



OCB BERHAD

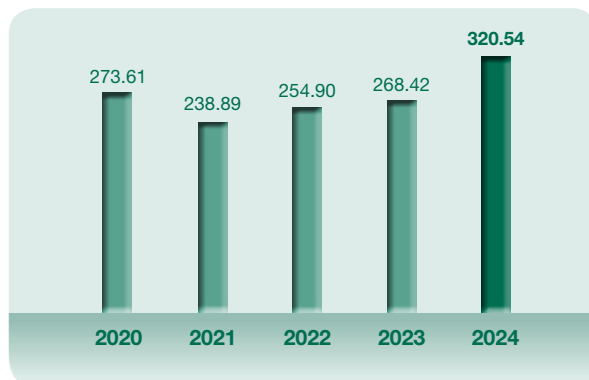
[Registration No. 195901000114 (3465-H)]

Annual Report **2024**

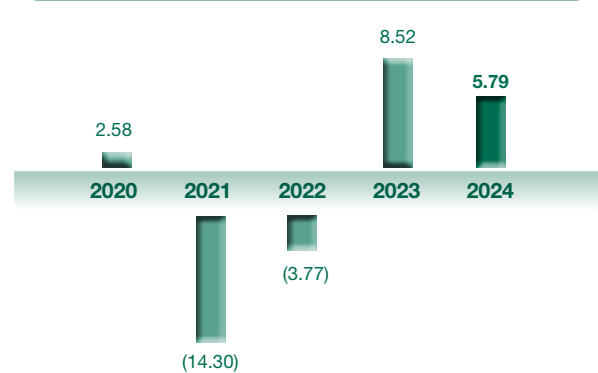
FIVE-YEAR GROUP FINANCIAL HIGHLIGHTS

	2020	2021	2022	2023	2024
Revenue (RM'million)	273.61	238.89	254.90	268.42	320.54
Earnings/(Loss) before interest, taxes, depreciation and amortisation ("EBITDA") (RM'million)	15.59	(3.36)	7.92	24.46	24.55
Profit/(Loss) before taxation (RM'million)	4.96	(13.90)	(2.00)	17.48	16.46
Profit/(Loss) after taxation (RM'million)	2.58	(14.30)	(3.77)	8.52	5.79
Net Profit/(Loss) attributable to equity holders (RM'million)	2.60	(14.10)	(3.61)	8.52	4.23
Total assets (RM'million)	276.77	302.60	301.34	313.03	299.95
Total borrowings and lease liabilities (RM'million)	40.41	84.14	84.95	80.65	58.81
Shareholders' equity (RM'million)	188.75	173.11	169.41	177.97	180.61
Earnings/(Loss) per share (Sen)	2.53	(13.71)	(3.51)	8.28	4.11
Net assets per share (RM)	1.84	1.68	1.65	1.73	1.76

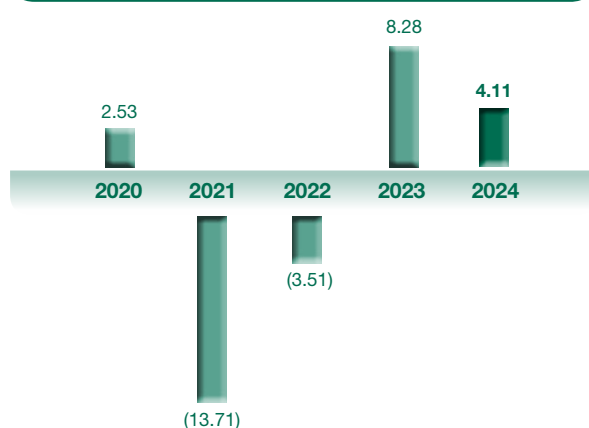
REVENUE
(RM'million)



PROFIT/(LOSS) AFTER TAXATION
(RM'million)



EARNINGS/(LOSS) PER SHARE
(Sen)



NET ASSETS PER SHARE
(RM)

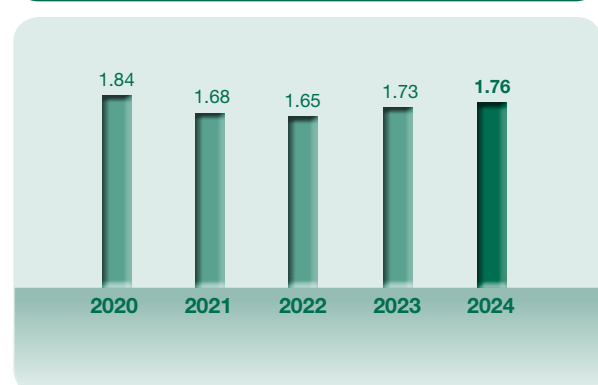


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CORPORATE INFORMATION

BOARD OF DIRECTORS

Tee Keng Hoon
*Chairman/ Independent
Non-Executive Director*

Mohd Harris Bin Pardi
*Chief Operating Officer cum
Executive Director*

Khoo Kay Leong
*Senior Independent
Non-Executive Director*

Agnes Maria Sam A/P John Sam
*Independent
Non-Executive Director*

Chan Kee Eng
*Independent
Non-Executive Director*

Fong Heng Leong
*Non-Independent
Non-Executive Director*

Wong Choon Shein
*Non-Independent
Non-Executive Director*

COMPANY SECRETARIES

Lydia Tong Yiu Shyian-Shyian
SSM PC No. 202208000755
BC/L/1922

Nor Zarifah Binti Abdullah @ Mahmud
SSM PC No. 202208000338
LS0010328

AUDIT AND RISK MANAGEMENT COMMITTEE

Khoo Kay Leong
*Chairman/Senior Independent
Non-Executive Director*

Agnes Maria Sam A/P John Sam
*Member/Independent
Non-Executive Director*

Chan Kee Eng
*Member/Independent
Non-Executive Director*

REMUNERATION COMMITTEE

Chan Kee Eng
*Chairperson/Independent
Non-Executive Director*

Khoo Kay Leong
*Member/Senior Independent
Non-Executive Director*

Agnes Maria Sam A/P John Sam
*Member/Independent
Non-Executive Director*

NOMINATION COMMITTEE

Agnes Maria Sam A/P John Sam
*Chairperson/Independent
Non-Executive Director*

Khoo Kay Leong
*Member/Senior Independent
Non-Executive Director*

Chan Kee Eng
*Member/Independent
Non-Executive Director*

AUDITORS

Grant Thornton Malaysia PLT
*(Member Firm of Grant Thornton
International Ltd)*
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Level 11, Sheraton Imperial Court
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Wilayah Persekutuan, Malaysia
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REGISTERED AND CORPORATE OFFICE AND PRINCIPAL PLACE OF BUSINESS

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House Services Sdn. Bhd.
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F : +603-2783 9222
E : is.enquiry@vistra.com
W : www.vistra.com

PRINCIPAL BANKERS

Hong Leong Islamic Bank Berhad
HSBC Bank Malaysia Berhad
RHB Bank Berhad
AmBank (M) Berhad
AmBank Islamic Bank Berhad
Affin Bank Berhad
CIMB Bank Berhad

STOCK EXCHANGE LISTING

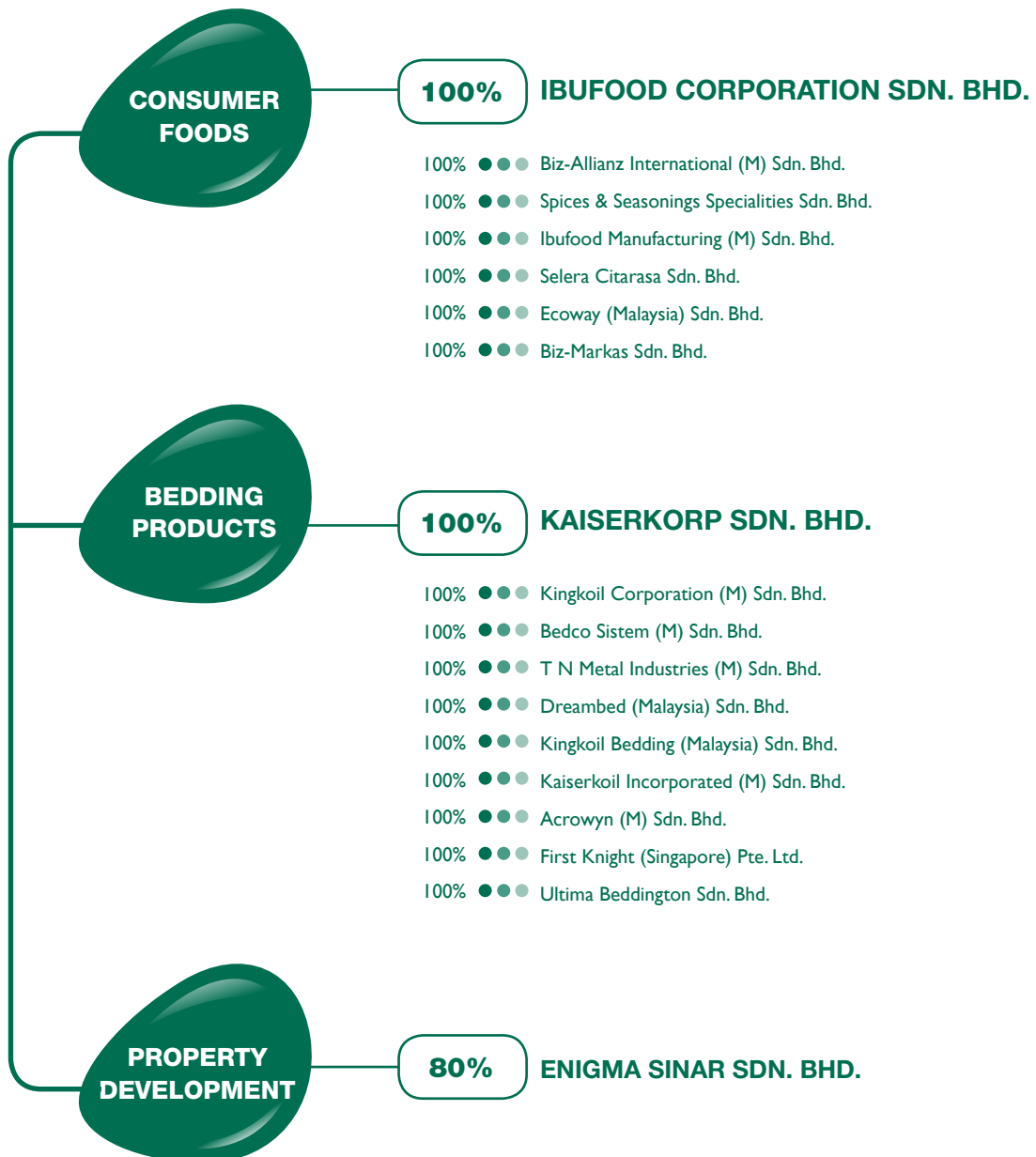
Main Market
Bursa Malaysia Securities Berhad
Stock Name : OCB
Stock Code : 5533
Sector : Consumer Products
& Services
Sub-Sector : Food & Beverages

WEBSITE

www.ocbb.com.my

CORPORATE STRUCTURE

AS AT 28 MARCH 2025



* Listed on the Main Market of Bursa Malaysia Securities Berhad

MANAGEMENT DISCUSSION AND ANALYSIS

The Board of Directors of OCB Berhad (“OCB” or “the Company”) and the Management are pleased to present material non-financial information on OCB and its group of companies (“OCB Group” or “the Group”) to complement the detailed information in the Directors’ Report and Financial Statements sections. The Management Discussion and Analysis (“MD&A”) will give shareholders and investors an operational commentary of the business of the Group.

OVERVIEW OF THE GROUP’S BUSINESS AND OPERATIONS

OCB is an investment holding company. During the financial year ended 31 December (“FYE”) 2024, the Company has 3 business operations which are divided into the following divisions:

- (1) Consumer Foods Division;
- (2) Bedding Products Division; and
- (3) Property Development Division.

Detailed information on Divisions above can be found in the Group Directory on pages 12 to 15 of this Annual Report.

Consumer Foods Division

The Consumer Foods Division operates as subsidiaries under Ibufood Corporation Sdn. Bhd. (“Ibufood Group”). The Ibufood Group is a major producer of premium quality instant noodles, mayonnaise, seasoning-powder, seasoning-oil, sauces and food ingredients.

It is represented by several brand names. IBUMIE is the highly recognizable brand for its instant noodles which comes in several different flavours.

The TELLY brand represents the food seasonings segment offering premium quality blended seasoning-powder, seasoning-oil, sauces, mayonnaise, specialty spices, soup, soup stocks, and marinades. The TELLY mayonnaise has grown over the years to become one of the market leaders in the Food Service sector.

Bedding Products Division

The Bedding Products Division is made up of subsidiaries under KaiserCorp Sdn. Bhd. (“KaiserCorp Group”). It manufactures and distributes mattresses, divans and assorted bedding accessories. The various types of mattresses are made of different premium spring coils, natural latex and foam-fibres. Our bedding manufacturing system has become an industry benchmark.

The Bedding Products Division promotes its products under the brand name of KING KOIL and FIRST KNIGHT. KING KOIL is the high-profile international brand synonymous with luxurious quality mattresses. The Division also promotes its products under the local brand name of FIRST KNIGHT, WONDERCOIL and TAGGE.

Property Development Division

The Property Development Division is operated through an 80%-owned subsidiary, Enigma Sinar Sdn. Bhd. (“Enigma”).

Enigma is currently developing an industrial park on a parcel of freehold industrial land located at H.S. (D) 165116, Lot No. PT 84453, Mukim Kapar, Daerah Klang, Negeri Selangor. The land area spans approximately 149,410 square meters. This development is being carried out in collaboration with a joint-venture partner under the project name “*Excellent Technology Park @ Kapar International Industrial Park, Kapar*”, situated at Jalan Akob, Bukit Kapar, Klang (“Project”).

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF THE GROUP'S BUSINESS AND OPERATIONS (CONT'D)

Property Development Division (cont'd)

The Project involves the construction of 36 semi-detached factory units, alongside the necessary infrastructure, amenities, public utilities, and other complementary developments that are appropriate or incidental to such industrial developments. The development of the Project has been planned in 2 phases, Phase 1 consists of 16 factory units, all of which have been completed and fully sold while Phase 2 involves the construction of 20 additional factory units, with sales for these units currently ongoing.

Construction work for this Project began in 2023. With Phase 1 fully sold and Phase 2 currently underway, the Project is expected to make a significant positive contribution to the Group's performance moving forward, driving future growth and revenue.

REVIEW OF THE FINANCIAL RESULTS AND FINANCIAL CONDITIONS

The Group's financial performance for the FYE 2024 as compared to FYE 2023 is as follows:

	FYE 2024 RM'000	FYE 2023 RM'000	Increase/ (Decrease) RM'000	%
Revenue	320,542	268,418	52,124	19.4
Gross Profit	76,304	57,024	19,280	33.8
Earnings/(Loss) before interest, taxes, depreciation and amortisation	24,552	24,460	92	0.4
Profit/(Loss) before taxation	16,464	17,475	(1,011)	(5.8)
Profit/(Loss) after taxation	5,785	8,519	(2,734)	(32.1)
Net Profit/(Loss) attributable to equity holders	4,226	8,516	(4,290)	(50.4)
Total assets	299,950	313,035	(13,085)	(4.2)
Total borrowings and lease liabilities	58,808	80,651	(21,843)	(27.1)
Shareholders' equity	180,608	177,971	2,637	1.5
Earnings/(Loss) per share (Sen)	4.11	8.28	(4.17)	(50.4)
Net assets per share (RM)	1.76	1.73	0.03	1.7

The Group recorded a revenue of RM320.5 million and a profit before taxation of RM16.5 million in the FYE 2024 as compared to a revenue of RM268.4 million and a profit before taxation of RM17.5 million reported in the immediate preceding financial year.

When compared to FY 2023, Consumer Foods Division's revenue increased 7% to RM214.4 million. The higher sales from the Division was mainly due to the higher demand for its products especially noodles and mayonnaise. Sales of its noodles and mayonnaise in the FYE 2024 increased to RM112.8 million (FYE 2023: RM95.9 million) and RM53.0 million (FYE 2023: RM46.7 million) respectively. The increase in noodles sales was mainly due to the newly-secured OEM business. Noodles OEM sales increased to RM45.4 million in the FYE 2024 compared to RM29.9 million in the immediate preceding year.

Sales of mayonnaise also increased mainly due to pick up in the domestic market especially in the food service pack segment. However, creamers sales decreased to RM47.4 million in FYE 2024 compared to RM55.9 million in the immediate preceding year due to weaker market conditions from the export market.

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF THE FINANCIAL RESULTS AND FINANCIAL CONDITIONS (CONT'D)

Property Development Division reported a first total revenue recognition of RM37.7 million for FYE 2024. However, Bedding Products Division reported a slight decrease of 1% in revenue to RM68.3 million for FYE 2024 compared to RM68.8 million in the immediate preceding year. The Division saw a lower domestic retail sales of RM47.3 million from RM50.1 million while both domestic project sales and export sales saw an increase, with total sales rising to RM21.0 million in the FYE 2024 from RM18.8 million in the FYE 2023.

The Group reported a lower profit before taxation in the FYE 2024 as opposed to a profit before taxation in the FYE 2023 mainly due to the recognition of a loss from the disposal of a wholly-owned subsidiary on 30 December 2024, resulting in a loss of RM14.8 million.

The Consumer Foods Division posted a profit before taxation of RM14.8 million for FYE 2024 as compared to a profit before taxation of RM11.7 million in the FYE 2023 mainly due to higher products margin because of continuous downward trend of raw materials cost during the year. The main raw materials price such as flour, soy bean oil and fructose syrup have decreased in the range of 1% to 10% during the year.

The Bedding Products Division reported a decline in profit before taxation of RM4.8 million for FYE 2024 as compared to a profit before taxation of RM6.9 million in the FYE 2023 on the back of lower margin.

Domestic projects have seen an uptake in activities and has registered sales of RM19.3 million compared to RM18.3 million in the previous corresponding year. However, retail sales dropped 5% to RM47.3 million as compared to RM50.1 million in the FYE 2023.

Property Development Division posted a profit before taxation of RM10.2 million in the FYE 2024 as against to a profit before taxation of RM23,700 in the FYE 2023 as the Division recorded its first revenue recognition in the year.

The Group has not adopted any dividend policy. The Board of Directors of the Company ("Board") annually evaluates the Group's profitability, cash flows position and long-term plans prior to deciding on any dividend payment.

The Board has proposed a first and final single-tier dividend of 2.0 sen per share amounting to RM2,057,000 in respect of the FYE 2024 (FYE 2023: RM1,542,750) for approval by shareholders at the forthcoming Annual General Meeting of the Company.

The earnings per share of the Company for FYE 2024 was 4.11 sen as against earnings per share of 8.28 sen for FYE 2023.

Consumer Foods Division

The Consumer Foods Division registered a revenue of RM214.4 million for FYE 2024 as against a revenue of RM199.6 million in the FYE 2023. The increase in revenue was mainly due to the contract of new noodles OEM business.

Noodles sales reported an 18% increase to RM112.8 million as compared to RM95.9 million in the FYE 2023. These were mainly due to a new OEM business and an increase in customers coverage because of self-distribution. OEM noodles business registered sales of RM45.4 million as compared to RM29.9 million in the FYE 2023. The Division is positive on the prospect of this business. Sales of in-house brands noodles also reported an increase of RM1.3 million to RM66.8 million in the FYE 2024.

The salad dressing segment also grew by RM6.4 million or 14% to RM53.0 million mainly contributed by the increase in selling price with more people eating out as the economy continue to open-up.

The sales of the trading segment (creamer) decreased by RM8.4 million or 15% due to a lower demand from the export market. This segment has achieved RM47.4 million sales for FYE 2024 as compared to RM55.9 million in the immediate preceding financial year.

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF THE FINANCIAL RESULTS AND FINANCIAL CONDITIONS (CONT'D)

Consumer Foods Division (cont'd)

The sales of seasonings segment, on the other hand, saw an increase by RM0.2 million or 23% in the FYE 2024 attributable to an increase of repeat orders from the overseas market for the Ready to Cook Curry Paste range.

The Division registered a profit before taxation of RM14.8 million in the FYE 2024 versus a profit before taxation of RM11.7 million in the FYE 2023. At the operational level, the Division showed a higher margin and lower operating expenses ratio as a result of stabilization of raw material costs and the economies of scale.

Overall, on a year-on-year basis, direct material costs has also stabilized since end of the FYE 2023, the main raw material prices such as flour, soy bean oil and fructose syrup have decreased in the range of 1% to 10% during the year.

Bedding Products Division

The Bedding Products Division registered a marginally lower revenue of RM68.3 million and a profit before taxation of RM4.8 million in the FYE 2024 compared to a revenue of RM68.8 million and a profit before taxation of RM6.9 million in the FYE 2023. The lower profit before taxation was mainly attributable to lower in sales and product margin.

The Division showed an improvement in its domestic project sales to RM19.3 million in the FYE 2024 as compared to RM18.3 million in the immediate preceding financial year. The increase was mainly due to increase in activities in the domestic market and a continued recovery in the economy.

The domestic retail market recorded lower sales of 5% to RM47.3 million after the surge in demand in the previous year because of the reopening of the economy and the effect of the pent-up demand.

Revenue from export sales increased to RM1.7 million in the FYE 2024 as compared to RM0.5 million reported for FYE 2023 due to a strong recovery in the overseas hospitality segment.

Some of the main projects carried out by the Division in FYE 2024 included:

- Bloomsvale Service Suite, Old Klang Road, Kuala Lumpur
- Mandarin Oriental, Kuala Lumpur Convention Centre, Kuala Lumpur
- M Social Hotel, Penang
- Holiday Inn & Suites, Penang
- Ibis Style KLIA, Selangor
- Glenmarie Hotel & Golf Resorts, Selangor

The Division rolled out a successful 3-day massive overrun sale at our manufacturing facility from 6th to 8th September 2024. The event was well-received, attracting a significant number of customers and generating strong sales, allowing the Division to effectively clear overrun inventory while engaging directly with the local community. This initiative not only boosted revenue but also helped strengthen our brand presence and customer loyalty.

At the operational level, this Division enjoyed higher sales and improved product margins, driven by a stronger market demand following the economy reopening from post Covid-19 pandemic slump.

Property Development Division

This Division reported its first property development revenue recognition of RM37.7 million and a profit before taxation of RM10.2 million in the FYE 2024 as against an interest income of RM46,000 and a profit before taxation of RM23,700 in the FYE 2023. The increase in revenue was mainly due to first recognition of property development income from its joint venture industrial park project. This marked a major milestone for the Division, as it began to realize income from its property development activities, reflecting the successful progress of the project and its contribution to the Division's overall financial performance.

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF THE OPERATING ACTIVITIES

Consumer Foods Division

The Semenyih and Sibul noodle plants have a current combined capacity of 12.0 million pieces of noodles per shift per month. For the full year 2024, the Semenyih noodle plant utilised 116% of its daily shift capacity while Sibul plant ran at 128% capacity.

The sales of instant noodles surged 18% compared to FYE 2023. Domestic market made up 88% of total sales in this category. In April 2024, the Division successfully launched a new noodle product, Ibumie Meepoh Kosong. The launch reflects the Division's commitment to innovation and expanding its product offerings, ensuring it meets the growing demand in the market for high-quality, ready-to-prepare noodles. With its unique taste and appeal, Ibumie Meepoh Kosong aims to strengthen the IBUMIE brand's presence in the competitive noodle market and attract a broader customer base.

OEM label brand of instant noodles contributed 40% to the overall turnover of this product category in Year 2024. Besides the major improvements from existing OEM business customers, the Division also managed to secure additional OEM customers during the year.

The Salad Dressing plant in Semenyih continued to run full swing, operating a second shift to keep up with orders. The plant produced a total of 8,900 metric tons of salad dressings for Year 2024. Sales remain solid and climbed 14% year-on-year. This product category is strongly driven by domestic sales which made up 94% of total turnover in this category. 74% of sales come from the Food Service pack formats which are sold mainly to Burger kiosks. There was also an increase in the contribution from the Retail Packs.

The Division has begun supplying Salad Dressing in bulk packing to industrial users such as bread factories. Industrial users usually require customised formula for each factory, but we foresee that we can leverage our Research & Development experience to grow this channel. We are also expanding our supply to more restaurant chains and outlets to grow this product category.

The Division also resumed participation in more food fairs as the global economy continues to reopen. In 2024, the Division participated in a total of 4 exhibitions, namely:

1. Anuga Asia Thaifex Bangkok, Thailand
2. SIAL Paris, France
3. MIFB Trade Fair, Kuala Lumpur Convention Centre, Kuala Lumpur
4. TLM Food Expo, Penang

Operationally, the Division performed well in 2024, benefiting from the stabilization of raw material prices. Overall, direct material costs decreased by approximately 3%, with significant reductions in key ingredients, i.e. soybeans and flour. The price of soybeans decreased by 1%, while flour prices saw a more substantial decline of 10%. These cost savings contributed to improved profitability, as the Division was able to optimize its production costs without compromising product quality.

The implementation of imbalanced cost pass-through (ICPT) in 2023 saw a significant increase in utility rate from RM0.037/kWh to RM0.20/kWh. In response to this significant hike in energy costs, the Division initiated a solar project in November 2024 as part of its strategy to reduce energy expenses. By investing in renewable energy, the Division aims to lower operational costs in the long term as well as enhance its sustainability efforts.

All in all, Year 2024 has been a good year for the Division and we foresee it to perform better in the next financial year. To maintain this momentum, the Division will continue to prioritize automation and digitalization initiatives, with a focus on enhancing cost-efficiency and streamlining operations. By embracing these technologies, we aim to drive greater productivity, reduce operational costs, and ensure sustained growth in the years to come.

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF THE OPERATING ACTIVITIES (CONT'D)

Bedding Products Division

The Division has invested in the operations of The KING KOIL Flagship Stores. Currently, it has 13 Flagship Stores via a licensing agreements with dealers selling only specific models.

As at 31 December 2024, the Flagship Stores are in the following locations:

1. Jalan Bangsar, Kuala Lumpur
2. Sunway Pyramid, Kuala Lumpur
3. Old Klang Road, Kuala Lumpur
4. Ikano Power Centre, Kuala Lumpur
5. Sungai Besi, Kuala Lumpur
6. Gurney Plaza, Penang
7. Vivacity, Kuching, Sarawak
8. Imago, Kota Kinabalu, Sabah
9. Paradigm Mall, Johor Bahru
10. Mid Valley South Bay, Johor Bahru
11. Toppen Shopping Centre, Johor Bahru
12. Pavilion Bukit Jalil, Kuala Lumpur
13. Cheras 11th Mile, Selangor

During the year under review, the Division has seen improvement in sales for its project segment. The Division has continued to intensify its efforts to put eye-catching brand graphics on trucks or lorries to increase exposure of its brand to a larger audience gaining traction as these trucks or lorries drive around town. The Division also invested into digital billboards to build brand awareness and boost sales to its business. With the right advertising methods, visuals and market targeting, the Division believes it can garner the attention of its target market and drive sales.

The recent challenges and shifts in the global market have led to unprecedented growth in digital and e-commerce sectors. These platforms have become increasingly popular and it is now an indispensable part of the Division's strategy. The Division will continue to accelerate its digital transition to capitalise on the growth of the business via digital and e-commerce platforms.

In 2024, the Division continued to be actively involved in its e-commerce activities by participating in various campaigns on both Lazada and Shopee platforms during special festivities such as:

1. Paydays Sale
2. Chinese New Year Sale
3. Ramadan Sale
4. Parents' Day Special
5. Merdeka Special
6. Black Series Introductory Offer
7. 9.9, 10.10, 11.11 and 12.12 and MEGA Campaign

Going forward, the Division will continue to leverage on digital marketing such as digital billboards, online sales, Google Ads, and others to enhance its brand awareness among Malaysians. In addition to that, the Division will continue the use of traditional marketing strategies such as the print media to reach our audience offline to maintain its brand presence among the older generation consumers focusing on sustainability of the KING KOIL brand. The Division will continue to participate in major events that align with its brands values of comfort, luxury and health.

The Division will also continue with its advertising and promotion budget for media spending to create new customer base and other brand building activities. The Division will allocate an additional budget into the digital and social media marketing such as in Facebook, Instagram, Google display network, YouTube Ads, Key Opinion Leaders, and other similar applications that will continue to play an important role in its marketing activities. Higher priority of marketing expenditure will be focused and allocated to digital marketing as it has rapidly grown in importance due to its interactivity, cost effectiveness and ability to reach a wide range of targeted audiences.

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF THE OPERATING ACTIVITIES (CONT'D)

Bedding Products Division (cont'd)

The Division will further develop new sales channels via specialty shops catering mainly to tourists' market, online sales and pay TV channels. The Division has registered significant growth from online and pay TV channel sales. The Division will also further enhance its online sales by adding new merchandise selection for the customers.

The Division will strengthen its business foundations based on strategic marketing plans targeting specific market segments (premium market, middle market, and the Malay consumer market).

As for the export market, the Division will continue to develop its export business potential. It is also strengthening its latex mattress export business to China. There are plans to further develop the KING KOIL retail and export businesses in new markets like Thailand, Vietnam, Myanmar, and Cambodia, via the establishment of KING KOIL Concept Stores. We have successfully made inroads into a number of these markets.

The Division will continue to improve its customer relationship management system, to enhance its relationship with customers and improve its customers' service experience.

The Division has also planned to continue to enhance the design of its popular models to align with current trends. These launches will help improve sales and push our products further into the market.

During the year, the Division has actively mitigated the rising costs of materials by negotiating with suppliers, exploring alternative materials, implementing cost saving measures and others to preserve the Division's profitability.

Property Development Division

The industry saw a positive surge in demand for industrial buildings, driven by several key factors. The country's robust economic performance, particularly within the manufacturing sector, has spurred the need for additional industrial spaces to support business growth and expansion.

As of 31 December 2024, the Division's joint-venture Project has seen strong interest and significant progress in the development of all launched units, reflecting the Project's strong market demand and its attractiveness to investors and businesses alike.

LIQUIDITY AND CAPITAL MANAGEMENT

The Group maintains a healthy level of cash and cash equivalents and banking facilities from financial institutions to fund the Group's short-term and long-term operational as requirements. As at 31 December 2024, the Group's cash and cash equivalents amounted to RM72.5 million (31 December 2023: RM60.1 million), an increase of RM12.4 million is mainly attributable to net cash increase from operating activities, whereas the Group's total bank borrowings stood at RM58.81 million compared to RM80.65 million as at 31 December 2023 mainly due to repayment of term loans.

The Group's gearing ratio was 0.33 times as at 31 December 2024 as compared to 0.45 times as at 31 December 2023.

CAPITAL EXPENDITURE REQUIREMENTS, CAPITAL STRUCTURE AND CAPITAL RESOURCES

The Group strives to maintain a prudent financial structure to ensure that it has access to adequate capital and financing on terms which are favorable to the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OUTLOOK 2025

In 2025, Malaysia's business landscape is expected to be characterized by steady economic growth, strategic policy initiatives, and a strong focus on technological advancement. The Malaysian economy is projected to expand at a rate of 4.5% to 5.5%, following a growth of 5.1% in 2024. This projection aligns with forecasts from the Government and Bank Negara Malaysia, reflecting sustained domestic demand and manageable inflation. Despite external uncertainties, Bank Negara Malaysia's forecast of 4.5% to 5.5% growth for 2025 remains positive.

Key business trends in Malaysia for 2025 include the adoption of artificial intelligence, sustainability initiatives, innovations in online retail, the expansion of business process outsourcing, growth in the halal economy, and significant infrastructure developments, including the creation of smart cities. These trends are supported by government incentives and policies aimed at driving economic transformation.

Malaysia's business outlook for 2025 remains positive, underpinned by strategic initiatives in tourism, technology, fiscal policy, and foreign investment. While challenges such as global economic uncertainties persist, the country's focus on innovation and sustainable growth positions it for continued development.

As OCB Group enters 2025, the Group is strategically positioning itself for growth and resilience in a dynamic economic environment. In December 2024, OCB Berhad agreed to sell its wholly-owned subsidiary, Agrow Malaysia Sdn Bhd. This move marks OCB Group's strategic exit from the building materials sector, enabling the Group to focus on its core competencies.

The Malaysian instant noodles market, a key sector for OCB Group, was valued at RM2.0 billion in 2020 and is projected to grow at a compound annual growth rate (CAGR) of over 4% from 2021 to 2025. This growth presents significant opportunities for OCB Group to expand its market share and capitalize on increasing consumer demands.

In 2025, OCB Group plans to prioritize risk management, enhance asset quality, and drive digital transformation initiatives. These efforts aim to improve operational efficiency and customer engagement, positioning the company for sustainable growth.

With a clear focus on its core businesses, strategic divestments, and a commitment to operational excellence, OCB Group is well-positioned to navigate the challenges and opportunities of 2025 effectively.

GROUP DIRECTORY

CONSUMER FOODS DIVISION

The Consumer Foods Division under Ibufood Corporation Sdn. Bhd. and its subsidiary companies (“Ibufood Group”) is the manufacturer of premium quality instant noodles under the brands IBUMIE and Baa..gus; and mayonnaise, salad dressings, seasoning-powder, seasoning-oil, and sauces under the brand TELLY.

IBUMIE’s Mi Goreng range is a leader in the dry-based instant noodle category. The range comes in 5 delicious flavours – *Asli (Original)*, *Thai Tom Yam*, *Kari Kapitan (Curry)*, *Sambal Udang (Spicy Shrimp)* and *Har-Mee (Shrimp)*.

