



OCR

OCR GROUP BERHAD
(199701025005(440503-K))

ANNUAL REPORT 2023

**Celebrating Legacy,
Getting Ready
For Future**



OUR VISION



IT'S WHERE YOU'LL WANT TO BE



OUR MISSION



PRODUCT

DEVELOP AND CONSTRUCT BEST VALUED PROPERTIES THAT FULFILL CUSTOMERS' NEEDS.



SERVICE

DELIVER HIGH QUALITY SERVICES AND EXPERIENCES AS THE MARK OF OCR EXCELLENCE.



INTERNAL

PROVIDE CONDUCTIVE ENVIRONMENT THAT PROMOTE CONTINUOUS GROWTH & DEVELOPMENT FOR OUR PEOPLE.



EXTERNAL

CREATE SUSTAINABLE VALUES FOR OUR STAKEHOLDERS' INTEREST.

5 CORE VALUES



INITIATIVE

WE ALWAYS GO EXTRA MILES TO ACHIEVE OUR TARGETS AND EXPECTATIONS, WITHIN AND OUTSIDE THE ORGANIZATION. WE PURSUE EXCELLENCE BY SEEING POSSIBILITIES, INSTEAD OF LIMITATIONS.

INNOVATION

AS A PROGRESSIVE ORGANIZATION, WE ARE COMMITTED TO CONSTANTLY EVOLVE, IMPROVE AND EMBRACE CHANGE TO UPSCALE OUR PRODUCTS AND SERVICES. WE STRIVE TO BE DIFFERENT THROUGH CREATIVITIES AND NEW IDEAS TO STAY COMPETITIVE IN THE MARKET.

INTEGRITY

AS A CORPORATE CITIZEN, WE REMAIN TRUE TO OUR FOUNDING VALUES OF ETHICS AND INTEGRITY; ENSURING COMPLIANCE, PROFESSIONALISM AND TAKE RESPONSIBILITY IN EVERY DECISION AND ACTION.

PASSION

WE BELIEVE IN POSITIVITY AND THAT OUR STRENGTH LIES IN OUR PEOPLE. WE LOVE OUR PEOPLE AND ENJOY OUR WORKS. WE ALWAYS STAY OPTIMISTIC IN ADVERSITY AND EMERGE STRONGER THAN BEFORE.

COLLABORATION

WE BELIEVE IN THE POWER OF WORKING TOGETHER. WE ADDRESS COLLABORATION WITHIN OUR TEAM & BUSINESS PARTNERS; TO DELIVER GREATER SUCCESS THROUGH SHARED GOALS AND MUTUAL SUPPORT.

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Chairman/Independent Non-Executive Director

YAM Tunku Azudinsyah Ibni Tunku Annuar

Group Managing Director

Ong Kah Hoe

Executive Director

Chan Lian Sei (appointed w.e.f. 31 May 2023)

Independent Non-Executive Director

Hj. Abdullah Bin Abdul Rahman
Julian Koh Lu Ern



AUDIT AND RISK MANAGEMENT COMMITTEE

Julian Koh Lu Ern (*Chairman*)
Hj. Abdullah Bin Abdul Rahman (*Member*)
YAM Tunku Azudinsyah Ibni Tunku Annuar (*Member*)

REMUNERATION COMMITTEE

Hj. Abdullah Bin Abdul Rahman (*Chairman*)
Julian Koh Lu Ern (*Member*)
Chan Lian Sei (*Member*) (appointed as Member w.e.f. 29 February 2024)

NOMINATING COMMITTEE

Julian Koh Lu Ern (*Chairman*)
Hj. Abdullah Bin Abdul Rahman (*Member*)

OPTION COMMITTEE

Ong Kah Hoe (*Chairman*)
YAM Tunku Azudinsyah Ibni Tunku Annuar (*Member*)

COMPANY SECRETARIES

Tan Tong Lang (MAICSA 7045482)
(SSM PC No. 202208000250)

Lim Wen Theng (MAICSA 7073397)
(SSM PC No. 202308000441)

REGISTERED OFFICE

B-21-1, Level 21, Tower B,
Northpoint Mid Valley City
No. 1, Medan Syed Putra Utara
59200 Kuala Lumpur
W.P. Kuala Lumpur
Tel : +6 03 9770 2200
Fax : +6 03 2201 7774
Email: boardroom@boardroom.com.my

HEAD OFFICE/PRINCIPAL PLACE OF BUSINESS

A-3A-01, Block Allamanda
10 Boulevard Lebuhraya Sprint, PJU 6A
47400 Petaling Jaya
Selangor
Tel : +6 03 7710 0000
Fax : +6 03 7729 0300
Corporate website : www.ocrbhd.com
Corporate email : corporate@ocrbhd.com

AUDITORS

Baker Tilly Monteiro Heng PLT
201906000600 (LLP0019411-LCA) & AF 0117
Chartered Accountants
Baker Tilly Tower
Level 10, Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur
W.P. Kuala Lumpur
Tel : +6 03 2297 1000
Fax : +6 03 2282 9980

SHARE REGISTRAR

Shareworks Sdn. Bhd.
Reg No. 199101019611 (229948-U)
No. 2-1, Jalan Sri Hartamas 8
Sri Hartamas
50480 Kuala Lumpur
W.P. Kuala Lumpur
Tel : +6 03 6201 1120
Fax : +6 03 6201 3121
Email: ir@shareworks.com.my

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
Stock Name : OCR
Stock Code : 7071

CORPORATE STRUCTURE


OCR
OCR Group Berhad [199701025005 (440503-K)]
Wholly-Owned Subsidiaries of OCR Group Berhad:

- 1) OCR Commerce Sdn. Bhd. [201101033614 (961749-X)]
• Dormant.
- 2) OCR Construction Sdn. Bhd. [201401042973 (1119151-W)]
• Construction of residential and commercial properties and property development.
- 3) Tristar City Sdn. Bhd. [201501022066 (1147394-P)]
• Property development and property investment.
- 4) Grand Superland Sdn. Bhd. [201501022856 (1148185-D)]
• Construction of residential and commercial properties and property development and investment holding.
- 5) Sunrise Meadow Sdn. Bhd. [201601014228 (1185159-H)]
• Property development and property investment.
- 6) Kirana Masyhur Sdn. Bhd. [201601037701 (1208642-U)]
• Dormant.
- 7) OCR Ventures Sdn. Bhd. [201601038462 (1209403-K)]
• Property development and property investment.
- 8) OCR (The Mate) Sdn. Bhd. [201801001511 (1263524-X)]
• Dormant.
- 9) Junjung Simfoni Sdn. Bhd. [201801004687 (1266701-X)]
• Dormant.
- 10) OCR Land Development Sdn. Bhd. [201801012568 (1274584-H)]
• Property development.
- 11) Wonderland Projects Sdn. Bhd. [201101024913 (953049-T)]
• Property investment holding and leasing of temporary structure space to tenants.

90% Owned Subsidiary of OCR Group Berhad:

- 1) OCR Properties (Kuantan) Sdn. Bhd. [201701011996 (1226161-P)]
• Property development and property investment.

Wholly-Owned Subsidiaries of Grand Superland Sdn. Bhd.:

- 1) Greatway Capital Sdn. Bhd. [201701005629 (1219794-H)]
• Dormant.
 - 2) Serba Simfoni Sdn. Bhd. [201801000842 (1262855-H)]
• Dormant.
 - 3) OCR Avenue Sdn. Bhd. [202201011606 (1457303-A)]
• Property investment.
 - 4) OCR Templer Sdn. Bhd. [202401013528 (1559378-M)]*
• Property development.
- *OCR Templer Sdn. Bhd. was newly incorporated on 4 April 2024.

Wholly-Owned Subsidiaries of Serba Simfoni Sdn. Bhd.:

- 1) Fotopop (M) Sdn. Bhd. [199001000272 (191830-X)]
• Dormant.

80% Owned Subsidiary of Grand Superland Sdn. Bhd.:

- 1) Visi Anggun Properties Sdn. Bhd. [201601029205 (1200146-T)]
• Dormant.

70% Owned Subsidiary of OCR Group Berhad:

- 1) OCR Development (Kuantan) Sdn. Bhd. [201501016754 (1142088-K)]
• Property development and property investment.
- 2) Pangkal Teguh Sdn. Bhd. [201101012009 (940148-A)]
• Construction of residential and commercial properties, property management and real estate.
- 3) Kita Mampan Sdn. Bhd. [201301028974 (1058804-X)]
• Construction of residential and commercial properties.

50.01% Owned Subsidiary of OCR Group Berhad:

- 1) O&C Makok Isola Sdn. Bhd. [201101009616 (937755-H)]
• Property development.

50% Owned Subsidiary of OCR Group Berhad:

- 1) Stack Builder Sdn. Bhd. [201801039692 (1301723-X)]
• Property development.
- 2) OCR Selayang Industrial Park Sdn. Bhd. [201101002849 (930987-K)]
• Investment holding, receiving rental and property development.

50.0005% Owned Subsidiary of Kirana Masyhur Sdn. Bhd.:

- 1) Mampan Esa (Melaka) Sdn. Bhd. [201301033683 (1063513-P)]
• Real estate management.

49% Owned Associate through Kita Mampan Sdn. Bhd.:

- 1) AES Builders Sdn. Bhd. [199201014866 (246369-T)]
• Construction of residential and commercial properties.

40% Owned Associate through Kirana Masyhur Sdn. Bhd. :

- 1) Landasan Surimas Sdn. Bhd. [201001038435 (922359-A)]
• Investment holding, project management consultation and construction.

70% Owned Joint Venture through Landasan Surimas Sdn. Bhd. :

- 1) Taraf Raya Sdn. Bhd. [201001017703 (901408-K)]
• Project management consultation and construction.

BOARD OF DIRECTORS

YAM TUNKU AZUDINSHAH IBNI TUNKU ANNUAR



*Age 55, Male, Malaysian
Chairman/Independent Non-Executive Director
Member of Audit and Risk Management Committee
Member of Option Committee*

YAM Tunku Azudinshah Ibni Tunku Annuar (“**YAM Tunku Azudinshah**”) was appointed as an Independent Non-Executive Director cum Chairman of the Board of OCR Group Berhad (“**OCR**” or “**the Company**”) on 14 August 2015. He is a member of Audit and Risk Management Committee and Option Committee of OCR.

YAM Tunku Azudinshah started his professional career in advertising with the International Agency AP- Foote, Cone and Belding where he managed numerous multinational accounts. He subsequently co-founded PRS Corporate Images and Orbitel.net, media companies and produced television programmes focusing on the “Halal Industry”. Amongst its clients were Nestle, Sime Darby, Menteri Besar Inc (Terengganu), Formis and Inti Group. Premised on his experience with media and communications, YAM Tunku Azudinshah was elected to the board of the International Association of Business Communicators for a period of two (2) years from 2001 to 2002.

