
Geran Mukim 1445 Lot 1109 Mukim Jebong, Larut & Matang, Perak	Vacant land	Freehold	420,912	2012	2,624,130
Geran Mukim 1446 Lot 1110 Mukim Jebong, Larut & Matang, Perak	Vacant land	Freehold	422,279	2012	2,652,015
GM721 Lot 1125 Mukim Jebong, Larut & Matang, Perak	Vacant land	Freehold	163,354	2012	1,000,000
Geran Mukim 1447 Lot 1128 Mukim Jebong, Larut & Matang, Perak	Vacant land	Freehold	175,333	2012	1,095,644
GM720 Lot 1129 Mukim Jebong, Larut & Matang, Perak	Factory land Factory	Freehold 9 Years	178,055 101,923	2012 2012	1,780,000 7,935,918
					20,487,707

Title Location	Description Existing use	Tenure Age of building	Land area Built-up area sq.ft.	Year of acquisition / revaluation*/ completion#	Net book value RM
CAM Plastic Industry Sdn Bhd					
PT 134916, HSD57885, Mukim Hulu Kinta, Kinta, Perak	Factory land Factory	Leasehold expiring 5/3/2057 7 years	131,069 56,855	2014 2015	717,000 2,426,308
					3,143,308
Future Atlas Sdn Bhd					
Geran Mukim 1446 Lot 1110 Mukim Jebong, Larut & Matang, Perak	Office	3 Years	864	2020	113,072
					113,072

NOTICE IS HEREBY GIVEN that the Twenty-Second Annual General Meeting ("22nd AGM") of the Company will be held at Kairos 1 & 2, Level 1, Ibis Styles Kuala Lumpur Sri Damansara, 5, Jalan Cempaka SD 12/5, Jalan PJU 9, Bandar Sri Damansara, 52200 Kuala Lumpur on Wednesday, 21 June 2023 at 11:00 a.m. for the purposes of considering the following businesses:

AGENDA

AS 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 (i)]**

2. To approve the payment of Directors' Fees of RM270,000 and Meeting Allowance of RM28,000 for the period from 1 July 2023 to 30 June 2024. **RESOLUTION 1**

3. To re-elect the following Directors, who retire by rotation in accordance with Clause 97.1 of the Company's Constitution and who being eligible offer themselves for re-election:

   (i) Ms Lee Poh Choo **RESOLUTION 2**
   (ii) Mr Hia Wan Kiga **RESOLUTION 3**

4. To re-elect the following Directors, who retire in accordance with Clause 104 of the Company's Constitution and who being eligible offer themselves for re-election:

   (i) Mr Teh Sin Chay **RESOLUTION 4**
   (ii) Ms Zaharatul Nadzirah Binti Azizul **RESOLUTION 5**
   (iii) Ms Chia Song Ming **RESOLUTION 6**

5. To re-appoint Messrs Baker Tilly Monteiro Heng PLT (AF 0117) as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to determine their remuneration. **RESOLUTION 7**

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions with or without modifications:

6. **Ordinary Resolution** **RESOLUTION 8**

   Authority To Issue and Allot Shares

   "THAT subject always to the Companies Act 2016 ("the Act"), the Constitution of the Company and approvals from Bursa Malaysia Securities Berhad ("Bursa Securities") and any other governmental or regulatory authorities, where such approval is required, authority be and are hereby given to the Directors pursuant to Section 75 of the Act to issue and allot not more than ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company at any time upon any such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit or in pursuance of offers, agreements or options to be made or granted by the Directors while this approval is in force until the conclusion of the next Annual General Meeting of the Company pursuant to Section 76 of the Act.

   THAT the Directors be further authorised to make or grant offers, agreements or options which would or might require shares to be issued after the expiration of the approval hereof.

THAT pursuant to Section 85 of the Act to be read together with Clause 54 of the Constitution of the Company, approval be hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered with new shares ranking equally to the existing issued shares of the Company arising from any issuance of new shares in the Company pursuant to this mandate.

AND THAT the new shares to be issued shall, upon allotment and issuance, rank equally in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or other forms of distribution that which may be declared, made or paid before the date of allotment of such new shares."

7. **Ordinary Resolution** **RESOLUTION 9**

Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

"THAT, subject always to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/or its subsidiary companies to enter into all arrangements and/or transactions as specified in Section 1.4 of the Circular to Shareholders dated 28 April 2023, provided that such arrangements and/or transactions are:

(a) recurrent transactions of a revenue or trading nature;
(b) necessary for the day-to-day operations of the Company and/or its subsidiaries;
(c) carried out in the ordinary course of business of the Company and/or its subsidiaries, made on an arm's length basis and on normal commercial terms with those generally available to the public; and
(d) not detrimental to the interests of the minority shareholders of the Company.