IBUMIE’s soup-based range is spearheaded by the all-time favourite flavours - *Penang Har-Mee Soup (Shrimp Soup)* and *Penang White Curry*. Made with authentic shrimp powder, IBUMIE *Penang Har-Mee Soup* brings out the real sweetness of seafood in its broth. IBUMIE *Penang White Curry* which originates from the Peranakans, is reminiscent of Penang’s famous street curry noodles. The curry paste is made from fresh spices such as galangal, kaffir lime, lemon grass, ginger, kesum leaves and nutmeg. *Ala Miso Mee (Miso)* and *Ladamee (Black Pepper)* completes the IBUMIE soup range.

IBUMIE launched the Bowl Noodles series in 3 soup flavours, namely *Penang Har-Mee Soup (Shrimp Soup)*, *Penang White Curry* and *ala Miso Mee* in late 2021.

In April 2024, IBUMIE launched a new noodle product, *Meepoh Kosong* showcasing its innovation efforts and expanding its product range. The product is designed to meet market demand for high-quality, ready-to-prepare noodles, aiming to boost the IBUMIE brand’s presence and attract more customers.

The sub-brand Baa..gus instant noodles caters to the more economically conscious consumers who want great tasting instant noodles at affordable prices. The 5 flavours in this range, are *Goreng Asli (Original)*, *Goreng Lebih Pedas (Extra Spicy)*, *Ayam Bawang (Onion Chicken)*, *Soto Ayam (Chicken Soto)* and *Kari (Curry)*.

Ibufood Group’s TELLY brand is a strong player in the food condiments and seasonings segment offering premium quality blended seasoning-powder, seasoning-oil, sauces, mayonnaise, salad dressings, spices, soup, stocks and marinades. TELLY’s range of salad dressings particularly, the 3 Litre *MayoBoy* has grown over the years to become a market leader in the Food Service sector, supplying burger kiosks nationwide. The retail range of salad dressings such as the *All Purpose Mayo*, *Vegetarian Mayo*, *Lite Mayo* and *Thousand Island* in 230ml and 470ml glass jars has also shown strong and consistent growth in the trade. TELLY’s *Roasted Sesame Mayo* range in 1 Litre PET bottle, 280ml squeeze bottle and 50ml sachet also received encouraging market feedback since its launch. Ibufood Group expects the salad dressings category to continue its upwards growth trajectory going forward.

Ibufood Group also offers private label flavour development and manufacturing services for instant noodles, salad dressings and seasonings.

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GROUP DIRECTORY

BEDDING PRODUCTS DIVISION

KING KOIL chiropractic mattress makes more ways to say Goodnight !

The Bedding Products Division is a wholly-owned subsidiary of Kaiserkorp Sdn. Bhd. (“Kaiserkorp Group”) and is a specialist in the manufacturing and distribution of premium brand innerspring coils, natural latex and foam-fibre mattress systems, divan-foundations and bedding accessories. Today, Kaiserkorp Group is the industry benchmark of a one-stop bedding solution provider to consumers.

Kaiserkorp Group strives to achieve best-in-class quality and comfort through continuous improvement of sleep technology supported by KING KOIL’s main state-of-the-art Research and Development (“R&D”) centre in Arizona, the United States of America (“USA”). KING KOIL’s R&D centre provides design, creation, testing as well as market research on new product roll-outs. With the help of KING KOIL’s R&D centre, we are committed to designing, sourcing and manufacturing the best quality sleep products.

Kaiserkorp Group’s success is contributed by our close relationship with our retail partners to provide the best-in-class sleep solution to our customers. We adopt business processes which are oriented towards adding long-term value and competitiveness to our retail partners for them to provide continuous care and support to our customers’ needs.

In Malaysia, Kaiserkorp Group is the exclusive licensee of the prestigious KING KOIL brand. KING KOIL is a world leading brand and provider of high quality mattresses spanning 90 countries and 6 continents. KING KOIL is committed to providing the world with comfortable, healthy and good quality sleep. KING KOIL can be found in bedrooms of families as well as world-class hotels and medical institutions throughout the world.

KING KOIL has developed innovative products and provided strong service relationship to our customers. Our products are priced to meet the specifications and affordability parameters of customers. Through this understanding we have adopted a multi-brand strategy under KING KOIL to cater for different market segments. With this strategy, we have successfully developed WORLD LUXURY KINGKOIL, NATURAL RESPONSE, LUXURY HOTEL COLLECTION, EXTENDED LIFE, CERIA and PRINCE COLLECTION series suitable for different market segment. In 2019, KING KOIL launched Malaysia 1st Flex Linen Mattress series – SIMPLICITY.

Aside from KING KOIL, Kaiserkorp Group also developed affordable brands like FIRST KNIGHT, WONDERCOIL and TAGGE thus providing additional affordable quality product range. Kaiserkorp is also into OEM manufacturing for third-party brands and retailers in Asia and North America.

Kaiserkorp Group continues to invest in brand building activities via innovative marketing strategies and creative advertising campaigns to further lift the brand’s image and build brand equity for KING KOIL in Malaysia. KING KOIL had started its digital journey to promote and engage consumers via Facebook, Instagram, YouTube, etc. To-date, there are 13 KING KOIL Flagship Stores located in major towns in Malaysia.

KING KOIL is the only mattress brand endorsed by the Doctors of the International Chiropractors Association (“ICA”) and the Foundation of Chiropractic Education of Research (“FCER”) of USA.

Another important business sector for Kaiserkorp Group is in hospitality where KING KOIL has been supplying its mattresses to more than 60% of the 5-Star hotels in Malaysia for more than 3 decades, because KING KOIL brand is a popular and trusted brand among top hoteliers and hotel operators in Malaysia

Kaiserkorp Group also produces bedding related products and OEM brands for pillows of latex, down-feather, micro-fibre and polyester fibrefill plus fine bedlinens and cotton towels.

GROUP DIRECTORY

BEDDING PRODUCTS DIVISION (CONT'D)

KING KOIL has partnered with PROTECT-A-BED to provide our customers with the best mattress protection against bed-bugs, allergens, stains and spills, perspiration and body fluids. PROTECT-A-BED is the world's bestselling mattress protector, selling in 30 countries and across 6 continents. It is the No.1 recognised brand in USA for mattress protection.

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MANUFACTURING, SALES & SERVICE Selangor

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SALES & SERVICE

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GROUP DIRECTORY

PROPERTY DEVELOPMENT DIVISION

The Property Development Division demonstrates a robust performance in its key projects, underpinned by the efforts of its 80%-owned subsidiary, Enigma Sinar Sdn. Bhd. (“Enigma”). Enigma is spearheading the development of a significant industrial park, strategically located at H.S. (D) 165116, Lot No PT 84453, Mukim Kapar, Daerah Klang, Negeri Selangor. The land spans approximately 149,410 square meters, offering a prime location for industrial development in the growing area of Kapar.

The Division’s first development project is the *Excellent Technology Park @ Kapar International Industrial Park, Kapar* (“*ETP @ KIIP Kapar*”). This development is being executed in collaboration with a joint-venture partner, combining resources and expertise to create a state-of-the-art industrial hub. The park is located along Jalan Akob, Bukit Kapar, Klang, an area poised for economic growth due to its proximity to key transportation and commercial hubs.

This *ETP @ KIIP Kapar* project development includes the construction of 36 semi-detached factory units, with comprehensive infrastructure, public utilities, and other essential amenities designed to support industrial operations.

The project is strategically planned in 2 phases. Phase 1: The first phase comprises 16 factory units, all of which have been successfully completed and fully sold. This milestone underscores the strong market demand and confidence in the project, reflecting the growing industrial sector in the region. Building on the success of Phase 1, Phase 2 involves the development of 20 additional factory units. Sales for these units are currently ongoing, and the response has been encouraging, further validating the project’s potential.

Looking ahead, the Property Development Division remains optimistic about the continued growth and success of the *ETP @ KIIP Kapar* project. With the completion of Phase 1 and the ongoing sales for Phase 2, the Division is positioned to capitalize on the rising demand for industrial space in key strategic locations like Kapar.

The Property Development Division is poised for continued success in 2025, with *ETP @ KIIP Kapar* set to benefit from a dynamic industrial property market, growing demand, and strategic expansions. The Division will continue to focus on high-quality developments that meet market needs while exploring new opportunities to strengthen and diversify its project pipeline in the coming years.

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PROFILE OF DIRECTORS

TEE KENG HOON

Independent Non-Executive Chairman

Malaysian, Male, Aged 74

Tee Keng Hoon was appointed as an Independent Non-Executive Director of OCB on 1 December 2021 and was elected as Chairman of the Board of Directors on 1 January 2022.

He holds a Bachelor of Law (Honours) degree from the University of Singapore. He is the founder member and senior partner of Messrs Tay, Tee & Nasir and has been in practice for about 50 years.

KHOO KAY LEONG

*Senior Independent
Non-Executive Director*

Malaysian, Male, Aged 58

Khoo Kay Leong was appointed as Senior Independent Non-Executive Director of OCB on 1 September 2024. He is also the Chairman of the Audit and Risk Management Committee and a member of the Remuneration Committee and Nomination Committee of OCB.

He qualified as a Chartered Accountant in 1994. He is a member of the Malaysian Institute of Accountants and the Malaysian Institute of Certified Public Accountants. He has extensive experience in accounting, financial management, corporate finance and taxation, having worked in the commercial sectors of various industries for more than 30 years.

He began his career in 1986 when he joined Messrs KPMG, a big four international firm, as Qualified Audit Senior for several years until 1992.

From 1992 to 1995, Khoo Kay Leong was with San Yong Enterprise Sdn Bhd as Finance and Admin Manager. He then joined Rapid Synergy Berhad group of companies in 1995 as a Group Finance Manager until 1998. In 1998, he was with Southern Steel Berhad group of companies as Senior Manager-Group Corporate Finance until 2001.

From 2001 to 2012, he served as Senior Vice President-Finance/Corporate Finance of Merbok Hilir Berhad group of companies prior joined Can-One Berhad group of companies ("Can-One Group") as Group Chief Financial Officer in 2012 and was responsible for the financial matters of Can-One Group until his retirement in 2021.

AGNES MARIA SAM A/P JOHN SAM

Independent Non-Executive Director

Malaysian, Female, Aged 71

Agnes Maria Sam A/P John Sam was appointed as an Independent Non-Executive Director of OCB on 1 September 2020. She is also the Chairperson of the Nomination Committee and a member of the Audit and Risk Management Committee and the Remuneration Committee of OCB.

She holds a Master of Arts in Economic Policy from Boston University, Massachusetts, United States of America ("USA") and a Degree in Economic & Administration from Universiti Malaya, Malaysia.

She was an Administrative and Diplomatic Service (PTD) Officer with the Government of Malaysia from 1981 to 2017. During the course of her public service career, she served with the Public Service Department, Economic Planning Unit and Ministry of Finance. Her last position was as Head of Policy Initiatives while on secondment with Talent Corporation Malaysia Berhad.

PROFILE OF DIRECTORS

CHAN KEE ENG

Independent Non-Executive Director

Malaysian, Female, Aged 67

Chan Kee Eng was appointed as an Independent Non-Executive Director of OCB on 1 December 2021. She is also the Chairperson of the Remuneration Committee and a member of the Audit and Risk Management Committee and the Nomination Committee of OCB.

She holds a Bachelor of Business (Business Administration) from Royal Melbourne Institute of Technology, Australia and a Diploma in Management from Malaysian Institute of Management. She was working in the banking and finance industry for more than 30 years.

In 1984, she joined MUI Finance, a member of Malayan United Industries Berhad, as Confidential Secretary to the Assistant General Manager. After several years, she was transferred to the Loans Department, as Loan Officer in the Credit Supervision Unit.

In 1994, MUI Finance was acquired by Advance Synergy Berhad and renamed as United Merchant Finance Berhad (“UMF”). Under UMF, Chan Kee Eng was appointed as Branch Manager for one of its branches in 1998. She was later transferred to Head Office to head the Credit Supervision Unit to handle corporate loans recovery.

In 2000, UMF was acquired by Southern Bank Berhad together with another 2 smaller finance companies, i.e. Perdana Finance and Cempaka Finance, and renamed as Southern Finance Berhad, which was later acquired by CIMB Bank Berhad. In CIMB Bank Berhad, she was posted to various departments, viz., Credit Recovery, Legal Recovery, Loan Documentation and Administration. Her last position was Assistant Vice President, Credit Collection Agency Management and Legal, which involved liaising with solicitors on progress of litigation cases for vehicle and property loans, until her retirement in November 2017.

Chan Eng Kee is an Independent Non-Executive Director of Toyo Ventures Holdings Berhad which is listed on the Main Market of Bursa Securities. She is also the Chairperson of its Audit & Risk Management Committee, Remuneration Committee and Nomination Committee. She is an Independent Non-Executive Director of Ocean Fresh Berhad, which is listed on the ACE Market of Bursa Securities.

MOHD HARRIS BIN PARDI

*Chief Operating Officer
cum Executive Director*

Malaysian, Male, Aged 72

Mohd Harris Bin Pardi was appointed to the Board of OCB on 2 January 2007 and assumed the position of Chief Operating Officer cum Executive Director on 17 April 2008. He is primarily responsible for the development and implementation of the OCB group of companies’ (“OCB Group” or “the Group”) operational strategies and policies. He also oversees the management, operations and marketing activities of the Group.

A graduate from Universiti Malaya, Malaysia with a Degree in Economics, he has extensive experience in the food & beverage (“F&B”) and hospitality industry. His experience includes restaurant design and construction, operations and management, product development and manufacturing, human resource training and development. He was a member of the pioneer management team of McDonald’s Malaysia, holding the position of Head of Corporate and Business Development at Golden Arches Restaurants Sdn. Bhd. from 1989 to 1994. In 1996, he left McDonald’s Malaysia to start the Burger King Restaurant franchise in Malaysia as its first Managing Director.

PROFILE OF DIRECTORS

FONG HENG LEONG

*Non-Independent
Non-Executive Director*

Malaysian, Male, Aged 71

Fong Heng Leong was appointed to the Board of OCB as Executive Director on 19 April 2000 and was re-designated to Non-Independent Non-Executive Director on 1 January 2020.

He holds a Master of Business Administration from Heriot-Watt University, Edinburgh, UK and was a Chartered member of The Institute of Internal Auditors Malaysia.

He has extensive finance and accounting experience, particularly in the manufacturing and trading industries. He was the Head of the Finance Division of Kaiserkorp Sdn. Bhd., a wholly-owned subsidiary of OCB, a position he held until his appointment to the Board of OCB.

WONG CHOON SHEIN

*Non-Independent
Non-Executive Director*

Malaysian, Male, Aged 74

Wong Choon Shein was appointed to the Board of OCB as Non-Independent Non-Executive Director on 28 November 2017.

He has over 46 years of experience and knowledge in international trade and wide networking with major global players in the building and construction industry. He was the founder and Managing Director of Buildtrend Group, a major building materials and architectural products distributor of global brands (like ROCA, TOTO, Villeroy and Boch) and contractor. In July 1994, after divesting Buildtrend Group to Hong Leong Malaysia, he assumed the position of Group Managing Director, Building Materials Division of Hong Leong Industries Berhad until 1996. Home Expo, the first one-stop home renovation and decoration centre in Malaysia, was launched by him in 1999.

He has several business ventures in the building and construction industry in Malaysia, Singapore and Australia. He is also the ASEAN Business Development Director for BSC Group Hong Kong, a building materials and interior contracting group with business activities in Hong Kong, China and Macau.

He is an Independent Non-Executive Director of Alcom Group Berhad which is listed on the Main Market of Bursa Securities. He is also the Chairman of its Nomination Committee and a member of Remuneration Committee.

Additional Information:

- 1. None of the Directors have any family relationship with any Director and/or major shareholder of the Company.*
- 2. None of the Directors have any conflict of interest or potential conflict of interest, including interest in any competing business with the Company and/or the Group.*
- 3. Save for Chan Kee Eng and Wong Choon Shein, none of the Directors have other directorship in public companies and listed issuers.*
- 4. None of the Directors have been convicted of any offence within the past 5 years or was publicly sanctioned or imposed with penalty by the relevant regulatory bodies during the financial year ended 31 December 2024 ("FYE 2024").*
- 5. Details of the Director's attendance at the Board meetings are set out in page 48 of this Annual Report.*

PROFILE OF KEY SENIOR MANAGEMENT

YEOH JIN BENG

Director
Consumer Foods Division

Malaysian, Male, Aged 73

Yeoh Jin Beng was appointed as Director of Ibufood Corporation Sdn. Bhd. ("Ibufood") on 12 July 2002. He oversees the Consumer Foods Division which is under Ibufood. His expertise is in the manufacture and trading of fast-moving consumer goods.

He is 1 of the co-founders of Kaisercorp Group which manufactures and distributes KINGKOIL and other branded mattresses in Malaysia. Prior to that, he was working for an international pharmaceutical company which deals in pharmaceutical and other specialty medical products.

He is a Non-Independent Non-Executive Director of Can-One Berhad, a company which is listed on the Main Market of Bursa Malaysia Securities Berhad.

CHARLES YEOH

Director of Operations
Consumer Foods Division

Malaysian, Male, Aged 35

Charles Edward Yeoh Min Hsien was appointed as Director of Operations of Ibufood on 18 June 2020 to oversee the operations of Consumer Foods Division which is under Ibufood.

His expertise in the manufacturing, marketing and international trade of fast-moving consumer goods. Having a background in finance and accounting from Brunel University West London, he has had experience in working at Kuwait Finance House ("KFH") under the Investment Banking Division for 4 years. The role encompasses dealing with merger and acquisition deals, fund raising and sukuk issuances during the time with KFH.

CHIU CHU TZU

Director of Research and Development
Consumer Foods Division

Malaysian, Female, Aged 68

Chiu Chu Tzu was appointed as Director of Research and Development ("R&D") of Spices & Seasonings Specialities Sdn Bhd. in April 1999.

She graduated from Shih Chien University of Taipei, Taiwan in 1976 with a Degree in Food Nutrition.

She started her career working at Ve Wong Corporation, a Taiwanese manufacturer of instant noodles, soya sauce and chilli sauce. As the R&D Manager, Chiu Chu Tzu was instrumental in the development of several hit instant noodles flavour for the Ve Wong Brand such as Original Beef Soup, Red Braised Beef Soup, Sesame Oil Chicken Soup, Shallot Minced Pork Soup and Pork Rib Chicken Soup which are still sold until today. She was at Ve Wong for 16 years from 1978 until 1994.

She then moved to Indonesia to take up the R&D Director post at Wicaksana Overseas International Tbk. She was responsible for the development of several products such as instant noodles, chilli sauce, tea and canned food for the Michiyo and Gaga brands. Amongst the instant noodle flavours developed under her watch are Goreng Asli, Bolognese, Alfredo and Kaldu Ayam. Her time at Wicaksana was cut short due to the civil unrest in Indonesia in year 1998. She left for Kuala Lumpur, Malaysia the same year.

PROFILE OF KEY SENIOR MANAGEMENT

With her vast knowledge and years of experience in the development and manufacturing of oriental and Asian flavour instant noodles, she was key in the setting up of the new instant noodles and seasonings facilities in Bangi and then Semenyih. Some of the hit flavours developed includes the Penang Har Mee Soup, a fragrant shrimp noodles soup and Penang White Curry, both popular flavours amongst local Malaysians. She also played a critical role in the development of the Mayonnaise range of products which started in 2004. Currently, Telly Mayo Boy is a popular brand amongst burger boys in the Food Service channel.

SAK SWEE SANG

Director
Bedding Products Division

Malaysian, Male, Aged 55

Sak Swee Sang was appointed as Director in the Bedding Products Division on 21 November 2019. He is responsible for the accounting, operations and management of the Group.

He holds a Diploma in Commerce (Management Accounting) from Tunku Abdul Rahman College, Kuala Lumpur, Malaysia. He is an associate member of The Chartered Institute of Management Accountants, UK and The Malaysian Institute of Taxation. He is also a Chartered member of The Malaysian Institute of Accountants and The Institute of Internal Auditors Malaysia.

He has 31 years experience in accounting, audit and finance. He was with Messrs Sim & Co., a chartered accounting firm for 6 years before he joined Bedco Sistem (M) Sdn. Bhd., a wholly-owned subsidiary of OCB, as Finance and Administration Manager in 2000 and promoted to Head of Internal Audit of OCB from 2002 to 2005. He was an Executive Director OCB from December 2005 to August 2018.

TAN ENG HOE

Chief Operating Officer
Bedding Products Division

Malaysian, Male, Aged 72

Tan Eng Hoe was appointed as the Chief Operating Officer on 1 December 1997 to head KaiserCorp Group which is principally involved in the manufacture and distribution of bedding products and sleep accessories products.

He has over 52 years of manufacturing, operation and marketing experience in the fibre felt, car seat cushion and mattresses industries. Early in his career, he was involved in the manufacture of rubberised natural fibre felt industry. In 1978, he went on to join a company manufacturing car seat cushions, holding various senior management positions therein until he joined KaiserCorp Group in 1997.

Additional Information:

1. Save for Yeoh Jin Beng who is the father of Charles Edward Yeoh Min Hsien, and the brother-in-law of Patricia Woon Lai Ching @ Lee Yah Seng, the major shareholder of the Company, none of the Key Senior Management personnel has any family relationship with any Director and/or major shareholder of OCB.
2. None of the Key Senior Management personnel has any conflict of interest or potential conflict of interest, including interest in any competing business with OCB and/or the Group.
3. Save for Yeoh Jin Beng, none of the Key Senior Management personnel holds directorship in public companies and listed issuers.
4. None of the Key Senior Management personnel has been convicted of any offence within the past 5 years or was publicly sanctioned or imposed with penalty by the relevant regulatory bodies during the FYE 2024.

SUSTAINABILITY REPORT

A. EMBRACING OUR RESPONSIBILITY

The Board of Directors of OCB Berhad (“OCB”) is pleased to present the Sustainability Report for the Group and its subsidiaries for the financial year ended 31 December (“FYE”) 2024. Aligned with Bursa Malaysia Securities Berhad’s Sustainability Reporting Guide and Practice Note 9, this report outlines the Group’s commitment to balancing economic growth with environmental stewardship and social responsibility.

At OCB Berhad, we believe that true success is not just about economic achievements rather in building a future where progress and sustainability go hand in hand. We are committed to not only meeting the needs of today but also ensuring an environment where generations to come can thrive. This philosophy is at the heart of everything we do.

The Board, supported by the Chief Operating Officer (“COO”) cum Executive Director (“ED”) as Chief Sustainability Officer (“CSO”), oversees sustainability strategies integrated into our daily operations. This report covers economic, environmental, and social initiatives across the Consumer Foods, Bedding Products and Property Development Divisions.

B. OUR FOUNDATION: THE OCB SUSTAINABILITY FRAMEWORK

Our commitment to sustainability is more than mere rhetoric. It is a structured approach that guide our actions and decisions. The OCB Sustainability Framework, approved by the Board, provides the roadmap for our sustainability journey. It ensures that sustainability is embedded in our operations across the Group.

Our sustainability efforts are centered around the following key pillars:

Sustainability Pillars		
<ul style="list-style-type: none"> Economic Prosperity: We strive for sustainable growth that benefits our stakeholders and contributes to the economy 	<ul style="list-style-type: none"> Environmental Stewardship: We are dedicated to minimizing our environmental footprint through responsible resource management and reducing pollution 	<ul style="list-style-type: none"> Social Responsibility: We foster a positive impact on society by upholding ethical practices, supporting our employees, and engaging with our communities

C. OUR SUSTAINABILITY GOALS: A ROADMAP FOR ACTION

At OCB, we continue to strive for economic success while also playing our part as a responsible corporate citizen. The business strategies and decisions we take are in line with our long-term sustainability goals of reducing our environmental footprint while maintaining a high level of quality and safety of our products.



SUSTAINABILITY REPORT

D. GOVERNANCE: LEADING FROM THE TOP

Sustainability is a responsibility that starts at the top. The Board of Directors assumes ultimate responsibility for the Group’s sustainability efforts whilst the COO cum ED plays a crucial role as the CSO, driving the implementation of our sustainability strategy.

Our sustainability governance structure ensures accountability and effective implementation:



E. OUR OPERATIONAL SCOPE

This Sustainability Report covers the sustainability performance of the following 3 operating divisions:

- (a) Consumer Foods Division
- (b) Bedding Products Division
- (c) Property Development Division

The Building Materials Division, which was included in the FYE 2023 Annual Report, has been excluded from this report following its disposal during the financial year.

SUSTAINABILITY REPORT

F. ENGAGING WITH OUR STAKEHOLDERS

We acknowledge that engaging with our stakeholders is critical to achieving our sustainability goals. Through careful analysis, we have categorized our stakeholders into internal and external groups, and conducted a strategic prioritization to determine their relative importance to the Group, as outlined below:

Internal Stakeholders	External Stakeholders
a. Investors	a. Customers and end-consumers
b. Employees	b. Regulators
c. Board and Board Committees	c. Government authorities
	d. Suppliers
	e. Local communities
	f. Media

Investors: We maintain open communication through our corporate website at www.ocbb.com.my, providing financial information and updates on business developments.

Customers and End-Consumers: We prioritize product quality and safety and offer various channels for direct communication, including company websites and customer service hotlines.

G. MATERIAL SUSTAINABILITY MATTERS: OUR FOCUS AREAS

Through a thorough process involving the Board, RMEC, and RMSWG, we have identified the Material Sustainability Matters that are most relevant to our business and stakeholders.

Group/Divisions	Areas	Material Sustainability Matters
OCB Group	Social	<ul style="list-style-type: none"> Ethical Business Conduct Contribution to local communities Data Privacy and Security
Consumer Foods Division	Social	<ul style="list-style-type: none"> Product quality and safety Labour practices Workplace safety and health Workforce diversity
	Economic	<ul style="list-style-type: none"> Procurement practices
	Environmental	<ul style="list-style-type: none"> Effluent and waste Energy consumption
Bedding Products Division	Social	<ul style="list-style-type: none"> Product quality and safety Labour practices Workplace safety and health Workforce diversity
	Economic	<ul style="list-style-type: none"> Procurement practices
	Environmental	<ul style="list-style-type: none"> Energy consumption
Property Development Division	Social	<ul style="list-style-type: none"> Labour practices Workplace safety and health
	Economic	<ul style="list-style-type: none"> Procurement practices

SUSTAINABILITY REPORT

H. MATERIALITY MATRIX

The Materiality Matrix helps us prioritize our sustainability efforts by assessing the significance of each matter based on its impact and influence on stakeholders:

Influence on Stakeholders Assessment and Decision	High		<ul style="list-style-type: none"> Product Quality and Safety
	Medium	<ul style="list-style-type: none"> Ethical Business Conduct Procurement Practices 	<ul style="list-style-type: none"> Workplace Safety and Health Effluent and Waste
	Low	<ul style="list-style-type: none"> Contribution to Local Community Workforce Diversity Data Privacy and Security 	<ul style="list-style-type: none"> Labour Practices Energy Consumption
		Low Medium High	

Significance of the Group's Economic, Environmental and Social impact

I. OUR SUSTAINABILITY EFFORTS: DRIVING POSITIVE CHANGE

Sustainability management is integrated throughout our Group's operations. We remain dedicated to implementing specific initiatives to address our most material sustainability priorities:

(a) Ethical Business Conduct

OCB Group subscribes to ethical business conduct. The Group upholds the value of fair business practices with the highest level of integrity and has a zero-tolerance approach to all forms of corruption and misconduct in all business dealings within the Group. The following codes and policies relating to the ethical conduct of the Group can be found on the Company's website:

- Code of Conduct and Ethics
- Policy on Corporate Code of Conduct
- Anti-Corruption Policy
- Standard Operating Procedure for Anti-Corruption
- Policy on Whistle Blowing

Where necessary, the above-mentioned codes and policies will be reviewed and updated to align with the new regulations, laws, and/or accommodate changes within the Company or the Group the Group needs. Approval is sought from the Board as part of sound corporate governance.

SUSTAINABILITY REPORT

I. OUR SUSTAINABILITY EFFORTS: DRIVING POSITIVE CHANGE (CONT'D)

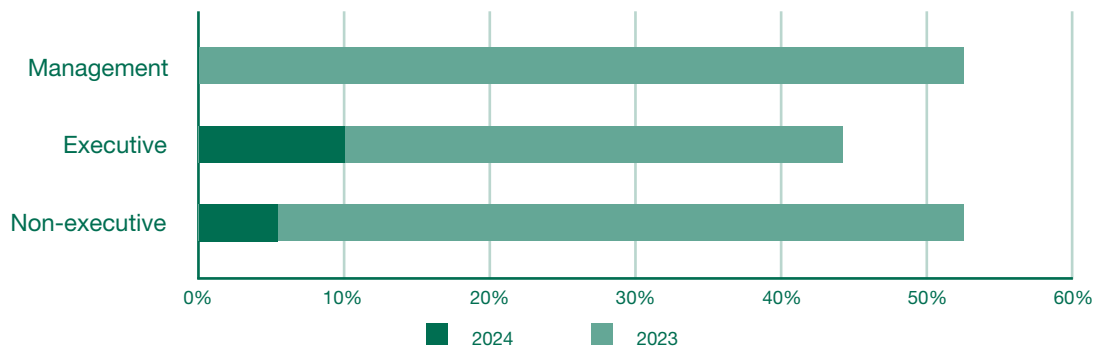
(a) Ethical Business Conduct (cont'd)

The Anti-Corruption Policy and the Standard Operating Procedure for Anti-Corruption reiterates our commitment to conduct our business within the provision of all the applicable anti-corruption regulatory requirements and to ensure mandatory compliance within the Group, its Directors, officers and employees. To ensure that employees are informed of and updated with the Group's Anti-Corruption Policy, training is given regularly. Employees are also required to sign an anti-corruption pledge form to hold each of them accountable and responsible for carrying out their duties in line with the Group's Policy and to hinder them from engaging in any corrupt practices throughout their employment.

We recognize that a vigilant and engaged stakeholder community is essential to our anti-corruption efforts. Therefore, we encourage our internal and external stakeholders to voice their concerns regarding any corruption and improper activities within the Group through our anonymous whistleblower communication channel. This open communication channel reflects our commitment to transparency and our efforts to ensure that the Group is free from any corruption and irregularities.

The percentage of each category of employees who have received training on anti-corruption was as follows:

FYE	2024	2023
Percentage of each category of employees who have received training on anti-corruption		
- Management	0%	53%
- Executive	10%	44%
- Non-executive	6%	53%
Operations assessed for corruption-related risks	100%	75%
Confirmed incident of corruption	0	0



(b) Product Quality and Safety

Consumer Foods Division

We take great pride in the safety and quality of our products. The Division has obtained certification for Hazard Analysis and Critical Control Point (“HACCP”) MS 1480:2007 and Good Manufacturing Practice (“GMP”) from Société Générale de Surveillance (“SGS”), as well as Halal certification from Department of Islamic Development Malaysia (“JAKIM”). These certifications set out procedures to ensure that the products are safe for consumption.

SUSTAINABILITY REPORT

I. OUR SUSTAINABILITY EFFORTS: DRIVING POSITIVE CHANGE (CONT'D)

(b) Product Quality and Safety (cont'd)

Bedding Products Division

For the Bedding Products Division, the Research & Development (“R&D”) team has been continuously improving on the bedding designs to ensure that the products provide sleep comfort and proper sleep posture. Employees participate in exhibitions to expose themselves to new products and technologies. The Division is endorsed by the International Chiropractors Association of the United States of America and has achieved MS ISO 9001:2015 quality certification.

Our mattress line includes the Luxury Hotel Collection with fire-retardant barrier mattresses. The fire-retardant barrier is designed to slow down the spread of fire in mattresses, resulting in a slower burn rate. The fire-retardant mattresses are subject to a meticulous evaluation process, including a fire safety test that follows the guidelines outlined in 16 CFR Part 1633. 16 CFR Part 1633 is a US federal standard which measures how quickly a mattress catches fire and how much energy is released when it is exposed to an ignition like burning bedding. This is important as mattresses are the primary fuel in most cases of a fire emergency. Thus, by slowing down the burning rate of the mattress can provide essential time to escape.

Further enhancing our commitment to environmental responsibility, the Bedding Products Division has taken significant steps to utilize more sustainable materials. We have fully replaced PVC with LDPE in our mattress materials. LDPE (Low-Density Polyethylene) is a more environmentally friendly alternative to PVC. In addition, we are now utilizing recycled yarn for mattress underlay, reducing waste and promoting a circular economy.

The Group’s product quality and safety performance were as follows:

FYE	2024	2023
Major non-compliance of product quality and safety standards which resulted in significant product return or recall	0	0
Major complaints from consumers	0	0

(c) Workplace Safety and Health

A safe workplace fosters productivity, morale, and operational efficiency. We continuously invest in training, ergonomic improvements, and workplace safety technologies to create a secure and conducive working environment for all employees.

We have established Safety and Health Committees (“SHC”) at the Consumer Foods and Bedding Products Divisions, operating in accordance with OSHA 1994 and the Factories and Machinery Act 1967.

Each factory has its own fire-fighting team, and the team members undergo regular training to maintain their skills and alertness in handling emergency situations. Fire drills are carried out annually, which serve to familiarise employees with the safety procedures during emergencies.