YAM Tunku Azudinshah does not hold any directorships in other public companies but sits on the board of several private limited companies.

He has no family relationship with any other Director and/or major shareholders of the Company nor any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries (“**Group**”).

He has not been convicted of any offences within the past five (5) years other than traffic offences, if any, and there have not been any public sanctions nor penalties imposed upon him by any relevant regulatory bodies for the financial year ended 31 December 2023.

ONG KAH HOE



*Age 50, Male, Malaysian
Group Managing Director
Chairman of Option Committee*

Mr. Ong Kah Hoe (“**Mr. Ong**”) was appointed to the Board as a Non-Independent Non-Executive Director on 14 November 2014 and was re-designated as Executive Director on 2 April 2015. He was subsequently appointed as Group Managing Director of the Company on 19 August 2016. Mr. Ong is the Chairman of Option Committee of OCR.

Mr. Ong graduated from University of Coventry, United Kingdom in 1997 with a Bachelor Degree (Honours) in Business Administration. Mr. Ong has twenty (20) years of experience in property development and construction. He has successfully led and completed numerous residential, commercial and hotel projects. As Group Managing Director of OCR, he spearheads the Group’s overall strategy and direction in the property development, construction and project management consultation businesses.

Presently, Mr. Ong Kah Hoe is the Executive Director of Seni Jaya Corporation Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad. In addition, Mr. Ong also sits on the board of several private limited companies.

His holdings in the Company’s securities are set out under page 188 of this Annual Report. He is the husband of Ms. Chan Lian Sei, the Executive Director of the Company. However, he does not involve in any conflict of interest or potential conflict of interest, including interest in any competing business with the Group.

He has not been convicted of any offences within the past five (5) years other than traffic offences, if any, and there have not been any public sanctions nor penalties imposed upon him by any relevant regulatory bodies for the financial year ended 31 December 2023.

BOARD OF DIRECTORS (Cont'd)

CHAN LIAN SEI



*Age 47, Female, Malaysian
Executive Director
Member of Remuneration Committee*

Ms. Chan Lian Sei ("Ms. Chan") was appointed to the Board as Executive Director of the Company on 31 May 2023. Ms. Chan is a member of Remuneration Committee of OCR.

Ms. Chan graduated from University of South Australia with a Bachelor Degree in Management (Marketing). She joined OCR Land Holdings Sdn. Bhd. in 2004 as Admin Executive before she took on the Human Resources ("HR") function in 2005. Since then, Ms. Chan was responsible to manage and handle the full spectrum of HR and admin functions which include compensation and benefits administration, talent management and development as well as other employees' welfare matters.

She was promoted to Head of Human Capital & Admin in year 2015 and oversaw Human Resources, General Admin and IT Support functions for the Group. Over the years, she has developed and implemented HR policies and strategies, performance management system, reward programs, digital transformation and provides continuous support to operations.

Ms. Chan does not hold any directorships in other public companies.

She is the wife of Mr. Ong Kah Hoe, the Group Managing Director and major shareholders of the Company. However, she does not involve in any conflict of interest or potential conflict of interest, including interest in any competing business with the Group.

She has not been convicted of any offences within the past five (5) years other than traffic offences, if any, and there have not been any public sanctions nor penalties imposed upon him by any relevant regulatory bodies for the financial year ended 31 December 2023.

HJ. ABDULLAH BIN ABDULRAHMAN



*Age 67, Male, Malaysian
Independent Non-Executive Director
Chairman of Remuneration Committee
Member of Audit and Risk Management Committee
Member of Nominating Committee*

Hj. Abdullah Bin Abdul Rahman ("Hj. Abdullah") was appointed to the Board as an Independent Non-Executive Director on 14 August 2015. He is the chairman of Remuneration Committee and a member of Audit and Risk Management Committee and Nominating Committee of OCR.

He graduated with a Bachelor of Business Administrative (Honours) from Universiti Kebangsaan Malaysia.

Hj. Abdullah had a long career path in management with Malayan Banking Berhad ("**Maybank**"). He has served in various capacities in banking operations and strategic innovation activities at branches, regionals and head office level of Maybank until his retirement from Maybank in 2012 after thirty (30) years. As Head of Mortgage at Maybank, he was responsible for strategic and operational activities related to mortgage and property under Consumer Banking. His last appointment at Maybank was as the Head of Business Banking in charge of small and medium enterprises, commercial and corporate units.

Presently, he sits on the board of Lambo Group Berhad, a company listed on the ACE Market of Bursa Malaysia Securities Berhad as Independent Non-Executive Chairman. In addition, he also sits on the board of several private limited companies.

He has no family relationship with any other Director and/or major shareholders of the Company nor any conflict of interest or potential conflict of interest, including interest in any competing business with the Group.

He has not been convicted of any offences within the past five (5) years other than traffic offences, if any, and there have not been any public sanctions nor penalties imposed upon him by any relevant regulatory bodies for the financial year ended 31 December 2023.

BOARD OF DIRECTORS (Cont'd)

JULIAN KOH LU ERN



*Age 63, Male, Malaysian
Independent Non-Executive Director
Chairman of Audit and Risk Management Committee
Chairman of Nominating Committee
Member of Remuneration Committee*

Mr. Julian Koh Lu Ern (“**Mr. Julian Koh**”) was appointed to the Board as an Independent Non-Executive Director on 18 February 2020. He is the Chairman of Audit and Risk Management Committee and Nominating Committee, as well as a member of Remuneration Committee of OCR.

Mr. Julian Koh is a Chartered Accountant of Malaysia (C.A.(M)). He is also a member of the Chartered Institute of Management Accountants (“**CIMA**”) and the Chartered Global Management Accountant (“**CGMA**”).

He has more than thirty-seven (37) years of experience in the fields of strategic planning, human resources, financial management, corporate finance, risk management, information systems, taxation and funding in diversified industries including advertising, property development, stockbroking and fund management. He was the Group Finance Director of People’n Rich Holdings Sdn. Bhd. prior to his appointment to the Board of the Company.

Mr. Julian Koh also sits on the Board of Seni Jaya Corporation Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad as Independent Non-Executive Director.

He has no family relationship with any other Director and/or major shareholders of the Company nor any conflict of interest or potential conflict of interest, including interest in any competing business with the Group.

He has not been convicted of any offences within the past five (5) years other than traffic offences, if any, and there have not been any public sanctions nor penalties imposed upon him by any relevant regulatory bodies for the financial year ended 31 December 2023.

KEY SENIOR MANAGEMENT



PHYLLIS TAY YEN SIN

*Age 40, Female, Malaysian
Chief Strategy Officer & General Counsel*

Ms. Phyllis Tay Yen Sin graduated with a Bachelor of Laws (Honours) from University of London and was called to the Malaysian Bar in 2008. She is also a certified Adjudicator of Asian International Arbitration Centre since 2014.

Ms. Tay started her career by practising as a corporate and commercial lawyer in one of the largest and oldest legal firms in Malaysia, SKRINE, where she was involved in matters of mergers and acquisitions, joint venture, foreign investments, corporate advisory and governance matters. After her time at SKRINE, she moved on to Siemens Malaysia as a Legal Counsel before joining Country Garden Pacificview Sdn. Bhd. ("CGPV") in 2015 with its core business in property development, property management and hospitality. At CGPV, she established and led the Legal Department as Legal Director for the Malaysia Region.

Ms. Tay joined OCR Group Berhad as General Counsel in 2019. Currently, Ms. Tay is tasked with a new role as Chief Strategy Officer where she will lead the Senior Management Team to develop the organization's long-, medium- and short-terms strategic initiatives including branding strategy. She will continue to oversee the organization's legal matters.

Presently, Ms. Tay does not hold any directorships in any public companies. She does not have family relationship with any directors and/or other substantial shareholders of the Company. She does not have any conflict of interest or potential conflict of interest, including interest in any competing business with the Group. She has not been convicted of any offences within the past five (5) years nor was there any public sanction or penalty imposed on her by any relevant regulatory bodies during the financial year ended 31 December 2023.



ISAAC CHUA AIK KIANG

*Age 48, Male, Malaysian
Chief Project Officer*

Mr. Isaac Chua Aik Kiang graduated with a Bachelor's Degree in Civil Engineering from Universiti Teknologi Malaysia.

He started off his career as Test Engineer in Geonamic (M) Sdn. Bhd. in 2000 before he ventured into the consulting services industry in PC Geo Management Sdn. Bhd. in 2001 where he was involved in design work and site supervision. He later moved on to UEM Builders Bhd in 2004 as Senior Project Engineer in which he further enhanced his construction knowledge. In 2008, he joined Mahajaya Berhad as Project Manager and it was where he began his career in the property development industry. He later joined OCR Land Holdings Sdn. Bhd. as Project Manager in 2010. He has moved up his career ladder in the last 13 years with OCR and in 2023, he was promoted to Chief Project Officer.

Throughout his twenty-four (24) years career, he has been involved in land acquisition, feasibility study, project management and properties management. He successfully completed more than fifteen (15) projects ranging from residential to mixed development. He has been panelled with the Asian International Arbitration Center as Adjudicator in 2016. He is also registered with the Board of Valuers, Appraisers, Estate Agents and Property Managers as Property Manager in 2019.

Presently, Mr. Chua does not hold any directorships in any public companies. He does not have a family relationship with any directors and/or other substantial shareholders of the Company. He does not have any conflict of interest or potential conflict of interest, including interest in any competing business with the Group. He has not been convicted of any offences within the past five (5) years nor was there any public sanction or penalty imposed on him by any relevant regulatory bodies during the financial year ended 31 December 2023.

KEY SENIOR MANAGEMENT (Cont'd)



NG CHIN YUNG

*Age 51, Male, Malaysian
General Manager of Sales & Marketing*

Mr. Ng Chin Yung joined the Company as General Manager of Sales & Marketing in 2018.

He graduated with a Bachelor's Degree in Technology Management from Universiti Teknologi Malaysia. Mr. Ng began his career as Sales and Marketing Executive with PJD Group Berhad ("PJD") in 1997. After ten (10) years, he was promoted to Assistant General Manager of PJD. He has successfully planned, strategized and launched more than forty (40) projects, ranging from fully integrated 1,000-acre township to commercial developments such as industrial park, shopping mall as well as residential developments ranging from resort to luxury residences in Klang Valley, Johor Bahru, Penang, Ipoh, Malacca, Kedah and Pahang.

Mr. Ng took every challenge as an opportunity to improve his skillset and built a solid track record of over sixteen (16) years in the property sector, including projects in Singapore, Hong Kong, China, Dubai, Japan and more. In 2013, Mr. Ng left PJD and joined Leadmont Group as General Manager where he was involved in sales and marketing, credit administration and leasing business segments.