AND THAT the authority conferred by this resolution shall commence upon passing of this resolution and shall continue to be in force until:

(a) the conclusion of the next Annual General Meeting ("AGM") of the Company following the general meeting at which such mandate was passed, at which time the authority will lapse, unless the authority is renewed by a resolution passed at the next AGM; or
(b) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("the Act") (but shall not extend to such extensions as may be allowed pursuant to Section 340(4) of the Act); or
(c) revoked or varied by a resolution passed by the shareholders of the Company at a general meeting;

whichever is earlier;

AND THAT the Directors of the Company be and are hereby empowered and authorised to complete and to do all such acts, deeds and things as they may consider expedient or necessary or in the best interest of the Company to give effect to the Proposed Renewal of Shareholders' Mandate, with full power to assent to any condition, modification, variation and/or amendment (if any) as may be imposed or permitted by the relevant authorities."

8. **Ordinary Resolution** **RESOLUTION 10**

Proposed Renewal of Share Buy-Back Authority for the Company to Purchase its Own Shares

"THAT, subject always to the Companies Act 2016 ("the Act"), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and all other applicable laws, guidelines, rules and regulations, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such amount of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:

(i) the aggregate number of shares purchased does not exceed ten per centum (10%) of the total number of issued shares of the Company as quoted on Bursa Securities as at the point of purchase; and

(ii) the maximum fund to be allocated by the Company for the purpose of purchasing the shares shall be backed by an equivalent amount of retained profits of the Company based on the latest audited financial statements and/or the latest management accounts of the Company (where applicable) available at the time of the purchase(s).

THAT the Directors of the Company be and are hereby authorised, at their discretion, to deal with the shares purchased until all the purchased shares have been dealt with by the Directors in the following manner as may be permitted by the Act, Main Market Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force:

(i) To cancel all or part of the shares so purchased;
(ii) To retain all or part of the shares so purchased in treasury;
(iii) To distribute all or part of the treasury shares as dividends to the shareholders of the Company;
(iv) To resell all or part of the treasury shares;
(v) To transfer the shares or any of shares for the purposed of or under an employees' share scheme established by the Company;
(vi) To transfer all or part of the treasury shares as purchase consideration; or
(vii) To deal with the treasury shares in the manners as allowed by the Act, Main Market Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force.

THAT the authority conferred by this resolution will commence after the passing of this ordinary resolution and will continue to be in force until:

(i) the conclusion of the next Annual General Meeting ("AGM") following the general meeting at which such resolution was passed at which time it will lapse unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions; or
(ii) the expiration of the period within which the next AGM after that date is required by law to be held; or
(iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever occur first.

AND THAT authority be and are hereby given unconditionally and generally to the Directors of the Company to take all such steps as are necessary or expedient (including without limitation, the opening and maintaining of central depository account(s) under the Securities Industry (Central Depositories) Act 1991, and the entering into all other agreements, arrangements and guarantee with any party or parties) to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities and with the fullest power to do all such acts and things thereafter (including without limitation, the cancellation or retention as treasury shares of all or any part of the purchased shares or to resell the shares or distribute the shares as dividends or transfer the shares under an employee share scheme or as purchase consideration) in accordance with the Company's Constitution and the requirements and/or guidelines of Main Market Listing Requirements of Bursa Securities and all other relevant governmental and/or regulatory authorities."

9. To transact any other ordinary business of the Company for which due notice shall have been given.

By Order of the Board

TEO MEE HUI (SSM PC No. 202008001081) (MAICSA 7050642)
ZEENATH BEGUM BINTI MOHAMED MASTAN
(SSM PC No. 202008002974) (LS0009462)
Company Secretaries

Kuala Lumpur
28 April 2023

NOTES:

(1) A member of the Company entitled to attend, participate, speak and vote at the meeting is entitled to appoint not more than two (2) proxies to attend, participate, speak and vote instead of him. A proxy may, but need not, be a member of the Company and there shall be no restriction as to the qualification of the proxy.

(2) Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her holdings to be represented by each proxy. A proxy appointed to participate and vote at the 22nd AGM shall have the same rights as the member to participate at the 22nd AGM.

(3) Where a member is an authorised nominee as defined in the Securities Industry (Central Depositories) Act, 1991, it may appoint not more than two (2) proxies in respect of each Securities Account it holds in ordinary shares of the Company standing to the credit of the said Securities Account.