The performance of the Group in relation to training on safety and health was as follows:

FYE	2024	2023
Number of work-related fatalities	0	0
Number of employees trained on health & safety	50	52
Lost Time Incident Rate	1.95	283.0 (In lost hours)

SUSTAINABILITY REPORT

I. OUR SUSTAINABILITY EFFORTS: DRIVING POSITIVE CHANGE (CONT'D)

(c) Workplace Safety and Health (cont'd)

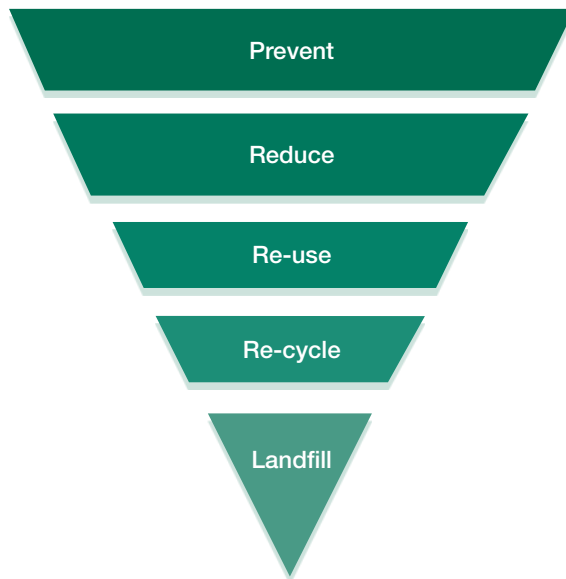
Trainings attended by the employees in the FYE 2024 were as follows:



(d) Effluent and Waste

Solid Waste Management

The primary purposes of solid waste management strategies are to address the health, environmental, land-use, resource, and economic concerns associated with the improper disposal of waste. In managing its waste, OCB Group adopts this solid waste management approach:



Our top priority is to prevent waste generation and create a sustainable, regenerative society for future generations.

We design our products and processes to use less materials and minimize waste production. Followed by reduction of waste, re-use, recycle and as the last resort, disposing nonrecyclable materials.

In both food and mattress manufacturing operations, our companies focus on optimizing purchasing and production efficiency through accurate sales forecasting, strategic raw material procurement, and meticulous production planning. We minimize waste throughout these processes by implementing comprehensive employee training programs and leveraging our advanced ERP system to streamline operations and enhance resource utilization.

In reflecting the Group's dedication to producing high-quality products and minimizing landfill waste, every King Koil mattress and divan comes with a pro-rated warranty that lasts for 10 or 15 years and is protected against any manufacturing defects. This assurance is essential in preserving the mattress' lifespan which could last at least, for the warranty period. In addition, the Bedding Products Division has implemented the online "Product Warranty Registration". This initiative not only saves printing of warranty cards, it also facilitates the registration of warranty by consumers.

SUSTAINABILITY REPORT

I. OUR SUSTAINABILITY EFFORTS: DRIVING POSITIVE CHANGE (CONT'D)

(d) Effluent and Waste (cont'd)

Solid Waste Management (cont'd)

Each division implements source segregation of waste into recyclable and non-recyclable categories. Recyclable materials are processed through approved recycling contractors, while non-recyclable waste is managed via authorized municipal waste disposal contractors. This systematic approach ensures responsible waste handling across our operations.

The Group remains dedicated to responsible waste management practices, reflecting our commitment to environmental sustainability and resource efficiency. Below is a summary of our waste disposal performance:

FYE	2024	2023
Total waste generated	752.63 MT	–
Total waste diverted from disposal	198.99 MT	–
Total waste diverted to disposal	553.64 MT	–

Water Management

Water conservation represents a critical focus across our entire organization. The Consumer Foods Division, our largest water consumer due to its production-intensive processes including washing, cooking, and cleaning operations, has implemented targeted water-saving measures. These include water recycling systems, low-flow fixtures, and optimized cleaning procedures. Our comprehensive water management strategy includes regular audits, employee training programs, and investment in water-efficient technologies, with a goal to reduce overall water usage intensity.

The Consumer Foods Division manages effluent discharge through a wastewater treatment plant (“WWTP”) that complies with all regulatory standards. A designated qualified staff oversees WWTP operations, with monthly performance reports submitted to the Department of Environment (“DOE”). Management continuously monitors treatment capacity to ensure the WWTP can accommodate increased effluent volumes resulting from production growth, maintaining our commitment to responsible water resource management.

The total volume of water used of the Group was as follow:

FYE	2024	2023
Total volume of water used	72.23	65.08

Air Quality Management

The Consumer Foods Division utilizes steam boilers as a critical component of its manufacturing processes, providing essential thermal energy for cooking, sterilization, and facility heating. These industrial steam boilers, which have been certified by the Department of Safety and Health, are operated by trained technicians who undergo regular competency assessments. Our combustion emissions management program ensures that all operations remain well within the regulatory limits established by the Department of Environment, with continuous monitoring systems in place to track air quality impacts. Throughout the FYE 2024, we maintained perfect compliance with zero recorded air quality violations (FYE 2023: Nil), reflecting our commitment to environmental stewardship and operational excellence. The boilers’ efficiency and environmental performance are further enhanced through regular maintenance schedules.

SUSTAINABILITY REPORT

I. OUR SUSTAINABILITY EFFORTS: DRIVING POSITIVE CHANGE (CONT'D)

(e) Procurement Practices

Supporting local economic development forms a fundamental pillar of our procurement approach. During the 2024 financial year, the Consumer Foods Division, Bedding Products Division and Property Development Division collectively sourced the majority of their required materials and services from regional suppliers. This commitment to local procurement not only strengthens our supply chain resilience but also generates meaningful economic benefits within the communities where we operate, aligning with our broader sustainability objectives.

The proportion of purchases from local suppliers were as follows:

FYE	2024	2023
Proportion of purchases from local suppliers	95%	94%

(f) Energy Consumption

The Management has developed an Energy Consumption Policy and system aimed at reducing the Group's environmental footprint and promoting sustainable practices. In addition, the Group will continue to evaluate and implement energy saving initiatives which may have significant environmental impact.

In our pursuit of sustainability, we have strategically invested in energy-efficient machines and equipment to optimize our operations and reduce energy consumption. We are also committed to continuous education, providing our employees with the knowledge and skills needed to actively participate in our Group's energy-saving initiatives. This holistic approach ensures that our efforts towards sustainability are both impactful and inclusive.

As part of our commitment in reducing our environmental impact, our Bedding factory will be installing solar power systems in 2025. This strategic investment in renewable energy demonstrates our dedication to transitioning toward cleaner energy sources and reducing our carbon footprint. The installation of solar panels across our facility marks a significant step forward in our sustainability journey. This renewable energy source will complement our existing energy mix, decreasing our dependence on traditional fossil fuels and contributing to a more sustainable manufacturing process.

Our solar power initiative is not only environmentally responsible but also aligns with our long-term financial goals by potentially reducing energy costs over time.

The total energy consumption by the Group was as follows:

FYE	2024	2023
Total energy consumption (Megawatt)	4,047	3,969

(g) Greenhouse Gas Emissions

Our Group is committed to conducting its operations in an environmentally responsible manner, with a strong focus on minimizing greenhouse gas emissions. Beyond the energy-saving initiatives outlined earlier, we implemented additional practices to reduce our carbon footprint:

1. **Sustainable Sourcing:** We strategically sourced raw materials from suppliers who adhere to sustainable practices, ensuring that their operations align with our environmental objectives.
2. **Logistics Optimization:** We optimize logistics management by maximizing the efficiency of each transportation trip, thereby reducing the total number of trips required and lowering associated emissions.

SUSTAINABILITY REPORT

I. OUR SUSTAINABILITY EFFORTS: DRIVING POSITIVE CHANGE (CONT'D)

(g) Greenhouse Gas Emissions (cont'd)

Our Group is committed to conducting its operations in an environmentally responsible manner, with a strong focus on minimizing greenhouse gas emissions. Beyond the energy-saving initiatives outlined earlier, we implement additional practices to reduce our carbon footprint: (cont'd)

3. **Equipment Efficiency:** Regular preventive maintenance of our plants and machinery ensures minimal downtime and optimal performance, reducing energy waste and maximizing operational efficiency.
4. **Digital Collaboration:** We promote virtual meetings among employees to minimize business travel, thereby reducing transportation-related emissions and supporting a low-carbon work culture.

These integrated efforts demonstrate our dedication to sustainable business practices, driving continuous improvement in environmental performance while supporting our long-term sustainability goals.

The Group is committed to transparent reporting and continuous improvement in managing its environmental impact, with a particular focus on reducing greenhouse gas emissions. Below is a detailed overview of our emission performance:

FYE	2024	2023
Scope 1 emissions in tonnes of CO ₂ e	3,067 MT	–
Scope 2 emissions in tonnes of CO ₂ e	6,874 MT	–
Scope 3 emissions (from business travel and employee commuting)	490 MT	–

(h) Workforce Diversity

Gender and age group representation in OCB Group (excluding the Board of OCB) were as follows:

FYE	2024	2023
Percentage of employees by age group		
– Management Under 30	0%	0%
– Management Between 30-50	10%	32%
– Management Above 50	90%	68%
– Executive Under 30	4%	6%
– Executive Between 30-50	58%	54%
– Executive Above 50	38%	40%
– Non-executive Under 30	34%	37%
– Non-executive Between 30-50	49%	45%
– Non-executive Above 50	17%	18%
Percentage of employees by gender		
– Management Male	90%	82%
– Management Female	10%	18%
– Executive Male	58%	54%
– Executive Female	42%	46%
– Non-executive Male	64%	66%
– Non-executive Female	36%	34%

SUSTAINABILITY REPORT

I. OUR SUSTAINABILITY EFFORTS: DRIVING POSITIVE CHANGE (CONT'D)

(h) Workforce Diversity (cont'd)

All Directors of OCB are above 50 years of age. The gender representation of the OCB Board was as follows:

FYE	2024	2023
Percentage of Directors by gender		
- Male	71%	75%
- Female	29%	25%
Percentage of Directors by age group		
- Above 50	100%	100%

(i) Labour Practices and Standards

Human Resource Development

The Board recognizes that our people are the cornerstone of the OCB Group’s success and sustained competitive advantage. We are committed to fostering a culture of continuous learning and professional growth throughout our organization. Our comprehensive workforce development strategy includes structured technical training programs designed to enhance specialized skills relevant to each division’s operations, as well as soft skills development to improve interpersonal effectiveness, leadership capabilities, and cross-functional collaboration.

Management has established clear learning pathways that align with both individual career aspirations and organizational objectives, ensuring that investment in human capital yields tangible benefits for both employees and the company. We actively encourage participation in external workshops while also maintaining robust internal training resources.

This commitment to lifelong learning not only equips our employees with the necessary skills to navigate evolving industry challenges but also contributes to higher employee satisfaction and retention rates, ultimately supporting our sustainability goals through a stable, skilled workforce.

In 2024, our employees took part in training courses covering various disciplines, as follows:

- Food handling, HACCP, HALAL
- Communication and Supervisory skills
- Taxation and Budget
- Finance and Accounting
- Fire Safety
- Employment Law
- Information Technology
- Environmental law, Aspect and Impacts
- Safety and Health

SUSTAINABILITY REPORT

I. OUR SUSTAINABILITY EFFORTS: DRIVING POSITIVE CHANGE (CONT'D)

(i) Labour Practices and Standards (cont'd)

Human Resource Development (cont'd)

The training hours clocked by employees were as follows:

FYE	2024	2023
Total training hours by employee category		
- Management	72	174
- Executive	1,227	1,316
- Non-executive	1,280	1,073

Employee Retention and Recruitment

The OCB Group actively seeks talented individuals who align with our values and business objectives. We recognize and reward employee contributions through a performance-based system that includes competitive compensation and recognition programs.

Our Management team ensures all employee affairs comply with the Employment Act, 1955, through regular audits of payroll practices and working conditions. We are committed to fostering a positive work environment that promotes well-being and professional growth while maintaining legal adherence throughout our operations.

1) Permanent staff and contractors/temporary staff

Permanent employees form the foundation of our workforce across all Group operations. In addition to this core team, certain Divisions strategically employ contract staff to support specific projects or address temporary operational demands. We also maintain the valuable contributions of some employees who have reached retirement age but continue to provide essential expertise and institutional knowledge to the Group.

The proportion of employees who are contractors or temporary staff were as follows:

FYE	2024	2023
Percentage of employees who are contractors or temporary staff	19%	13%

2) Employee turnover

The Group acknowledges that employee turnover is a natural aspect of workforce dynamics in any organization. While we recognize this reality, we maintain that our turnover rate remains controlled and manageable through proactive human resource strategies. We have implemented comprehensive succession planning frameworks across all divisions, with a particular focus on identifying and developing potential successors for critical roles.

These succession plans are regularly updated and reviewed by senior management to ensure they remain relevant to our operational needs and strategic objectives. When key employees depart due to retirement, career advancement opportunities, or other personal reasons, these plans facilitate a seamless transition of responsibilities, minimizing disruption to our operations and maintaining continuity in our sustainability initiatives.

SUSTAINABILITY REPORT

I. OUR SUSTAINABILITY EFFORTS: DRIVING POSITIVE CHANGE (CONT'D)

(i) Labour Practices and Standards (cont'd)

Employee Retention and Recruitment (cont'd)

2) Employee turnover (cont'd)

The number of employee turnover was as follows:

FYE	2024	2023
Total number of employee turnover		
– Management	1	7
– Executive	11	13
– Non-executive	31	42

3) Employees' rights

The Group maintains strict adherence to Malaysia's employment laws, with particular emphasis on the Employment Act, 1955, which forms the foundation of our employment practices. Our comprehensive approach to compliance ensures that all employees receive their statutory rights and protections, including proper compensation, safe working conditions, and fair treatment.

Our commitment to compliance has created a positive work environment where employees feel valued and protected, leading to higher job satisfaction and reduced turnover. By upholding these standards, we not only fulfill our legal obligations but also strengthen our reputation as a responsible employer.

The number of substantiated complaints concerning human rights violations was as follows:

FYE	2024	2023
Substantiated complaints concerning human rights violations	0	0

4) Foreign Worker Practices

The Group employs foreign workers across various production departments, where they play a crucial role in bridging labor market gaps and supporting our operational capacity. These workers contribute significantly to achieving our production targets and maintaining high product quality standards through their specialized skills and dedication.

All foreign workers possess valid working visas in compliance with Malaysian immigration requirements, and the Management is committed to providing housing conditions that meet the minimum standards mandated by Malaysian law, including the Employees' Minimum Standards of Housing, Accommodations and Amenities Act 1990. Our comprehensive approach to foreign worker management includes regular health screenings, access to medical facilities, and structured orientation programs to ensure their well-being and integration into our workforce. This commitment to fair treatment and compliance strengthens our reputation as a responsible employer while supporting our sustainability goals through a stable and motivated workforce.

SUSTAINABILITY REPORT

I. OUR SUSTAINABILITY EFFORTS: DRIVING POSITIVE CHANGE (CONT'D)

(j) Contribution to Local Community

By giving back to society, we strengthen our ties with the community and create a positive social impact. Our initiatives range from educational sponsorships to environmental conservation projects, all aimed at fostering a better future. All Divisions have been donating in the form of cash and kind to various non-profit organisations, and hosting education visits for students, undergraduates and other Governmental organisations.

The total amount invested in the community where the target beneficiaries are external to the Group, and the total number of beneficiaries of the investment in communities were as follows:

FYE	2024	2023
Total amount invested in the community (external)	RM1,346,394	RM1,177,914
Number of beneficiaries of the investment in communities	18,128	3,310

(k) Data Privacy and Security

Data privacy and security represent core priorities for our business operations. The Group's IT Policy establishes comprehensive safeguard procedures to prevent unauthorized access to our computer systems and protect sensitive financial and strategic information.

The Group maintains rigorous IT security protocols to prevent breaches, including routine system inspections and employee training on identifying and responding to phishing threats. Both internal and external audit processes are regularly conducted to ensure full compliance with our established IT governance framework, providing assurance that our digital infrastructure remains secure and operates with the high standards of integrity and reliability.

To safeguard against data breaches and ensure the integrity of our information systems, we proactively upgrade both hardware and software components as needed. This includes replacing legacy equipment with models featuring advanced security capabilities and maintaining up-to-date software with the latest security patches. These investments demonstrate our commitment to responsible digital stewardship and risk management, protecting both our operations and the trust of our stakeholders.

The number of breaches of customer privacy and losses of customer data reported was as follows:

FYE	2024	2023
Number of breaches of customer privacy and losses of customer data reported	0	0

SUSTAINABILITY REPORT

J. STATEMENT OF ASSURANCE

To enhance the credibility of the Sustainability Report, selected sections of this Sustainability Report have been subjected to an internal review by the Company's internal auditors.

The Scope and Subject Matters covered in the internal review were as follows:

Material Matter	Subject Matters	Scope
Anti-corruption	Percentage of employees who have received training on anti-corruption by employee category	Operation divisions reviewed: (a) Consumer Foods Division (b) Bedding Products Division (c) Property Development Division
	Percentage of operations assessed for corruption-related risks	
	Confirmed incidents of corruption and action taken	
Community/ society	Total amount invested in the community where the target beneficiaries are external to the listed issuer	
	Total number of beneficiaries of the investment in communities	
Diversity	Percentage of employees by gender and age group, for each employee category	
	Percentage of directors by gender and age group	
Energy management	Total energy consumption	
Health and safety	Number of work fatalities	
	Lost time incident rate ("LTIR")	
	Number of employees trained on health and safety standards	
Labour practices and standards	Total hours of training by employee category	
	Percentage of employees that are contractors or temporary staff	
	Total number of employee turnover by employee category	
	Number of substantiated complaints concerning human rights violation	
Supply chain management	Proportion of spending on local suppliers	
Data privacy and security	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	
Water	Total volume of water used	

This Report was approved by the Board on 7 April 2025.

SUSTAINABILITY REPORT

PERFORMANCE TABLE (BURSA ESG REPORTING PLATFORM)

Indicator	Measurement Unit	2023	2024
Bursa (Anti-corruption)			
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category			
Management	Percentage	53.00	0.00
Executive	Percentage	44.00	10.00
Non-executive/Technical Staff	Percentage	53.00	6.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	75.00	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0
Bursa (Health and safety)			
Bursa C5(a) Number of work-related fatalities	Number	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	283.00	1.95
Bursa C5(c) Number of employees trained on health and safety standards	Number	52	50
Bursa (Waste management)			
Bursa C10(a) Total waste generated	Metric tonnes	-	752.63
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	-	198.99
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	-	553.64
Bursa (Water)			
Bursa C9(a) Total volume of water used	Megalitres	65.080000	72.230000
Bursa (Supply chain management)			
Bursa C7(a) Proportion of spending on local suppliers	Percentage	94.00	95.00
Bursa (Energy management)			
Bursa C4(a) Total energy consumption	Megawatt	3,969.00	4,047.00
Bursa (Emissions management)			
Bursa C11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes	-	3,067.00

Internal assurance

External assurance

No assurance

(*) Restated



SUSTAINABILITY REPORT

PERFORMANCE TABLE (BURSA ESG REPORTING PLATFORM)

Indicator	Measurement Unit	2023	2024
Bursa C11(b) Scope 2 emissions in tonnes of CO ₂ e	Metric tonnes	-	6,874.00
Bursa C11(c) Scope 3 emissions in tonnes of CO ₂ e (at least for the categories of business travel and employee commuting)	Metric tonnes	-	490.00
Bursa (Diversity)			
Bursa C3(a) Percentage of employees by gender and age group, for each employee category			
Age Group by Employee Category			
Management Under 30	Percentage	0.00	0.00
Management Between 30-50	Percentage	32.00	10.00
Management Above 50	Percentage	68.00	90.00
Executive Under 30	Percentage	6.00	4.00
Executive Between 30-50	Percentage	54.00	58.00
Executive Above 50	Percentage	40.00	38.00
Non-executive/Technical Staff Under 30	Percentage	37.00	34.00
Non-executive/Technical Staff Between 30-50	Percentage	45.00	49.00
Non-executive/Technical Staff Above 50	Percentage	18.00	17.00
Gender Group by Employee Category			
Management Male	Percentage	82.00	90.00
Management Female	Percentage	18.00	10.00
Executive Male	Percentage	54.00	58.00
Executive Female	Percentage	46.00	42.00
Non-executive/Technical Staff Male	Percentage	66.00	64.00
Non-executive/Technical Staff Female	Percentage	34.00	36.00
Bursa C3(b) Percentage of directors by gender and age group			
Internal assurance		External assurance	
		No assurance	

(*) Restated

PERFORMANCE TABLE (BURSA ESG REPORTING PLATFORM)

SUSTAINABILITY REPORT

Indicator	Measurement Unit	2023	2024
Male	Percentage	75.00	71.00
Female	Percentage	25.00	29.00
Above 50	Percentage	100.00	100.00
Female	Percentage	25.00	29.00
Bursa (Labour practices and standards)			
Bursa C6(a) Total hours of training by employee category			
Management	Hours	174	72
Executive	Hours	1,316	1,227
Non-executive/Technical Staff	Hours	1,073	1,280
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	13.00	19.00
Bursa C6(c) Total number of employee turnover by employee category			
Management	Number	7	1
Executive	Number	13	11
Non-executive/Technical Staff	Number	42	31
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0
Bursa (Community/Society)			
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	1,177,914.00	1,346,394.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	3,310	18,128
Bursa (Data privacy and security)			
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0

Internal assurance

External assurance

No assurance

(*) Restated

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“Board”) of OCB Berhad (“OCB” or “the Company”) is fully committed to the principles and recommendations made in the Malaysian Code on Corporate Governance (“MCCG”). This ensures that the best practices of corporate governance including accountability and transparency are adhered to by the Company to achieve long-term financial performance and growth as the Board is mindful of its accountability to the shareholders and various stakeholders of the Company.

The Board is pleased to report to the shareholders, the Company’s application of the 3 key principles of the MCCG during the financial year ended 31 December (“FYE”) 2024:

- (a) Board leadership and effectiveness;
- (b) Effective audit and risk management; and
- (c) Integrity in corporate reporting and meaningful relationship with stakeholders.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Roles and Responsibilities of the Board

The Board’s main roles are to create value for shareholders and provide leadership to OCB and its subsidiary companies (“the Group”). It is primarily responsible for the Group’s overall strategic plans and directions, overseeing the conduct of the businesses, risk management, succession planning of Senior Management, implementing investor relations programmes and ensuring the system of internal controls and management information system are adequate and effective.

The Board provides overall strategic guidance, effective oversight on the governance and management of the business affairs of the Group. Responsibilities of the Board include:

- (i) Ensuring that the Group’s goals are clearly established, the necessary resources are in place for the Group to meet its objectives and that strategic plan, which promotes long-term value creation by incorporating strategies related to economic, environmental, safety and health, social and governance considerations, while also addressing climate-related risks and opportunities to support sustainability;
- (ii) Establishing policies for strengthening the performance of the Group including ensuring that Management is proactively seeking to build the business through innovation, initiative, technology, new products and the development of its business capital;
- (iii) Overseeing the conduct of the Group’s business to evaluate whether the business is being properly managed. This includes ensuring the solvency of the Group and the ability of the Group to meet its contractual obligations and to safeguard its assets;
- (iv) Appointing the Chief Operating Officer(s)/Executive Director(s) including setting the relevant terms and objectives and where necessary, termination of employment with the Group;
- (v) Ensuring that the Group has appropriate business risk management framework and corporate governance framework, including adequate control environment be it the internal control systems and management information systems, systems for compliance with applicable laws, regulations, rules, directives and guidelines and controls in areas of significant financial and business risks;
- (vi) Appointing Board committees to address specific issues, considering recommendations of the various Board committees and discussing problems and reservations arising from these committees’ deliberations and reports;
- (vii) Ensuring that the statutory financial statements of the Company and of the Group are fairly stated and otherwise conform with the relevant regulations including acceptable accounting policies that result in balanced and understandable financial statements;

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

Roles and Responsibilities of the Board (cont'd)

The Board provides overall strategic guidance, effective oversight on the governance and management of the business affairs of the Group. Responsibilities of the Board include: (cont'd)

- (viii) Ensuring that there is in place an appropriate succession plan for members of the Board and Senior Management;
- (ix) Ensuring that the Group adheres to high standards of ethics and corporate behaviour in accordance with the Group's code of corporate conduct including transparency in the conduct of business. Directors are required to comply with the Directors' Code of Best Practice;
- (x) Reviewing the Board Charter periodically and making it available publicly on the Company's website including the Terms of Reference ("TOR") of the respective Board Committees;
- (xi) Ensuring that there is in place, an appropriate corporate disclosure policy and procedure which leverage on information technology for effective and timely dissemination of information which are comprehensive and accurate; and
- (xii) Ensuring that there is in place an appropriate investor relations and communications policy which encourages shareholders' participation at general meetings and promotes effective communication and proactive engagements with shareholders.

Roles of the Chairman and Chief Operating Officer

There is a clear and distinct division of responsibilities between the Chairman and the Chief Operating Officer ("COO") cum Executive Director ("ED") to ensure that there is an appropriate balance of power, role, responsibility and accountability at Board level.

The Chairman holds a Non-Executive position and is primarily responsible for the smooth running of the Board encourages active participation by Board members and provides reasonable time for discussion of issues raised at meetings. Decisions reached at Board meetings reflect the consensus of the whole Board and not the views of any individual or group. The Chairman's other responsibilities include, among others, instilling good corporate governance practices.

The COO cum ED is responsible for the development of the corporate goals and objectives of the Group, and the setting of strategies for the businesses. The COO cum ED is primarily responsible for the day-to-day operations of the businesses of the Group, which includes implementation of policies and strategies adopted by the Board. He is responsible for communicating matters relating to the Group's businesses to the Board. His knowledge of the Group's businesses and affairs contributes significantly towards the attainment of the Group's goals and objectives.

Board Charter

The Board had in 2013 adopted a Board Charter which clearly sets out the Board's strategic intent and outline the Board's roles, powers, duties, and functions as well as a Schedule of Matters Reserved for collective decision of the Board. The Board Charter serves as a source of reference and primary induction literature, providing insight to prospective Board members and the Senior Management.

The Board Charter is subject to periodic review and updates by the Board whenever deemed necessary. The Board Charter was reviewed and updated on 25 November 2024 in line with the needs of the Group and the new regulations that impacted the discharge of the Board's responsibilities. This is to reflect the implementation of good corporate governance practices within the Group which are in line with current regulation, rulings and guidelines.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

Code of Best Practice

The Board continues to adhere to the Code of Best Practice for Directors which sets out the standard of conduct expected of Directors with the aim to cultivate a good ethical conduct that in turn promotes the values of transparency, integrity, accountability and social responsibility.

Access to Information and Advice

Prior to the Board meetings, every Director is given an agenda and a comprehensive set of Board papers consisting of reports on the Group's financial performance, status of major projects, future development, the quarterly or annual financial results, the minutes of preceding meetings of the Board and the Board Committees, and relevant proposal papers (if any) to allow them sufficient time to review, consider and deliberate knowledgeably on the matters to be tabled.

Senior Management staff as well as advisers and professionals appointed to act for the Company on corporate proposals to be undertaken by the Company are invited to attend the meetings to furnish the Board with their views and explanations on relevant agenda items tabled to the Board and to provide clarification on issues that may be raised by any Director.

In between Board meetings, approvals on matters requiring the sanction of the Board are sought by way of circular resolutions enclosing all the relevant information to enable the Board to make informed decisions. All circular resolutions approved by the Board are tabled for notation at the subsequent Board meeting.

The Board also perused the decisions deliberated by the Board Committees through minutes of these Committees. The Chairman of the respective Board Committees is responsible for informing the Board at the Directors' Meetings of any salient matters noted by the Committees and which may require the Board's direction.

All Board members have direct access to the advice and services of the Company Secretaries for the purpose of the Board's affairs and the business. The Company Secretaries are responsible for ensuring that the Board procedures are followed, applicable rules and regulations for the conduct of the affairs of the Board are complied with, and for all matters associated with the maintenance of the Board or otherwise required for its efficient operation. The Company Secretaries also keep the Board members updated on new requirements, guidelines and rulings issued by the relevant regulatory authorities. The Board may undertake independent professional advice, where necessary and in appropriate circumstances, in furtherance of its duties.

Board Composition and Independence

The Board currently has 7 members, comprising an Independent Non-Executive Chairman, 3 Independent Non-Executive Directors, 2 Non-Independent Non-Executive Directors and a COO cum ED. The number of Independent Directors on the Board of the Company is more than the required one-third stipulated in Paragraph 15.02 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities").

The Independent Non-Executive Directors do not participate in the day-to-day management of the business of the Company. In staying clear of any potential conflict of interest situation, the Independent Non-Executive Directors remain in a position to fulfill their responsibility of providing a check and balance to the Board. They provide independent and objective views, advice and judgment which take into account the interests of the Group as well as shareholders and investors.

The Independent Directors led by the Chairman of the Board provide a broader view, independent and balanced assessment of proposals from the Senior Management of the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

Board Committees

In discharging its duties, the Board is assisted by the Board Committees namely, the Audit and Risk Management Committee, Remuneration Committee and Nomination Committee. Each Committee operates within its respective defined TOR which have been approved by the Board. The TOR of the respective Board Committees are periodically reviewed and assessed to ensure that the TOR remain relevant and adequate in governing the functions and responsibilities of the Committee concerned and reflect the latest developments in the MMLR of Bursa Securities and the MCCG.

A. Audit and Risk management Committee (“ARMC”)

For details of the ARMC’s composition and activities during the FYE 2024, please refer to the ARMC Report on pages 52 to 54 of this Annual Report.

B. Remuneration Committee (“RC”)

The RC comprises the following members, all of whom are Independent Non-Executive Directors:

Chan Kee Eng (*Chairperson*)

Abd Aziz Bin Attan (*Member – ceased to hold office on 24 June 2024*)

Khoo Kay Leong (*Member – appointed on 1 September 2024*)

Agnes Maria Sam A/P John Sam (*Member*)

The TOR of the RC are available for reference at www.ocbb.com.my.

The RC’s primary responsibility is to structure and review the remuneration policies for key executives of the Group, with a view to ensure that compensation and other benefits encourage performance that enhances the Group’s long-term profitability and value. The remuneration packages for Key Senior Management personnel are subject to the approval of the Board, and in the case of Directors’ fees and benefits, the approval of the shareholders at the Annual General Meeting (“AGM”) of the Company. In carrying out its duties and responsibilities, the RC has full, free and unrestricted access to the Company’s records, properties and personnel.

During the FYE 2024, the RC convened 1 meeting and full attendance of the RC members was recorded at the said meeting.

The Company pays its Directors’ fees which are approved annually by the shareholders. The Directors are paid meeting allowance for the meetings they attended and are also reimbursed reasonable expenses incurred by them in the course of carrying out their duties on behalf of the Company. Where applicable, the Board also takes into consideration any relevant information on Directors’ fees provided by the independent consultants or from survey data.

The Company has in place a Remuneration Policy for Directors and Senior Management which is available for reference at www.ocbb.com.my.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

Board Committees (cont'd)

B. Remuneration Committee ("RC") (cont'd)

The details of the aggregate remuneration of the Directors of the Company (comprising remuneration received and/or receivable from the Company and its subsidiaries) during FYE 2024 were as follows:

No.	Name	Company (RM'000)						Group (RM'000)							
		Fee	Allowances	Salary ⁽¹⁾	Bonus	Benefits-in-kind ⁽²⁾	Other emoluments	Total	Fee	Allowances	Salary ⁽¹⁾	Bonus	Benefits-in-kind ⁽²⁾	Other emoluments	Total
Executive Director															
1.	Mohd Harris Bin Pardi	-	7.0	242.0	-	4.0	-	253.0	-	7.0	242.0	-	4.0	-	253.0
Non-Executive Director															
2.	Tee Keng Hoon	92.4	7.0	-	-	-	-	99.4	92.4	7.0	-	-	-	-	99.4
3.	Abd Aziz Bin Attan *	51.6	4.0	-	-	9.5	-	65.1	51.6	4.0	-	-	9.5	-	65.1
4.	Khoo Kay Leong **	35.6	2.0	-	-	-	-	37.6	35.6	2.0	-	-	-	-	37.6
5.	Agnes Maria Sam A/P John Sam	106.8	7.0	-	-	-	-	113.8	106.8	7.0	-	-	-	-	113.8
6.	Chan Kee Eng	106.8	7.0	-	-	12.5	-	126.3	106.8	7.0	-	-	12.5	-	126.3
7.	Sandra Mohan AVL Manthiry #	33.6	4.0	-	-	-	-	37.6	33.6	4.0	-	-	-	-	37.6
8.	Wong Choon Shein	67.2	7.0	-	-	20.0	-	94.2	67.2	7.0	91.2	20.0	-	-	762.6
9.	Fong Heng Leong	67.2	7.0	-	-	6.5	-	80.7	67.2	7.0	-	-	6.5	-	249.2

Notes:

* Retired at the conclusion of the Sixty-Fifth AGM of the Company held on 24 June 2024.

** Appointed on 1 September 2024.

Resigned on 1 July 2024.

(1) Salary comprised basic salary, EPF, SOCSO and EIS.