Presently, Mr. Ng does not hold any directorships in any public companies. He does not have family relationship with any directors and/or other substantial shareholders of the Company. He does not have any conflict of interest or potential conflict of interest, including interest in any competing business with the Group. He has not been convicted of any offences with the past five (5) years nor was there any public sanction or penalty imposed on him by any relevant regulatory bodies during the financial year ended 31 December 2023.



ONG YEW MING

*Age 49, Female, Malaysian
Director of Operations*

Ms. Ong Yew Ming graduated with a Bachelor's Degree in Business Studies from University of Western Illinois, United States of America.

In 2004, she was appointed as Executive Director of Sales and Marketing in OCR Land Holdings Sdn. Bhd. During her tenure with OCR Land Holdings Sdn. Bhd., she has been involved in landbank acquisitions and product design developments. She is also involved in formulating and implementing effective marketing strategies, product positioning and pricing strategies to maximise return on the investments for launched projects. Throughout her nineteen (19) years career, she has successfully launched more than twenty (20) projects ranging from residential to mixed developments.

Presently, Ms. Ong does not hold any directorships in any public companies. She and Mr. Ong Kah Hoe are siblings. However, she does not involve in any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries ("Group").

Currently, she holds 3,381,900 ordinary shares in the Company. She has not been convicted of any offences within the past five (5) years nor was there any public sanction or penalty imposed on her by any relevant regulatory bodies during the financial year ended 31 December 2023.

KEY SENIOR MANAGEMENT (Cont'd)



OON KHAI FEN

*Age 36, Female, Malaysian
Acting Chief Financial Officer*

Ms. Oon Khai Fen, assuming the role of Acting Chief Financial Officer at OCR in January 2024, is an accomplished Chartered Accountant with a Bachelor of Accounting (Hons) from Universiti Putra Malaysia. She is also a distinguished member of the Malaysian Institute of Accountants (MIA).

With a commendable background, Ms. Oon commenced her career in the property development industry with I-Berhad, a Main Market listed company on Bursa Malaysia Securities Berhad. Throughout her professional journey, she has demonstrated a keen acumen in Financial Management, Tax Planning, Investments Management, and Business Strategies & Development.

Presently, Ms. Oon does not hold any directorships in any public companies. She does not have family relationship with any directors and/or other substantial shareholders of the Company. She does not have any conflict of interest or potential conflict of interest, including interest in any competing business with the Group. She has not been convicted of any offences within the past five (5) years nor was there any public sanction or penalty imposed on her by any relevant regulatory bodies during the financial year ended 31 December 2023.

A portrait of a middle-aged man with short, graying hair and glasses. He is wearing a dark suit, a white shirt, and a blue patterned tie. He is sitting with his hands clasped in front of him. The background is a blurred indoor setting.

CHAIRMAN'S STATEMENT

“OCR Group Berhad received prestigious accolades, including the Rising Star Award and the Visionary Developer Award by The Star - FIABCI Malaysia Developer's Award, affirming its exceptional contributions to the real estate industry. Additionally, the Stellar Damansara Project received recognition as the Best Eco-Friendly High-Rise Development during ASEAN Property Developer Awards, further solidifying OCR's position as a leader in sustainable development.”

CHAIRMAN'S STATEMENT (Cont'd)

In an era marked by rapid and profound global transformations, events such as pandemics and international geopolitical conflicts have underscored the interconnectedness of our world and the critical interplay between sustainability, the economy and societal well-being. Against this backdrop, I am honored to present, on behalf of OCR Group Berhad ("OCR" or "the Group"), the Annual Report and audited financial statements for the fiscal year ended on 31 December 2023 ("FY2023").

ECONOMIC, FINANCIAL AND INDUSTRY OVERVIEW

FY2023 unfolded amidst a dynamic economic landscape characterized by resilience and volatility. Malaysia's GDP exhibited commendable growth of 3.7%, surpassing initial forecasts and signalling a robust economic rebound. This resurgence was fuelled by revived domestic demand and improved labour market dynamics, instilling renewed confidence among consumers, businesses and investors.

Within the property development and construction sectors, OCR encountered a blend of opportunities and challenges. Notably, the Group main focus in the FY2023 was diligently completing significant projects such as PRIYA Kuantan, The Mate Damansara Jaya, Isola KLCC and Stellar Damansara. Despite these challenges, the Group has launched the luxury living project named Stellar in Damansara, showcasing the Group's constant commitment to growth and innovation for product diversification.

In FY2023, OCR revenue stood at RM146.9 million and losses before tax of RM19.0 million as compared to RM208.4 million with profit before tax of RM5.7 million in FY2022. The result was primarily attributed to the provision of Liquidated Ascertained Damages ("LAD") to house buyers due to the termination of underperforming main contractors during the pandemic period. Additionally, the Group has incurred extra construction costs in the committed efforts in completing the Isola and Priya projects. Nevertheless, transactional activities within the property sector demonstrated resilience, with both volume and value of property transactions showing growth.

Amidst these challenges, OCR remained steadfast in its strategic objectives. The Group continued to make progress in construction activities across ongoing projects while strategically utilizing financing facilities to support operational requirements and expansion endeavours, resulting in an increase in the Group's total asset base. Simultaneously, the Group is actively engaged in diligent efforts to explore potential new projects. These endeavors primarily involve forging partnerships through joint ventures or co-development projects, aligning with the Group's steadfast commitment to fostering growth.

2023 OPERATIONAL HIGHLIGHTS

OCR demonstrated unwavering commitment and resilience throughout FY2023, achieving several significant milestones:

Completion of PRIYA Kuantan:

As the largest affordable housing scheme in Kuantan, PRIYA embodies OCR's commitment to addressing housing needs within communities. Spanning 100 acres of leasehold land, PRIYA comprises 978 units of single-storey terrace houses and 146 units of single-storey semi-detached houses. The project achieved full success, with all units sold out, underscoring the strong demand for affordable housing in the region.

Topping Up of Isola KLCC:

The Group has topped out its flagship luxury living development in the heart of Kuala Lumpur, Isola KLCC. Isola KLCC is an iconic development on 0.4-acre land, which comprises 140 residential units. As of 31 December 2023, Isola KLCC has a commendable take-up rate of 80%.

Completion of YOLO Signature Suites:

Despite challenges posed by the COVID-19 pandemic, OCR's construction arm successfully completed the YOLO Signature Suite project in December 2023. Situated in Bandar Sunway, this 40-storey high-rise caters to vibrant modern lifestyles within the thriving education hub. The project's completion amidst supply chain disruptions and manpower shortages underscores OCR's commitment to timely project delivery and excellence in execution.

CHAIRMAN'S STATEMENT (Cont'd)

2023 OPERATIONAL HIGHLIGHTS (CONT'D)

Launch of Stellar Damansara:

Positioned as a collaborative venture in Damansara Jaya, Stellar Damansara offers 88 premium residences across two blocks, equipped with comprehensive facilities. Launched in early 2023, the project garnered significant interest, achieving a strong uptake of 60% within a brief timeframe. Stellar Damansara reflects OCR's dedication to delivering sophisticated urban living experiences and setting new benchmarks in residential development.

AWARDS

OCR Group Berhad received prestigious accolades, including the Rising Star Award and the Visionary Developer Award by The Star - FIABCI Malaysia Developer's Award, affirming its exceptional contributions to the real estate industry. Additionally, the Stellar Damansara Project received recognition as the Best Eco-Friendly High-Rise Development during ASEAN Property Developer Awards, further solidifying OCR's position as a leader in sustainable development.

MARKET OUTLOOK AND KEY CHALLENGES

In the dynamic real estate landscape, OCR recognises the importance of effective stakeholder management, cost management, product diversification and strategic partnerships to navigate challenges and capitalize on emerging opportunities. By prioritizing these strategies, OCR aims to enhance its resilience and maintain its position as a preferred choice in the property market.

APPRECIATION

I extend my heartfelt gratitude to the esteemed members of the Board of Directors for their invaluable guidance and support. I also commend the remarkable resilience of our senior management team and express appreciation to every member of the OCR team for their dedication and efforts. Furthermore, I extend thanks to our business partners, associates, suppliers, buyers and shareholders for their collaboration and support, which have been integral to our success.