(4) Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one Securities Account ("Omnibus Account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds. Where the Exempt Authorised Nominee appoints two (2) or more proxies to attend and vote at the same meeting, such appointment shall be invalid unless the Exempt Authorised Nominee specifies the proportion of his holdings to be represented by each proxy.

(5) The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised.

(6) The instrument appointing a proxy must be deposited at the Company's Share Registrar's office, Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or at Tricor's Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, submit electronically via TIIH Online at https://tiih.online not less than forty-eight (48) hours before the time for holding the meeting or at any adjournment thereof, otherwise the instrument of proxy shall not be treated as valid. Please refer to the Administrative Guide for the 22nd AGM for further information on electronic submission of Proxy Form via TIIH Online.

(7) Date of Record of Depositors for the purpose of determining Members' entitlement to participate and vote at the 22nd AGM is 14 June 2023.

(8) Pursuant to Paragraph 8.29(A) of Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions at the 22nd AGM of the Company shall be put to vote by way of poll.

EXPLANATORY NOTES ON ORDINARY AND SPECIAL BUSINESS:

(i) Item 1 of the Agenda
Audited Financial Statements for the financial year ended 31 December 2022
This Agenda is meant for discussion only, as the provisions of Sections 248 and Section 340 (i)(a) of the Companies Act, 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda is not put forward for voting.

(ii) Ordinary Resolution 1
Directors' Remuneration - Fees and Benefits Payable to Non-Executive Directors
Pursuant to Section 230(1) of the Companies Act 2016, provides amongst others, that "the fees" of the directors and "any benefits" payable to the Directors of a listed company and its subsidiaries including any compensation for loss of employment of a director or former director of a public company or a listed company and its subsidiaries, shall be approved at a general meeting. In this respect, the Board agreed that the shareholders' approval shall be sought at the 22nd AGM on the Directors' Fees and benefits for the financial period from 1 July 2023 until 30 June 2024 ("Relevant Period").

The Directors' remuneration (excluding Directors' fees) comprises the allowances and other emoluments payable to the Directors of the Company and its subsidiaries are set out below:

Description	***Chairman (RM)***	***Directors (RM)***
**Meeting Allowance*	-	28,000

* *only applicable to Non-Executive Director*

The estimated total amount of the Directors' remuneration (excluding Directors' fees) for the Relevant Period of RM28,000 were determined based on the various factors including the number of scheduled meetings for the Board and Board Committees as well as the extent of involvement of the respective Directors.

Payment of Directors' Fees and Directors remuneration (excluding Directors' fees) will be made by the Company and its subsidiaries on a monthly basis and/or as and when incurred if the proposed Resolution 1 has been passed at the 22nd AGM. The Board is of the view that it is just and equitable for the Directors to be paid with such payment on a monthly basis and/or as and when incurred, particularly after they have discharged their responsibilities and rendered their services to the Company and its subsidiaries throughout the Relevant Period. In the event where the payment of Directors' Fees for the Relevant Period and Directors remuneration (excluding Directors' fees) payable during the above period exceeded the estimated amount sought at the 22nd AGM, a shareholders' approval will be sought at the next AGM.

(iii) Ordinary Resolutions 2 to 6
Re-election of Retiring Directors

Ms Lee Poh Choo and Mr Hia Wan Kiga who retire in accordance with Clause 97.1 of the Company's Constitution, as well as Mr Teh Sin Chay ("Mr Teh"), Ms Zaharatul Nadzirah Binti Azizul ("Ms Zaharatul") and Ms Chia Song Ming ("Ms Chia") who retire in accordance with Clause 104 of the Company's Constitution are eligible for re-election and hence, they have offered themselves for re-election at the 22nd AGM.

Each of the Directors standing for re-election had undergone a performance evaluation and had provided his/her annual declaration on his/her fitness and propriety to continue acting as Directors of the Company in accordance with the Fit and Proper Policy of the Group, as well as the confirmation of their independence (as the case may be). Upon the Nominating Committee ("NC")'s assessment, the performance and suitability of each of the retiring Directors was found to be satisfactory and that each of the retiring Directors had demonstrated his/her commitment to the role and continues to be an effective and valuable member of the Board of Directors (the "Board"). Based on the above premise, the NC had recommended for the retiring Directors to be re-elected at the 22nd AGM and the Board had approved the NC's recommendations.