(2) Benefits-in-kind comprised provision of company motor vehicle, petrol allowances, travelling allowances, driver, medical reimbursement, insurance and phone bill.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

Board Committees (cont'd)

B. Remuneration Committee ("RC") (cont'd)

The number of Directors whose total remuneration falls within the following bands were:

Remuneration Range	Number of Directors	
	Executive Director	Non-Executive Director
Below RM50,000	–	2
RM50,001 to RM100,000	–	2
RM100,001 to RM150,000	–	2
RM200,001 to RM250,000	–	1
RM250,001 to RM300,000	1	–
RM750,001 to RM800,000	–	1

In determining the remuneration packages of the Group's Key Senior Management personnel, factors that were taken into consideration included their individual responsibilities, skills, expertise and contributions to the Group's performance and whether the remuneration packages are competitive and sufficient to ensure that the Group is able to attract and retain executive talents. On the disclosure of the remuneration of the top 5 Senior Management personnel, the Board was of the view that disclosure on a named basis would not be in the interest of the Company because such information is sensitive and proprietary in view of the competitive nature of the human resource market and such confidentiality supports the Group's efforts to attract and retain executive talent.

The remunerations of the top 5 Senior Management personnel of the Group during FYE 2024 were categorized as follows:

Category	Group RM'000	Company RM'000
Salaries and bonuses ⁽¹⁾	4,692	–
Statutory contributions ⁽²⁾	384	–
Benefits-in-kind ⁽³⁾	332	–
Total	5,408	–

Notes:

- (1) Salaries and bonuses comprised basic salary and bonus.
- (2) Statutory contributions comprised EIS, EPF and SOCSO.
- (3) Benefits-in-kind comprised provision of company motor vehicle, petrol allowance, driver, medical reimbursement, insurance and phone bill.

The number of Senior Management personnel whose total remuneration falls within the following bands were as follows:

Remuneration Range	Number of Senior Management Personnel
Between RM500,001 – RM550,000	1
Between RM550,001 – RM600,000	1
Between RM700,001 – RM750,000	1
Between RM1,500,001 – RM1,550,000	1
Between RM2,050,001 – RM2,100,000	1

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

Board Committees (cont'd)

C. Nomination Committee (“NC”)

The NC comprises the following members, all of whom are Independent Non-Executive Directors:

Agnes Maria Sam A/P John Sam (*Chairperson*)
 Abd Aziz Bin Attan (*Member – ceased to hold office on 24 June 2024*)
 Khoo Kay Leong (*Member – appointed on 1 September 2024*)
 Chan Kee Eng (*Member*)

The TOR of the NC are available for reference at www.ocbb.com.my.

The NC's roles are primarily to:

- identify, select and recommend to the Board, candidates for directorships of the Company;
- recommend to the Board, Directors to fill the seats on Board Committees;
- evaluate the effectiveness of the Board and the Board Committees (including its size and composition), contributions and performance of each individual Director and the independence of the Independent Directors; and
- ensure an appropriate framework and plan for the Board and Management succession for the Group.

During the FYE 2024, the NC convened 2 meetings and the attendance of the NC members was as follows:

Director	Number of meetings attended in FYE 2024	% of Attendance
Agnes Maria Sam A/P John Sam	2 out of 2 meetings	100
Abd Aziz Bin Attan *	Nil	Nil
Khoo Kay Leong **	1 out of 1 meeting	100
Chan Kee Eng	2 out of 2 meetings	100

Notes:

* Ceased to hold office on 24 June 2024.

** Appointed on 1 September 2024.

Summary of the key activities undertaken by the NC in the discharge of its duties during the FYE 2024 were as follows:

- Assessed and reviewed the independence of the Independent Directors and their tenure of service as Independent Directors on the Company;
- Evaluated each individual director to assess the Director's calibre and ability to understand the requirements, risk and management of the Group's business; contribution and performance; character, integrity and professional conduct in dealing with any conflict of interest or potential conflict of interest situations; ability to critically challenge and ask the right questions; commitment and due diligence, confidence to stand up for a point of view; interaction at meetings and his/her training records for the current year under review;
- Conducted the conflict of interest assessment for each individual director;
- Evaluated the Board and the Board Committees to assess their mix, composition, size, roles, responsibilities as well their activities, communications and effectiveness for the current year under review;

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

Board Committees (cont'd)

C. Nomination Committee (“NC”) (cont'd)

Summary of the key activities undertaken by the NC in the discharge of its duties during the FYE 2024 were as follows: (cont'd)

- (v) Recommended to the Board, the appointment of Khoo Kay Leong as Senior Independent Non-Executive Director of the Company;
- (vi) Endorsed the re-election of Tee Keng Hoon, Chan Kee Eng and Khoo Kay Leong as Directors, subject to shareholders' approval at the Sixty-Sixth AGM of the Company to be held in June 2025; and
- (vii) Reviewed and recommended the revised Board Charter of the Company to the Board for approval.

The NC, after having conducted the abovementioned evaluation and assessment, concluded that:

- (i) all the Independent Directors of the Company continued to demonstrate conduct and behaviour that were essential indicators of their independence, and each of them continued to fulfill the definition and criteria of independence as set out in the MMLR of Bursa Securities.
- (ii) each Director of the Company has the requisite competence, calibre to serve on the Board and Board Committee(s) and had demonstrated his/her commitment to the Group in terms of time, participation and dialogue during the current year under review.
- (iii) each Director of the Company does not have any conflict of interest in discharging their duties.
- (iv) the Board and the Board Committees' respective responsibilities were well-defined and set out in the Board Charter. The criteria in the MMLR of Bursa Securities that at least 1 of the members of the ARMC must be a member of the Malaysian Institute of Accountants or a person approved under the MMLR of Bursa Securities is met.

Appointments to the Board

The Board has in place a Policy on Nomination and Assessment Process of Board Members which was approved and adopted on 24 February 2020.

Candidates for appointment to the Board as Directors shall be selected after taking into consideration, the mix of skills, experience and strength that would be relevant for the effective discharge of the Board's responsibilities. Potential candidates shall first be evaluated by the NC and, if recommended by the NC, subsequently by the Board based on their respective profiles as well as their character, integrity, professionalism, independence (if applicable) and their ability to commit sufficient time and energy to the Company's matters.

There was a vacancy in the Board when Abd Aziz Bin Attan retired as Director of the Company at the conclusion of the Sixty-Fifth AGM which was held on 24 June 2024. Simultaneously, he ceased to be a member of the 3 Board Committees.

On 1 September 2024, Khoo Kay Leong was appointed as Senior Independent Non-Executive Director of the Company to fill the aforesaid vacancy in the Board, and also as member of all the 3 Board Committees, viz., ARMC, RC and NC. His appointment was in line with the Board Charter of the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

Gender Diversity Policy

The Board had, on the recommendation of the NC, approved the revised Board Diversity Policy for adoption on 29 November 2021. The said Policy stipulates, among other things, that the NC will consider the benefit of all aspects of diversity in order to maintain an appropriate range and balance of skills, experience and background on the Board. In identifying suitable candidates for appointment to the Board, the NC will consider candidates on merit against objective criteria and with due regard for the benefits of diversity on the Board.

As recommended by MCCG, the Company aims to appoint and/or maintain at least 30% women participation on the Board by 2023. The Company will put greater effort into looking for suitable candidates for appointment to the Board to achieve its target and will work towards having the appropriate age and ethnic diversity on the Board.

Annual Assessment

The NC annually reviews the size and composition of the Board and the Board Committees in order to ensure the Board has the requisite competencies and capacity to effectively oversee the overall business and carry out its responsibilities. The NC uses the Board and Board Committee Evaluation Form, Audit & Risk Management Committee Evaluation Form and Performance Evaluation Sheet comprising questionnaires for the assessment. The effectiveness of the Board is assessed in the areas of the Board's responsibilities and composition, administration and conduct of meetings, communication and interaction with Management and stakeholders, and Board engagement.

The annual evaluations of the individual Directors/Board Committee members are performed by the NC using the Directors' Evaluation Form comprising questionnaires pertaining to the Director's knowledge and skills, participation, contribution and performance, calibre and personality and Conflict of Interest Assessment Form for the disclosure of their nature and extent of any conflict of interest or potential conflict of interest, including interest in any competing business with OCB and/or the Group.

To assess the independence of the Independent Directors, each of the Independent Directors annually provides the NC with their Self-Assessment Checklist.

The Board members had at its meeting on 25 November 2024, concurred with the NC, that the Board comprised a good mix of individuals of different race and gender from diverse industries contributing considerable knowledge, skills and expertise. All the Board Committees were found adequate in terms of number.

Tenure of Independent Directors

The Company has implemented a cumulative 9-year term limit for Independent Directors where upon completion of a cumulative 9-year term, an Independent Director may continue to serve on the Board subject to his/her re-designation as a Non-Independent Director.

On 1 January 2022, the Company adopted Practice 5.4 – Step Up of the MCCG, by limiting the tenure of its Independent Directors to 9 years without further extension and the Board Charter was amended accordingly to reflect the adoption.

Re-elections to the Board

Clause 82 of the Company's Constitution provides that an election of Directors shall take place each year and at the AGM, one-third of the Directors for the time being, or if their number is not 3 or a multiple of 3, then the number nearest to one-third shall retire from office and be eligible for re-election PROVIDED ALWAYS that all Directors shall retire from office at least once in every 3 years but shall be eligible for re-election.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

Re-elections to the Board (cont'd)

Clause 86 of the Company's Constitution provides that any Director so appointed during a year, shall hold office only until the next following AGM and shall be eligible for re-election but shall not be taken into account in determining the retirement of Directors by rotation at such meeting.

Independent Non-Executive Directors, Tee Keng Hoon and Chan Kee Eng are due to retire by rotation at the conclusion of the forthcoming Sixty-Sixth AGM of the Company pursuant to Clause 82 of the Company's Constitution, have formally expressed their willingness to seek re-election.

Newly appointed Senior Independent Non-Executive Director, Khoo Kay Leong who is due to retire at the conclusion of the aforesaid AGM pursuant to Clause 86 of the Company's Constitution, has also formally expressed his willingness to seek re-election.

The Board, with Tee Keng Hoon, Chan Kee Eng and Khoo Kay Leong abstaining from voting, had endorsed their re-election as Directors at the forthcoming Sixty-Sixth AGM of the Company.

Meetings and Time Commitment

6 Board meetings were held during FYE 2024 and the attendance of the Directors was as follows:

Director	Number of meetings attended in FYE 2024	% of Attendance
Tee Keng Hoon	6 out of 6 meetings	100
Abd Aziz Bin Attan *	3 out of 3 meetings	100
Khoo Kay Leong **	2 out of 2 meetings	100
Agnes Maria Sam A/P John Sam	6 out of 6 meetings	100
Chan Kee Eng	6 out of 6 meetings	100
Sandra Mohan A/L Manthiry #	3 out of 3 meetings	100
Wong Choon Shein	6 out of 6 meetings	100
Fong Heng Leong	6 out of 6 meetings	100
Mohd Harris Bin Pardi	6 out of 6 meetings	100

Notes:

* Retired at the conclusion of the Sixty-Fifth AGM of the Company held on 24 June 2024.

** Appointed on 1 September 2024.

Resigned on 1 July 2024.

The Board was satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of the Company during FYE 2024. All the Directors do not hold directorships more than that prescribed under the MMLR of Bursa Securities.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

Meetings and Time Commitment (cont'd)

The Directors also made time to attend/participate in appropriate external webinars/trainings/forums in FYE 2024 as shown below to equip themselves further with the knowledge to discharge their duties more effectively and to keep abreast of developments on a continuous basis in compliance with Paragraph 15.08 of the MMLR of Bursa Securities:

Directors	Seminar/Training/Dialogue	Date
Tee Keng Hoon	Webinar on Conflict of Interest ("COI")	5 March 2024
	Webinar on Economic Updates	24 May 2024
	Bursa Academy: COI and Governance of COI	18 September 2024
	Mandatory Accreditation Programme ("MAP") Part II: Leading for Impact (LIP)	4 December 2024 to 5 December 2024
Khoo Kay Leong	Sales and Service Tax: Latest Updates - Common implementation issues and health check in preparation for audit	15 July 2024
	Common offences by Directors under the Companies Act, 2016	18 September 2024
	Understanding Malaysian Recent Tax Developments	4 December 2024
Agnes Maria Sam A/P John Sam	Webinar on COI	5 March 2024
	MAP Part II: Leading for Impact (LIP)	4 December 2024 to 5 December 2024
Chan Kee Eng	MAP Part II: Leading for Impact (LIP)	4 March 2024 to 5 March 2024
	Webinar on Economic Updates	24 May 2024
	Bursa Academy: COI and Governance of COI	10 July 2024
	Bursa Malaysia's Building Sustainable Credibility: Assurance, Greenwashing and The Rise of Green-Hushing	24 September 2024
	Board Ethics: Growing Concerns from New Technology, Stakeholder Interests & COI	16 October 2024
	Board Risk Management Briefing and Assessment	14 November 2024 & 15 November 2024
	Audit Oversight Board Conversation with Audit Committee	19 November 2024
Mohd Harris Bin Pardi	Webinar on COI	5 March 2024
Fong Heng Leong	Webinar on COI	5 March 2024
Wong Choon Shein	Webinar on COI	5 March 2024
	Webinar on Economic Updates	24 May 2024
	MAP Part II: Leading for Impact (LIP)	28 October 2024 to 29 October 2024

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Suitability and Independence of External Auditors

Grant Thornton Malaysia PLT, the External Auditors, report to the ARMC in respect of their audit on each year's statutory financial statements and on matters that require the attention of the ARMC.

At least twice a year, the ARMC will have a separate session with the External Auditors without the presence of the COO cum ED and the Management.

The External Auditors are required to declare their independence annually to the ARMC as specified by the By-Laws issued by the Malaysian Institute of Accountants. The External Auditors had provided the declaration in their annual audit plan presented to the ARMC of the Company.

Sound Risk management Framework

The Board recognises the importance of a sound risk management framework and internal control system in order to safeguard the Group's assets and therefore, shareholders' investments in the Group.

The Board affirms its overall responsibility for the Group's system of internal controls. This includes reviewing the adequacy and integrity of financial, operational and compliance controls and risk management procedures within an acceptable risk profile. Since certain risks and threats are externally driven, unforeseen and beyond the Group's control, the system can only provide reasonable assurance against misstatement or loss.

The Board had put in place an ongoing process for identifying, evaluating and managing significant risks faced by the Group.

A Statement on Risk Management and Internal Control which provides an overview of the state of internal controls within the Group is set out in pages 55 to 59 of this Annual Report.

Internal Audit Function

The internal audit function is set out in the ARMC Report on page 54 of this Annual Report.

The key features of the Risk Management Framework are set out in the Directors' Statement on Risk Management and Internal Control as presented on pages 55 to 57 of this Annual Report.

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

Compliance with Applicable Financial Reporting Standards

The Board takes responsibility for presenting a balanced and understandable assessment of the Group's operations and prospects each time it releases its quarterly and annual financial statements to shareholders. The ARMC reviews the information to be disclosed to ensure its accuracy and adequacy.

A statement by Directors of their responsibilities in preparing the financial statements is set out on page 61 of this Annual Report.

Investors Relations and Shareholders' Communication

The Company recognises the importance of effective and timely communication with shareholders and investors to keep them informed of the Group's latest financial performance and material business/corporate matters affecting the Company. Such information is available to shareholders and investors through the Annual Reports, the various disclosures and announcements made to Bursa Securities and the Company's website at www.ocbb.com.my.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

Investors Relations and Shareholders' Communication (cont'd)

The AGM provides the principal platform for dialogue and interactions with shareholders. Notice of the AGM and related papers thereto are sent to shareholders at least 28 days before the AGM to facilitate easy review by the shareholders. In respect of items on Special Business, the notice of the AGM will be accompanied by a full explanation of the effects of the proposed resolution.

Question and Answer session will be allowed during the proceedings of the AGM wherein the Directors, Company Secretaries and the External Auditors will be available to answer the queries raised by shareholders. A full explanation for each resolution proposed at the AGM will usually be provided by the Chairman before the resolution is put to the vote.

Separate issues are tabled in separate resolutions at the AGM. Voting is carried systematically and motions carried through are properly recorded. In accordance with Paragraph 8.29A(1) of the MMLR of Bursa Securities, poll voting will be carried out at the forthcoming Sixty-Sixth AGM of the Company to be held on 23 June 2025.

Leverage on Information Technology for Effective dissemination of Information

The Company's website at www.ocbb.com.my facilitates effective dissemination of the latest and up-to-date information pertaining to the Company to the investors and general public.

This Annual Report, Share Buy-Back Statement, Notice of the Sixty-Sixth AGM and other AGM related documents will be made available on the Company's website at www.ocbb.com.my or shareholders may request for the printed copy of the same from the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd ("TIIH"). A notification in respect of the availability of the aforesaid documents will be sent via email to shareholders with email address and via ordinary mail to the other shareholders.

Shareholders also have the option to submit to the Company's Share Registrar, TIIH, their Proxy Form either in hard copy or electronic form via TIIH Online.

COMPLIANCE WITH MCCG

The Board considers that the Company has complied with the Practices and applied the key principles of the MCCG throughout FYE 2024 except for the Practices below where the explanations for departure are disclosed in the Corporate Governance Report:

- | | | |
|--------------|---|--|
| Practice 5.9 | : | The Board comprises at least 30% women directors. |
| Practice 8.2 | : | The Board discloses on a named basis the top 5 Senior Management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000. |

The Board has reviewed and approved this Corporate Governance Overview Statement at the Board meeting held on 7 April 2025. The Board is satisfied that this Corporate Governance Overview Statement provides the information necessary to enable shareholders to evaluate how the MCCG has been applied and obligations are fulfilled under the MCCG and the MMLR of Bursa Securities throughout FYE 2024, save for the exceptions as disclosed above.

This Corporate Governance Overview Statement is to be read in conjunction with the Corporate Governance Report, which is made available online on the Company's website at www.ocbb.com.my.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Board of Directors of OCB Berhad (“OCB” or “the Company”) is pleased to present the Audit and Risk Management Committee (“ARMC”) Report for the financial year ended 31 December 2024 (“FYE 2024”).

The terms of reference of the ARMC are available on the Company’s website at www.ocbb.com.my.

COMPOSITION

The ARMC comprises the following members, all of whom are Independent Non-Executive Directors:

Members

Abd Aziz Bin Attan (*Chairman – ceased to hold office on 24 June 2024*)
Khoo Kay Leong (*Chairman – appointed on 1 September 2024*)
Agnes Maria Sam A/P John Sam (*Member*)
Chan Kee Eng (*Member*)

The profile of the current ARMC members can be found on pages 16 and 17 of this Annual Report.

Secretaries

Lydia Tong Yiu Shyian-Shyian
Nor Zarifah Binti Abdullah @ Mahmud

NUMBER OF MEETINGS AND ATTENDANCE

During FYE 2024, the ARMC held 5 meetings and the attendance of the members was as follows:

Member	Number of meetings attended in FYE 2024	% of Attendance
Abd Aziz Bin Attan *	3 out of 3 meetings	100
Khoo Kay Leong **	1 out of 1 meeting	100
Agnes Maria Sam A/P John Sam	5 out of 5 meetings	100
Chan Kee Eng	5 out of 5 meetings	100

Notes:

* *Ceased to hold office on 24 June 2024.*

** *Appointed on 1 September 2024.*

The Head of Finance also attended all the above ARMC meetings upon invitation by the ARMC. The Group’s External Auditors also attended 2 of the ARMC meetings which were held on 1 April 2024 and 25 November 2024. The ARMC members also had private sessions in the said meetings with the External Auditors without the presence of the Management to discuss audit findings and any other observations that they may have noted during the audit process.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

SUMMARY OF ACTIVITIES

The main activities undertaken by the ARMC in discharging their responsibility during the FYE 2024 were as follows:

- (i) Reviewed the announcements on the quarterly unaudited financial results of OCB and its subsidiary companies (“OCB Group” or “the Group”) before recommendation to the Board for its consideration and approval;
- (ii) Reviewed the quarterly internal audit reports regarding significant risk areas and internal control matters coming to the attention of the ARMC and discussion on the findings with Senior Management to ensure that appropriate and timely measures have been taken to improve on the internal control system;
- (iii) Reviewed conflict of interest or potential conflict of interest situations and related parties transactions, if any, entered into by the Group and the disclosure of such transactions in the quarterly financial reporting and Annual Report to ensure compliance with Bursa Malaysia Securities Berhad’s Main Market Listing Requirements;
- (iv) Reviewed the half-yearly risk management reports on significant key risks identified, discussion with the Management and action to be taken to address or mitigate these risks, and also the half-yearly Sustainability Report on material sustainability matters;
- (v) Reviewed with the External Auditors, the audit report and their findings arising from the final audit of the financial statements of the Group and of the Company for the financial year ended 31 December 2023 (“FYE 2023”);
- (vi) Reviewed the audited financial statements of the Group and of the Company for FYE 2023 with the External Auditors prior to submission to the Board for approval;
- (vii) Discussed with the Senior Management and the External Auditors on developments in respect of the Malaysian Financial Reporting Standards (“MFRSs”) applicable to the financial statements of the Group and of the Company for the beginning of 1 January 2024 and their judgment of the items that may affect the financial statements;
- (viii) Reviewed the assistance given by the Company’s employees to the Internal Auditors and External Auditors;
- (ix) Reviewed the ARMC Report, Statement on Risk Management and Internal Control and Sustainability Report for inclusion in the Annual Report 2023;
- (x) Evaluated the performance of the internal audit function for FYE 2023;
- (xi) Evaluated the performance of the External Auditors and made recommendation to the Board for their re-appointment for the FYE 2024;
- (xii) Reviewed and approved the External Audit Plan in respect of the financial statements of the Group and of the Company for FYE 2024 and the scope for the annual audit for the Group presented by the External Auditors; and
- (xiii) Reviewed and approved the Internal Audit Plan for the Group for Year 2025 presented by the Internal Auditors.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

INTERNAL AUDIT FUNCTION

The Company engaged an independent external consulting firm (“Internal Auditors”) to perform the internal audit function of the Group. Internal audit performs the role of promoting an efficient and effective control environment through independent and objective internal control reviews, education and business process consultation. The areas to be covered by the audit are selected on a rotational basis, with core risk areas being subject to more regular audit than those outside the defined core risk areas.

A risk-based approach is adopted in the planning and conduct of audits which is consistent with the Group's established risk-based framework in identifying, designing, implementing and monitoring of risks process and control systems.

The ARMC reviews the scope of the internal audit and approves the Internal Audit Plan before the actual audit takes place. The findings of the internal audit work done are reported directly to the ARMC. The scope of the Internal Auditors covers the audits of all units and operations of the Group including the various computer application systems of the Group. Besides the scheduled audits, the Internal Auditors also conduct ad hoc fact-based investigation audit, as and when a need arises. The final reports from the Internal Auditors were directly forwarded to the ARMC.

Key observations and opportunities for improvements identified were also presented to the ARMC for the Management to revert with responses to mitigate gaps, if any.

The Internal Auditors also assist the Risk Management Executive Committee in collecting data, monitor and report on material sustainability matters.

A summary of activities of the internal audit function during FYE 2024 is presented in the Statement on Risk Management and Internal Control. The Group paid a total fee of RM123,294 for services rendered in respect of internal audit for FYE 2024.

This Report was approved by the Board on 7 April 2025.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors of OCB Berhad (“OCB” or “the Company”) (“Board”) recognises the importance of a consistently sound risk management and internal control system to meet the Group’s business objectives, safeguard shareholders’ interest and the Group’s assets. It affirms its responsibilities for the Group’s risk management and internal control system which include the establishment of an appropriate control environment and framework as well as review of the adequacy, integrity and effectiveness of the internal control system. The internal control system covers the areas of governance, risk management, finance, operations, sustainability, anti-corruption, management information systems, compliance with the relevant laws and regulations, including related party transactions.

However, in view of the limitations inherent in any system of internal control, the system is designed to identify and manage, rather than eliminate, the risk of failure to achieve corporate objectives. Accordingly, it can only provide reasonable but not absolute assurance against material misstatement or loss.

INTERNAL CONTROL SYSTEM

The Board maintains an organisational structure with clearly defined levels of responsibility and authority and appropriate reporting procedures which are clearly set out in the Board Charter. The Board meets regularly and has a Schedule of Matters specifically reserved for its collective decision in order that effective control over strategic, financial, operational, sustainability and compliance issues can be maintained. This structure includes the Risk Management Executive Committee (“RMEC”) and the Audit and Risk Management Committee (“ARMC”).

The Chief Operating Officer (“COO”) cum Executive Director (“ED”) and Senior Management team are assigned with the responsibility of managing the Group. Key functions such as finance, tax, treasury, sustainability, corporate, legal matters and contract awarding are controlled centrally by them. They are also accountable for the conduct and performance of the various operating divisions. The COO cum ED and Senior Management team monitor the affairs of the operating divisions through review of performance and operation reports and having regular management meetings with the Heads of the operating divisions to identify, discuss and resolve business, financial, operational, sustainability and management issues. The meetings also serve as an excellent platform whereby the Group’s goals and objectives are communicated.

RISK MANAGEMENT

The Board confirms that there is an on-going process for identifying, assessing and responding to risks to achieve the objectives of the Group for the financial year under review. The process is in place for the year under review and up to the date of issuance of the Statement on Risk Management and Internal Control.

The Group has formalised the risk management process in place to identify, evaluate and manage the significant risks faced by the Group in meeting its business objectives. The risk management process is conducted in accordance with the Group’s Risk Management Framework. The Framework sets out the Risk Management Policy and Risk Management Methodologies.

In accordance with the Risk Management Framework, the Group had in 2013 formed a RMEC at corporate level to oversee the Group’s risk management process. The RMEC currently consists of the COO cum ED, Key Management staff, Internal Auditors (Risk Management Co-ordinator) and the Company Secretaries. At each operating division, a Risk Management and Sustainability Working Group (“RMSWG”) was also formed consisting of the COO cum ED, Internal Auditors (Risk Management Co-ordinator), and the Senior Managers of the operating divisions.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

RISK MANAGEMENT (CONT'D)

Risks are identified and assessed by the RMSWG of each operating division by employing the following methodologies:

(A) Identifying risks

Risk is defined as the possibility of an event occurring that will have an impact on the achievement of objectives. Risk is measured in terms of impact and likelihood.

In the risk identification process, all potential events that could adversely impact the achievement of business objectives are identified by the RMSWG.

The risks can be categorised into the following 4 objectives:

- Strategic – high level goals, aligned with and supporting Group’s mission
- Operation – effective and efficient use of resources
- Reporting – reliability of financial reporting
- Compliance – compliance with applicable laws and regulations

(B) Quantify risks

The risks identified are quantified for their impact on the Group.

The potential impact of a risk event is the combination of the likelihood (probability) that the risk will happen and the impact (gravity) which it will cause if the risk does happen.

A score of (1) to (5) will be assigned for likelihood and impact respectively.

Consequently, a risky event may have a combined score of (1) up to (25) depending on its likelihood and impact scores. A risk with a high rating poses more serious threat to the organisation than a low rating risk. The risk will be mapped into the following risk heat-chart:

LIKELIHOOD	5	M	M	H	H	H
	4	M	M	M	H	H
	3	L	M	M	M	H
	2	L	L	M	M	M
	1	L	L	L	M	M
		1	2	3	4	5
		IMPACT				

(C) Responses to risks

For each risk identified, the Management will have one or more of the following response options:

- Avoid the risk by not proceeding with an activity which generates the risk.
- Treat the risk by applying controls to minimize the likelihood or impact of the risk.
- Transfer the risk by sharing the impact of the risk with outside parties such as insurance or joint venture.
- Tolerate the residue (balance) risk if it is within the Group’s risk appetite.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

RISK MANAGEMENT (CONT'D)

Risks are identified and assessed by the RMSWG of each operating division by employing the following methodologies: (cont'd)

(D) Risk control strategies

For each of the type of risks response chosen, the relevant control strategies are identified.

If an existing control falls short of its effectiveness or if there are no existing controls in managing a significant risk, then new control strategies must be developed to manage the risk so that the residual risk is reduced to an acceptable level.

(E) Monitoring of risks and controls

Ongoing risk monitoring is conducted to review the effectiveness of the control strategies in respect of the risks identified and that corrective actions are taken where necessary. In this respect, Key Risk Indicators are set for each risk to help the RMSWG in the risk monitoring process.

(F) Periodic review

Risk profile of the Group changes with the internal and external organisational developments. An event regarded as low risk today may become high risk in the future. Therefore, an effective risk management project is not a one-time exercise but an ongoing process which forms part of the operation of the Group. In this regard, the risk profile and control processes will be continually updated on a regular basis, and at least quarterly.

The RMSWG of each operating division reports its work to the RMEC. The RMEC will then meet to discuss and evaluate the RMSWGs' reports for adoption. Thereafter, the RMEC will report to the ARMC semi-annually about key risks and risk management activities carried out during that period.

During the FYE 2024, the RMEC and the RMSWG of all the operating divisions have conducted their respective meetings. The RMEC and RMSWG carried out reviews on the following areas of the Group during the financial year under review:

- Anti-corruption training, standard operating procedures ("SOPs") and risks
- Sustainability
- Business prospects
- Sales and Marketing
- Warehouse
- Purchasing
- Production
- Human resource
- Finance
- Management Information System/ Information Technology
- Credit control and collections
- Safety/Fire fighting
- Product development/Research & development
- Quality control

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTERNAL AUDIT

The ARMC is responsible for reviewing and monitoring the adequacy, integrity and effectiveness of the Group's system of internal control. In this respect, the Group outsourced the internal audit function to an independent external consulting firm, Messrs Tan Yen Yeow & Company which is free from any conflict of interest with the Company, to enable objective assessment of the internal control systems to be conducted. The internal audit function assists the Board to achieve the following objectives:

- Assesses the adequacy and integrity of the current internal control system and provides recommendations to improve on the existing control environment in relation to business processes and risk management practices;
- Evaluates existing policies and procedures of key business processes and provides recommendations for enhancement;
- Highlights opportunity to improve efficiency, effectiveness and economic aspects of the Group's operations;
- Promotes a system of internal control that is responsive to the dynamic and ever-changing business environment; and
- To be cost effective and sustainable over time.

The Internal Auditors carries out its work in line with the International Professional Practices Framework (IPPF).

The annual Internal Audit Plan is reviewed and approved by the ARMC prior to each financial year. The Plan is developed based on the analysis of the businesses of the Group. The Internal Auditors will focus its resources on core risk areas which will be audited more frequently than low risk areas.

For purposes of identifying and prioritising risks, the Internal Auditors will discuss with the RMEC and the RMSWG, review management reports and financial statements as well as learning from previous audit experiences.

During the FYE 2024, the Internal Auditors carried out reviews on the following core areas of the Group and the operating divisions to assess the adequacy and effectiveness of internal controls, compliance with regulations and the Group's policies and procedures by each of the operating divisions:

- Sales
- Credit control
- Credit notes
- Receipts
- Accounts receivable
- Sustainability statement
- Accounts payables
- Revenue recognition
- Human resource
- Payroll
- Purchasing
- Payments

The findings of the internal audit were tabled at the ARMC meetings for deliberation and the ARMC's expectation on the corrective measures were communicated to the respective Heads of the operating divisions.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

CONCLUSION

The External Auditors provide reasonable 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 ARMC through management letters or discussed at the ARMC meetings. If necessary, the Internal Auditors shall meet with the External Auditors to discuss matters arising from the external audit and review of the Statement on Risk Management and Internal Control by the External Auditors.

Standard Operating Procedures which include policies within each operating division are in place and continuously updated.

Continuous training and development programmes are also provided to enhance employees' competencies and maintain a risk control conscious culture.

Based on the Internal Audit reports for the FYE 2024, the Board was of the view that the risk management and internal control system in place for the year under review were generally adequate. The Board, having received assurance from the COO cum ED, was satisfied with the adequacy and integrity of the risk management and internal control system. There were no material internal control weaknesses which had resulted in material losses, uncertainties or contingencies that would require disclosure in this Annual Report.

The External Auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in this Annual Report and reported that nothing has come to their attention that causes them to believe that the Statement is inconsistent with their understanding of the process the Board has adopted in the review of the adequacy and integrity of the internal control system within the Group.

This Statement was approved by the Board on 7 April 2025.

ADDITIONAL COMPLIANCE INFORMATION

AUDIT AND NON-AUDIT FEES PAID/PAYABLE

During the financial year ended 31 December 2024 (“FYE 2024”), the amount of audit and non-audit fees paid/payable by the Group and the Company to the External Auditors, Grant Thornton Malaysia PLT (“GTM”) or a firm or corporation affiliated to GTM, for services rendered to the Company and its subsidiaries were as follows:

Type of fees	Group RM	Company RM
Audit fees	205,700	34,000
Non-audit fees	157,406	88,616

MATERIAL CONTRACTS

There were no material contracts (not being contracts entered into in the ordinary course of business) entered into by the Company and/or its subsidiaries involving the interests of the Directors, Chief Executive who is not a Director, or major shareholder, which are still subsisting at the end of the FYE 2024 or, if not then subsisting, which were entered into since the end of the previous financial year.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are required by law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the Company as at the end of the financial year and of the results and cash flows and changes in equity of the Group and of the Company for that financial year.

In preparing the financial statements for the financial year ended 31 December 2024, the Directors consider that, the Group has used the Malaysian Financial Reporting Standards ("MFRSs") and International Financial Reporting Standards ("IFRSs"), applied them consistently and made judgments and estimates that are reasonable and prudent.

The Directors also consider that the MFRSs and IFRSs have been followed and confirmed that the financial statements have been prepared on a going concern basis.