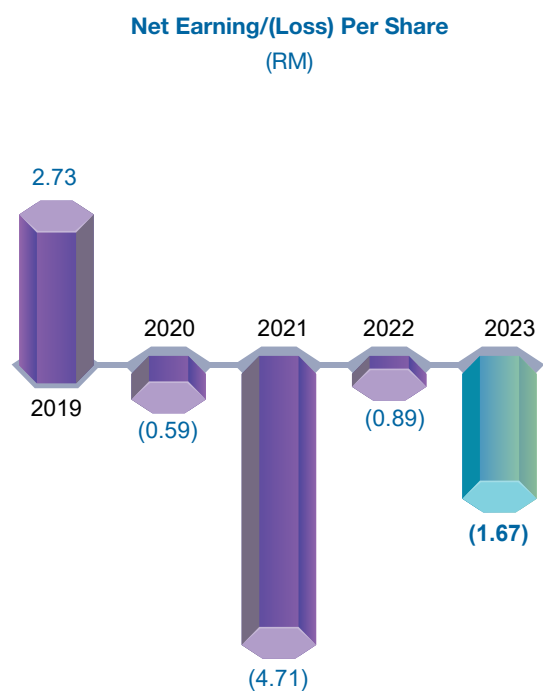
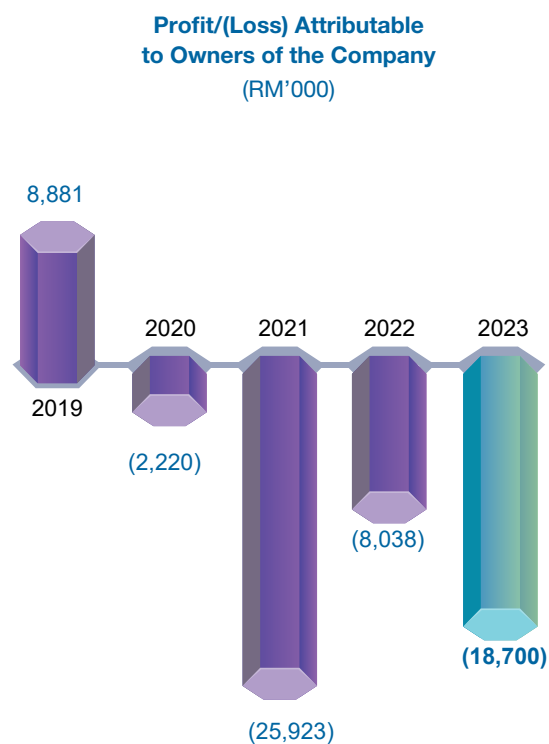
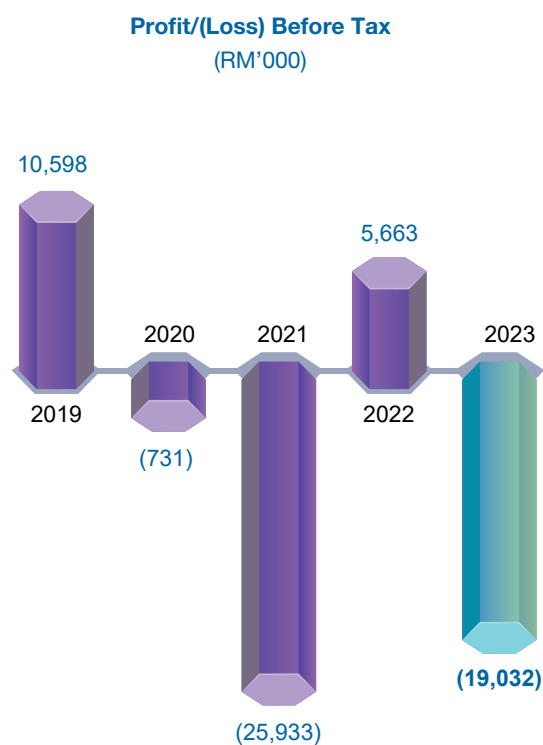
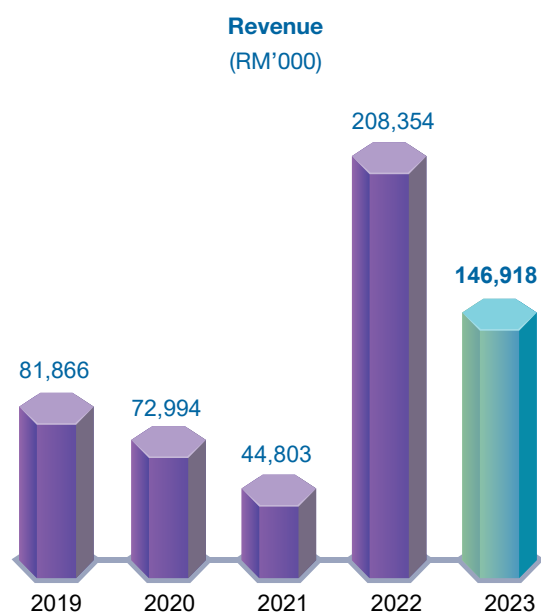
Sincerely,

YAM Tunku Azudinshah Ibni Tunku Annuar
Chairman

FIVE YEARS FINANCIAL HIGHLIGHTS

		2019	2020	2021	2022	2023
Revenue	RM'000	81,866	72,994	44,803	208,354	146,918
Profit/(Loss) before tax	RM'000	10,598	(731)	(25,933)	5,663	(19,032)
Profit/(Loss) for the financial year	RM'000	8,990	(2,678)	(27,399)	5,449	(19,699)
Profit/(Loss) attributable to owners of the company	RM'000	8,881	(2,220)	(25,923)	(8,038)	(18,700)
Non-controlling interests	RM'000	109	(459)	(1,476)	13,487	(998)
Total assets	RM'000	320,372	358,096	438,118	488,529	626,942
Shareholders' equity	RM'000	123,616	142,008	157,125	182,857	194,342
Net asset per share	RM	0.37	0.31	0.23	0.18	0.14
Net earnings/(loss) per share	RM	2.73	(0.59)	(4.71)	(0.89)	(1.67)
Return on total assets		0.03	(0.01)	(0.06)	(0.02)	(0.03)
Return on equity		0.07	(0.02)	(0.16)	(0.04)	(0.10)

FIVE YEARS FINANCIAL HIGHLIGHTS (Cont'd)



MANAGEMENT DISCUSSION AND ANALYSIS

GROUP PROFILE

OCR Group Berhad ("OCR" or the "Group") is involved in property development, construction, project management consultation ("PMC") and related businesses. It was incorporated in Malaysia on 28 July 1997 as an investment holding company and is listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Malaysia").

With more than 20 years of experience in the property and construction sector, the Group is an integrated property developer focused on providing innovative and unique homes in up-and-coming hotspots in Malaysia as well as industrial projects to facilitate the growth of economic activities in Malaysia.

OCR offers homes across three distinct categories:

- Essential Living: Affordably priced homes designed to address housing needs
- Urban Living: Innovative lifestyle series for house owners who desire chic and modern lifestyles
- Luxury Living: Premium collections in prime locations for the discerning high-net-worth individuals

To date, the management of OCR has completed a total of 21 projects with a cumulative Gross Development Value ("GDV") of more than RM1.8 billion. We are aptly positioned for sustainable growth with over RM2 billion development projects in the pipeline.

NAVIGATING THE DYNAMIC EXTERNAL LANDSCAPE

FY2023 unfolded against the backdrop of a dynamic external environment characterised by both opportunities and challenges. Economic uncertainties and geopolitical tensions continued to influence market sentiments, consumer confidence and investor behaviour. Despite these challenges, Malaysia's property market exhibited resilience, supported by government initiatives and infrastructure development projects aimed at stimulating economic growth.

In FY2023, there were ongoing challenges including domestic and global inflationary pressure, weakening Ringgit and labour shortage stemming from the external operating environment. These factors had resulted in inflated building materials cost and posed challenges to business operations, impacting supply chains, investment sentiments and currency fluctuations. Additionally, stringent regulatory requirements, encompassing zoning laws, building codes and environmental standards, exerted significant influence over project feasibility, timelines and costs. Compliance with evolving regulations posed operational challenges for OCR and other players in the industry.

The year under review we have also witnessed rising costs and financial challenges for OCR. Key economic indicators, including the moderation of Gross Domestic Product ("GDP") growth to 3.7%, inflation rates and interest rates, have influenced consumer spending patterns and investment decisions. Rising material, labour and energy costs, coupled with higher borrowing costs due to an increased Overnight Policy Rate ("OPR") of 3.0%, also presented significant challenges to property developers. The fluctuations in economic facets had implications for OCR's project feasibility and buyer commitment. Fluctuations in property prices and market demand, influenced by economic conditions and shifting consumer preferences, required strategic adjustments in product offerings and marketing strategies.

In response to these adversities, OCR adopted a proactive approach to navigate the dynamic external landscape. Vigilance and compliance remained paramount as OCR closely monitored regulatory developments and ensured strict compliance with relevant laws and regulations. Robust internal controls and adherence to compliance protocols helped mitigate regulatory risks and uphold operational integrity. Moreover, OCR implemented adaptation and diversification strategies to mitigate dependencies on specific markets and minimise the impact of geopolitical disruptions.

MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

FINANCIAL OVERVIEW

In FY2023, OCR maintained its unwavering focus on projects delivery and completion while simultaneously exploring new collaborations to embark on fresh endeavours, all within the framework of an internal consolidation strategy. However, the absence of new project launches during the pandemic, coupled with the recognition of Liquidated Ascertained Damages ("LAD") due to delays in the PRIYA Kuantan and Isola KLCC projects stemming from contractor changes, led to a decline in total revenue.

Additionally, the incurred additional development costs resulting from these contractor changes, alongside delays in project timelines, compounded challenges such as fluctuating raw material prices and labour shortages, contributing to higher operating expenses amounting to RM163.9 million in FY2023. The Group reported a loss before tax of RM 19.0 million in FY2023, compared to profit before tax RM 5.6 million in FY2022.

Despite these challenges impacting revenue and profitability, OCR remains resolute in its commitment to delivering value and fostering growth. The Group is actively pursuing new collaborations to initiate fresh endeavours, reflecting its proactive stance.

In response to these challenges, OCR is implementing strategic measures aimed at enhancing its financial performance. These initiatives are geared towards maintaining the delivery of exceptional construction works and bolstering take-up rates for new launches, underscoring OCR's steadfast dedication to navigating obstacles and nurturing sustained success in the real estate sectors. The Group's development and construction projects are detailed below:

Projects	Project Type	Site Area (acres)	Estimated GDV/ Contract Value (RM 'mil)
Completed Development and Construction Projects in FY2023			
OCR Selayang Industrial Park	Industrial	13.8	139.1
PRIYA Kuantan	Residential	100.0	170.2
YOLO Signature Suites*	Mixed Development	1.7	280.7
Ongoing Projects			
Isola KLCC	Residential	0.4	276.0
The Mate, Damansara Jaya	Mixed Development	1.0	146.5
Stellar Damansara	Residential	1.5	180.0
Projects in Pipeline			
Kyra – Residensi Akasia (Phase I)	Residential	5.3	287.3
OCR Logistic Hub, Shah Alam	Industrial	20.0	921.0
Vertex, Kuantan City Centre	Mixed Development	2.2	337.0
Templer project	Residential	18.4	313.0

* as construction project completed by the Group

ASSETS, LIABILITIES AND EQUITY

OCR continued to enhance our asset base to reinforce our capacity to deliver the projects at hand and equip us for future developments. The Group observed an increase in the Group's total asset base to RM626.9 million in FY2023 from RM488.5 million in FY2022, driven by the launch of Stellar Damansara, completion of the development projects, acquisition of land for OCR Logistic Hub, Shah Alam land and other ongoing construction projects.

With a focus on disciplined financial management and prudent debt utilization, OCR aims to navigate the challenges of the operating environment while seizing opportunities for growth and value creation. By maintaining a balanced approach to capital allocation and financial risk management, OCR is well-positioned to capitalize on emerging market trends and drive sustainable long-term success.

MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

KEY HIGHLIGHTS

During FY2023, OCR Group Berhad received notable accolades for our contributions to the property development industry. At The Star - FIABCI Malaysian Developer Award 2023, OCR was honoured with the Rising Star Award, recognising its rapid growth and significant contributions to the sector.

Additionally, at the ASEAN Property Developer Awards ("APDA"), OCR Group Berhad was bestowed with the prestigious Visionary Developer Award, underscoring its forward-thinking approach and strategic vision. Moreover, OCR's Stellar Damansara Project was celebrated as the Best Eco-Friendly High-Rise Development at the APDA, highlighting the company's commitment to sustainability and innovative design. These awards reflect OCR's dedication to excellence, innovation, and environmental responsibility in all its endeavours.

Luxury Living

Isola KLCC

As OCR's flagship Luxury Living development in the heart of Kuala Lumpur, Isola KLCC is an iconic development on 0.4-acre land, which comprises 140 residential units. As of 31 December 2023, Isola KLCC has a commendable take-up rate of 84%. The project is expected to reach completion in 2H2024.



MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

KEY HIGHLIGHTS (CONT'D)

Luxury Living (cont'd)

Stellar Damansara

Stellar Damansara is a joint development on a 1.5-acre land in Damansara Jaya. The development will comprise two blocks with a total of 88 units of premium residences, equipped with comprehensive facilities including a jacuzzi, gym, swimming pool, multipurpose deck etc. Launched in early 2023, the project has seen a strong take-up of 60% within a short period.



MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

KEY HIGHLIGHTS (CONT'D)

Urban Living

The Mate, Damansara Jaya

An apt demonstration of OCR's innovative Urban Living proposition, The Mate co-living and co-working space is a unique freehold development in Petaling Jaya. Officially launched in early 2021, the project is highly appealing to its target audience, with a 77% take-up of launched units. The 244-unit signature suites high-rise development is targeted for completion in 2H2024.



Vertex, Kuantan City Centre

Sitting on a 2.2-acre land in Kuantan and within walking distance from the renowned East Coast Mall, Stadium Darul Makmur, and the five-star Zenith Hotel, Vertex is a 70:30 joint venture with SSPP Development Sdn. Bhd. The mixed development project, comprising 2 blocks of service apartment totalling 978 units and 34 retail outlets, is expected to commence in Q42024.



Essential Living

PRIYA Kuantan

Jointly developed with Yayasan Pahang through a 50:50 joint venture, PRIYA Kuantan is the largest affordable housing scheme in Kuantan on a 100-acre leasehold land. An Essential Living collection featuring 978 units of single-storey terrace houses and 146 units of single-storey semi-detached homes, the project is sold out and completed in December 2023.



MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

KEY HIGHLIGHTS (CONT'D)

Essential Living (cont'd)

Kyra - Residensi Akasia (Phase I)

With a 51% equity interest in Stack Builder Sdn Bhd, the Group intends to launch its largest-ever property development of at least RM805.0 million in GDV by phases in Shah Alam. The 26.9-acre project will consist of 2,892 affordable units along with retail spaces, as part of the Essential Living series. With the anticipated launch for Phase I in Q22024, the entire project is targeted for completion by 2028/2029.



Industrial Development

OCR Selayang Industrial Park

The Group's 50% equity interest in OCR Selayang paves the way for OCR's first venture into industrial development. OCR Selayang owns three pieces of freehold industrial lands totalling nearly 600,000 square feet (sq ft) in Selayang, Selangor, of which two pieces will be subdivided into 5 saleable industrial detached plots. The project is fully sold out and had delivered vacant possession to our customers in January 2023.

OCR Logistic Hub, Shah Alam

This industrial development is set to encompass 20 acres of land, featuring a fully integrated facility with a net lettable area of approximately 2.1 million square feet across a four-storey building. Situated adjacent to the Federal Highway in Section 15, Shah Alam, OCR Logistic Hub Shah Alam boasts highly accessible entrance and exit points via the Kemuning-Shah Alam Highway (LKSA), Guthrie Corridor Expressway (Guthrie), Konsortium Expressway Shah Alam Selangor Sdn Bhd (KESAS), and Federal Highway. The logistics center, anticipated to attain a GreenRE provisional Silver rating, is strategically positioned to cater to the needs of multinational companies ("MNCs").

MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

KEY HIGHLIGHTS (CONT'D)

Commercial/Mixed Development

YOLO Signature Suites

Nestled in the vibrant heart of Bandar Sunway, YOLO has been meticulously crafted to cater to the desires of youthful and adventurous souls, offering breathtaking panoramic skyline views, lush landscape decks, a state-of-the-art gym, and a refreshing swimming pool. Comprising 424 units alongside bustling retail spaces, it boasts an impressive uptake rate of 94%. This visionary project reached completion in December 2023.



MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

ANTICIPATED OR KNOWN RISKS

In today's dynamic market landscape, seizing opportunities is paramount for any companies to maintain a competitive edge. While economic activities have returned to a semblance of normalcy, OCR has proactively capitalized on new collaborations, new launches and observed higher take-up rates for our projects. However, concerns persist among investors and homebuyers regarding both disposable income capacity and monthly financial commitments, compounded by uncertainties stemming from global economic tensions such as trade disruptions and conflicts.

Domestically, movements in the Overnight Policy Rate (OPR) continue to exert a significant influence on affordability. Although the OPR is currently maintained at 3% for Q1 2024, any future increases could substantially impact homebuyers. In light of these challenges, OCR remains vigilant in anticipating and mitigating risks. The Group meticulously identifies potential risk factors originating from various stakeholders, closely monitoring them throughout the development period. This proactive approach underscores OCR's commitment to navigating uncertainties and safeguarding the interests of all stakeholders involved.

Affected Parties	Risk Item	Mitigation Plans
Buyers	Increases in interest rates result in difficulty in obtaining loans.	<p>It is imperative to consistently consider the potential for fluctuations in interest rates throughout the developmental process.</p> <p>In alignment with this, it is essential to comprehensively grasp the underlying principles governing economic cycles to adeptly synchronize the initiation and conclusion of our projects. Moreover, prudent consideration of buyer financing risk is paramount in guiding our focus towards projects aligning with short and medium-term objectives.</p> <p>To maintain competitiveness and fulfil consumer demands, it is crucial that we leverage our innovative endeavours to deliver imaginative residential developments and projects.</p>
Developer & Business Partners	Increases in construction costs due to increases in the cost of building materials or labour.	<p>Despite considerable pressure stemming from rising building material costs, OCR has demonstrated robust resilience by effectively optimizing its operational expenses, thereby mitigating the adverse effects. Leveraging its distinctive value proposition, characterized by a diverse array of product offerings and versatile sales channels, the Group has successfully sustained its ability to meet the evolving demands of its clientele.</p> <p>The Group's diversified business model, strategically addressing both retail and wholesale segments, has proven highly effective in ensuring uninterrupted product supply to Malaysian consumers. These outcomes serve as a testament to OCR's unwavering financial discipline and agile decision-making capabilities, enabling it to capitalize swiftly on emergent opportunities.</p>

MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

GROWTH STRATEGIES

OCR is steadfast in our commitment to be the property player that offers products where our target markets want to be. We are upbeat on the positive growth of Malaysia's property market as indicated by the economic growth forecast of between 4% to 5% in 2024. In 2024, the main drivers of the property market will be the development of affordable housing, landed residential properties with environmental, social and governance ("ESG") initiatives, and modern logistic and warehouse facilities. At OCR, we are well positioned within these drivers and will continue to be guided by our business levers which include the following:

<p>(i) Effective cost management</p>	<p>Operating costs constitute a foundational element of our business operations and are pivotal to the overarching financial sustainability of our ventures. These costs encompass significant outlays such as land and land related expenses, property construction expenditures, marketing outlays and compliance with legal and regulatory requisites. It is imperative for our team to maintain vigilant oversight and remain abreast of market trends and developments.</p> <p>Moreover, the escalation in building materials and labour expenses is poised to exert upward pressure on housing prices, potentially impacting affordability for our prospective homebuyers. Concurrently, the decline in housing loan approvals due to tightened credit standards and escalating living expenses, leading to diminished disposable incomes and credit scores, may collectively influence the demand dynamics within the residential sector. Therefore, meticulous cost estimation during the project planning phase assumes paramount importance to accurately anticipate expenses. Drawing insights from historical data, conducting thorough market research and soliciting input from pertinent stakeholders are integral to formulating pragmatic cost projections.</p> <p>By comprehensively understanding the diverse spectrum of operating expenses involved and instituting rigorous budgetary oversight, we can assure our buyers of a spectrum of options spanning premium to affordability that align with their economic circumstances. For OCR, this approach not only enables us to optimise returns on our projects but also fosters enduring success within the industry over the long term.</p>
<p>(ii) Diversifying property offerings</p>	<p>In response to escalating competition, economic volatility, and the enduring impact of the pandemic, residential developers have been compelled to embrace innovative diversification strategies, challenging conventional norms that advocate for specialization within a singular market segment. At OCR, we are at the forefront of this trend, championing properties that embody a dynamic "live, work, play" lifestyle concept with adaptable spaces.</p> <p>Our diversification initiatives entail expanding our project offerings while concurrently mitigating the risks associated with overreliance on the real estate sector alone. Key lifestyle components such as health and wellness amenities, accommodations for multi-generational living and diverse food and service options remain integral facets of our portfolio, enhancing the overall value proposition for our clientele.</p> <p>Recognising the growing significance of environmental consciousness among homebuyers, OCR is committed to incorporating sustainable architecture principles, including biophilic design elements, into our developments. This entails the integration of green spaces, implementation of rainwater harvesting systems and promotion of sustainable energy practices through initiatives like solar panel installations and LED lighting solutions.</p> <p>Furthermore, we remain dedicated to forging strategic partnerships with other firms, investors and stakeholders to leverage their expertise, resources and market opportunities across emerging segments. We firmly believe that diversification serves as the optimal strategy to navigate prevailing uncertainties and minimize risks, positioning OCR for sustained success and resilience in the ever-evolving real estate landscape.</p>

MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

GROWTH STRATEGIES (CONT'D)

(iii) Embracing development partnership opportunities	<p>Our growth strategy has consistently revolved around the strategic concentration on key locations with high potential for rapid returns. With a proven track record of delivering residences equipped with sought-after lifestyle amenities, we remain finely attuned to the evolving preferences and needs of the market. However, we are not content to rest on our laurels; rather, we are committed to forging new pathways for our buyers by diversifying into commercial, industrial and mixed-use developments, while upholding our steadfast commitment to sustainability and community welfare.</p> <p>Embedded within OCR's DNA is a penchant for fostering mutually beneficial partnerships, particularly evident in our joint ventures and collaborations with landowners. We are highly optimistic about the substantial financial value inherent in these ventures, underscoring our confidence in the potential for future property developments. Simultaneously, the Group actively seeks out new opportunities for collaboration, tirelessly sourcing projects that hold promise for delivering value to our stakeholders. This proactive approach ensures that OCR remains agile and adaptive in an ever-evolving real estate landscape, poised for sustained growth and success.</p>
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NOTE OF APPRECIATION

I would like to extend my appreciation to the entire team at OCR for working hand-in-hand to reinforce the OCR brand name.

Reflecting on our performance in FY2023, the OCR management expresses profound gratitude for the steadfast support extended by our valued buyers and esteemed business partners, which played a pivotal role in mitigating the challenges encountered in our operations. In light of the heightened financial strain experienced by customers, we have prioritised delivering genuine economic value through a harmonious blend of competitive pricing, strategic locations, comprehensive facilities and innovative design, earning their enduring trust.