The detailed profile of each retiring Director can be found on pages 22 to 25 of the Annual Report 2022

Pursuant to Clause 97.1 of the Company's Constitution provides that one-third (1/3) of the Directors of the Company for the time being shall retire by rotation at each AGM of the Company and all Directors shall retire from office at least once every 3 years, but shall be eligible for re-election. Ms Lee Poh Choo and Mr Hia Wan Kiga, will retire at the AGM pursuant to the above provision in the Company's Constitution. Their positions, qualifications and experience, directorships in listed and/or public companies, and relationship with other directors and/or major shareholders of the Company are set out in the Directors' Profile section in this Annual Report.

Pursuant to Clause 104 of the Company's Constitution provides that the Directors shall have power at any time, and from time to time, to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors, but the total number of Directors shall not at any time exceed the maximum number fixed in accordance with this Constitution. Any Director so appointed 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.

Mr Teh, Ms Zaharatul and Ms Chia, will retire at the AGM pursuant to the above provision in the Company's Constitution. Their positions, qualifications and experience, directorships in listed and/or public companies, and relationship with other directors and/or major shareholders of the Company are set out in the Directors' Profile section in this Annual Report.

(iv) Ordinary Resolution 7
Re-appointment of Auditors
The Audit Committee ("AC") has carried out an assessment of the suitability, objectivity and independence of the external auditors, Messrs Baker Tilly Monteiro Heng PLT ("Baker Tilly") and was satisfied with the suitability of Baker Tilly based on the quality of audit, performance, competency and sufficiency of resources the external audit team provided to the Group.

The Board therefore approved the AC's recommendation on the re-appointment of Baker Tilly as the external auditors of the Company be put forward for the shareholders' approval at the forthcoming 22nd AGM.

(v) Ordinary Resolution 8
Authority to Issue and Allot Shares
The proposed Resolution 8, if approved, will allow the Company to waive the statutory pre-emptive rights of the shareholders of the Company to be offered with the new shares ranking equally to the existing issued shares of the Company arising from any issuance of new shares in the Company pursuant to this mandate.

This is also to approve the disapplication of statutory pre-emption rights under the Section 85 of the Act, to allot new shares (or to grant rights over shares) without first offering them to existing shareholders in proportion to their holdings pursuant to the general mandate.

This mandate, if approved, will also give flexibility to the Directors of the Company to issue and allot shares up to a maximum of ten per centum (10%) of the total number of issued share capital (excluding treasury shares) of the Company at the time of such issuance of shares and for such purposes as they consider would be in the best interest of the Company without having to convene separate general meetings. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

The purpose of this general mandate is for possible fund-raising exercises including but not limited to placement of shares, for purpose of funding current and/or future investment projects, working capital, repayment of borrowings and/or acquisitions.

This is the renewal of the mandate obtained from the shareholders at the last AGM held on 21 June 2022 ("the Previous Mandate"). The Previous Mandate was not utilised and accordingly no proceeds were raised.

(vi) Ordinary Resolution 9
Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature
The proposed Resolution 9, if passed, will provide a renewed mandate for the Company and/or its subsidiaries to enter into Recurrent Related Party Transactions involving the interests of related parties, which are of a revenue or trading nature and necessary for the Group's day-to-day operations, subject to the transactions being carried out in the ordinary course of business and on terms not to the detriment of the minority shareholders of the Company.

Please refer to the Circular to Shareholders dated 28 April 2023 for further information.

(vii) Ordinary Resolution 10
Proposed Renewal of Share Buy-Back Authority for the Company to Purchase its Own Shares
The proposed Resolution 10, if passed, will empower the Company to purchase its own shares and/or hold up to ten per centum (10%) of the existing total number of issued shares of the Company by utilising the funds allocated which shall not exceed the retained earnings of the Company. This authority unless revoked or varied by the Company at a General Meeting will expire at the next AGM.

Please refer to the Statement to Shareholders in relation to the Proposed Renewal of Share Buy-Back Authority dated 28 April 2023 for further information.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

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

No individual is standing for election as a Director at the forthcoming 22nd Annual General Meeting of the Company.

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CAM

CAM RESOURCES BERHAD
Registration No. (200001032704 [535311-D])
(Incorporated in Malaysia)

Form of Proxy

No. of ordinary shares held	CDS Account No.

I/We ______________________________ NRIC No./Passport No./Co. No. ______________
(full name in Block Letters)

of ____
(Full address)

Tel No./Email Address ______________________ being a member/members of **CAM RESOURCES BERHAD (Registration No. 200001032704 [535311-D])** hereby appoint

Name	Address	NRIC/ Passport No.	Proportion of Shareholdings (%)
1.			
*And/or (delete as appropriate)			
2.			