The Directors are responsible for ensuring that the Group and the Company keep accounting records which disclose with reasonable accuracy at any time, the financial position of the Group and of the Company, and which enable them to ensure that the financial statements comply with the requirements of the Companies Act, 2016, disclosure provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the MFRSs and IFRSs.

The Auditors' responsibilities are stated in their Report to the shareholders of the Company.

DIRECTORS' REPORT

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are disclosed in Note 6 to the Financial Statements.

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

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Net profit/(loss) for the financial year		
Continuing operations	8,841	(5,150)
Discontinued operation	(3,056)	-
	5,785	(5,150)
Attributable to:-		
Owners of the Company		
- Continuing operations	7,282	(5,150)
- Discontinued operation	(3,056)	-
Non-controlling interest	1,559	-
	5,785	(5,150)

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

There were no issuance of shares or debentures during the financial year.

DIVIDENDS

Since the end of previous financial year, the Company declared and paid:

	Company RM'000
In respect of financial year ended 31 December 2023:	
A first and final single-tier tax exempt dividend of RM0.015 per ordinary share, paid on 31 July 2024	1,543

DIRECTORS' REPORT

DIVIDENDS (CONT'D)

On 24 February 2025, the Board of Directors had recommended a first and final single-tier dividend of 2.0 sen per share in respect of the financial year ended 31 December 2024 for shareholders' approval at the forthcoming Annual General Meeting. The current financial statements do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2025.

DIRECTORS

The Directors who held office during the financial year and up to the date of this report are:-

Tee Keng Hoon (Chairman/Independent Non-Executive Director)
Wong Choon Shein (Non-Independent Non-Executive Director)
Mohd Harris Bin Pardi (Chief Operating Officer cum Executive Director)*
Fong Heng Leong (Non-Independent Non-Executive Director)*
Agnes Maria Sam A/P John Sam (Independent Non-Executive Director)
Chan Kee Eng (Independent and Non-Executive Director)
Khoo Kay Leong (Senior Independent Non-Executive Director) (appointed on 1.9.2024)
Abd Aziz Bin Attan (Senior Independent Non-Executive Director) (retired on 24.6.2024)
Sandra Mohan A/L Manthiry (Independent Non-Executive Director) (resigned on 1.7.2024)

* *Director of the Company and certain subsidiaries*

The Directors of subsidiaries other than the above-mentioned who held office during the financial year and up to the date of this report are as follows:-

Nur Aisyah Wong @ Wong Wai Yin (Huang Huiyan)
Tan Eng Hoe
Yeoh Jin Beng
Sak Swee Sang

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, there was no Director in office at the end of the financial year who held any direct or indirect interest in the shares of the Company and its related corporations.

DIRECTORS' REPORT

DIRECTORS' REMUNERATION

During the financial year, the remuneration received by the Directors of the Company and the Directors of the subsidiaries are as follows:-

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Executive Directors:-				
Salaries and other emoluments	223	222	223	222
Defined contribution plan	26	26	26	26
	249	248	249	248
Non-Executive Directors:-				
Salaries and other emoluments	882	985	45	41
Fees	561	582	561	582
	1,443	1,567	606	623
Sub-total	1,692	1,815	855	871
Benefits in kind	53	21	53	21
Total	1,745	1,836	908	892

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

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive any benefits (other than a benefit included in the aggregate amount of remuneration received or due and receivable by Directors for the Company and its related corporation as shown in the Directors' Report and the financial statements of the Company) 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 substantial financial interest.

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

There was no indemnity coverage and insurance premium paid for Directors and officers of the Company during the financial year.

DIRECTORS' REPORT

AUDIT AND RISK MANAGEMENT COMMITTEE

The Audit and Risk Management Committee comprises the following members:-

- Agnes Maria Sam A/P John Sam (Member/Independent Non-Executive Director)
- Chan Kee Eng (Member/Independent Non-Executive Director)
- Khoo Kay Leong (Chairman/Senior Independent Non-Executive Director) (appointed on 1.9.2024)
- Abd Aziz Bin Attan (Senior Independent Non-Executive Director) (retired on 24.6.2024)

The functions of the Audit and Risk Management Committee are to review accounting policies, internal controls, financial results, risk management & sustainability and annual financial statements of the Group and of the Company on behalf of the Board of Directors.

In performing its functions, the Audit and Risk Management Committee reviewed the overall scope of external audit. It met up with the Company's auditors to discuss the results of their examinations and their evaluation of the system of internal accounting controls of the Group and of the Company. The Audit and Risk Management Committee also reviewed the assistance given by the Group's and the Company's officers to the auditors.

The Audit and Risk Management Committee reviewed the financial statements of the Group and of the Company as well as the auditors' report thereon and recommended to the Board of Directors, the reappointment of Grant Thornton Malaysia PLT as statutory auditors.

OTHER STATUTORY INFORMATION

Before the statements of financial position and statements of profit or loss and other comprehensive income of the Group and of the Company were made out, the Directors took reasonable steps:-

- (a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the provision for doubtful debts, and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
- (b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company have been written down to an amount which they might be expected so to realise.

DIRECTORS' REPORT

OTHER STATUTORY INFORMATION (CONT'D)

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

- (a) which would render the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (d) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

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

- (a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liability of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

In the opinion of the Directors:-

- (a) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due;
- (b) the results of operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (c) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the current financial year in which this report is made.

SIGNIFICANT EVENT DURING THE YEAR

On 27 December 2024, the Company announced the decision to dispose of a 100%-owned subsidiary, Agrow Malaysia Sdn. Bhd. and its subsidiaries ("Agrow Group"), comprising its entire building materials division. The disposal of Agrow Group has been completed on 30 December 2024. Further details are disclosed in Note 25 to the Financial Statements.

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 69 to 135 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting 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 2024 and of their financial performance and cash flows for the financial year then ended.

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

.....
MOHD HARRIS BIN PARDI

.....
FONG HENG LEONG

Petaling Jaya, Selangor Darul Ehsan
7 April 2025

STATUTORY DECLARATION

I, Sak Swee Sang, being the Officer primarily responsible for the financial management of OCB Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 69 to 135 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
the abovenamed at Kuala Lumpur in)
the Federal Territory this day of)
7 April 2025)

.....
SAK SWEE SANG
(MIA NO: 14333)

Before me:

No. W924
Mohd Omar Nathan Bin Abdullah
No Sijil Amalan Peguam : BC/M/1699
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OCB BERHAD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of OCB Berhad, which comprise the statements of financial position as at 31 December 2024 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 69 to 135.

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 2024, and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards ("IFRSs") and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

Impairment of trade receivables

The risk – As at 31 December 2024, the Group reported trade receivables amounted to RM60,109,734. Based on the impairment requirements under MFRS 9, the management is required to apply forward-looking approach in assessing the impairment of trade receivables. The management has applied broader range of information including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cashflows of trade receivables to calculate the expected credit losses using a provision matrix. Due to the materiality of the Group's trade receivables to the financial statements, we have identified impairment of trade receivables as a significant risk requiring special audit consideration.

Our response – In addition to other procedures, we considered it is necessary to test the trade receivables aging report, assess the reasonableness of assumptions and judgements made by the management regarding the expected credit losses and recoverability of debts from each customer and test the recoverability of outstanding trade receivables through examination of subsequent cash collections.

We found management's assumptions and judgements regarding the adequacy of the impairment of trade receivables to be reasonable in the context of the financial statements as a whole. The Group's disclosures regarding impairment of trade receivables are included in Note 12 to the Financial Statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OCB BERHAD

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

Key Audit Matters (cont'd)

Recoverability of carrying amount of the assets of a cash-generating unit ("CGU") containing goodwill on consolidation

The risk - As at 31 December 2024, the carrying amount of goodwill on consolidation of the Consumer Foods Division is amounted to RM16,111,251. The Group is required to perform an annual impairment assessment on the carrying amount of the assets of a CGU to which goodwill on consolidation has been allocated.

We focused on the recoverability of the carrying amount of assets of the CGU with goodwill on consolidation due to significant estimates involved in determining key assumptions used in deriving the recoverable amount of the CGU, i.e. revenue growth rates, earnings before interest, tax, depreciation and amortisation ("EBITDA") growth rates, terminal growth rates and discount rates as applicable.

The Directors and the management performed impairment assessments of the CGU by applying value-in-use determined using discounted cash flow projections based on approved budgets. Various considerations are involved in the preparation of cash flow projections, including actual historical results, current available information such as the outcome of tender processes, secured contracts or latest available market information. Based on the assessments performed, the Board of Directors are of the opinion that the carrying amount of the assets under Consumer Foods Division, including its goodwill on consolidation are recoverable.

Our response – Together with our valuation experts, we evaluated the reasonableness of key assumptions used by management in the approved cash flow projections by comparing the revenue growth rates, EBITDA growth rates and terminal growth rates to historical results and industry data, where appropriate. We assessed the reliability of approved budget by comparing their previous years' approved budget against past trends of actual results. We also involved our valuation expert to assess the discount rates used in determining the recoverable amounts of the CGUs. We checked the appropriateness of sensitivity analysis performed by management, including disclosures, on reasonable possible changes in key assumptions and the corresponding effect on the recoverable amounts.

Whilst recognising that forecasting is inherently judgemental, based on the above procedures performed, we concluded that there is no any material exception noted. The Group's disclosures about impairment assessment of cash-generating unit containing goodwill on consolidation are disclosed in Note 7 to the Financial Statements.

There is no key audit matter to be communicated in respect of 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 the other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OCB BERHAD

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

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 MFRSs, IFRS Accounting Standards and the requirements of the Companies Act 2016. 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 intends to liquidate the Group and the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material 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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, 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 of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of 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 and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OCB BERHAD

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

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

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 provided 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, related safeguards.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 6 to the Financial Statements.

OTHER MATTER

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

GRANT THORNTON MALAYSIA PLT
(201906003682 & LLP0022494-LCA)
CHARTERED ACCOUNTANTS (AF 0737)

TAN HOOI SHIN
(NO: 3383/06/2026 J)
CHARTERED ACCOUNTANT

Kuala Lumpur
7 April 2025

STATEMENTS OF FINANCIAL POSITION

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	3	81,552	84,437	11	13
Investment properties	4	4,880	10,994	–	–
Inventories	5	–	58,612	–	–
Investment in subsidiaries	6	–	–	118,299	131,807
Goodwill on consolidation	7	16,111	16,111	–	–
Other intangible assets	8	30	30	–	–
Deferred tax assets	9	–	–	–	–
Amount due from subsidiaries	10	–	–	9,263	16,845
Total non-current assets		102,573	170,184	127,573	148,665
Current assets					
Inventories	5	58,012	33,175	–	–
Right of return assets	11	261	269	–	–
Trade receivables	12	60,110	42,484	–	–
Other receivables, deposits and prepayments	13	3,217	2,035	3	3
Amount due from subsidiaries	10	–	–	11,256	–
Tax recoverable		2,226	1,391	90	72
Short term deposits with licensed banks	14	22,152	13,997	–	–
Cash and bank balances		51,399	49,500	3,599	511
Total current assets		197,377	142,851	14,948	586
Total assets		299,950	313,035	142,521	149,251
EQUITY AND LIABILITIES					
EQUITY					
Share capital	15	103,105	103,105	103,105	103,105
Reserves	16	77,503	74,866	39,022	45,715
Equity attributable to owners of the Company		180,608	177,971	142,127	148,820
Non-controlling interests	6	1,501	(58)	–	–
Total equity		182,109	177,913	142,127	148,820
LIABILITIES					
Non-current liabilities					
Bank borrowings	17	31,208	43,783	–	–
Lease liabilities	18	–	179	–	–
Deferred tax liabilities	9	4,669	4,122	1	1
Total non-current liabilities		35,877	48,084	1	1

STATEMENTS OF FINANCIAL POSITION

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Current liabilities					
Trade payables	19	29,873	29,278	-	-
Other payables, accruals and deposits received	20	18,651	16,332	393	430
Contract liabilities	21	3,208	4,195	-	-
Refund liabilities	11	330	335	-	-
Tax payable		2,302	209	-	-
Bank borrowings	17	27,600	36,574	-	-
Lease liabilities	18	-	115	-	-
Total current liabilities		81,964	87,038	393	430
Total liabilities		117,841	135,122	394	431
Total equity and liabilities		299,950	313,035	142,521	149,251

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue from contract with customers					
- Sales of goods		282,805	268,418	-	-
- Property development		37,737	-	-	-
- Management fees		-	-	-	395
- Dividend income		-	-	6,235	6,046
Total revenue	22	320,542	268,418	6,235	6,441
Cost of sales		(244,238)	(211,394)	-	-
Gross profit		76,304	57,024	6,235	6,441
Other income		1,218	3,034	-	17
Finance income		723	753	773	-
Selling and distribution expenses		(25,809)	(20,848)	-	-
Administration expenses		(21,449)	(20,658)	(1,636)	(1,577)
Other expenses		(1,630)	(1,132)	-	-
Loss on disposal of subsidiaries		(11,796)	-	(10,508)	-
Net reversal/(loss) of impairment loss on financial assets		80	550	(10)	-
Finance expenses		(1,177)	(1,248)	-	(2,855)
Profit/(Loss) before tax	23	16,464	17,475	(5,146)	2,026
Tax expense	24	(7,623)	(4,163)	(4)	(14)
Profit/(loss) from continuing operations		8,841	13,312	(5,150)	2,012
Loss from discontinued operation, net of tax	25	(3,056)	(4,793)	-	-
Net profit/(loss) for the financial year		5,785	8,519	(5,150)	2,012
Other comprehensive income					
<i>Item that will be reclassified subsequently to profit or loss:-</i>					
<i>Foreign exchange translation differences for foreign operation</i>		(46)	46	-	-
Total comprehensive income/(loss) for the financial year		5,739	8,565	(5,150)	2,012

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Net profit/(loss) for the financial year attributable to:-					
Owners of the Company					
- Continuing operations		7,282	13,309	(5,150)	2,012
- Discontinued operation		(3,056)	(4,793)	-	-
Non-controlling interests		1,559	3	-	-
		5,785	8,519	(5,150)	2,012
Total comprehensive income/(loss) for the financial year attributable to:-					
Owners of the Company					
- Continuing operations		7,236	13,355	(5,150)	2,012
- Discontinued operation		(3,056)	(4,793)	-	-
Non-controlling interests		1,559	3	-	-
		5,739	8,565	(5,150)	2,012
Basic earnings/(Loss) per share (sen)					
Basic/Diluted (sen)	26				
- Continuing operations		7.08	12.94		
- Discontinued operation		(2.97)	(4.66)		

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Group	← Attributable to owners of the Company →					Non-controlling interest RM'000	Total equity RM'000
	Share capital RM'000	Non-distributable Foreign currency translation reserve RM'000	Distributable Retained earnings RM'000	Total RM'000			
Balance at 1 January 2023	103,105	177	66,127	169,409	(61)	169,348	
Net profit for the financial year	-	-	8,516	8,516	3	8,519	
Other comprehensive income	-	46	-	46	-	46	
Total comprehensive income for the financial year	-	46	8,516	8,562	3	8,565	
Balance at 31 December 2023	103,105	223	74,643	177,971	(58)	177,913	
Net profit for the financial year	-	-	4,226	4,226	1,559	5,785	
Other comprehensive loss	-	(46)	-	(46)	-	(46)	
Total comprehensive (loss)/income for the financial year	-	(46)	4,226	4,180	1,559	5,739	
Dividend paid	-	-	(1,543)	(1,543)	-	(1,543)	
Balance at 31 December 2024	103,105	177	77,326	180,608	1,501	182,109	

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Company

	Share capital RM'000	Retained earnings RM'000	Total RM'000
Balance at 1 January 2023	103,105	43,703	146,808
Total comprehensive income for the financial year	-	2,012	2,012
Balance at 31 December 2023	103,105	45,715	148,820
Total comprehensive loss for the financial year	-	(5,150)	(5,150)
Dividend paid	-	(1,543)	(1,543)
Balance at 31 December 2024	103,105	39,022	142,127

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Note	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
OPERATING ACTIVITIES				
Profit/(Loss) before tax				
- Continuing operations	16,464	17,475	(5,146)	2,026
- Discontinued operations	(3,055)	(4,794)	-	-
Adjustments for:				
Amortisation of investment properties	441	541	-	-
Depreciation of property, plant and equipment	6,470	5,196	4	27
Gain on disposal of property, plant and equipment	(43)	(102)	-	-
Impairment loss on trade receivables	1,266	1,145	-	-
Impairment loss on investment property	-	191	-	-
Impairment loss on amount due from subsidiaries	-	-	10	-
Loss on disposal of subsidiaries	11,796	-	10,508	-
Loss on termination of lease	4	-	-	-
Bad debt written off	23	-	-	-
Finance expenses	1,177	1,248	-	-
Finance income	(723)	(753)	-	-
Inventories written off	61	232	-	-
Property, plant and equipment written off	5	195	-	-
Provision of slow moving inventories	1,124	1,109	-	-
Reversal of provision on slow moving inventories	(1,109)	(1,196)	-	-
Reversal of impairment loss on trade receivables	(1,374)	(1,613)	-	-
Reversal of impairment loss on other receivable	(60)	(116)	-	-
Unrealised loss/(gain) on foreign exchange	248	(28)	-	-
Finance (income)/expenses – unwinding discount on amount due from subsidiaries	-	-	(773)	2,855
Operating profit before working capital changes	32,715	18,730	4,603	4,908
Changes in working capital:-				
Right of return assets	8	35	-	-
Contract liabilities and refund liabilities	531	1,065	-	-
Inventories	20,940	726	-	-
Receivables	(38,631)	(3,085)	-	-
Payables	14,224	6,160	(38)	(12)
Cash generated from operations	29,787	23,631	4,565	4,896
Tax refunded	138	924	-	-
Tax paid	(5,943)	(3,782)	(22)	(59)
Net cash from operating activities	23,982	20,773	4,543	4,837

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
INVESTING ACTIVITIES					
Advances to subsidiaries		–	–	(2,910)	(4,147)
Finance income received		723	753	–	–
Proceed from disposal of subsidiaries net of cash disposed	25	3,701	–	3,000	–
Proceeds from disposal of property, plant and equipment		139	103	–	–
Purchase of investment property		–	(506)	–	–
Purchase of property, plant and equipment	A	(9,425)	(2,079)	(2)	–
Net cash used in investing activities		(4,862)	(1,729)	88	(4,147)
FINANCING ACTIVITIES					
Repayment to subsidiaries		–	–	–	(543)
Dividend paid		(1,543)	–	(1,543)	–
Drawdown of borrowings					
- Bankers' acceptances and bill payables		91,916	77,237	–	–
- Revolving credits		2,000	1,000	–	–
- Trust receipts		1,810	60	–	–
- Term loan		3,450	360	–	–
Repayments of borrowings					
- Bankers' acceptances and bill payables		(87,354)	(80,350)	–	–
- Trust receipts		(231)	(45)	–	–
Repayment of term loans		(15,064)	(4,303)	–	–
Repayment of hire purchase		(453)	(313)	–	–
Repayment of lease liabilities		–	(121)	–	–
Finance cost paid		(1,177)	(1,248)	–	–
Net cash used in financing activities		(6,646)	(7,723)	(1,543)	(543)
CASH AND CASH EQUIVALENTS					
Net changes		12,474	11,321	3,088	147
Effect of exchange translation differences on cash and cash equivalents		(102)	(171)	–	–
Brought forward		60,096	48,946	511	364
Carried forward	B	72,468	60,096	3,599	511

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

NOTES TO THE STATEMENTS OF CASH FLOWS

A. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Total purchases	9,734	3,119	2	–
Finance by lease agreement	(309)	(1,040)	–	–
Cash purchases	9,425	2,079	2	–

B. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the statements of cash flows comprise the following:-

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Bank overdrafts (Note 17)	(1,083)	(3,401)	–	–
Short-term deposits with licensed banks (Note 14)	22,152	13,997	–	–
Cash and bank balances	51,399	49,500	3,599	511
	72,468	60,096	3,599	511

C. CASH OUTFLOW FOR LEASE AS A LESSEE

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<i>Included in net cash from operating activities:</i>				
Payment relating to short-term leases	1,403	1,515	60	60
<i>Included in net cash used in financing activities:</i>				
Payment of lease liabilities	–	121	–	–
Interest paid in relation to lease liabilities	–	19	–	–
	1,403	1,655	60	60

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

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2024

1. GENERAL INFORMATION

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 and corporate office and principal place of business of the Company are located at 2B-5, Level 5, Jalan SS 6/6, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are disclosed in Note 6 to the Financial Statements. There have been no significant changes in the nature of these activities of the Company and its subsidiaries during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors passed on 7 April 2025.

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 Malaysian Financial Reporting Standards (“MFRSs”), IFRS Accounting Standards (“IFRSs”) and the requirements of the Companies Act 2016 in Malaysia.

2.2 Basis of measurement

The financial statements of the Group and of the Company are prepared under the historical cost convention, unless otherwise indicated in the summary of significant accounting policies.

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

2.3 Functional and presentation currency

The financial statements are presented in Ringgit Malaysia (“RM”), which is the Group’s and the Company’s functional currency and all values are rounded to the nearest thousand (RM’000), unless otherwise stated.

2.4 Basis of consolidation

The Group’s financial statements consolidate those of the parent company and all of its subsidiaries of 31 December 2024. All subsidiaries have a reporting date of 31 December.

2.5 Malaysian Financial Reporting Standards (“MFRSs”)

2.5.1 Adoption of new standards/amendments/improvements to MFRSs

At the beginning of the current financial year, the Group and the Company adopted new standards and amendments to MFRSs which are mandatory for the financial year beginning on or after 1 January 2024.

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

NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2024

2. BASIS OF PREPARATION (CONT'D)

2.6 Standards issued but not yet effective

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

Effective for the financial period beginning on or after 1 January 2025:-

Amendments to MFRS 121	The Effect of Changes in Foreign Exchange Rates: Lack of Exchangeability
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Effective for the financial period beginning on or after 1 January 2026:-

Amendment to MFRS 9 and MFRS 7	Financial Instruments and Financial Instruments: Disclosures - Classification and Measurement of Financial Instruments and Contracts Referencing Nature - dependent Electricity
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Amendment that are part of Annual Improvement - Volume 11

Amendments to MFRS 1, MFRS 7, MFRS 9, MFRS 10 and MFRS 107	First-time Adoption of Malaysian Financial Reporting Standards, Financial Instruments: Disclosures, Financial Instruments, Consolidated Financial Statements and Statements of Cash Flows – Annual Improvements
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Effective for the financial period beginning on or after 1 January 2027:-

MFRS 18	Presentation and Disclosure in Financial Statements
MFRS 19	Subsidiaries without Public Accountability: Disclosures

Amendments to MFRSs - effective date deferred indefinitely:

Amendments to MFRS 10 and MFRS 128	Consolidated Financial Statements and Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
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The initial application of the above standards, amendments and interpretation are not expected to have any financial impacts to the financial statements.

2.7 Significant accounting estimates and judgements

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's and the Company's accounting policies and reported amounts of assets, liabilities, income and expenses, and disclosures made.

Estimates and underlying assumptions are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. The actual result may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2024

2. BASIS OF PREPARATION (CONT'D)

2.7 Significant accounting estimates and judgements (cont'd)

2.7.1 Estimation uncertainty

Information about significant estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are discussed below.

Climate-related matters

The long-term consequences of climate changes on financial statements are difficult to predict and require entities to make significant assumptions and develop estimates. Assumptions used by the Group are subject to uncertainties relating to regulatory changes (eg. green taxes adopted by governments), new environmental commitments made by the Group meet its carbon reduction goals, development of new technologies, depletion of natural resources used to produce telecommunication hardware, etc. Due to these uncertainties, the figures reported in the Group's future financial statements could differ from the estimates established at the time these financial statements were approved.

Useful lives of depreciable assets

Assets are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of the assets to be within 2 to 89 years and reviews the useful lives of depreciable assets at the end of each reporting year. As at 31 December 2024, management assessed that the useful lives represent the expected utility of the assets to the Group. Actual results, however, may vary due to changes in the expected level of usage and technological developments, which may result in the adjustment to the Group's assets.

The carrying amount of the Group's property, plant and equipment and investment properties at the end of the reporting year are disclosed in Notes 3 and 4 to the Financial Statements.

Amortisation of intangible assets

The useful lives of intangible assets are estimated to be indefinite. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

The carrying amount of the Group's intangible assets at the end of the reporting year are disclosed in Notes 7 and 8 to the Financial Statements.

Inventories

Inventories are measured at the lower of cost and net realisable value. In estimating net realisable values, management takes into account the most reliable evidence available at the time the estimates are made. The management reviews inventories to identify damaged, obsolete and slow-moving inventories which require judgement and changes in such estimates could result in revision to the revaluation of inventories.

The carrying amount of the Group's inventories at the end of the reporting year is disclosed in Note 5 to the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2024

2. BASIS OF PREPARATION (CONT'D)

2.7 Significant accounting estimates and judgements (cont'd)

2.7.1 Estimation uncertainty (cont'd)

Information about significant estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are discussed below. (cont'd)

Provision for expected credit losses of trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year, which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

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

The information about the ECLs on the Group's trade receivables are disclosed in Notes 12 and 30 to the Financial Statements.

Estimating variable consideration for returns and volume rebates

The Group estimates variable consideration to be included in the transaction price for the sales equipment with rights of return and volume rebates.

The Group developed a statistical model for forecasting sales returns. The model used the historical return data of each product to come up with expected return percentages. These percentages are applied to determine the expected value of the variable consideration. Any significant changes in experience as compared to historical return pattern will impact the expected return percentages estimated by the Group.

The Group's expected volume rebates are analysed on a per customer basis for contracts that are subject to a single volume threshold. Determining whether a customer will be likely entitled to rebate will depend on the customer's historical rebates entitlement and accumulated purchases to date.

The Group applied a statistical model for estimating expected volume rebates for contracts with more than one volume threshold. The model uses the historical purchasing patterns and rebates entitlement of customers to determine the expected rebate percentages and the expected value of the variable consideration. Any significant changes in experience as compared to historical purchasing patterns and rebate entitlements of customers will impact the expected rebate percentages estimated by the Group.

The information about the returns and volume rebates of the Group are disclosed in Notes 11 and 22 to the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2024

2. BASIS OF PREPARATION (CONT'D)

2.7 Significant accounting estimates and judgements (cont'd)

2.7.1 Estimation uncertainty (cont'd)

Information about significant estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are discussed below. (cont'd)

Impairment of non-financial assets

An impairment loss is recognised for the amount by which the asset's carrying amount or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows, management makes assumptions about future operating results. These assumptions relate to future events and circumstances. The actual results may vary and may cause significant adjustments to the Company's assets within the next financial year. In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

The information about the impairment of non-financial assets are disclosed in the Notes 6, 7 and 8 to Financial Statements.

Income taxes and deferred tax assets

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

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

The information about the income tax and deferred tax are disclosed in the Notes 9 and 24 to the Financial Statements.

2.7.2 Significant management judgements

The following are significant management judgement in applying the accounting policies of the Group that have the most significant effect on the financial statements.

Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group.

Certain properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under finance lease), the Group accounts for the portion separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2024

2. BASIS OF PREPARATION (CONT'D)

2.7 Significant accounting estimates and judgements (cont'd)

2.7.2 Significant management judgements (cont'd)

The following are significant management judgement in applying the accounting policies of the Group that have the most significant effect on the financial statements. (cont'd)

Classification between investment properties and owner-occupied properties (cont'd)

Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

Determining method to estimate variable consideration and assessing the constraint

Certain contracts for the sale of goods include a right of return and volume rebates that give rise to variable consideration. In estimating the variable consideration, the Group is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled.

The Group determined that the expected value method is the appropriate method to use in estimating the variable consideration for the sale of edible products with rights of return, given the large number of customer contracts that have similar characteristics. In estimating the variable consideration for the edible products with volume rebates, the Group determined that using a combination of the most likely amount method and expected value method is appropriate. The selected method that better predicts the amount of variable consideration was primarily driven by the number of volume thresholds contained in the contract. The most likely amount method is used for those contracts with a single volume threshold, while the expected value method is used for contracts with more than one volume threshold.

Before including any amount of variable consideration in the transaction price, the Group considers whether the amount of variable consideration is constrained. The Group determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

Determining the lease term of contracts with renewal options

The Group determines the lease term with any periods covered by an option to extend the lease if it is reasonably certain to be exercised.

The Group has various lease contracts that include extension options. The Group applies judgement in evaluating whether to exercise the option to renew the lease. It considers all relevant factors that create an economic incentive for it to exercise the renewal option. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew. The Group includes the renewal period as part of the lease term for such leases. The Group generally exercises its option to renew those leases with a renewal option.

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2024

3. PROPERTY, PLANT AND EQUIPMENT

Group	Land and buildings RM'000 (Note 3(b))	Equipment, tools, plant and machinery RM'000	Motor vehicles RM'000	Furniture, fittings and others RM'000	Capital -work-in progress RM'000	Right-of-use assets RM'000 (Note 3(c))	Total RM'000
Cost							
At 1 January 2023	84,124	90,693	10,886	28,813	885	3,829	219,230
Additions	–	777	1,863	479	–	–	3,119
Disposals	–	(1,149)	(533)	–	–	–	(1,682)
Reclassifications	–	596	–	–	(596)	–	–
Written off	–	(599)	–	(10)	–	–	(609)
At 31 December 2023	84,124	90,318	12,216	29,282	289	3,829	220,058
Additions	6,053	2,086	673	922	–	–	9,734
Transfer	–	30	–	–	(30)	–	–
Disposals	–	(1,617)	(661)	–	–	–	(2,278)
Disposal of subsidiaries	(6,070)	(115)	(1,152)	(5,766)	–	–	(13,103)
Written off	–	(2,368)	–	(74)	–	–	(2,442)
Termination	–	–	–	–	–	(715)	(715)
At 31 December 2024	84,107	88,334	11,076	24,364	259	3,114	211,254
Accumulated depreciation							
At 1 January 2023	27,064	75,537	8,681	20,115	–	1,123	132,520
Charge for the financial year	1,113	1,536	1,048	1,337	–	162	5,196
Disposals	–	(1,149)	(532)	–	–	–	(1,681)
Written off	–	(410)	–	(4)	–	–	(414)
At 31 December 2023	28,177	75,514	9,197	21,448	–	1,285	135,621
Charge for the financial year	1,114	3,084	944	1,265	–	63	6,470
Disposals	–	(1,617)	(565)	–	–	–	(2,182)
Disposal of subsidiaries	(2,950)	(111)	(1,056)	(3,236)	–	–	(7,353)
Written off	–	(2,368)	–	(69)	–	–	(2,437)
Termination	–	–	–	–	–	(417)	(417)
At 31 December 2024	26,341	74,502	8,520	19,408	–	931	129,702
Net carrying amount							
At 31 December 2024	57,766	13,832	2,556	4,956	259	2,183	81,552
At 31 December 2023	55,947	14,804	3,019	7,834	289	2,544	84,437

NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2024

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company	Motor vehicles RM'000	Furniture, fittings and others RM'000	Total RM'000
Cost			
At 1 January 2023/31 December 2023	417	555	972
Addition	-	2	2
At 31 December 2024	417	557	974
Accumulated depreciation			
At 1 January 2023	390	542	932
Charge for the financial year	25	2	27
At 31 December 2023	415	544	959
Charge for the financial year	2	2	4
At 31 December 2024	417	546	963
Net carrying amount			
At 31 December 2024	-	11	11
At 31 December 2023	2	11	13

(a) Assets pledged as securities to financial institutions

The net carrying amount of assets pledged as securities for bank borrowings granted are:-

Group	2024 RM'000	2023 RM'000
- Land and buildings	47,089	41,805
- Plant and machinery	1,065	1,622

Property, plant and equipment held under hire purchase arrangement

The net carrying amount of motor vehicles of the Group that finance under hire purchase arrangement is RM1,653,487 (2023:RM1,974,249).

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2024

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(b) Land and buildings

Group	Freehold land and buildings RM'000 (Note 3(b)(i))	Buildings RM'000	Total RM'000
Cost			
At 1 January 2023/31 December 2023	81,008	3,116	84,124
Additions	6,053	–	6,053
Disposal of subsidiaries	(6,070)	–	(6,070)
At 31 December 2024	80,991	3,116	84,107
Accumulated depreciation			
At 1 January 2023	25,327	1,737	27,064
Charge for the financial year	1,051	62	1,113
At 31 December 2023	26,378	1,799	28,177
Charge for the financial year	1,052	62	1,114
Disposal of subsidiaries	(2,950)	–	(2,950)
At 31 December 2024	24,480	1,861	26,341
Net carrying amount			
At 31 December 2024	56,511	1,255	57,766
At 31 December 2023	54,630	1,317	55,947

(i) Freehold land and buildings

The Directors of the Group and of the Company are of the opinion that it would not be possible to segregate the costs of the freehold land and buildings separately as they were acquired in a lump sum amount.

During the financial year ended 31 December 1998, the Directors revalued certain subsidiaries' freehold and leasehold land and buildings based on open market value basis. They were revalued by an independent professional valuer.

The above freehold and leasehold land and buildings of the subsidiaries have not been revalued ever since. The subsidiaries did not adopt a policy of regular revaluation as required by MFRS 116, Property, Plant and Equipment and were applying the transitional provision for assets revalued before the coming into force of the respective standard. This is the deemed cost of the properties.

Had these assets been carried at original cost less accumulated depreciation, the net carrying amount of the subsidiaries' revalued freehold and leasehold land and buildings are RM11,211,906 (2023: RM11,487,976).

NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2024

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(c) Right-of-use assets

As lessee

	Leasehold land RM'000	Outlet premises RM'000	Total RM'000
Group			
Cost			
At 1 January 2023/31 December 2023	3,114	715	3,829
Termination	-	(715)	(715)
At 31 December 2024	3,114	-	3,114
Accumulated amortisation			
At 1 January 2023	845	278	1,123
Charge for the financial year	43	119	162
At 31 December 2023	888	397	1,285
Charge for the financial year	43	20	63
Termination	-	(417)	(417)
At 31 December 2024	931	-	931
Net carrying amount			
At 31 December 2024	2,183	-	2,183
At 31 December 2023	2,226	318	2,544

The following are the amounts relating to right-of-use assets recognised in profit or loss:-

	2024 RM'000	2023 RM'000
Group		
Depreciation expense of right-of-use assets	63	162
Expenses relating to short-term leases	1,403	1,515
Company		
Expenses relating to short-term leases	60	60

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2024

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Material accounting policy information

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Subsequently, property, plant and equipment are stated at cost less accumulated depreciation and less any impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such costs as individual assets with specific useful lives and depreciation, respectively. All other repair and maintenance costs are recognised in profit or loss as incurred.

The Group assesses at contract inception whether a contract is, or contains, a lease. At the commencement date of the lease (i.e., the date of the underlying asset is available for use), the Group recognised right-of-use assets representing the non-cancellable right to use the underlying assets and lease liabilities to make lease payments over the lease term, except for short-term leases and leases of low-value assets which are recognised as expense on a straight-line basis over the lease term:

- Lease liabilities is measured at the present value of lease payments to be made over the lease term. The lease payments included fixed payments (including in-substance fixed payments) less any incentives receivable, variable lease payments that depend on an index or a rate and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.
- The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Depreciation is recognised on the straight-line method in order to write off the cost of each asset over its estimated useful life as follows:-

Freehold land	Not depreciated
Freehold buildings	2%
Leasehold land recognised as right-of-use assets	60 - 89 years
Buildings	57 years
Equipment tools, plant and machinery	6.7% to 20%
Motor vehicles	10% to 20%
Furniture, fittings, office equipment and renovations	2% to 50%

Capital work-in-progress consists of building and plant and machineries under construction/installation for intended use as production facilities. Assets under construction/installation are not depreciated until they are completed and ready for their intended use.

The residual values, useful lives and depreciation method are reviewed for impairment when events or changes in circumstances indicate that the carrying amounts may not be recoverable, or at least annually to ensure that the amount, method and rate of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2024

4. INVESTMENT PROPERTIES

Group	Freehold land and buildings RM'000 (Note 4(b))	Leasehold buildings RM'000	Total RM'000
Cost			
At 1 January 2023	11,583	5,276	16,859
Foreign exchange translation effect	–	308	308
Additions	506	–	506
At 31 December 2023	12,089	5,584	17,673
Foreign exchange translation effect	–	(287)	(287)
Disposal of subsidiaries	(10,353)	(345)	(10,698)
At 31 December 2024	1,736	4,952	6,688
Accumulated amortisation			
At 1 January 2023	4,577	920	5,497
Charge for the financial year	454	87	541
Foreign exchange translation effect	–	54	54
At 31 December 2023	5,031	1,061	6,092
Charge for the financial year	354	87	441
Foreign exchange translation effect	–	(56)	(56)
Disposal of subsidiaries	(5,138)	(96)	(5,234)
At 31 December 2024	247	996	1,243
Accumulated impairment			
At 1 January 2023	–	374	374
Impairment for the financial year	191	–	191
Foreign exchange translation effect	–	22	22
At 31 December 2023	191	396	587
Foreign exchange translation effect	–	(22)	(22)
At 31 December 2024	191	374	565

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2024

4. INVESTMENT PROPERTIES (CONT'D)

Group	Freehold land and buildings RM'000	Leasehold buildings RM'000	Total RM'000
Net carrying amount			
At 31 December 2024	1,298	3,582	4,880
At 31 December 2023	6,867	4,127	10,994
(a) Market value			
At 31 December 2024	1,400	3,760	5,160
At 31 December 2023	26,007	4,310	30,317

The market value at the reporting date was obtained from observable market information, determined by reference to the selling price reported in the actual sales transactions of the similar land and buildings at proximity area within reasonable period, adjusted with the latest market condition of the property market of the respective area. No independent valuation by professional valuer has been performed on these investment properties.

(b) Freehold land and buildings

In 2023, the freehold land and buildings of a subsidiary with net carrying amount of RM739,168 were revalued by an independent professional valuer on 3 February 1997 by using the open market value basis and had been incorporated in the financial statements in the financial year 1997. The properties have not been revalued since 1997. The subsidiary did not adopt policy of regular revaluation as required by MFRS 140 Investment Property and was applying the transitional provision for assets revalued before the coming into force of the accounting standard. It is the deemed cost of the investment properties.

Had the freehold land and buildings been carried at original historical cost less accumulated amortisation, the net carrying amount of the revalued freehold land and buildings of the Group at the end of the reporting year was RM739,168.

The respective subsidiary was disposed off during the financial year as disclosed in Note 25.

(c) Recognised in profit or loss

The following are recognised in profit or loss in respect of investment properties:-

Group	2024 RM'000	2023 RM'000
Amortisation expense of investment properties	441	541
Direct operating expenses of:-		
- income generating investment properties	-	52
- non-income generating investment properties	-	1
Rental income	(310)	(390)

NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2024

4. INVESTMENT PROPERTIES (CONT'D)

- (d) In 2023, the freehold land and building of a subsidiary with net carrying amount of RM496,773 is pledged to a licensed bank as securities for bank facilities granted to the Group as disclosed in Note 17 to the Financial Statements.

The respective subsidiary was disposed off during the financial year as disclosed in Note 25.

Material accounting policy information

Investment properties which consist of land and building held for capital appreciation or rental purpose are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property. Subsequently, investment properties are stated at cost less accumulated amortisation, except for freehold land which is not amortised due to indefinite useful life. Amortisation is recognised on the straight-line method over the estimated useful life of the properties as follows:-

Leasehold buildings	Over the lease period of 86 years or 2% whichever is lower
Freehold buildings	2 % to 10%

5. INVENTORIES

Group	2024 RM'000	2023 RM'000
Non-current asset		
Land held for development	-	58,612
Current assets		
Land cost	31,105	-
Raw materials	14,988	13,648
Good in transit	599	-
Work-in-progress	2,196	1,015
Finished goods	9,124	18,512
	58,012	33,175
Total	58,012	91,787

- (a) The land held for development is pledged to a licensed bank as securities for bank facilities granted to the Group as disclosed in Note 17 to the Financial Statements.
- (b) Finished goods include an amount of RM4,623,415 (2023: RM2,563,926) carried at fair value less costs to sell.

	2024 RM'000	2023 RM'000
(c) Recognised in profit or loss (included in Cost of Sales):-		
Inventories recognised as Cost of Sales	239,827	207,189
Inventories written off	61	232
Provision of slow-moving inventories	1,124	1,109
Reversal of provision on slow moving inventories	(1,109)	(1,196)

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2024

5. INVENTORIES (CONT'D)

- (d) The reversal of provision on slow moving inventories was made during the year when the related inventories were sold above their carrying amounts.
- (e) Land held for property development is transferred to land cost under current assets when development activities have commenced and are expected to be completed within the normal operating cycle. During the financial period, land cost amounted to RM27,506,272 (2023: Nil) was recognised as Cost of Sales.

Material accounting policy information

Inventories are stated at the lower of cost and net realisable value. Cost includes all expenses incurred in bringing the inventories to their present location and condition. Cost of work-in-progress and finished goods include direct materials, direct labour and an appropriate proportion of manufacturing overheads. Cost of inventories for building materials and bedding products are determined using first-in-first-out method. Cost of inventories for consumer trading goods and foodstuffs products are determined using weighted average method. Where necessary, allowance is made for deteriorated, obsolete and slow-moving inventories.

Land held for development and development costs is defined as land on which development is not expected to be completed within the normal operating cycle, and is stated at cost plus incidental expenditure incurred to put the land in a condition ready for development.

6. INVESTMENT IN SUBSIDIARIES

Company	2024 RM'000	2023 RM'000
Unquoted shares, at cost	126,663	140,171
Less: Accumulated impairment losses recognised in profit or loss as at 1 January/ 31 December	(8,364)	(8,364)
	118,299	131,807

Details of the subsidiaries, which are all incorporated and operating in Malaysia, except for First Knight (Singapore) Pte. Ltd. and Acrowyn Singapore Pte. Ltd. which are incorporated and operating in Singapore, are as follows:-

Name of companies	Effective equity interest		Principal activities
	2024 %	2023 %	
Kaiserkorp Sdn. Bhd. *	100	100	Investment holding company
Agrow Malaysia Sdn. Bhd.	–	100	Investment holding company
Ibufood Corporation Sdn. Bhd.	100	100	Investment holding company
Enigma Sinar Sdn. Bhd. *	80	80	Property development

NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2024

6. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries, which are all incorporated and operating in Malaysia, except for First Knight (Singapore) Pte. Ltd. and Acrowyn Singapore Pte. Ltd. which are incorporated and operating in Singapore, are as follows:- (cont'd)

Name of companies	Effective equity interest		Principal activities
	2024 %	2023 %	
Subsidiaries of Kaisercorp Sdn. Bhd.			
T N Metal Industries (M) Sdn. Bhd. *	100	100	Property holding
Kingkoil Bedding (Malaysia) Sdn. Bhd. *	100	100	Manufacturing of bedding products and property holding
Kaiserkoil Incorporated (M) Sdn. Bhd. *	100	100	Property holding
Dreambed (Malaysia) Sdn. Bhd. *	100	100	Property holding
Bedco Sistem (M) Sdn. Bhd. *	100	100	Manufacturing of spring mattress, headboards and divans
Kingkoil Corporation (M) Sdn. Bhd. *	100	100	Granting its products trademark and know-how to its licensee
Acrowyn (M) Sdn. Bhd. *	100	100	Dormant
Ultima Beddington Sdn. Bhd. *	100	100	Dormant
First Knight (Singapore) Pte. Ltd.*	100	100	Property holding
Subsidiaries of Agrow Malaysia Sdn. Bhd.			
Pure-Ecology (M) Sdn. Bhd.	-	100	Investment in properties
Keenwai Enterprises (M) Sdn. Bhd.	-	100	Investment holding
Agrow Corporation Sdn. Bhd.	-	100	Buying, selling, fabricating spare parts and equipment
Agrow Healthtech Sdn. Bhd.	-	100	Dealing in buying, selling medical and hospital equipment suppliers
AG Textronic Sdn. Bhd.	-	100	Dormant
Acrowyn Singapore Pte. Ltd. *	-	100	Dormant

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2024

6. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries, which are all incorporated and operating in Malaysia, except for First Knight (Singapore) Pte. Ltd. and Acrowyn Singapore Pte. Ltd. which are incorporated and operating in Singapore, are as follows:- (cont'd)

Name of companies	Effective equity interest		Principal activities
	2024 %	2023 %	
Subsidiaries of Ibufood Corporation Sdn. Bhd.			
Ibufood Manufacturing (M) Sdn. Bhd.	100	100	Investment holding
Spices & Seasonings Specialities Sdn. Bhd.	100	100	Manufacturing of instant noodles, spices, food seasonings, sauces and other edible products
Ecoway (Malaysia) Sdn. Bhd.	100	100	Dormant
Biz-Allianz International (M) Sdn. Bhd.	100	100	Trading and distribution of consumer products
Selera Citarasa Sdn. Bhd. *	100	100	Dormant
Biz-Markas Sdn. Bhd.	100	100	Dormant

* Subsidiaries not audited by Grant Thornton Malaysia PLT

6.1 Disposal of subsidiaries

On 27 December 2024, the Company announced the decision to dispose of a 100%-owned subsidiary, Agrow Malaysia Sdn. Bhd. and its subsidiaries (“Agrow Group”), comprising its entire building materials division which has been under-performing over the last 5 years. The disposal is consistent with the Group’s long-term strategy to maximise growth and profitability by focusing on bedding products, consumer foods, property development and other related business.

Upon the fulfillment of the terms and conditions on 30 December 2024, the disposal of Agrow Group has been completed with a cash consideration of RM3,000,000, recorded a loss RM11,796,219 and RM10,508,000 respectively in the financial statements of the Group and the Company.

At Group level, the loss of control of Agrow Group is presented as “Discontinued Operation” and disclosed in Note 25 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2024

6. INVESTMENT IN SUBSIDIARIES (CONT'D)

6.2 Non-controlling interests in subsidiaries

Information of the Group's subsidiary that have non-controlling interest ("NCI") are as follows:-

	2024	2023
Enigma Sinar Sdn. Bhd.		
Percentage of ownership interest and voting right	20%	20%
Carrying amount of NCI (RM'000)	1,501	(58)
Net profit allocated to NCI (RM'000)	1,559	3

The summary of financial information before intra-group elimination for the Group's subsidiaries that have material non-controlling interests are as below:-

	2024 RM'000	2023 RM'000
Enigma Sinar Sdn. Bhd.		
Summary of financial position as at 31 December		
Non-current assets	-	58,612
Current assets	60,124	2,954
Non-current liabilities	(26,560)	(39,781)
Current liabilities	(26,066)	(22,079)
Net assets/(liabilities)	7,498	(294)
Included in the net total comprehensive loss is:		
Revenue	37,737	-
Summary of financial performance for the financial year ended 31 December		
Net profit for the year/total comprehensive income	7,793	13
Summary of cash flows for the financial year ended 31 December		
Cash generated from/(used in) operating activities	10,158	(11)
Cash (used in)/generated from financing activities	(10,321)	25
Net cash and cash equivalents	(163)	14

Material accounting policy information

Subsidiaries are entities, including structured entities, controlled by the Company. Investments in subsidiaries are measured at cost less impairment losses, if any. Subsidiaries are consolidated by applying acquisition method from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Company elects whether it measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

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6. INVESTMENT IN SUBSIDIARIES (CONT'D)

6.2 Non-controlling interests in subsidiaries (cont'd)

Material accounting policy information (cont'd)

Non-controlling interests at the end of the reporting year, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group are presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and the owners of the Company. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if that results in a deficit balance.

7. GOODWILL ON CONSOLIDATION

The aggregate carrying amounts of goodwill allocated to each unit are as follows:

	Building materials RM'000	Cash-generating unit ("CGU") Bedding products RM'000	Consumer foods RM'000	Total RM'000
Group				
<u>At cost</u>				
At 1 January 2023/31 December 2023	1,099	21,054	38,186	60,339
Disposal of subsidiaries	(1,099)	–	–	(1,099)
At 31 December 2024	–	21,054	38,186	59,240
Less: Accumulated impairment losses				
At 1 January 2023/31 December 2023	(1,099)	(21,054)	(22,075)	(44,228)
Disposal of subsidiaries	1,099	–	–	1,099
At 31 December 2024	–	(21,054)	(22,075)	(43,129)
At 31 December 2023/2024	–	–	16,111	16,111

The impairment losses are recognised based on impairment testing performed on the goodwill which was supported by decrease of future economic benefits attached to the goodwill resulted from the tense industry competitions.

Impairment testing for CGU containing goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's operating divisions which represent the lowest CGU level within the Group at which the goodwill is monitored for internal management purpose.

As at the end of financial year ended 31 December 2024, the Management has carried out an annual impairment assessment on the CGU of Consumer Foods.

The recoverable amount of the CGU is amounted to RM140,092,649, representing the value-in-use determined using a five-years discounted cash flow projections based on the financial budgets approved by the management.

NOTES TO THE FINANCIAL STATEMENTS

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7. GOODWILL ON CONSOLIDATION (CONT'D)

Impairment testing for CGU containing goodwill (cont'd)

The key assumptions represent management's assessment of future trends in the consumer foods industries and are based on both external sources and internal sources (historical data). Key assumptions made in determining the value-in-use are as follows:-

- Revenue was projected at anticipated a constant annual revenue growth 5% (2023: growth 5%) per annum;
- Expenses were projected at annual increase of approximately 5% (2023: 5%) per annum;
- A pre-tax discount rate of 9.1% (2023: 9.2%) was applied in determining the recoverable amount of the unit; and
- The size of operation will remain at least or not lower than the current results.

With regards to the assessments of value-in-use of this CGU, management believes that no reasonably possible changes in any of the key assumptions would cause the carrying values of these units to differ materially from their recoverable amounts except for the changes in prevailing operating environment which is not ascertainable.

Material accounting policy information

Goodwill on consolidation is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

After initial recognition, goodwill on consolidation is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill on consolidation acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Goodwill is tested for impairment annually as at the end of each reporting year, and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGU) to which the goodwill relates. Where the recoverable amount of the CGU is less than their carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future years.

8. OTHER INTANGIBLE ASSETS

Group	Trademark RM'000	Licenses RM'000	Total RM'000
Cost			
At 1 January 2023/31 December 2023/31 December 2024	2,030	12,367	14,397
Accumulated impairment			
At 1 January 2023/31 December 2023/31 December 2024	2,000	12,367	14,367
Net carrying amount			
At 31 December 2023/31 December 2024	30	-	30

NOTES TO THE FINANCIAL STATEMENTS

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8. OTHER INTANGIBLE ASSETS (CONT'D)

Trademark

Trademark with the carrying amount of RM30,000 relates to the use of the “Miyachi” for the Group’s consumer foods business. The useful life of the trademark is estimated to be indefinite because based on the current market share of the trademark, Directors believe that there is no foreseeable limit to the period over which trademark are expected to generate net cash inflows for the Group. Based on Directors’ rule of thumb and the sale volume of the products, Directors have concluded that no impairment indicator is identified on the trademark.

Trademark with the carrying amount of RM2,000,000 related to the use of the “First Knight” for the Group’s bedding products business has been fully impaired in prior years lead by impairment testing performed on the intangible asset which was supported by decrease of future economic benefits attached to the trademark resulted from the tense industry competitions.

License

License consists of “Kingcoil” is relating to the use of the bedding products and is estimated to have indefinite useful lives. Management believes there is no foreseeable limit to the period over which the license are expected to generate cash flows for the Group.

Material accounting policy information

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair values as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment loss.

Intangible assets with indefinite useful life 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 cash-generating unit level. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

9. DEFERRED TAX ASSETS/(LIABILITIES)

Group	2024 RM'000	2023 RM'000
Deferred tax assets		
At 1 January	–	1,292
Transferred from profit or loss (Note 24)	–	(1,519)
Underprovision in prior year (Note 24)	–	227
At 31 December	–	–
Deferred tax liabilities		
At 1 January	4,122	3,519
Transferred to profit or loss (Note 24)	585	595
Disposal of subsidiaries (Note 25)	(106)	–
Underprovision in prior year (Note 24)	68	8
At 31 December	4,669	4,122
Total	(4,669)	(4,122)

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9. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

The deferred tax assets/(liabilities) at the end of the reporting date are made up of temporary differences arising from:-

Group	1 January RM'000	Recognised in profit or loss RM'000	Disposal of subsidiaries RM'000	31 December RM'000
2024				
Deferred tax assets				
Unutilised tax allowances and provisions	1,827	(961)	-	866
Deferred tax liabilities				
Accelerated capital allowance	(5,018)	279	106	(4,633)
Revaluation of land and buildings	(931)	29	-	(902)
	(4,122)	(653)	106	(4,669)

	1 January RM'000	Recognised in profit or loss RM'000	31 December RM'000
2023			
Deferred tax assets			
Unutilised tax allowances and provisions	4,201	(2,374)	1,827
Deferred tax liabilities			
Accelerated capital allowance	(5,469)	451	(5,018)
Revaluation of land and buildings	(959)	28	(931)
	(2,227)	(1,895)	(4,122)

Company	1 January RM'000	Recognised in profit or loss RM'000	31 December RM'000
Deferred tax liabilities			
2024			
Accelerated capital allowance	1	-	1
2023			
Deferred tax liabilities			
Accelerated capital allowance	4	(3)	1

Deferred tax assets have not been recognised in respect of the following items as they may not have sufficient future taxable profits to be used to offset or they arose from the subsidiaries that have a recent history of losses.

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9. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Unabsorbed tax losses	21,899	19,607	–	–
Unutilised capital allowances	2,960	3,048	–	–
Others	3,391	3,471	–	–
	28,250	26,126	–	–

The unabsorbed tax losses, unutilised capital allowances, unabsorbed investment tax allowances and other deductible temporary differences of Group are available for offsetting against future taxable profits of the Group, subject to no substantial changes in shareholders of those entities under the Income Tax Act 1967 and relevant provisions of Income Tax Act 1967. Any unabsorbed tax losses from Year of Assessment 2018 onwards can be carried forward for a maximum of 10 years. Upon the expiry date the unabsorbed tax losses will be disregarded.

The expiry of the unrecognised unabsorbed tax losses are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Year of assessment 2028	8,119	8,119	–	–
Year of assessment 2029	547	547	–	–
Year of assessment 2030	2,747	2,747	–	–
Year of assessment 2031	718	718	–	–
Year of assessment 2032	3,703	3,703	–	–
Year of assessment 2033	3,773	3,773	–	–
Year of assessment 2034	2,292	–	–	–
	21,899	19,607	–	–

Material accounting policy information

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

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

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10. AMOUNTS DUE FROM SUBSIDIARIES

Company	2024 RM'000	2023 RM'000
Amount due from subsidiaries	21,573	17,889
Less: Accumulated impairment loss		
At 1 January	(1,044)	(1,044)
Impairment loss recognised during the year	(10)	-
At 31 December	(1,054)	(1,044)
	20,519	16,845
Represented by:		
Non-current	9,263	16,845
Current	11,256	-
	20,519	16,845

Amount due from a subsidiary, Enigma Sinar Sdn. Bhd. amounting to RM20,519,076 (2023: RM16,845,529) is non-trade, non-interest bearing, unsecured and repayable over 3 years (2023: 3 years). Consequently, finance expenses of RM2,081,004 (2023: RM 2,854,485) are recognised in the profit or loss represent the discounting effect of the amount due from a subsidiary classified under non-current asset based on 6.68% (2023: 6.68%) discount rate.

Amount due from/(to) other subsidiaries with non-interest bearing are unsecured and repayable on demand.

11. RIGHT OF RETURN ASSETS AND REFUND LIABILITIES

Group	2024 RM'000	2023 RM'000
Right of return assets:-		
- Bedding products	169	199
- Consumer foods	92	70
	261	269
Refund liabilities:-		
- Bedding products	212	249
- Consumer products	118	86
	330	335

Refer to Note 22 for the material accounting policy information of Right of Return Assets and Refund Liabilities.

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12. TRADE RECEIVABLES

Group	2024 RM'000	2023 RM'000
Trade receivables	60,721	46,140
Less: Impairment losses	(611)	(3,656)
At 31 December	60,110	42,484

Trade receivables are non-interest bearing and the normal credit terms are generally ranging from 14 to 120 (2023: 14 to 120) days.

The movements of the impairment losses of trade receivables during the year are as follow:

Group	2024 RM'000	2023 RM'000
At 1 January	3,656	5,310
Recognised during the year	1,266	1,145
Reversed during the year	(1,374)	(1,613)
Disposal of subsidiaries	(2,811)	–
Written off during the year	(126)	(1,186)
At 31 December	611	3,656

The impairment loss on trade receivables was reversed during the financial year as a result of subsequent receipts and written off of the amount.

Refer to Note 30.2 (a) for information related to credit risk management of the Group.

13. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Sundry receivables	630	281	–	–
Goods and services tax receivable	6	6	–	–
Deposits	1,609	519	3	3
Prepayments	972	2,009	–	–
Less: Impairment losses	–	(780)	–	–
Net prepayment	972	1,229	–	–
	3,217	2,035	3	3

NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2024

13. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONT'D)

The movements of the impairment loss of prepayments during the financial year are as follow:

Group	2024 RM'000	2023 RM'000
At 1 January	780	896
Reversed during the year	(60)	(116)
Discontinued operation	(720)	-
At 31 December	-	780

The impairment loss on other receivables was reversed during the financial year as a result of subsequent receipts of the amount.

14. SHORT TERM DEPOSITS WITH LICENSED BANKS

Group

Short-term deposits are placed with licensed banks. The interest rates are ranging from 2.25% to 3.85% (2023: 2.25% to 3.80%) per annum with maturity dates of 1 to 12 months (2023: 1 to 12 months).

15. SHARE CAPITAL

Group and Company	No. of ordinary shares		Amount	
	2024 Unit	2023 Unit	2024 RM'000	2023 RM'000
Issued and fully paid with no par value:-				
At 1 January/31 December	102,850,000	102,850,000	103,105	103,105

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regards to the Company's residual assets.

16. RESERVES

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Non-Distributable:				
Foreign currency translation reserve	177	223	-	-
Distributable:				
Retained earnings	77,326	74,643	39,022	45,715
	77,503	74,866	39,022	45,715

During the financial year, the Board of Directors had approved a first and final single-tier tax exempt dividend of RM0.015 per ordinary shares, paid on 31 July 2024.

On 24 February 2025, the Board of Directors has recommended a first and final single-tier dividend of 2.0 sen per share in respect of the financial year ended 31 December 2024 for shareholders' approval at the forthcoming Annual General Meeting. The current financial statements do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2025.

NOTES TO THE FINANCIAL STATEMENTS

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17. BANK BORROWINGS

Group	2024 RM'000	2023 RM'000
Current		
<u>Secured</u>		
Bank overdrafts	1,083	3,401
Term loans	4,639	4,214
Bankers' acceptances	16,689	18,622
Trust receipts	–	60
Bill payables	1,746	1,843
Revolving credits	3,000	8,000
Hire purchase	443	434
	27,600	36,574
Non-current		
<u>Secured</u>		
Term loans	30,571	42,904
Hire purchase	637	879
	31,208	43,783
Total bank borrowings	58,808	80,357

Bank borrowings obtained from banks for financing of assets acquisition and working capital purposes. Bank borrowings bear interest rates ranging from 2.12% to 6.68% (2023: 2.12% to 6.70%) per annum.

Set out below is the movements of the hire purchase during the financial year:-

Group	2024 RM'000	2023 RM'000
At 1 January	1,313	586
Additions	309	1,040
Accretion of interest	(27)	46
Payments	(426)	(359)
Discontinued operations	(89)	–
At 31 December	1,080	1,313

Bank borrowings of the Group are secured by:-

- (i) Corporate guarantee by the Company and subsidiaries;
- (ii) Letter of negative pledge over the present and future floating assets of subsidiaries;
- (iii) Trade financing general agreement;
- (iv) Facilities agreement and first party first legal charge on certain properties of the subsidiaries;
- (v) Specific debenture over plant and machineries financed by the banks;
- (vi) Blanket counter indemnity;
- (vii) Open all monies first party debenture by way of fixed and floating charges over the property of a subsidiary;
- (viii) Open all monies facilities agreement by a subsidiary; and
- (ix) Open all monies corporate guarantee by the Company.

NOTES TO THE FINANCIAL STATEMENTS

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18. LEASE LIABILITIES

Group	2024 RM'000	2023 RM'000
<u>Current liabilities</u>		
- less than 1 year	-	115
<u>Non-current liabilities</u>		
- more than 1 year but less than 2 years	-	110
- more than 2 years but less than 5 years	-	69
Total non-current liabilities	-	179
Total	-	294

The lease liabilities bear interest at rates ranging from Nil (2023: 5.00%) per annum.

Set out below is the movements of the lease liabilities during the financial year:-

Group	2024 RM'000	2023 RM'000
At 1 January	294	415
Accretion of interest	-	19
Payments	-	(140)
Termination	(294)	-
At 31 December	-	294

The following are the amounts relating to lease liability recognised in profit or loss:-

	2024 RM'000	2023 RM'000
Interest expense on lease liabilities	-	19

The lease liabilities are secured by the related underlying asset.

The maturity analysis of lease liabilities is disclosed in Note 30.2 (b) to the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2024

18. LEASE LIABILITIES (CONT'D)

The table below describes the nature of the Group's leasing activities by type of right-of-use asset recognised in property, plant and equipment on the statements of financial position:

	Range of remaining term	Number of leases with extension options	Number of leases with variable payment linked to an index	Number of leases with termination options
<u>2024</u>				
Leasehold land	36 - 62 years	-	-	-
<u>2023</u>				
Leasehold land	37 - 63 years	-	-	-
Outlet premises	4 years	-	-	-

19. TRADE PAYABLES

The normal trade credit terms granted by the trade payables range from 30 to 120 (2023: 30 to 120) days.

20. OTHER PAYABLES, ACCRUALS AND DEPOSITS RECEIVED

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Sundry payables	9,612	8,402	-	-
Goods and services tax payable	-	27	-	-
Sales and services tax payable	596	651	-	-
Accruals of expenses	8,422	7,234	393	430
Deposits received	21	18	-	-
	18,651	16,332	393	430

21. CONTRACT LIABILITIES

	Group	
	2024 RM'000	2023 RM'000
Advance deposits received from customers	461	1,848
Secured deposits received from customers	2,747	2,347
	3,208	4,195
At 1 January	4,195	3,103
Received during the year	4,181	4,484
Disposal of subsidiaries (Note 25)	(1,523)	-
Recognised as revenue during the year	(3,645)	(3,392)
At 31 December	3,208	4,195

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21. CONTRACT LIABILITIES (CONT'D)

The Group recorded contract liabilities which represent advance deposits received and secured deposits received from customers for the future sale of goods. The advance deposits collected are expected to be recognised as revenue over a period of 90 days when the Group completed the remaining performance obligations under the contract.

22. REVENUE FROM CONTRACT WITH CUSTOMERS

(a) Disaggregated revenue information

Group Segments	Continuing operations		Discontinued operation	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Types of income				
Recognised at a point in time:				
- Sales of goods	282,805	268,418	48,666	30,063
- Rental income	-	-	210	210
	282,805	268,418	48,876	30,273
Recognised over time:				
- Property development	37,737	-	-	-
	320,542	268,418	48,876	30,273
Geographical markets				
- Malaysia	254,034	195,099	48,876	30,273
- Indonesia	45,757	54,577	-	-
- Republic of Singapore	5,709	6,240	-	-
- Brunei	4,929	4,495	-	-
- Australia	2,198	1,791	-	-
- United States of America	892	1,304	-	-
- Others	7,023	4,912	-	-
	320,542	268,418	48,876	30,273

Company Segments	2024 RM'000	2023 RM'000
Types of income		
- Management fees	-	395
- Dividend income	6,235	6,046
	6,235	6,441
Geographical markets		
- Malaysia	6,235	6,441

Revenue amounted to RM1,847,725 (2023: RM415,540) was recognised in relation to advance deposits received from customers under contract liabilities at the beginning of the year.

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22. REVENUE FROM CONTRACT WITH CUSTOMERS (CONT'D)

(b) Performance obligations

Sale of goods

Revenue from sale of goods recognised at the point in time when control of the asset are transferred to the customer, generally on delivery of the goods in the business of building materials, bedding products and consumer foods. Revenue is recognised at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods. The normal credit term is 14 to 120 days upon delivery.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of goods provide customers with a right of return and volume rebates.

While there is no warranty given for the customers of the Group, the rights of return and volume rebates give rise to variable consideration. The requirements in MFRS 15 on constraining estimates of variable consideration are applied in order to determine the amount of variable consideration that can be included in the transaction price.

Rights of return (Note 11)

Certain contracts provide a customer with a right to return the goods return goods which are damaged and/or expired within a specified period.

For goods that are expected to be returned, instead of revenue, the Group recognises a refund liability. The Group measures the obligation to refund some or all of the consideration, received (or receivables) from customers at the amount the Group ultimately expects it will have to return to the customers. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

A right of return asset (and corresponding adjustment to cost of sales) is also recognised for the right to recover products from a customer. The Group uses the expected value method to estimate the goods that will not be returned by the customers because this method best predicts the amount of variable consideration to which the Group will be entitled. The Group updates the measurement of the assets recorded for any revisions to its expected level of returns, as well as any additional decrease in the value of the returned products.

Volume rebates

The Group provides retrospective volume rebates in the form of trade discounts/rebates/incentives to certain customers once the quantity of products purchased exceeds a threshold specified in the contract for a pre-determined period i.e. quarterly, biannually and annually. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the Group applies the most likely amount method for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The Group then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future rebates.

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22. REVENUE FROM CONTRACT WITH CUSTOMERS (CONT'D)

(b) Performance obligations (cont'd)

Property development

Revenue from property development is recognised over the period of the contract using the input method by referencing the costs incurred for work performed to date against the estimated costs to completion if control the asset transfers over time. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset. As at 31 December 2024, the transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) which expected to be recognised as revenue within the next one year is amounts to RM9,850,520 (2023:Nil).

Management fee

Management fee is recognised when services are rendered.

Dividend income

Dividend income from investments is recognised when the right to receive the dividend has been established.

Rental income

Rental income is accounted for on a straight-line-basis over the lease term. The aggregate costs of incentive provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line-basis.

Transaction price allocated to the remaining performance obligations

As at 31 December 2024, the transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) which expected to be recognised as revenue arising from sale of goods within the next one year is amounted to RM2,658,079 (2023: RM4,484,145).