Our unwavering commitment to fostering innovation and bolstering brand equity remains steadfast, as we strive to continually enhance the customer experience. We extend sincere appreciation to our shareholders, Government, and regulatory authorities for their unwavering confidence and support, as well as to our business partners for their collaborative efforts in realizing synergies and collectively creating value.

Furthermore, heartfelt gratitude is extended to our esteemed Board of Directors for their invaluable wisdom and forward-thinking leadership, guiding the Group through our most ambitious endeavors. As we embark on the next phase of our journey, our steadfast commitment to sustainable practices, responsible development and diversification of our product segments remains unwavering. These strategic imperatives underscore our dedication to innovation, growth and adaptability in meeting the dynamic needs of our customers and the evolving market landscape.

Ong Kah Hoe

Group Managing Director

SUSTAINABILITY STATEMENT

ABOUT THIS REPORT

OCR Group Berhad, also referred to as "OCR" or "the Group", is delighted to present our annual sustainability report, known as "SS2023." This report offers a comprehensive assessment of OCR's environmental, social and governance ("ESG") impacts during the financial year that concluded on 31 December 2023 ("FY2023").

OCR's SS2023 is prepared in alignment with the Sustainability Reporting Guidelines (Third Edition) of Bursa Malaysia Securities Berhad, the Main Market Listing Requirements. We are also guided by other frameworks, as below:

GUIDELINES AND FRAMEWORKS



OCR's SS2023 has incorporated the GRI principles of involving stakeholders, considering sustainability context, identifying material topics and ensuring completeness, accuracy, balance, clarity, comparability, reliability and timeliness in the selection of subjects and information to be included. Other frameworks and guidelines referenced in the preparation of this report include:

- Malaysian Code on Corporate Governance ("MCCG") 2021
- Sustainability Accounting Standards Board ("SASB") Standards

REPORTING SCOPE AND BOUNDARY

Unless stated otherwise, SS2023 encompasses the timeframe from 1 January 2023 to 31 December 2023. Whenever feasible, historical data has been included to facilitate a meaningful comparison of the Group's ESG performance for the reporting year and its changes over time.

The statement's scope extends to OCR's integrated businesses of property development, construction and project management consultation, which encompass a range of projects and locations.



SUSTAINABILITY STATEMENT (Cont'd)

EXCLUSIONS, LIMITATIONS AND DISCLAIMERS

While OCR acknowledges that there may be ESG impacts throughout its value chain, the effects of outsourced activities are currently not included in this report.

OCR is dedicated to integrating sustainability practices along its entire Group and disseminating its ESG commitments to its business partners, suppliers and contractors. The Group is also in the process of implementing a more comprehensive ESG data collection process to address any remaining gaps in its sustainability reporting within its operations.

Readers should be aware that forward-looking statements within this report, which pertain to future plans, goals and expectations, are made with reasonable assumptions based on current business trajectories. Actual results and actions taken may vary as OCR adjusts its business strategies and operational decisions in response to emerging risks, opportunities and changing circumstances.

DATA QUALITY AND ASSURANCE

All the data presented in this report has been obtained internally and verified by the relevant data owners.

The SS2023 has undergone a review process by the Group Managing Director and Senior Management team, as well as by the Board of Directors, all of whom are satisfied that the information included in SS2023 accurately represents the Group's sustainability impacts for the year under review. The Board officially approved the SS2023 on 25 April 2024.

Currently, OCR has not engaged a third party to assure its ESG data. However, financial data provided in this report that can be cross-referenced with the Financial Statements in OCR's Annual Report 2023 has been audited by Baker Tilly Monteiro Heng PLT.

REPORT AVAILABILITY AND FEEDBACK

The SS2023 is available for download on OCR's corporate website at www.ocrbhd.com as part of the Group's FY2023 Annual Report.

OCR values stakeholders' feedback on this report and its contents to improve our sustainability reporting and ESG practices continuously. Comments or queries can be directed to:

Sustainability Department [corporate@ocrbhd.com, 03-7710 1000]

MESSAGE FROM THE GROUP'S CHAIRMAN

Dear Stakeholders,

In a world marked by rapid transformations and unprecedented challenges, OCR has navigated through FY2023 with resilience despite facing significant financial headwinds. The year underscored the urgent need to address climate change and prioritize environmental stewardship, amidst economic uncertainties and geopolitical tensions. Despite these challenges, OCR's commitment to sustainability and responsible business practices remained unwavering.

Sustainability lies at the heart of OCR's business ethos, guiding our decisions and actions as we strive to create value for all stakeholders. Beyond financial performance, sustainability encompasses environmental stewardship, social responsibility and governance practices, which are integral to our long-term success. By embedding sustainability into our operations, we not only mitigate risks and enhance resilience but also seize opportunities for innovation and growth.

The challenges of FY2023 reinforced our conviction in the critical need to address climate change and prioritise environmental stewardship. As we navigate through uncertainties and tensions, OCR remains dedicated to creating long-term economic value for our stakeholders while contributing to the environmental and social well-being of the communities we operate in. Our vision of developing and constructing best-valued properties that fulfil customers' needs is underpinned by responsible practices and value engineering across our business segments.

SUSTAINABILITY STATEMENT (Cont'd)

MESSAGE FROM THE GROUP'S CHAIRMAN (CONT'D)










At OCR, we have proactively managed challenges towards a sustainable operation by dealing with materiality topics, enhanced engagement and targeted initiatives. Our efforts have produced positive results, among which is our successful disclosure of Scope 1 and 2 for Greenhouse Gases (GHG). This demonstrates our commitment to a holistic and responsible approach to addressing climate change. We place real value on responsible business conduct and governance as reflected in our clean track record, with zero incidences of corruption and non-compliance cases in our governance and upholding 100% of procurement from local businesses. Going forward, the Group will also conduct a necessary assessment on how changing environmental conditions brought on by climate change may be impacting site operations i.e. heatwaves, torrential rain and others.

We recognise the importance of reviewing our resource consumption and identifying opportunities for a circular economy of the materials we use that will be embedded in our daily operations. As we set our sights on achieving a high level of efficiency, the Group will also benefit from mitigating any upcoming social and environmental risks.

Backed by our experience of more than 20 years in property development, it is imperative for us as a property player in Malaysia to find solutions to pursue ESG adoption at a higher pace. We will be better equipped to manage relevant risks and be able to provide our investors with a well-informed perspective on our actions. I would like to extend the Board's gratitude to the entire workforce of OCR for your commitment to ensuring we remain relevant within the property development industry as well as your trust in the Management. This support has been instrumental to the Group's continuous evolution as we strive to fulfil our sustainability agenda.

YAM Tunku Azudinshah Ibni Tunku Annuar
CHAIRMAN

FY2023 ESG HIGHLIGHTS & ACHIEVEMENTS

 103 Total Workforce Consisting of 72.3% Permanent Employees	 20.0% Women Representation in OCR's Board	 Zero Fatalities in FY2023 with 1,681,920 manhours worked
 RM195 million Total Economic Value Distributed to Stakeholders	 100% Procurement Spend on Local Vendors	 Enhanced GHG Disclosures Including Scope 1 (Direct Emissions) and Scope 2 (Indirect Emissions)
 818 Total Training Hours	 Zero Incidence of Corruption	 Zero Incidence of Regulatory Non-Compliance

SUSTAINABILITY STATEMENT (Cont'd)

CONTRIBUTION TO SUSTAINABLE DEVELOPMENT GOALS ("SDGS")

In FY2023, the Group continued making progress in its adopted UNSDGs, as shown in the table here. The adoption of six (6) UNSDGs is progressively aligning with our climate change management goals and plans, which are UNSDG 11 and UNSDG 13. The table's "Achievements and Highlights" subsection shows our business alignments to the UNSDGs:

UNSDG'S DESCRIPTIONS	ACHIEVEMENTS AND HIGHLIGHTS
 <p>Goal 3: Good Health and Well-being Ensure healthy lives and promote well-being for all at all ages.</p>	<ul style="list-style-type: none"> • Provide an attractive package to cover medicine and healthcare insurance for all employees. • Ensured legal compliance for safe and healthy work procedures.
 <p>Goal 4: Quality Education Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.</p>	<ul style="list-style-type: none"> • Contributed RM84,119 in levy for Human Resource Development Funds in FY2023. • Provided relevant job-related skills and motivational training to selected employees (please refer to the Talent Training and Development section for more data).
 <p>Goal 8: Decent Work and Economic Growth Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.</p>	<ul style="list-style-type: none"> • Consistently delivered financial and non-financial values for stakeholders such as healthy earnings, shareholder dividends and more. • Continued practising non-discrimination in employment. Maintained equal remuneration, including benefits, for work of equal value.
 <p>Goal 11: Sustainable Cities and Communities Make cities and human settlements inclusive, safe, resilient and sustainable.</p>	<ul style="list-style-type: none"> • Committed to constantly evolving, improving and embracing change to upscale our products and services. We strive to be different through creativity and new ideas to stay competitive in the market. • OCR Group debuts with accessible properties and an opportunity to meet the needs of all demographics with projects throughout the Klang Valley and Kuantan, Pahang. • Stellar Damansara incorporates an elderly-friendly design, as well as utilising passive design to minimise energy usage and promote water conservation measures.
 <p>Goal 13: Climate Action Take urgent action to combat climate change and its impacts.</p>	<ul style="list-style-type: none"> • Ensured full compliance with Environmental laws and Guidelines. • The Mate, a project located in Damansara Jaya utilised Building Information Modelling technology in its construction process for further efficiency and a consistent effort towards sustainability.
 <p>Goal 16: Peace, Justice and Strong Institutions Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.</p>	<ul style="list-style-type: none"> • Robust policies and governance are in place to ensure the highest level of compliance and governance.

SUSTAINABILITY STATEMENT (Cont'd)

SUSTAINABILITY AT OCR

OCR's approach to sustainability management is rooted in the Group's five corporate core values:

Initiative	Innovation	Integrity	Passion	Collaboration
We always go extra miles to achieve beyond our targets and expectations, within and outside the organisation. We pursue excellence by seeing possibilities, instead of limitations.	As a progressive organisation, we are committed to constantly evolve, improve and embrace change to upscale our products and services. We strive to be different through creativities and new ideas to stay competitive in the market.	As a corporate citizen, we remain true to our founding values of ethics and integrity; ensuring compliance, professionalism and take responsibility in every decision and action.	We believe in positivity and that our strength lies in our people. We love our people and enjoy our works. We always stay optimistic in adversity and emerge stronger than before.	We believe in the power of working together. We address collaboration within our team and business partner; to deliver greater success through shared goals and mutual support.

These values work together to steer OCR's business growth in a manner that is both responsible and sustainable. The Group follows a sustainably focused approach in its operations and takes a cautious stance to prevent or reduce any adverse environmental and social consequences that may arise from pursuing growth and business expansion.