OR failing him/her, the Chairman of the Meeting as *my/our proxy(ies), to vote for me/us on *my/us on my/our behalf at the 22nd Annual General Meeting of CAM RESOURCES BERHAD to be held at Kairos 1 & 2, Level 1, Ibis Styles Kuala Lumpur Sri Damansara, 5, Jalan Cempaka SD 12/5, Jalan PJU 9, Bandar Sri Damansara, 52200 Kuala Lumpur on Wednesday, 21 June 2023 at 11:00 a.m., or at any adjournment thereof and to vote as indicated below:

Item	Agenda	Resolution	For	Against
Ordinary Business				
1.	To approve the payment of Directors' Fees of RM270,000 and Meeting Allowance of RM28,000 for the period from 1 July 2023 to 30 June 2024.	Resolution 1		
2.	To re-elect Ms Lee Poh Choo as a Director of the Company.	Resolution 2		
3.	To re-elect Mr Hia Wan Kiga as a Director of the Company.	Resolution 3		
4.	To re-elect Mr Teh Sin Chay as a Director of the Company.	Resolution 4		
5.	To re-elect Ms Zaharatul Nadzirah Binti Azizul as a Director of the Company.	Resolution 5		
6.	To re-elect Ms Chia Song Ming as a Director of the Company.	Resolution 6		
7.	To re-appoint Messrs Baker Tilly Monteiro Heng PLT as Auditors of the Company.	Resolution 7		
Special Business				
8.	To approve the Authority to Issue and Allot Shares.	Resolution 8		
9.	To approve the Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.	Resolution 9		
10.	To approve the Proposed Renewal of Share Buy-Back Authority for the Company to Purchase its Own Shares.	Resolution 10		

Note: Please note that the short descriptions given above of the Resolutions to be passed do not in any way whatsoever reflect the intent and purpose of the Resolutions. The short descriptions have been inserted for convenience only. Shareholders are encouraged to refer to the Notice of Annual General Meeting for the full purpose and intent of the Resolutions to be passed.

Please indicate with an "X" in the appropriate space on how you wish your vote to be cast on the resolutions specified in the Notice of Meeting. If no specific direction as to voting is given, the proxy/proxies will vote or abstain at his/her/they discretion.

Dated this ________ of ____________________ 2023

____
*Signature(s)/Common Seal of Shareholder(s)

** Delete whichever is not applicable*
** If you are an individual shareholder, please sign where indicated.*
** If you are a corporate shareholder which has a common seal, this proxy form should be executed under seal in accordance with the constitution of your corporation.*
** If you are a corporate shareholder which does not have a common seal, this proxy form should be affixed with the rubber stamp of your company (if any) and executed by:*
(i) at least two(2) authorised officers, of whom one shall be a director; or
(ii) any director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.

Fold this flap for sealing

Notes:-

(1) A member of the Company entitled to attend, participate, speak and vote is entitled to appoint not more than two (2) proxies to attend, participate, speak and vote instead of him. A proxy may, but need not, be a member of the Company and there shall be no restriction as to the qualification of the proxy.

(2) Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her holdings to be represented by each proxy. A proxy appointed to participate and vote at the 22nd AGM shall have the same rights as the member to participate at the 22nd AGM.

(3) Where a member is an authorised nominee as defined in the Securities Industry (Central Depositories) Act, 1991, it may appoint not more than two (2) proxies in respect of each Securities Account it holds in ordinary shares of the Company standing to the credit of the said Securities Account.

(4) Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one Securities Account ("Omnibus Account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds. Where the Exempt Authorised Nominee appoints two (2) or more proxies to attend and vote at the same meeting, such appointment shall be invalid unless the Exempt Authorised Nominee specifies the proportion of his holdings to be represented by each proxy.

(5) The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised.

Then Fold Here

AFFIX
STAMP

The Share Registrar
Tricor Investor & Issuing House Services Sdn. Bhd. (118401-V)
Unit 32-01, Level 32,
Tower A, Vertical Business Suite,
Avenue 3, Bangsar South,
No. 8, Jalan Kerinchi,
59200 Kuala Lumpur.

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(6) The instrument appointing a proxy must be deposited at the Company's Share Registrar's office, Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or at Tricor's Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, submit electronically via TIIH Online at https://tiih.online not less than forty-eight (48) hours before the time for holding the meeting or at any adjournment thereof, otherwise the instrument of proxy shall not be treated as valid. Please refer to the Administrative Guide for the 22nd AGM for further information on electronic submission of Proxy Form via TIIH Online.

(7) Date of Record of Depositors for the purpose of determining Members' entitlement to participate and vote at the 22nd AGM is 14 June 2023.

(8) Pursuant to Paragraph 8.29(A) of Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions at the 22nd AGM of the Company shall be put to vote by way of poll.

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