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23. PROFIT/(LOSS) BEFORE TAX

Profit/(loss) before tax is determined after charging/(crediting) amongst others, the following items:-

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Audit remunerations related to:				
Statutory audit				
- auditors of the Company				
• Continuing operations	136	132	34	34
• Discontinued operation	70	66	-	-
- other auditors	124	118	-	-
Assurance-related services:				
- Grant Thornton Malaysia PLT	71	50	71	50
Other services:				
- Grant Thornton Malaysia PLT				
• Continuing operations	66	37	18	7
• Discontinued operation	20	20	-	-
Short term lease of premises				
• Continuing operations	1,403	1,420	60	60
• Discontinued operation	150	95	-	-
Realised loss on foreign exchange				
• Continuing operations	632	318	-	-
• Discontinued operation	(31)	(7)	-	-
Finance expenses				
• Continuing operations	1,177	1,248	-	-
• Discontinued operation	770	559	-	-
Finance (income)/expenses –				
Unwinding discount on amount due from subsidiaries	-	-	(773)	2,855
Finance income				
• Continuing operations	(723)	(753)	-	-
• Discontinued operation	(12)	(11)	-	-
Gain on disposal of property, plant and equipment	(43)	(102)	-	-
Unrealised loss/(gain) on foreign exchange	248	(28)	-	-

24. TAX EXPENSE/(INCOME)

Group	Continuing operations		Discontinued operation	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Current year:				
- Current tax	6,853	2,355	3	3
- Deferred tax (Note 9)	585	2,114	-	-
	7,438	4,469	3	3
(Over)/Under provision in prior year:				
- Current tax	117	(91)	(2)	-
- Deferred tax (Note 9)	68	(215)	-	(4)
	185	(306)	(2)	(4)
	7,623	4,163	1	(1)

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24. TAX EXPENSE/(INCOME) (CONT'D)

Company	2024 RM'000	2023 RM'000
Current year:		
- Current tax	-	21
- Deferred tax (Note 9)	-	(3)
	-	18
Under/(Over) provision in prior year:		
- Current tax	4	(4)
	4	14

Malaysian income tax is calculated at the statutory tax rate of 24% of the estimated assessable profits for the financial year.

The reconciliation of income tax expense applicable to profit/(loss) before tax at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company are as follows:-

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Profit/(Loss) before tax				
- Continued operations	16,464	17,475	(5,146)	2,026
- Discontinued operation	(3,055)	(4,794)	-	-
Tax at 24%	3,218	3,043	(1,235)	486
Tax effects in respect of:-				
Expenses not deductible for tax purposes	6,139	2,976	2,917	987
Income not subject to tax	(2,384)	(1,937)	(1,682)	(1,455)
Tax allowances granted during the year	(45)	(77)	-	-
Movement of deferred tax assets not recognised	510	464	-	-
Over/(Under) provision in prior year	7,438	4,469	-	18
	185	(306)	4	(4)
Tax at effective tax rate	7,623	4,163	4	14

25. DISPOSAL OF SUBSIDIARIES CLASSIFIED AS DISCONTINUED OPERATION

On 27 December 2024, the Company announced the decision to dispose of a 100%-owned subsidiary, Agrow Group, comprising its entire building materials division which has been under-performing over the last 5 years. The disposal is consistent with the Group's long-term strategy to maximise growth and profitability by focusing on bedding products, consumer foods, property development and other related business.

The disposal of Agrow Group has been completed on 30 December 2024. As at 31 December 2024, the assets and liabilities of Agrow Group have been presented on the consolidated statement of financial position as a discontinued operation and results from this sub-group is presented separately on the consolidated statement of profit or loss and other comprehensive income as discontinued operation.

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25. DISPOSAL OF SUBSIDIARIES CLASSIFIED AS DISCONTINUED OPERATION (CONT'D)

The results of Agrow Group are as follows:

	2024 RM'000	Group 2023 RM'000
Revenue	48,876	30,273
Cost of sales	(39,975)	(25,252)
Gross profit	8,901	5,021
Finance income	12	11
Other income	158	941
Marketing, selling and distribution costs	(601)	(372)
Administration expenses	(10,058)	(9,081)
Other expenses	(755)	(760)
Impairment loss on financial assets	(820)	(619)
Reversal of impairment loss on financial assets	908	654
Finance costs	(770)	(559)
Loss before tax	(3,025)	(4,764)
Tax (expense)/income	(1)	1
Loss from Agrow Group	(3,026)	(4,763)
Less: Elimination of related party transactions	(30)	(30)
Loss from discontinued operation, net of tax	(3,056)	(4,793)

The details of asset/(liabilities) arising from the disposal and the effects on the Group's financial results are as follows:-

	Group 2024 RM'000
Property, plant and equipment	5,750
Investment property	5,464
Inventories	12,759
Trade receivables	17,837
Other receivables	2,157
Tax recoverable	92
Cash and cash equivalents	911
Trade payables	(10,126)
Other payables	(1,193)
Contract liabilities	(1,523)
Borrowing	(15,614)
Bank overdrafts	(1,612)
Deferred taxation liability	(106)
Net assets disposed off	14,796
Net loss on disposal of subsidiaries	(11,796)
Consideration received	3,000
Less: Cash and cash equivalents disposed	701
Net cash inflows from disposal	3,701

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25. DISPOSAL OF SUBSIDIARIES CLASSIFIED AS DISCONTINUED OPERATION (CONT'D)

Statement of Cash Flows

Cash flows generating by Agrow Group for the reporting years are summarised as below:

	Group	
	2024 RM	2023 RM
Net cash used in operating activities	(3,768,126)	(2,217,585)
Net cash used in investing activities	(348,144)	(548,347)
Net cash from financing activities	4,732,041	373,962
Net effect on cash flows	615,771	(2,391,970)

26. EARNING/(LOSS) PER SHARE

Basic gain/(loss) per share

Basic gain/(loss) per share is calculated based on Group's net profit/(loss) for the year attributable to owners of the Company over the weighted average number of ordinary shares during the financial year.

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. Diluted earnings/(loss) per share equals to basic earnings per share during the financial year as the Company does not have any potential dilutive shares as at the end of the reporting year.

Profits attributable to ordinary shares:

	Group	
	2024 RM'000	2023 RM'000
Profit from continuing operations attributable to ordinary equity holders of the Company	7,282	13,309
Loss from discontinued operation attributable to ordinary equity holders of the Company	(3,056)	(4,793)
Profit attributable to ordinary equity holders of the Company	4,226	8,516

Weighted average number of ordinary shares in issue:

	2024 No. of shares Unit	2023 No. of shares Unit
At 1 January/31 December	102,850,000	102,850,000

Basic earnings per ordinary shares:

	2024 sen	2023 sen
From continuing operations	7.08	12.94
From discontinued operation	(2.97)	(4.66)

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27. EMPLOYEES BENEFITS EXPENSES

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Salaries and other emoluments	32,513	35,208	–	28
Defined contribution plan	2,335	2,881	26	29
Social security contributions	298	298	–	–
Other benefits	4,910	3,825	211	169
	40,056	42,212	237	226

The remuneration receivable by Directors and other member of key management personnel of the Group and of the Company during the financial year are as follows:-

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<u>Executive Directors:-</u>				
Salaries and other emoluments	223	222	223	222
Defined contribution plan	26	26	26	26
	249	248	249	248
<u>Non-Executive Directors:-</u>				
Salaries and other emoluments	882	985	45	41
Fees	561	582	561	582
	1,443	1,567	606	623
<u>Key management personnels:-</u>				
Salaries and other emoluments	5,918	5,246	–	–
Defined contribution plan	462	353	–	–
	6,380	5,599	–	–
Sub-total	8,072	7,414	855	871
Benefits in kind	53	21	53	21
Total	8,125	7,435	908	892

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28. RELATED PARTY DISCLOSURES

A related party is a person or an entity that is related to the OCB Berhad and its subsidiaries as defined in MFRS 124 Related Party Disclosures. A related party transaction is a transfer of resources, services or obligations between the Group and its related party, regardless of whether a price is changed.

- (a) Significant related party transactions during the financial year are as follows:-

	Company	
	2024 RM'000	2023 RM'000
Dividend income received from subsidiaries	6,235	6,046
Management fees received from subsidiaries	-	395
Rental paid to a subsidiary	60	60

The Directors of the Company are of the opinion that the terms of the above transactions were entered on a negotiated basis between the companies.

- (b) Compensation of key management personnel

Key management personnel is defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly. Key management includes all the Directors of the Company and its subsidiaries and certain members of senior management of the Group. The remuneration of key management personnel is disclosed in Note 27 to the Financial Statements.

- (c) The outstanding balances arising from related party transactions as at the reporting date are disclosed in Note 10 to the Financial Statements.

29. OPERATING SEGMENT

(a) Business segments

Management currently identifies the Group's manufacturing and trading activities as operating segments. These operating segments are monitored and strategic decisions are made on the basis of adjusted segment operating results. The following summary describes the operations in each of the Group's reportable segments:-

- | | | | |
|-------|---|---|--|
| (i) | Bedding products | : | Manufacturing and trading of various types of bedding products |
| (ii) | Consumer foods | : | Manufacturing and trading of various types of consumer foods |
| (iii) | Property development | : | Development of properties and its related activities |
| (iv) | Others | : | Investment holding and property holding |
| (v) | Building materials
(Discontinued
operation) | : | Trading in building materials |

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29. OPERATING SEGMENT (CONT'D)

(a) Business segments

Transfer prices between operating segments are on arm's length basis in a manner similar to transactions with third parties.

	Note	Bedding products RM'000	Consumer foods RM'000	Property development RM'000	Adjustments and eliminations RM'000	Total continuing operations RM'000	Building materials (Discontinued operation) RM'000	Adjustments and eliminations RM'000	Total consolidated financial statements including discontinued operation RM'000
2024									
Revenue :-									
External revenue		68,346	214,459	37,737	-	320,542	48,786	-	369,328
Inter-segment revenue	(i)	-	-	-	6,235	-	90	(90)	-
		68,346	214,459	37,737	6,235	320,542	48,876	(90)	369,328
Results :-									
Finance income		-	671	52	-	723	12	-	735
Finance expenses		(325)	(852)	-	-	(1,177)	(770)	-	(1,947)
Depreciation of property, plant and equipment		(2,033)	(4,154)	-	(4)	(6,190)	(280)	-	(6,470)
Amortisation of investment properties		(118)	-	-	-	(119)	(322)	-	(441)
Income tax expense		(1,253)	(3,901)	(2,465)	(4)	(7,623)	(1)	-	(7,624)
Other non-cash - income	(ii)	(1,429)	42	-	-	(1,387)	(908)	-	(2,295)
- expenses	(ii)	1,146	309	-	1,288	13,251	985	-	14,236
Segment profit/(loss)	(iii)	5,169	14,946	10,206	(8,266)	16,918	(2,267)	(30)	14,621
Assets :-									
Additions to non-current assets	(iv)	(6,574)	(2,643)	-	-	(9,219)	(515)	-	(9,734)
Segment assets	(v)	95,942	124,074	60,124	141,747	299,950	-	-	299,950
Liabilities :-									
Segment liabilities	(vi)	26,657	61,903	52,625	393	117,841	-	-	117,841

NOTES TO THE FINANCIAL STATEMENTS

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29. OPERATING SEGMENT (CONT'D)

(a) Business segments

Transfer prices between operating segments are on arm's length basis in a manner similar to transactions with third parties. (cont'd)

	Note	Bedding products RM'000	Consumer foods RM'000	Property development RM'000	Others RM'000	Adjustments and eliminations RM'000	Total continuing operations RM'000	Building materials (Discontinued operation) RM'000	Adjustments and eliminations RM'000	Total consolidated financial statements including discontinued operation RM'000
2023										
Revenue :-										
External revenue		68,848	199,570	-	-	-	268,418	30,183	-	298,601
Inter-segment revenue	(i)	-	-	-	6,441	(6,441)	-	90	(90)	-
		68,848	199,570	-	6,441	(6,441)	268,418	30,273	(90)	298,601
Results :-										
Finance income		296	457	-	-	-	753	11	-	764
Finance expenses		(309)	(939)	-	(2,855)	2,855	(1,248)	(559)	-	(1,807)
Depreciation of property, plant and equipment		(609)	(4,210)	-	(27)	-	(4,846)	(350)	-	(5,196)
Amortisation of investment properties		(118)	-	-	-	-	(118)	(423)	-	(541)
Income tax expense		(1,387)	(2,748)	(12)	(14)	(2)	(4,163)	1	-	(4,162)
Other non-cash - income	(ii)	(2,001)	(298)	-	-	-	(2,299)	(654)	-	(2,953)
- expenses	(ii)	1,757	394	-	-	-	2,151	619	-	2,770
Segment profit/(loss)	(iii)	6,915	12,215	25	4,880	(6,065)	17,970	(4,216)	(30)	13,724
Assets :-										
Additions to non-current assets	(iv)	(1,637)	(1,429)	(506)	-	-	(3,572)	(53)	-	(3,625)
Segment assets	(v)	91,356	106,044	61,566	152,105	(131,302)	279,769	37,366	(4,100)	313,035
Liabilities :-										
Segment liabilities	(vi)	22,873	51,245	61,860	431	(20,827)	115,582	19,543	(3)	135,122

NOTES TO THE FINANCIAL STATEMENTS

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29. OPERATING SEGMENT (CONT'D)

(a) Business segments (cont'd)

Notes to the nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements:-

- (i) Inter-segment revenues are eliminated on consolidation.
- (ii) Other non-cash (income)/expenses consist of the following items:-

	2024 RM'000	2023 RM'000
Continuing operations		
<u>Income</u>		
Reversal of impairment loss on trade receivables	(526)	(1,075)
Reversal of provision on slow moving inventories	(1,109)	(1,196)
Unrealised loss/(gain) on foreign exchange	248	(28)
	(1,387)	(2,299)
<u>Expenses</u>		
Bad debts written off	7	–
Impairment loss on investment property	–	191
Impairment loss on trade receivables	446	526
Inventories written off	61	232
Gain on disposal of property, plant and equipment	(43)	(102)
Property, plant and equipment written off	5	195
Loss on disposal of subsidiaries	11,796	–
Loss on termination of lease	4	–
Provision of slow-moving inventories	975	1,109
	13,251	2,151
Discontinued operation		
<u>Income</u>		
Reversal of impairment loss on other receivables	(60)	(116)
Reversal of impairment loss on trade receivables	(848)	(538)
	(908)	(654)
<u>Expenses</u>		
Bad debts written off	16	–
Impairment loss on trade receivables	820	619
Provision of slow-moving inventories	149	–
	985	619

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29. OPERATING SEGMENT (CONT'D)

(a) Business segments (cont'd)

Notes to the nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements:- (cont'd)

- (iii) The following items are added to/(deducted from) segment profit to arrive at "Net profit/loss for the financial year" presented in the consolidated statements of profit or loss and other comprehensive income:-

	2024 RM'000	2023 RM'000
Continuing operations		
Segment profit	16,918	17,970
Finance income	723	753
Finance expenses	(1,177)	(1,248)
Tax expense	(7,623)	(4,163)
Net profit for the financial year	8,841	13,312

	2024 RM'000	2023 RM'000
Discontinuing operation		
Segment loss	(2,297)	(4,246)
Finance income	12	11
Finance expenses	(770)	(559)
Tax (expense)/income	(1)	1
Net loss for the financial year	(3,056)	(4,793)

- (iv) Additions to non-current assets consist of:-

	2024 RM'000	2023 RM'000
Continuing operations		
Property, plant and equipment		
- cash purchase	9,019	2,026
- finance by lease agreement	200	1,040
	9,219	3,066
Investment properties		
- cash purchase	-	506
	9,219	3,572

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29. OPERATING SEGMENT (CONT'D)

(a) Business segments (cont'd)

Notes to the nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements:- (cont'd)

(iv) Additions to non-current assets consist of:- (cont'd)

	2024 RM'000	2023 RM'000
Discontinued operation		
Property, plant and equipment		
- cash purchase	406	53
- finance by lease agreement	109	–
	515	53

(v) The following items are adjusted from segments assets to arrive at total assets reported in the consolidated statements of financial position:-

	2024 RM'000	2023 RM'000
Investment in subsidiaries	(115,698)	(115,698)
Inter-segment balances	(6,239)	(19,704)
	(121,937)	(135,402)

(vi) The following item is adjusted from segments liabilities to arrive at total liabilities reported in the consolidated statements of financial position:-

	2024 RM'000	2023 RM'000
Inter-segment balances	(23,737)	(20,830)

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29. OPERATING SEGMENT (CONT'D)

(b) Geographical information

The Group's revenue and non-current assets information based on geographical location are as follow:-

	Revenue		Non-current assets	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Continuing operations				
Geographical markets				
- Malaysia	254,034	195,099	98,992	155,008
- Indonesia	45,757	54,577	-	-
- Republic of Singapore	5,709	6,240	3,581	3,873
- Brunei	4,929	4,495	-	-
- Australia	2,198	1,791	-	-
- United States of America	892	1,304	-	-
- Others	7,023	4,912	-	-
	320,542	268,418	102,573	158,881

	Revenue		Non-current assets	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Discontinued operation				
Geographical markets				
- Malaysia	48,876	30,273	-	11,303

Non-current assets information presented above consist of the following items as presented in the consolidated statements of financial position:-

	2024	2023
	RM'000	RM'000
Property, plant and equipment	81,552	84,437
Investment properties	4,880	10,994
Inventories	-	58,612
Goodwill on consolidation	16,111	16,111
Intangible assets	30	30
	102,573	170,184

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30. FINANCIAL INSTRUMENTS

30.1 Categories of Financial Instruments

The table below provides an analysis of financial assets categorised as amortised cost (“AC”) and financial liabilities categorised as other financial liabilities measured at amortised cost (“AC”):-

Group	2024 RM’000	2023 RM’000
Financial assets		
Trade receivables	60,110	42,484
Other receivables and deposits	2,239	800
Short term deposits with licensed banks	22,152	13,997
Cash and bank balances	51,399	49,500
	135,900	106,781
Financial liabilities		
Trade payables	29,873	29,278
Other payables	18,055	15,654
Bank borrowings	58,808	80,357
	106,736	125,289
Company	2024 RM’000	2023 RM’000
Financial assets		
Other receivables and deposits	3	3
Amount due from subsidiaries	20,519	16,845
Cash and bank balances	3,599	511
	24,121	17,359
Financial liabilities		
Other payables	393	430

30.2 Financial Risk Management Objectivities and Policies

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. Financial risk management policies are established to ensure that adequate resources are available for the development of the Group’s and the Company’s businesses whilst managing their credit risk, liquidity risk, foreign currency risk and interest rate risk. The Group and the Company operate within clearly defined policies and procedures that are approved by the Board of Directors to ensure the effectiveness of the risk management process.

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows:-

(a) Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. It is the Group’s policy to enter into financial instrument with a diversity of creditworthy counterparties. The Group does not expect to incur material credit losses of its financial assets or other financial instruments.

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30. FINANCIAL INSTRUMENTS (CONT'D)

30.2 Financial Risk Management Objectivities and Policies (cont'd)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows:- (cont'd)

(a) Credit risk (cont'd)

Concentration of credit risk exists when changes in economic, industry and geographical factors similarly affect the group of counterparties whose aggregate credit exposure is significant in relation to the Group's total credit exposure. The Group's portfolio of financial instrument is broadly diversified along industry, product and geographical lines, and transactions are entered into with diverse creditworthy counterparties, thereby mitigate any significant concentration of credit risk.

It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. The Group does not offer credit terms without the approval of the head of credit control.

Following are the areas where the Group and the Company are exposed to credit risk:-

Trade Receivables

As at the end of the reporting year, the maximum exposure to credit risk arising from receivables is limited to the carrying amounts in the statement of financial position.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external rating, if they are available, financial statements, credit agency information, industry information and in some cases bank references. Sale limits are established for each customer and reviewed quarterly. Any sales exceeding those limits require approval from the management.

More than 70% (2023: 66%) of the Group's customers have been transacting with the Group for long-term basis, and none of these customer's balances have been written off or are credit-impaired at the reporting date. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are a wholesale, retail or end-user customer, their geographic location, industry, trading history with the Group and existence of previous financial difficulties.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type and customer type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity. The Group does not hold collateral as security. The letters of credit and other forms of credit insurance are considered integral part of trade receivables and considered in the calculation of impairment.

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30. FINANCIAL INSTRUMENTS (CONT'D)

30.2 Financial Risk Management Objectivities and Policies (cont'd)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows:- (cont'd)

(a) Credit risk (cont'd)

Following are the areas where the Group and the Company are exposed to credit risk:- (cont'd)

Trade Receivables (cont'd)

The Group evaluates the concentration of risk with respect to trade receivables and as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

	Not past due RM'000	← Days past due →			Total RM'000
		1 - 30 days RM'000	31 - 60 days RM'000	More than 60 days RM'000	
31 December 2024					
Expected credit loss rate	0%	0%	0%	0% - 64.2%	
Estimated total gross carrying amount	45,958	11,430	2,381	952	60,721
Expected credit loss	-	-	-	(611)	(611)
31 December 2023					
Expected credit loss rate	0% - 0.1%	0% - 0.5%	0% - 0.7%	0% - 75.4%	
Estimated total gross carrying amount	36,723	3,494	1,131	4,792	46,140
Expected credit loss	(21)	(16)	(8)	(3,611)	(3,656)

The credit risk concentration profile of the Group at the end of the reporting year is as follows:-

	2024		2023	
	RM'000	% of total	RM'000	% of total
By country:-				
Malaysia	58,239	96.9	40,232	94.7
Singapore	866	1.4	1,215	2.8
Brunei	391	0.7	551	1.3
United States	614	1.0	407	1.0
Others	-	0.0	79	0.2
	60,110	100.0	42,484	100.0

Trade receivables that are neither past due nor impaired are credit worthy receivables with good payment records with the Group.

As at the reporting date, approximately 28% (2023: 32%) of trade receivables was due from three (2023: three) major customers, namely Customer A (13%), Customer B (14%) and Customer C (1%) (2023: Customer A (17%) and Customer B (12%) and Customer C (3%)).

NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2024

30. FINANCIAL INSTRUMENTS (CONT'D)

30.2 Financial Risk Management Objectivities and Policies (cont'd)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows:- (cont'd)

(a) Credit risk (cont'd)

Following are the areas where the Group and the Company are exposed to credit risk:- (cont'd)

Trade Receivables (cont'd)

The net carrying amount of trade receivables are considered reasonable approximate of their fair values. The maximum exposure to credit risk is the carrying value of each class of receivables mentioned above. Trade receivables that are individually determined to be impaired at the end of reporting year 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.

Other Receivables

The net carrying amount of other receivables are considered reasonable approximate of their fair values. The maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position. At the end of the reporting year, there was no indications that the other receivables are not recoverable.

Financial guarantees

The maximum exposure to credit risk of RM57,592,034 (2023: RM79,044,020) is represented by the outstanding banking facilities utilised by the subsidiaries as at the end of the reporting year.

The Company provides financial guarantees to banks in respect of banking facilities granted to certain subsidiaries. The Company monitors on an ongoing basis the results of the borrowers and their repayments to the banks. As at the end of the reporting year, there was no indication that any of the subsidiaries would default on repayments.

Intercompanies balances

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

The Company provides unsecured advances to subsidiaries and monitors the results of the subsidiaries regularly. As at the end of the reporting year, there was no indication that the advances to the subsidiaries are not recoverable.

Cash and cash equivalents

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

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2024

30. FINANCIAL INSTRUMENTS (CONT'D)

30.2 Financial Risk Management Objectivities and Policies (cont'd)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows:- (cont'd)

(b) Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as and when they fall due.

In managing its exposures to liquidity risk arises principally from its various payables, loans and borrowings, the Group maintains a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

The Group aims at maintaining a balance of sufficient cash and deposits and flexibility in funding by keeping diverse sources of committed and uncommitted credit facilities from various banks.

Following are the areas where the Group and the Company are exposed to liquidity risk:-

Group	Carrying amount RM'000	Contractual cash flows RM'000	← Maturity →			
			Within 1 year RM'000	1 to 2 years RM'000	2 to 5 years RM'000	More than 5 years RM'000
<u>2024</u>						
Trade payables	29,873	29,873	29,873	-	-	-
Other payables	18,055	18,055	18,055	-	-	-
Bank borrowings	58,808	109,018	29,753	17,338	60,355	1,572
	106,736	156,946	77,681	17,338	60,355	1,572
<u>2023</u>						
Trade payables	29,278	29,278	29,278	-	-	-
Other payables	15,654	15,654	15,654	-	-	-
Bank borrowings	80,357	132,278	40,006	21,782	70,490	-
Lease liabilities	294	373	140	140	93	-
	125,583	177,583	85,078	21,922	70,583	-

NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2024

30. FINANCIAL INSTRUMENTS (CONT'D)

30.2 Financial Risk Management Objectivities and Policies (cont'd)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows:- (cont'd)

(b) Liquidity risk (cont'd)

Following are the areas where the Group and the Company are exposed to liquidity risk (cont'd):-

Company	Carrying amount RM'000	Contractual cash flows RM'000	Maturity Within 1 year RM'000
<u>2024</u>			
Other payables	393	393	393
Financial guarantees	57,592	57,592	57,592
	57,985	57,985	57,985
<u>2023</u>			
Other payables	430	430	430
Financial guarantees	79,044	79,044	79,044
	79,474	79,474	79,474

(c) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

To mitigate the Group's exposure to foreign currency risk, the Group is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the respective functional currency of the Group. The currencies giving rise to this risk are primarily United States Dollar ("USD"), Singapore Dollar ("SGD") Brunei Dollar ("BND") and British Pound (GBP).

The Group's exposure to foreign currency risk, based on carrying amounts as at the end of the reporting year is as follows:-

	Group Denominated in			
	USD RM'000	SGD RM'000	BND RM'000	GBP RM'000
<u>2024</u>				
Trade receivables	614	866	391	-
Other receivables	148	-	-	-
Cash and bank balances	5,632	521	-	-
Trade payables	(813)	-	-	-
Other payable	(505)	(7)	(4)	-
Contract liabilities	(535)	-	-	-
	4,541	1,380	387	-

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2024

30. FINANCIAL INSTRUMENTS (CONT'D)

30.2 Financial Risk Management Objectivities and Policies (cont'd)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows (cont'd):-

(c) Foreign currency risk (cont'd)

The Group's exposure to foreign currency risk, based on carrying amounts as at the end of the reporting year is as follows (cont'd):-

	USD RM'000	SGD RM'000	Group Denominated in BND RM'000	GBP RM'000
<u>2023</u>				
Trade receivables	407	1,215	551	79
Other receivables	8	–	–	–
Cash and bank balances	4,496	–	–	–
Trade payables	(475)	–	–	–
Contract liabilities	(359)	–	–	–
	4,077	1,215	551	79

Exposure to foreign exchange rates vary during the financial year depending on the volume of overseas transactions.

As at the reporting date, the management of the Group determined the effects of sensitivity of the Group's net profit for the financial year and the equity as at the end of financial year to a reasonable possible change in USD, SGD, BND and GBP to be immaterial.

(d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group's interest rate management objective is to manage the interest expenses consistent with maintaining an acceptable level of exposure to interest rate fluctuation. In order to achieve this objective, the Group's targets a mix of fixed and floating debts based on assessment of its existing exposure and desired interest rate profile.

NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2024

30. FINANCIAL INSTRUMENTS (CONT'D)

30.2 Financial Risk Management Objectivities and Policies (cont'd)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows (cont'd):-

(d) Interest rate risk (cont'd)

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

Group	2024 RM'000	2023 RM'000
Fixed rate instruments		
<u>Financial asset</u>		
Short-term deposits with licensed banks	22,152	13,997
<u>Financial liabilities</u>		
Bank borrowings	21,712	18,852
Lease liabilities	-	294
	21,712	19,146
Floating rate instrument		
<u>Financial liabilities</u>		
Bank borrowings	37,096	61,505

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

The following table illustrates the sensitivity of net profit to a reasonable possible change in interest rates of +/- 50 basis point ("bp"). These changes considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each year and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

	Group (Increased)/ decreased net profit/ (loss) for the financial year/Equity as at year end	
	RM'000 +50 bp	RM'000 -50 bp
2024	185	(185)
2023	308	(308)

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2024

30. FINANCIAL INSTRUMENTS (CONT'D)

30.3 Fair value of financial instruments

The carrying amounts of financial assets and liabilities of the Company at the reporting date approximate their fair values due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date or insignificant impact of discounting.

30.4 Fair value hierarchy

No fair value hierarchy has been disclosed due to the financial instruments of the Group and the Company measured at fair value as at the end of the financial year is immaterial.

30.5 Reconciliation of liabilities arising from financing activities

	At 1 January RM'000	Repayments RM'000	Drawdowns RM'000	Discontinued operation RM'000	Termination RM'000	At 31 December RM'000
2024						
Bank borrowings						
- Term loans	47,118	(15,064)	3,450	(294)	-	35,210
- Bankers' acceptances and bill payables	20,465	(87,354)	91,916	(6,592)	-	18,435
- Trust receipts	60	(231)	1,810	(1,639)	-	-
- Revolving credits	8,000	-	2,000	(7,000)	-	3,000
- Hire purchase	1,313	(453)	309	(89)	-	1,080
- Lease liabilities	294	-	-	-	(294)	-
2023						
Bank borrowings						
- Term loans	51,061	(4,303)	360	-	-	47,118
- Bankers' acceptances and bill payables	23,578	(80,350)	77,237	-	-	20,465
- Trust receipts	45	(45)	60	-	-	60
- Revolving credits	7,000	-	1,000	-	-	8,000
- Hire purchase	586	(313)	1,040	-	-	1,313
- Lease liabilities	415	(121)	-	-	-	294

31. CAPITAL COMMITMENT

	Group	
	2024 RM	2023 RM
Authorised but not contracted for:		
Property, plant and equipment	2,922,680	-

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2024

32. CAPITAL MANAGEMENT

The Group's and the Company's objectives when managing capital are to maintain a strong capital base and safeguard the Group's and the Company's ability to continue as going concerns, so as to maintain investor, creditor and market confidence and to sustain future development of the businesses. The Directors monitor and determine to maintain an optimal debt-to-equity ratio that complies with debt covenants and regulatory requirements.

The Group and the Company set the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The Group and the Company manage the capital structure and make adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group and the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts.

Total capital managed at Group level is the shareholders' funds as shown in the statements of financial position.

During 2024, the Group's strategy, which was unchanged from 2023, was to maintain the debt-to-equity ratio not more than 1.0.

	2024 RM'000	2023 RM'000
Bank borrowings	58,808	80,357
Lease liabilities	–	294
Less: Cash and bank balances	(51,399)	(49,500)
Less: Short-term deposits with licensed banks	(22,152)	(13,997)
Net debt	(14,743)	17,154
Total equity	182,109	177,913
Debt-to-equity ratio	(0.08)	0.10

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

33. SIGNIFICANT EVENT DURING THE YEAR

On 27 December 2024, the Company announced the decision to dispose of a 100%-owned subsidiary, Agrow Group, comprising its entire building materials division. The disposal of Agrow Group has been completed on 30 December 2024. Further details are disclosed in Note 25 to the Financial Statements.