Our Sustainability Agenda



SUSTAINABILITY STATEMENT (Cont'd)

SUSTAINABILITY AT OCR (CONT'D)

Sustainability Governance

The Group is committed to creating a governance structure and mechanism that is essential for the long-term sustainability of the businesses and performance. To this end, our system of governance is based on two main principles namely:

- i. Our business principles commit us to comply with all laws, rules and regulations of each country that we operate in.
- ii. The core values ingrained within the Group namely Initiative, Innovation, Integrity, Passion and Collaboration, ensure we excel in satisfying our customers and stakeholders.

Beyond strict adherence to local laws and regulations, our Group has internalised the governance framework through various Codes of Conduct which provide the principles and standards of business ethics and expectations of conduct at work.

In overseeing the control and effective implementation of the governance system, the Board of Directors and Key Senior Management have taken the lead to ensure:

- ❖ The development/implementation of agreed corporate strategies
- ❖ Effectiveness of risk management and internal control systems
- ❖ The integrity of corporate reporting
- ❖ Management of stakeholder's relationships

The OCR Board of Directors supervise all matters related to sustainability within the Group through the Audit and Risk Management Committee.

The management of Environmental, Social, and Governance ("ESG") matters within the Group follows a top-down approach, led by the Group Managing Director, with key support from the senior management team. Progress on ESG initiatives, responsibility and commitments to achieve specific targets and deliverables are regularly reported to the Board.

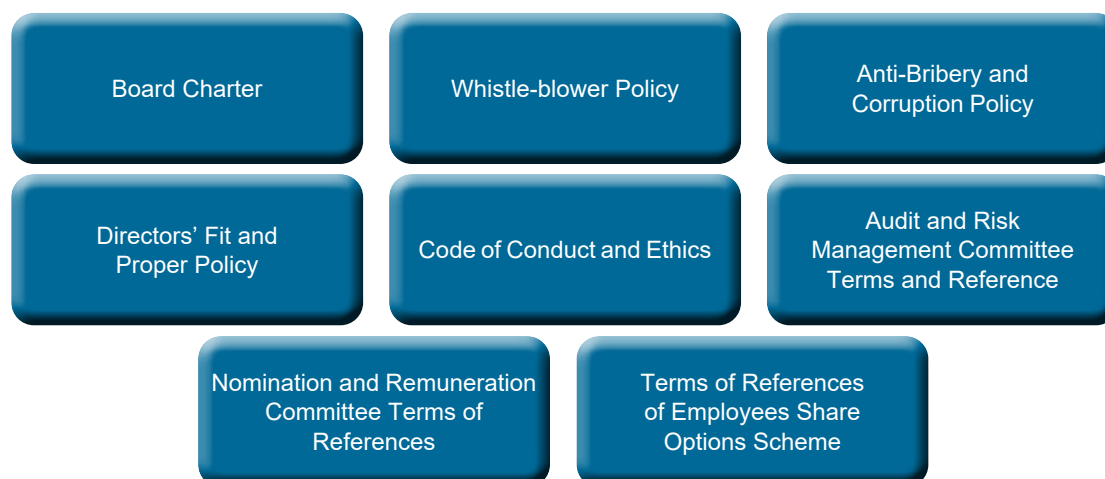
Role	Responsibilities
Board of Directors ("BOD") Retain overall responsibility for the Group's sustainability governance	<ul style="list-style-type: none"> Take charge of the Group's Sustainability Agenda. Provide oversight and strategic review concerning sustainability affairs within the Group.
Group Managing Director and Key Senior Management Responsible for establishing the Group's sustainability initiatives and deliverables	<ul style="list-style-type: none"> Formulate the Group's sustainability strategies and goals per Bursa Malaysia's Sustainability Initiatives. Ensure that sustainability disclosures adhere to Bursa Malaysia's Listing Requirements.

SUSTAINABILITY STATEMENT (Cont'd)

SUSTAINABILITY AT OCR (CONT'D)

Sustainability Governance (Cont'd)

The sustainability agenda is reinforced by a strong collection of governance frameworks and policies that oversee sustainability at OCR in the areas of operations, finance, environment, society and governance.



These policies are accessible on our Investor Relations website at www.ocrbhd.com. These policies are regularly reviewed to confirm that they remain efficient.

STAKEHOLDERS ENGAGEMENT

Stakeholders hold a central position in OCR's sustainability initiatives and we take great pride in the steps initiated to prioritise their requirements regarding our ESG direction. These stakeholders encompass individuals, groups, or organisations that have an impact on or are impacted by OCR's business activities.

Their significance becomes even more pronounced during the materiality analysis phase, where their distinct needs, perspectives and expectations guide OCR's business strategies and operational approaches.

Stakeholders Prioritisation

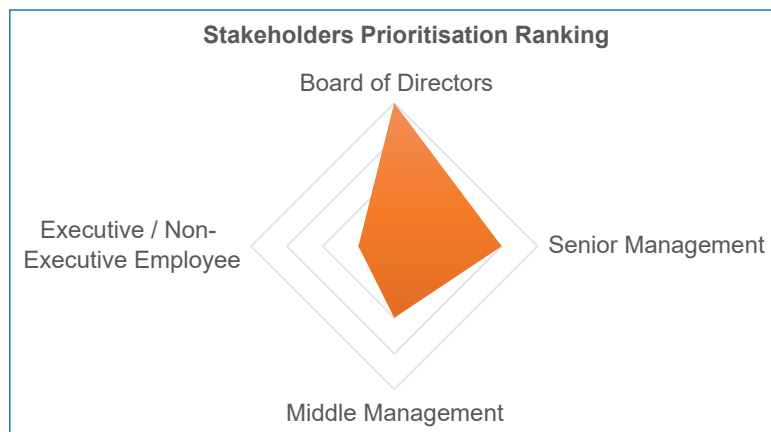
The valuable input gathered from our stakeholders in FY2023 not only reinforced OCR's sustainability measures but also remains pertinent and valid. This ongoing feedback continues to be essential in guiding our efforts towards sustainable growth and prosperity.

In FY2023's Materiality Assessment Exercise ("MAE"), prioritisation is employed to assign weightages to responses from diverse stakeholder groups, ensuring that every valuable perspective is considered. These weightages enhance the significance of responses, thereby enhancing accuracy and validity in our stakeholders engagement process.

SUSTAINABILITY STATEMENT (Cont'd)

STAKEHOLDERS ENGAGEMENT (CONT'D)

Stakeholders Prioritisation (Cont'd)



Given that each group of stakeholders has a different influences on the business and different impacts on our operations and organisational strategy, we employ different methods and frequency of engagements depending on each stakeholder group, the issues of concern and the purpose of engagement. Our communication and engagement with stakeholders for FY2023 are tabulated below:

Key Concerns	How We Respond	Platforms and Activities
Shareholders & Investors <i>We place value in building the trust of our investors and shareholders to maintain their support whilst attracting new ones.</i>		
<ul style="list-style-type: none"> Financial performance Business strategy Sustainable and stable income distribution Commitment towards ESG and Sustainability 	<ul style="list-style-type: none"> OCR's capability to commit to its debt repayment obligation OCR's ability to raise financing Provide timely announcements and public release of information and events on performance 	<ul style="list-style-type: none"> General meetings Bursa announcements Website Media releases
Employees <i>Our employees are the greatest contributors to our success and their well-being enables OCR to cultivate a motivated workforce.</i>		
<ul style="list-style-type: none"> Performance management, upskilling and career development Transparency and communication Health and Safety Ethics and Integrity 	<ul style="list-style-type: none"> Performance Management entails goal setting and aligning these goals throughout the organisation to enhance overall business performance We conduct training and team-building programs to enhance staff competencies, capabilities and relationships The OCR Intranet Portal was introduced to facilitate effective communication across the organisation Onboarding program for new employees Town Hall Meetings are conducted to make critical announcements to all employees We leverage health and wellness programs to enhance the well-being of our employees 	<ul style="list-style-type: none"> Management meeting Staff townhall Performance appraisals Capacity Building Diversity & Inclusiveness Regular and open communications through newsletter and portal

SUSTAINABILITY STATEMENT (Cont'd)

STAKEHOLDERS ENGAGEMENT (CONT'D)

Stakeholders Prioritisation (Cont'd)

Key Concerns	How We Respond	Platforms and Activities
Regulatory Bodies <i>We partner with regulators to uphold industry standards for building quality, corporate governance, as well as health and safety standards.</i>		
<ul style="list-style-type: none"> Regulatory compliance Labour practices Environmental management and compliance Occupational health and safety 	<ul style="list-style-type: none"> Local authorities conduct regular inspections to ensure OCR's compliance with local regulatory requirements We provide regular disclosures through Annual Reports and communication with regulators We support the Government's campaign on affordable housing through our project PRIYA Kuantan 	<ul style="list-style-type: none"> Active engagements with relevant ministries, regulators and authorities Ensure full compliance with economic, environmental and social areas regardless of the sector of business operations
Customers <i>We value the support and purchasing decisions of our customers, which contribute to our financial performance and growth. We strive to meet their needs for properties of high-quality standards and sustainable real estate.</i>		
<ul style="list-style-type: none"> Efficient complaint resolution Customer-company relations Safety and security Personal Data Protection Act (PDPA) compliance 	<ul style="list-style-type: none"> OCR conducts sessions with customers to address their feedback or concerns whenever necessary Customers are asked to complete a Customer Satisfaction Survey form when they sign the sales and purchase agreement ("SPA") We organise community and networking events on an annual basis Customers are required to provide consent for the Personal Data Protection Act ("PDPA") when signing the SPA 	<ul style="list-style-type: none"> Multiple feedback channels through online, telephone and physical meetings Website and Social media Product launches and roadshows Site progress update through our social media channels
Service Providers <i>Our two-way partnership with our suppliers and contractors is critical to ensure consistent delivery of high-quality goods and services that need to operate and function. It is also important to ensure we contribute to our own business development and well-being.</i>		
<ul style="list-style-type: none"> Creating a sustainable business relationship which is based on key principles of integrity, honesty, accountability and compliance with applicable laws and regulations Uphold governance and transparency in procurement processes Nurturing QHSE awareness in business operations 	<ul style="list-style-type: none"> Promote good business ethics principles in the Code of Conduct for Business Partners and secure vendors' commitment to adhere to the requirement through contract obligations All completed projects are QLASSIC certified by CIDB All service providers and suppliers for OCR are required to declare and comply with Anti-Bribery and Corruption ("ABAC") Policies through the Declaration Form Establish a sustainable procurement policy to uphold governance and transparency in the process 	<ul style="list-style-type: none"> New vendor evaluation and registration Meetings Evaluation and Performance improvements

SUSTAINABILITY STATEMENT (Cont'd)

STAKEHOLDERS ENGAGEMENT (CONT'D)

Stakeholders Prioritisation (Cont'd)

Key Concerns	How We Respond	Platforms and Activities
Local Communities <i>We endeavour to create sustainable living spaces that promote tenant well-being and community development. It is vital that we hear their voices and address their concerns. This will also contribute to our civic engagement and the development of the community.</i>		
<ul style="list-style-type: none"> Impact of business operations and Transparency accountability Environmental impact Placemaking activities 	<ul style="list-style-type: none"> The communities residing around OCR township benefit from our facilities Engage with respective communities and manage their expectations based on selected event criteria Encourage property buying and/or investment activities and asset value 	<ul style="list-style-type: none"> Active engagements with the communities in which OCR has projects in CSR events and initiatives

MATERIALITY ASSESSMENT

The process of identifying significant issues is fundamental to OCR's sustainability management. The Group identifies its list of material topics through a comprehensive evaluation of their significance on both the Group's operational model and stakeholders. This strategic assessment takes into account the four fundamental pillars of Sustainability: Economic, Environmental, Social, and Governance ("EESG") matters.