LIST OF PROPERTIES

AS AT 31 DECEMBER 2024

Location	Tenure	Area (Square Metres)	Description and Existing Use	Approximate Age of Buildings (Years)	Net Book Value as at 31.12.2024 (RM)	Year of Last Revaluation/ Acquisition
Lot 1, Lorong Perak 2 42500 Teluk Panglima Garang Kuala Langat Selangor Darul Ehsan Malaysia	Leasehold 99 years expiring 2086 Residual lease 62 years	5,236 Built-up 2,913	1½ Storey Factory	36	2,279,115	1998
Lot 2137, Jalan Enggang Kg. Batu 9, Kebun Baru 42500 Teluk Panglima Garang Kuala Langat Selangor Darul Ehsan Malaysia	Freehold	20,233 Built-up 11,148	1 Storey Factory	26	16,134,250	1998
Lot 2446, Jalan Pulau Carey 42500 Teluk Panglima Garang Kuala Langat Selangor Darul Ehsan Malaysia	Freehold	20,285	Vacant Land	Not Applicable	6,053,098	2024
Lot 2447, Jalan Pulau Carey 42500 Teluk Panglima Garang Kuala Langat Selangor Darul Ehsan Malaysia	Freehold	20,158 Built-up 3,345	1 Storey Factory	20	4,124,405	2011
Lot 2448, Jalan Pulau Carey 42500 Teluk Panglima Garang Kuala Langat Selangor Darul Ehsan Malaysia	Freehold	21,954	Vacant Land	Not Applicable	5,147,000	2011
2C, Jalan SS 6/6, Kelana Jaya 47301 Petaling Jaya Selangor Darul Ehsan Malaysia	Freehold	372 Built-up 1,802	4 Storey Commercial Shoptlot /Office	28	4,234,000	1998
Lot 1956 Jalan Bangi Lama Batu 1 ½ 43500 Semenyih Selangor Darul Ehsan Malaysia	Freehold	40,696 Built-up 22,360	1 Storey Detached Factory cum 3 Storey Office and 1 Storey Detached Warehouse	25	15,630,291	2009
Lot 32-06, Level 32 Pinnacle Tower Jalan Dato' Abdullah Tahir Taman Abad 80300 Johor Bharu Johor Darul Takzim Malaysia	Freehold	121	Service Apartment	8	658,313	2016

LIST OF PROPERTIES

AS AT 31 DECEMBER 2024

Location	Tenure	Area (Square Metres)	Description and Existing Use	Approximate Age of Buildings (Years)	Net Book Value as at 31.12.2024 (RM)	Year of Last Revaluation/ Acquisition
Lot 10-05, Level 10 Pinnacle Tower Jalan Dato' Abdullah Tahir Taman Abad 80300 Johor Bharu Johor Darul Takzim Malaysia	Freehold	123	Service Apartment	8	641,176	2016
Lots 916, 917 & 918 Block 5 Seduan Land District Sungai Aup, Sibu Sarawak Malaysia	Leasehold 60 years expiring 2067 Residual lease 43 years	10,004 Built-up 5,340	2 Storey Detached Factory	22	4,985,647	2002
No. 49-P Lorong Sempadan Dua Bandar Air Itam 11400 Pulau Pinang Malaysia	Freehold	138 Built-up 220	2 Storey Shoplot	41	467,202	2012
No. 49-Q Lorong Sempadan Dua Bandar Air Itam 11400 Pulau Pinang Malaysia	Freehold	264 Built-up 357	2 Storey Shoplot	41	897,182	2012
11 Woodlands Close Woodlands 11 #10-32 Singapore 737853	Leasehold 60 years expiring 2070 Residual lease 46 years	170 Built-up 170	Flatted Office	13	1,790,274	2013
11 Woodlands Close Woodlands 11 #10-33 Singapore 737853	Leasehold 60 years expiring 2070 Residual lease 46 years	170 Built-up 170	Flatted Office	13	1,790,274	2013

ANALYSIS OF SHAREHOLDINGS

AS AT 28 MARCH 2025

Total number of issued shares	:	102,850,000
Class of shares	:	Ordinary shares
Voting rights	:	1 vote per ordinary share held

ANALYSIS BY SIZE OF SHAREHOLDINGS

Size of shareholdings	No. of shareholders	%	No. of shares held	%
Less than 100 shares	28	1.40	1,129	*
100 to 1,000 shares	569	28.44	505,421	0.49
1,001 to 10,000 shares	1,065	53.22	4,305,030	4.19
10,001 to 100,000 shares	295	14.74	7,362,840	7.16
100,001 to 5,142,499 shares	41	2.05	43,418,300	42.21
5,142,500 shares and above	3	0.15	47,257,280	45.95
Total	2,001	100.00	102,850,000	100.00

Note:

* Negligible

SUBSTANTIAL SHAREHOLDERS

(According to the Register of Substantial Shareholders)

Name	← Direct →		← Indirect →		← Total →	
	No. of shares held	%	No. of shares held	%	No. of shares held	%
Rangkaian Kartika Sdn. Bhd. ("RKSB")	29,565,680	28.75	–	–	29,565,680	28.75
Zeigells (M) Sdn. Bhd. ("ZSB")	–	–	29,565,680 ^(a)	28.75 ^(a)	29,565,680	28.75
Ng Kok Yin	–	–	29,565,680 ^(b)	28.75 ^(b)	29,565,680	28.75
Ho Kit Heng	–	–	29,565,680 ^(b)	28.75 ^(b)	29,565,680	28.75
Patricia Woon Lai Ching @ Lee Yah Seng	10,490,700	10.20	–	–	10,490,700	10.20
Cheong Pooi Leong	7,200,900	7.00	–	–	7,200,900	7.00

Notes:

^(a) Deemed interest by virtue of its 100% shareholding in RKSB.

^(b) Deemed interest by virtue of his substantial shareholding in ZSB, which in turn holds 100% equity interest in RKSB.

ANALYSIS OF SHAREHOLDINGS

AS AT 28 MARCH 2025

DIRECTORS' SHAREHOLDINGS

(According to the Register of Directors' Shareholdings)

Name	← Direct →		← Indirect →		← Total →	
	No. of shares held	%	No. of shares held	%	No. of shares held	%
Tee Keng Hoon	-	-	-	-	-	-
Khoo Kay Leong	-	-	-	-	-	-
Agnes Maria Sam A/P John Sam	-	-	-	-	-	-
Chan Kee Eng	-	-	-	-	-	-
Mohd Harris Bin Pardi	-	-	-	-	-	-
Fong Heng Leong	-	-	-	-	-	-
Wong Choon Shein	-	-	-	-	-	-

ANALYSIS OF SHAREHOLDINGS

AS AT 28 MARCH 2025

LIST OF THIRTY (30) LARGEST SHAREHOLDERS

(According to the Record of Depositors)

No.	Name	No. of shares held	%
1.	Rangkai Kartika Sdn. Bhd.	29,565,680	28.75
2.	Patricia Woon Lai Ching @ Lee Yah Seng	10,490,700	10.20
3.	Cheong Pooi Leong	7,200,900	7.00
4.	Maybank Securities Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Tan Ching Ching	5,039,500	4.90
5.	Chew Huat Heng	5,017,400	4.88
6.	Tan Han Chuan	4,976,100	4.84
7.	Maybank Securities Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Ong Huey Peng	4,964,820	4.83
8.	Unifonte Sdn. Bhd.	3,304,000	3.21
9.	Bukit Feringhi Resort Sdn. Bhd.	3,122,600	3.04
10.	Suasana Proaktif Sdn. Bhd.	2,267,100	2.20
11.	HLIB Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Taipanmatics Sdn. Bhd.	2,250,000	2.19
12.	Chan Wan Moi	1,823,900	1.77
13.	Ong Wee Lieh	917,300	0.89
14.	Khor Saw Hoon	780,000	0.76
15.	Yeoh Jin Hoe	680,000	0.66
16.	Ng Keng Khoon	613,000	0.60
17.	Tan Pak Nang	500,000	0.49
18.	Juliet Yap Swee Hwang	498,300	0.48
19.	Kenanga Nominees (Tempatan) Sdn. Bhd. - Derrick Kong Ying Kit (PCS)	490,000	0.48
20.	Teo Kwee Hock	468,600	0.46
21.	Chan Wan Moi	447,200	0.43
22.	Ong Chai Hock	434,400	0.42
23.	Tay Teck Ho	370,000	0.36
24.	Hoo Wan Fatt	364,900	0.35
25.	Prize Focus Sdn. Bhd.	334,500	0.33
26.	Marc Francis Yeoh Min Chang	288,500	0.28
27.	Tay Ying Lim @ Tay Eng Lim	266,500	0.26
28.	Ng Teng Song	254,000	0.25
29.	Moomoo Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Choy Si Qing	219,500	0.21
30.	Phuah Chun Heng	200,000	0.19
Total		88,149,400	85.71

NOTICE OF SIXTY-SIXTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Sixty-Sixth Annual General Meeting (“AGM”) of OCB Berhad will be held at Greens III (Sports Wing), Tropicana Golf & Country Resort Club, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Monday, 23 June 2025 at 10.00 a.m. for the following purposes:

AGENDA

AS ORDINARY BUSINESS

- | | | |
|----|---|--|
| 1. | To receive the Audited Financial Statements of the Group and of the Company for the financial year ended 31 December 2024 and the Reports of the Directors and Auditors thereon. | (Please refer to
Note E of this
Agenda) |
| 2. | To declare a first and final single-tier dividend of 2.0 sen per share in respect of the financial year ended 31 December 2024. | Resolution 1 |
| 3. | To re-elect the following Directors of the Company who retire pursuant to Clause 82 of the Company’s Constitution: | |
| | (i) Tee Keng Hoon | Resolution 2 |
| | (ii) Chan Kee Eng | Resolution 3 |
| 4. | To re-elect Director of the Company, Khoo Kay Leong who retires pursuant to Clause 86 of the Company’s Constitution. | Resolution 4 |
| 5. | To approve the payment of Directors’ fees amounting to RM561,220 to the Non-Executive Directors of the Company and its subsidiaries for the financial year ended 31 December 2024. | Resolution 5 |
| 6. | To approve the payment of benefits of up to RM150,000 to the Non-Executive Directors of the Company and its subsidiaries for the financial year ending 31 December 2025. | Resolution 6 |
| 7. | To re-appoint Grant Thornton Malaysia PLT as Auditors of the Company to hold office until the conclusion of the next AGM of the Company and to authorise the Directors to fix the remuneration of the Auditors. | Resolution 7 |

AS SPECIAL BUSINESS

8. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

Proposed authority to Directors to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act, 2016

Resolution 8

“THAT subject to the Companies Act, 2016, the Constitution of the Company and the approvals of the relevant governmental and/or regulatory authorities, if applicable, the Board of Directors of the Company (“Board”) be and is hereby empowered pursuant to Sections 75 and 76 of the Companies Act, 2016, to allot and issue shares in the Company at any time at such issue price which is at a not more than a ten per centum (10%) discount to the 5-day volume weighted average market price of the shares of the Company immediately before the relevant price fixing date to such Qualified Placee(s) as the Board may in its absolute discretion deem fit or appropriate, provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares in the Company for the time being (excluding treasury shares), and upon such other additional terms and conditions (if any) to be determined by the Board.

NOTICE OF SIXTY-SIXTH ANNUAL GENERAL MEETING

For the purposes of this resolution, “Qualified Placee(s)” shall refer to persons who are not (in accordance with Paragraph 6.04(c) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad) (a) a director, major shareholder or chief executive of the Company or a holding company of the Company (if applicable), or person(s) connected with such director, major shareholder or chief executive; or (b) nominee corporations, unless the names of the ultimate beneficiaries are disclosed. Qualified Placees shall also be person(s) or party(ies) who/ which qualify under Schedules 6 and 7 of the Capital Markets and Services Act, 2007;

THAT such authority if/when passed shall constitute an authority for the issue of shares with prior shareholders’ approval in a general meeting of the precise terms and conditions of the issue;

THAT such authority shall continue to be in force until:

- (i) the conclusion of the next Annual General Meeting (“AGM”) of the Company, at which time it shall lapse, unless by ordinary resolution passed at that Meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which the next AGM of the Company 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 occurs first;

AND THAT the Board be and is empowered to apply for and obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad.”

9. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

Proposed renewal of authority for the Company to purchase its own shares

Resolution 9

“THAT subject to compliance with the Companies Act, 2016, the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”), the Company’s Constitution and all other applicable laws, guidelines, rules and regulations, the Company be and is hereby authorised to purchase such number of ordinary shares in the Company as may be determined by the Board of Directors of the Company (“Board”) from time to time through Bursa Securities upon such terms and conditions as the Board may deem fit and expedient in the interest of the Company, provided that:

- (i) the aggregate number of shares to be purchased pursuant to this resolution shall not exceed ten per centum (10%) of the total number of issued shares in the Company as at the date of the share buy-back;
- (ii) an aggregate amount of the funds not exceeding the retained profits of the Company as at the date of the share buy-back, be utilised by the Company for the purchase of its own shares; and
- (iii) the shares of the Company to be purchased may be cancelled, retained as treasury shares, distributed as dividends or resold on Bursa Securities, or a combination of any of the above, at the absolute discretion of the Board;

NOTICE OF SIXTY-SIXTH ANNUAL GENERAL MEETING

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

- (i) the conclusion of the next Annual General Meeting (“AGM”) of the Company, at which time it shall lapse, unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which the next AGM of the Company 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 occurs first but not so as to prejudice the completion of purchase(s) by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the MMLR of Bursa Securities or any other relevant authorities;

AND FURTHER THAT the Board be and is hereby authorised to do all such acts and things and to take all such steps as it deems fit, necessary, expedient and/or appropriate in order to complete and give full effect to the purchase by the Company of its own shares with full powers to assent to any condition, modification, variation and/or amendment as may be required or imposed by the relevant authorities.”

- 10. To transact any other business of which due notice shall have been given in accordance with the Company’s Constitution and/or the Companies Act, 2016.

NOTICE OF DIVIDEND PAYMENT AND DIVIDEND ENTITLEMENT DATE

NOTICE IS HEREBY GIVEN THAT a first and final single-tier dividend of 2.0 sen per share in respect of the financial year ended 31 December 2024 (“Dividend”), if approved by shareholders at the Sixty-Sixth Annual General Meeting of the Company, will be paid to shareholders on 31 July 2025. The entitlement date for the Dividend shall be 18 July 2025.

Shareholders will be entitled to the Dividend only in respect of:

- (a) shares transferred into their Securities Account before 4.30 p.m. on 18 July 2025, for transfers; and
- (b) shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By Order of the Board of Directors

LYDIA TONG YIU SHYIAN-SHYIAN
SSM PC No. 202208000755
BC/L/1922

NOR ZARIFAH BINTI ABDULLAH @ MAHMUD
SSM PC No. 202208000338
LS0010328
Company Secretaries

Petaling Jaya
Selangor Darul Ehsan
Malaysia
25 April 2025

NOTICE OF SIXTY-SIXTH ANNUAL GENERAL MEETING

Notes:

(A) GENERAL MEETING RECORD OF DEPOSITORS

Only a depositor whose name appears on the General Meeting Record of Depositors as at 16 June 2025 shall be entitled to attend the Sixty-Sixth AGM of the Company or appoint proxy(ies) to attend and vote in his/her stead.

(B) MODE OF MEETING AND PROXY

- (i) A member of the Company entitled to attend and vote at the Sixty-Sixth AGM of the Company is entitled to appoint not more than 2 proxies of his/her own choice to attend and vote in his/her stead. A proxy may but need not be a member of the Company. Where a member appoints more than 1 proxy, the member shall specify the proportion of his/her shareholding to be represented by each proxy, failing which, the appointment shall be invalid.*
- (ii) Where a member of the Company is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint not more than 2 proxies in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account to attend the Sixty-Sixth AGM of the Company. Where a member of the Company is an Exempt Authorised Nominee ("EAN") which holds ordinary shares in the Company for multiple beneficial owners in 1 securities account ("Omnibus Account"), such EAN may appoint multiple proxies in respect of each Omnibus Account it holds. In both cases, such appointment shall be invalid unless the Authorised Nominee or EAN specifies the proportion of its shareholdings to be represented by each proxy it has appointed.*
- (iii) The instrument appointing a proxy shall be in writing under the hand of the appointor or his/her attorney duly authorised in writing or if the appointor is a corporation, under its common seal or signed by its attorney duly authorised in writing or by 2 officers, 1 of whom shall be a director, on behalf of the corporation. Any alteration to the instrument appointing a proxy must be initialled.*
- (iv) The appointment of a proxy may be made in hard copy form or by electronic form and must be deposited with/received by the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd ("TIIH"), not less than 48 hours before the time appointed for holding the Sixty-Sixth AGM of the Company or any adjournment thereof, and in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll, otherwise the person so named shall not be entitled to vote in respect thereof.*
- (v) In the case of an appointment made in hard copy form, the Proxy Form, together with the power of attorney (if any) under which it is signed or a notarially certified copy of that power or authority, must be deposited at the office of our Share Registrar, TIIH at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia or alternatively, to be deposited in the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia.*
- (vi) In the case of appointment by electronic form, the Proxy Form must be electronically lodged with the Company's Share Registrar, TIIH via its TIIH Online at <https://tiih.online>. Please refer to the Administrative Details for the Sixty-Sixth AGM on the procedures for electronic lodgement of Proxy Form via TIIH Online.*

(C) POLL VOTING

Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), all the resolutions set out in this Notice will be put to the vote by way of poll. Independent Scrutineers will be appointed to verify the results of the poll.

NOTICE OF SIXTY-SIXTH ANNUAL GENERAL MEETING

(D) PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the forthcoming Sixty-Sixth AGM of the Company and/or any adjournment thereof, a member of the Company:

- (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing and administration by the Company (or its agents or service providers) of proxies and representatives appointed for the Sixty-Sixth AGM of the Company (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Sixty-Sixth AGM of the Company (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes");*
- (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and*
- (iii) agrees that the member will indemnify the Company in respect of any penalty, claim, demand, loss and damage as a result of the member's breach of warranty.*

(E) AUDITED FINANCIAL STATEMENTS

This agenda item is meant for discussion only as under the provision of Section 340(1) of the Companies Act, 2016, the audited financial statements do not require a formal approval of the members. Hence, this item will not be put forward for voting.

(F) EXPLANATORY NOTES FOR ITEMS 3 AND 4 OF THE AGENDA

The profiles of the retiring Directors are set out in the Profile of Directors on pages 16 and 17 of the Company's Annual Report 2024. For the purpose of determining the eligibility of the Directors, Tee Keng Hoon, Chan Kee Eng and Khoo Kay Leong who are standing for re-election at the Sixty-Sixth AGM, the Board of Directors of the Company ("Board") through its Nomination Committee ("NC") had assessed them using the Independent Directors' Self-Assessment Checklist, Directors' Evaluation Form and Conflict of Interest Assessment Form, in order to assess each of their caliber and ability to understand the requirements, risk and management of the Group's business; contribution and performance; character, integrity and professional conduct in dealing with any conflict of interest or potential conflict of interest situations; ability to critically challenge and ask the right questions; commitment and due diligence; confidence to stand up for a point of view; interaction at meetings and training records for the financial year ended 31 December 2024.

Based on the evaluation results, the aforesaid retiring Directors, Tee Keng Hoon, Chan Kee Eng and Khoo Kay Leong met the performance criteria required of an effective member of the Board.

The Board, at the recommendation of the NC, endorsed the re-election of the Directors named under Resolutions 2, 3 and 4 who are due to retire in accordance with the Company's Constitution and are eligible to stand for re-election.

NOTICE OF SIXTY-SIXTH ANNUAL GENERAL MEETING

(G) EXPLANATORY NOTES ON SPECIAL BUSINESS

Resolution 8 - Proposed authority to Directors to allot and issue shares pursuant to Sections 75 and 76 of Companies Act, 2016

Ordinary Resolution 8 proposed, if passed, will give a mandate to the Board, from the date of the forthcoming Sixty-Sixth AGM of the Company, to allot and issue ordinary shares of the Company at any time at such issue price which is at a not more than a 10% discount to the 5-day volume weighted average market price of the shares of the Company immediately before the relevant price fixing date, to such Qualified Placee(s) as the Board may in its absolute discretion, consider to be in the interest of the Company and upon such other additional terms and conditions (if any) to be determined by the Board, without having to convene a general meeting provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares in the Company for the time being ("Mandate"). The Mandate from the shareholders will be effective immediately upon passing of the Ordinary Resolution and shall continue to be in force until:

- (i) the conclusion of the next AGM of the Company; or
- (ii) the expiration of the period within which the next AGM of the Company 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 occurs first.

The Mandate will provide flexibility to the Company to raise more capital expeditiously and efficiently during this challenging time, to meet its funding requirements including but not limited to working capital, operational expenditures, future investment(s), and/or acquisition(s).

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

As at the date of this notice, no new ordinary shares in the Company were issued pursuant to the mandate granted to the Directors at the last AGM of the Company held on 24 June 2024. Hence, no proceeds were raised.

Resolution 9 - Proposed renewal of authority for the Company to purchase its own shares

Ordinary Resolution 9 proposed, if passed, will renew the authority for the Company to purchase through Bursa Securities such number of ordinary shares in the Company up to an aggregate amount not exceeding 10% of the total number of issued shares in the Company. The renewed authority from the shareholders will be effective immediately upon passing of the Ordinary Resolution and shall continue to be in force until:

- (i) the conclusion of the next AGM of the Company; or
- (ii) the expiration of the period within which the next AGM of the Company 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 occurs first.

For further information, please refer to the Share Buy-Back Statement dated 25 April 2025 which is made available together with the Company's Annual Report 2024 at <http://ocbb.com.my/66th-annual-general-meeting/>.

ADMINISTRATIVE DETAILS FOR THE SIXTY-SIXTH ANNUAL GENERAL MEETING

Date	:	Monday, 23 June 2025
Time	:	10.00 a.m.
Venue	:	Greens III (Sports Wing), Tropicana Golf & Country Resort Club Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan, Malaysia

REGISTRATION

1. Registration will start at 8.30 a.m. at the foyer of Greens III and will end at a time as directed by the Chairman of the Meeting.
2. Please read the signage to ascertain where you should register yourself for the Sixty-Sixth AGM and join the queue accordingly.
3. Please present your **original** MyKad/Passport at the registration counter for verification and ensure that you collect your MyKad/Passport thereafter.
4. Upon verification, you are required to write your name and sign the Attendance List placed on the registration table.
5. You will be given an identification wristband with personalised passcode for purpose of voting at the Sixty-Sixth AGM.
6. If you are attending the Sixty-Sixth AGM as a shareholder, proxy or corporate representative, you will be registered **once** and will be given only **one** identification wristband to enter Greens III.
7. No individual will be allowed to register on behalf of another individual even with the original MyKad/Passport of the other individual.
8. There will be no replacement in the event you lose or misplace the identification wristband. No individual will be allowed to enter Greens III without wearing the identification wristband.
9. You must wear the identification wristband throughout the Sixty-Sixth AGM.
10. The registration counter will only handle verification of identity and registration of attendance.

HELP DESK

1. Please proceed to the Help Desk for any clarification or queries apart from registration details.
2. The Help Desk will also handle revocation of proxy's appointment.

ENTITLEMENT TO ATTEND, SPEAK AND VOTE

Only a depositor whose name appears in the Record of Depositors as at 16 June 2025 shall be entitled to attend, speak and vote at the Sixty-Sixth AGM or appoint proxies to attend, speak and vote on his/her behalf in respect of the number of shares registered in his/her name at that time.

PROXY

1. If you are a member of the Company, you are entitled to appoint not more than two (2) proxies to exercise all or any of your rights to attend, speak and vote at the Sixty-Sixth AGM. If you appoint more than one (1) proxy, please specify the proportion of your shareholding to be represented by each proxy, failing which, the appointment shall be invalid.
2. If you are unable to attend the Sixty-Sixth AGM and wish to appoint a proxy to attend and vote on your behalf, please submit your Proxy Form for the AGM in accordance with the notes and instructions printed therein.
3. If you wish to attend the Sixty-Sixth AGM yourself, please do not submit any Proxy Form. You will NOT be allowed to attend the AGM together with a proxy appointed by you.
4. If you have submitted your Proxy Form prior to the Sixty-Sixth AGM and subsequently decided to attend the AGM yourself, please proceed to the Help Desk to revoke the appointment of your proxy.

ADMINISTRATIVE DETAILS FOR THE SIXTY-SIXTH ANNUAL GENERAL MEETING

PROXY (CONT'D)

5. Accordingly, the Proxy Form and/or documents relating to the appointment of proxy or authorised representative or attorney for the Sixty-Sixth AGM whether in hard copy form or electronic means shall be deposited or submitted in the following manner not later than **Saturday, 21 June 2025 at 10.00 a.m.:**

- (i) In hard copy:

By hand or post to the office of the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd ("TIIH" or "Tricor") at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia or alternatively, to be deposited in the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia.

- (ii) By electronic form:

You may also submit your proxy appointment electronically via TIIH Online at <https://tiih.online>. The procedures for submission of Proxy Form electronically are summarised below:

Procedure	Action
i. Steps for Individual Shareholders	
Register as a User with TIIH Online	<ul style="list-style-type: none"> Using your computer, please access the website at https://tiih.online. Register as a user under the "e-Services". Please do refer to the tutorial guide posted on the homepage for assistance. If you are already a user with TIIH Online, you are not required to register again.
Proceed with submission of Proxy Form	<ul style="list-style-type: none"> After the release of the Notice of Sixty-Sixth AGM by the Company, login with your user name (i.e. email address) and password. Select the corporate event: "OCB BERHAD 66TH AGM – SUBMISSION OF PROXY FORM". Read and agree to the Terms & Conditions and confirm the Declaration. Insert your CDS account number and indicate the number of shares for your proxy(ies) to vote on your behalf. Appoint your proxy(ies) and insert the required details of your proxy(ies) or appoint Chairman as your proxy. Indicate your voting instructions – FOR or AGAINST, otherwise your proxy will decide your vote. Review and confirm your proxy(ies) appointment. Print Proxy Form for your record.
ii. Steps for Corporation or Institutional Shareholders	
Register as a User with TIIH Online	<ul style="list-style-type: none"> Access TIIH Online at https://tiih.online. Under e-Services, the authorised or nominated representative of the corporation or institutional shareholder selects "Create Account by Representative of Corporate Holder". Complete the registration form and upload the required documents. Registration will be verified, and you will be notified by email within one (1) to two (2) working days. Proceed to activate your account with the temporary password given in the email and re-set your own password. <p><i>Note: The representative of a corporation or institutional shareholder must register as a user in accordance with the above steps before he/she can subscribe to this corporate holder electronic proxy submission. Please contact Tricor if you need clarifications on the user registration.</i></p>

ADMINISTRATIVE DETAILS FOR THE SIXTY-SIXTH ANNUAL GENERAL MEETING

PROXY (CONT'D)

- (ii) By electronic form: (cont'd)

You may also submit your proxy appointment electronically via TIIH Online at <https://tiih.online>. The procedures for submission of Proxy Form electronically are summarised below: (cont'd)

Procedure	Action
ii. Steps for Corporation or Institutional Shareholders (cont'd)	
Proceed with submission of Proxy Form	<ul style="list-style-type: none"> Login to TIIH Online at https://tiih.online. Select the corporate event: “OCB BERHAD 66TH AGM – SUBMISSION OF PROXY FORM” Agree to the Terms & Conditions and Declaration. Proceed to download the file format for “Submission of Proxy Form” in accordance with the Guidance Note set therein. Prepare the file for the appointment of proxies by inserting the required data. Login to TIIH Online, select corporate event: “OCB BERHAD 66TH AGM – SUBMISSION OF PROXY FORM”. Proceed to upload the duly completed proxy appointment file. Select “Submit” to complete your submission. Print the confirmation report of your submission for your record.

CORPORATE MEMBER

Any corporate member who wishes to appoint a representative instead of a proxy to attend the meeting should submit the **original** Certificate of Appointment under the seal of the corporation to the office of the Share Registrar at any time before the time appointed for holding the above meeting or to the registration staff on the day of the above meeting for the Company's record.

VOTING PROCEDURE

Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all Resolutions to be tabled at the Sixty-Sixth AGM will be put to vote by way of poll. For this purpose, the Company has appointed Tricor to conduct the poll by way of electronic voting and Quantegic Services Sdn Bhd as scrutineers to verify the poll results.

Shareholders or proxies or corporate representatives or attorneys can proceed to vote on the resolutions upon the announcement by the Chairman of the Meeting. Upon completion of the voting session for the Sixty-Sixth AGM, the Scrutineers will verify the poll results followed by the Chairman's declaration whether the resolutions are duly passed.

SEATING ARRANGEMENT FOR THE SIXTY-SIXTH AGM

1. Free seating. All shareholders, proxies, corporate representatives will be allowed to enter Greens III from 9.00 a.m. onwards.
2. All shareholders, proxies, corporate representatives are encouraged to be seated at least five (5) minutes before the commencement of the Sixty-Sixth AGM.

ADMINISTRATIVE DETAILS FOR THE SIXTY-SIXTH ANNUAL GENERAL MEETING

MOBILE DEVICES

Please ensure that all mobile devices i.e. phones, pagers, other sound emitting devices are put on silent mode during the AGM to ensure smooth and uninterrupted proceedings.

FOOD AND BEVERAGE

There will NOT be any food served before and after the AGM. Only morning coffee and tea will be served.

NO DOOR GIFT/FOOD VOUCHER

There will be no distribution of door gift /food voucher for participating at the Sixty-Sixth AGM.

OCB Berhad would like to thank all its shareholders for their kind co-operation and understanding in these challenging times.

ENQUIRY

If you have any enquiries on the above, please contact the following persons during office hours on Mondays to Fridays from 8.30 a.m. to 5.30 p.m. (except on public holidays):

Tricor Investor & Issuing House Services Sdn Bhd

General Line : +603-2783 9299
Fax Number : +603-2783 9222
Email : is.enquiry@vistra.com

I/We (NRIC/Company No.)
 (Full Name in Block Letters)
 of
 (Address)

and telephone no./email address being a member/members of OCB Berhad ("the Company"), hereby appoint:

Full Name (In Block Letters)	NRIC/Passport No.	No. of Shares	% of Shareholdings
Telephone No.	Email Address		

and/or

Full Name (In Block Letters)	NRIC/Passport No.	No. of Shares	% of Shareholdings
Telephone No.	Email Address		

or failing him/her, THE CHAIRMAN OF THE MEETING as *my/our proxy to vote for *me/us on *my/our behalf at the Sixty-Sixth Annual General Meeting ("AGM") of the Company to be held at Greens III (Sports Wing), Tropicana Golf & Country Resort Club, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Monday, 23 June 2025 at 10.00 a.m. and at any adjournment thereof. *I/We indicate with an "X" in the spaces below how *I/we wish *my/our vote to be cast.

Resolution	Ordinary Business	For	Against
1	To declare a first and final single-tier dividend of 2.0 sen per share in respect of the financial year ended 31 December 2024		
2	To re-elect Tee Keng Hoon as Director		
3	To re-elect Chan Kee Eng as Director		
4	To re-elect Khoo Kay Leong as Director		
5	To approve the payment of Directors' fees amounting to RM561,220 to the Non-Executive Directors of the Company and its subsidiaries for the financial year ended 31 December 2024		
6	To approve the payment of benefits of up to RM150,000 to the Non-Executive Directors of the Company and its subsidiaries for the financial year ending 31 December 2025		
7	To re-appoint Grant Thornton Malaysia PLT as Auditors of the Company to hold office until the conclusion of the next AGM of the Company and to authorise the Directors to fix the remuneration of the Auditors		
	Special Business		
8	Proposed authority to Directors to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act, 2016		
9	Proposed renewal of authority for the Company to purchase its own shares		

Subject to the abovestated voting instructions, *my/our proxy may vote or abstain from voting on the resolutions as *he/she/they may think fit.

If appointment of proxy is under hand: _____ Signed by *individual member/officer or attorney of *member/authorised nominee of (beneficial owner)	No. of Shares held: Securities Account No.: (CDS Account No.) (Compulsory) Date:
If appointment of proxy is under seal: The Common Seal of was hereto affixed in accordance with its Constitution in the presence of: _____ Director _____ Director/Secretary In its capacity as *member/attorney of *member/authorised nominee of (beneficial owner)	No. of Shares held: Securities Account No.: (CDS Account No.) (Compulsory) Date:

Signed this day of, 2025.

* Strike out whichever is not desired.
 [Unless otherwise instructed, the proxy may vote as he/she thinks fit.]

Notes:

- (i) Only a depositor whose name appears on the General Meeting Record of Depositors as at 16 June 2025 shall be entitled to attend at the Sixty-Sixth AGM of the Company or appoint proxy(ies) to attend and vote in his/her stead.
- (ii) A member of the Company entitled to attend and vote at the Sixty-Sixth AGM of the Company is entitled to appoint not more than 2 proxies of his/her own choice to attend and vote in his/her stead. A proxy may but need not be a member of the Company. Where a member appoints more than 1 proxy, the member shall specify the proportion of his/her shareholding to be represented by each proxy, failing which, the appointment shall be invalid.



Notes: (cont'd)

- (iii) Where a member of the Company is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint not more than 2 proxies in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account to attend the Sixty-Sixth AGM of the Company. Where a member of the Company is an Exempt Authorised Nominee ("EAN") which holds ordinary shares in the Company for multiple beneficial owners in 1 securities account ("Omnibus Account"), such EAN may appoint multiple proxies in respect of each Omnibus Account it holds. In both cases, such appointment shall be invalid unless the Authorised Nominee or EAN specifies the proportion of its shareholdings to be represented by each proxy it has appointed.
- (iv) The instrument appointing a proxy shall be in writing under the hand of the appointor or his/her attorney duly authorised in writing or if the appointor is a corporation, under its common seal or signed by its attorney duly authorised in writing or by 2 officers, 1 of whom shall be a director, on behalf of the corporation. Any alteration to the instrument appointing a proxy must be initialled.
- (v) The appointment of a proxy may be made in hard copy form or by electronic form and must be deposited with/received by the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd ("TIIH"), not less than 48 hours before the time appointed for holding the Sixty-Sixth AGM of the Company or any adjournment thereof, and in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll, otherwise the person so named shall not be entitled to vote in respect thereof.
- (vi) In the case of an appointment made in hard copy form, the Proxy Form, together with the power of attorney (if any) under which it is signed or a notarially certified copy of that power or authority, must be deposited at the office of our Share Registrar, TIIH at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia or alternatively, to be deposited in the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia.
- (vii) In the case of appointment by electronic form, the Proxy Form must be electronically lodged with the Company's Share Registrar, TIIH via its TIIH Online at <https://tiih.online>. Please refer to the Administrative Details for the Sixty-Sixth AGM on the procedures for electronic lodgement of Proxy Form via TIIH Online.
- (viii) Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in this Notice will be put to the vote by way of poll. Independent Scrutineers will be appointed to verify the results of the poll.
- (ix) By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the forthcoming Sixty-Sixth AGM of the Company and/or any adjournment thereof, the member of the Company accepts and agrees to the Personal Data Privacy terms as set out in the Notice of Sixty-Sixth AGM of the Company dated 25 April 2025.

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AFFIX
STAMP

The Share Registrar
Tricor Investor & Issuing House Services Sdn. Bhd.
[Registration Number: 197101000970 (11324-H)]
Unit 32-01, Level 32, Tower A, Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Wilayah Persekutuan, Malaysia

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Fold This Flap For Sealing



OCB BERHAD

[Registration No. 195901000114 (3465-H)]

2B-5, Level 5
Jalan SS 6/6, Kelana Jaya
47301 Petaling Jaya
Selangor Darul Ehsan
Malaysia

Tel No. : +603 7880 7539
Fax No. : +603 7880 7536
Website : www.ocbb.com.my