ECONOMIC TOPICS	ENVIRONMENTAL TOPICS	SOCIAL TOPICS	GOVERNANCE TOPICS
Economic Values Generated	Climate Change	Talent Management	Corporate Governance and Anti-Corruption
Digitalisation and Technology	Energy and Emissions	Occupational Health and Safety	Risk Management
Product Quality	Materials Consumption	Diversity and Equal Opportunities	Environmental and Social Compliance
Customer Satisfaction	Water Consumption	Local Communities	Supply Chain Management
Landbank	Biodiversity	Labour and Human Rights	Data Privacy and Security
Branding	Waste Management		
Market Trends and External Operating Conditions	Green Buildings		

SUSTAINABILITY STATEMENT (Cont'd)

MATERIALITY ASSESSMENT (CONT'D)

Materiality Assessment Process

The most recent evaluation of material topic involved seeking input from stakeholders and emphasising the topic's impact on the value generation. OCR made sure to consider the feedback and perspectives of all the Group's Stakeholders who are engaged in the Group's Operations. The materiality assessment process is outlined as follows:

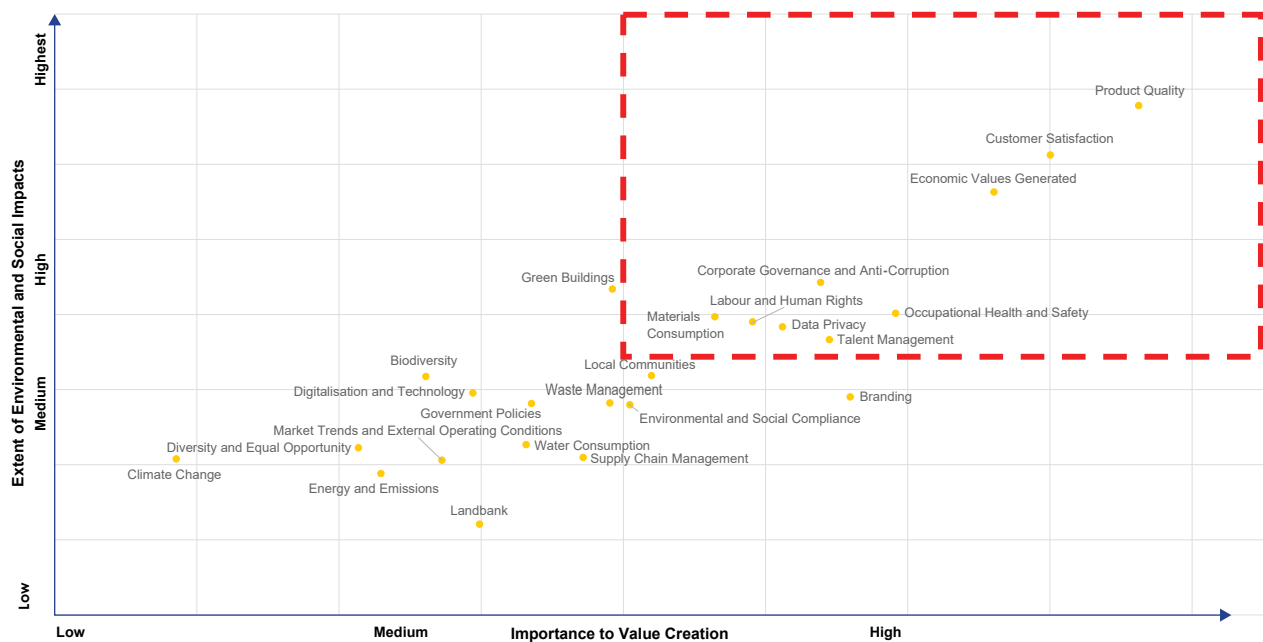
1. Identification	2. Assessment	3. Prioritisation	4. Validation
<p>The Group has determined a list of sustainability topics based on various references, including Bursa Malaysia, GRI Standards, other pertinent sustainability reporting frameworks, prevalent industry themes, topics from the previous year and insights from industry peers.</p> <p>Additionally, we have identified key stakeholder groups to assess the materiality of these topics thoroughly, ensuring we prioritise stakeholders perspectives and interests. The recent survey received substantial participation from the Board, Management, employees, customers, shareholders and investors, as well as suppliers, lending credibility to the survey results.</p>	<p>Online survey questionnaires were sent to appropriate individuals to gauge the significance of sustainability topics relevant to this reporting period.</p> <p>The survey was participated by 145 respondents, including both individuals within the organisation and external stakeholders. In specific instances, some respondents may have responded to the survey on behalf of the corresponding external stakeholder groups.</p>	<p>The material sustainability subjects were ranked following the materiality assessment survey results. This procedure involved evaluating the relevance of these significant topics to OCR and their significance to stakeholders.</p> <p>Subsequently, a materiality matrix was produced based on the survey outcomes.</p>	<p>The materiality matrix was then examined and shared with the Board and senior management for validation and approval.</p> <p>The matrix was subsequently presented to the Board and it received approval from the Board.</p>

SUSTAINABILITY STATEMENT (Cont'd)

MATERIALITY ASSESSMENT (CONT'D)

Materiality Matrix

The materiality assessment exercise has resulted in a materiality which shows the appropriate alignment with the Group's priorities. The findings from this exercise are used to prioritise all topics based on stakeholder expectations that in turn help shape the EESG impacts. Detailed information on each material topic can be found throughout the SS2023.



Material Topics

A total of nine material concerns were ascertained for FY2023 as follows:

- 1 Product Quality
- 2 Customer Satisfaction
- 3 Economic Values Generated
- 4 Occupational Safety & Health
- 5 Corporate Governance & Anti-Corruption
- 6 Talent Management
- 7 Digitalisation & Technology
- 8 Labour & Human Rights
- 9 Materials Consumption

SUSTAINABILITY STATEMENT (Cont'd)

MATERIALITY ASSESSMENT (CONT'D)

Material Topics (Cont'd)

From the matrix, the OCR is setting the focus on further integrating the ESG pillars as below:

Product Quality Customer Satisfaction Corporate Governance & Anti-Corruption Occupational Safety & Health	<ul style="list-style-type: none"> To consider additional surveys, increasing customer touchpoints, reviewing present defect management approaches, speed of rectification and overall project management. Continue working closely with contractors to improve OSH's track record. Focus on not just avoiding major incidents but also minor incidents.
Economic Values Generated Supply Chain Management Material Consumption Digitalisation and Technology	<ul style="list-style-type: none"> OCR will reassess and reprioritise its focus to issues affecting value creation such as lower operating costs, faster construction time, quality of finished product, as well as environmental and social footprint.
Labour Practices and Human Rights Talent Management	<ul style="list-style-type: none"> To ensure supply chain is free of labour issues i.e. mistreatment of workers etc. Conduct employees surveys, employees focus groups, townhall briefings and other employees engagement activities to gauge the present sentiments of talents across OCR.

ESG KPIs & Targets

We are set on pursuing the integration of sustainable practices into our business operations. Guided by the materiality topics established, we will progress towards formalising our ESG and climate-related KPIs in the relevant sections of our business in the near future.

1. ECONOMIC TOPICS

A sustainable and robust business model is essential to maintain long-term value creation for our stakeholders. While OCR continues improving the efficiencies of processes across its operations, applying value engineering as well as pursuing profitability, sustainability of the environment and well-being of our people and the surrounding communities will continue to be upheld.

As a responsible corporate citizen, the Group endeavours to make a positive contribution to the economy, creating value not only for its investors but also for the communities and the environment. We aim to establish an optimal capital and debt composition by improving our capital efficiency and controlling capital costs at the same time preserving the right balance of enhancing growth and shareholder returns, and preserving a strong financial base. For more information on the OCR's economic performance and developments, kindly refer to the Management Discussion & Analysis of this Annual Report.

SUSTAINABILITY STATEMENT (Cont'd)

1. ECONOMIC TOPICS (CONT'D)

1.1 Direct Economic Values

OCR's sustainability strategy is built on the creation of economic value through its business operations and financial results. Beyond fulfilling its obligation to deliver profits to its shareholders, a robust financial performance also underpins the Group's environmental and social strategies, projects, and initiatives, as well as the equitable distribution of resources to the Group's diverse stakeholders.

In FY2023, the Group registered a revenue of RM147 million and a loss before tax of RM19 million. OCR's unbilled sales stood at RM13 million as of 31 December 2023, which will support the Group's earnings visibility in the coming financial years.

The table below illustrates the economic value distributed to its various stakeholder groups over the past three years:

Economic Values Created (RM'000)	FY2021	FY2022	FY2023
Economic Value Generated	45,615	210,105	151,115
Economic Value Distributed:			
i) Total monetary value / spend on procurement	62,567	193,253	154,621
ii) Total payout to employees in salaries and benefits	3,588	6,417	9,222
iii) Taxes paid to the government	1,466	214	666
iv) Repayments to Financiers	5,392	4,773	6,304
v) Dividend Returns to Shareholders	-	-	-
Economic Value Retained	(27,398)	5,448	(19,698)

1.2 Indirect Economic Values

In addition to measurable economic outcomes, OCR's business model also generates ripple effects that promote overall prosperity and various advantages for the community.

In FY2023, some noteworthy indirect economic consequences which carry various economic impacts include the following:

Projects	Project Type	Site Area (Acres)	Estimated GDV/ Contract Value (RM'mil)
Completed Projects			
OCR Selayang Industrial Park	Industrial	13.8	139.1
Priya Kuantan	Residential	100.0	170.2
YOLO Signature Suites*	Mixed Development	1.7	280.7
Ongoing Projects			
Isola KLCC	Residential	0.4	276.0
The Mate, Damansara Jaya	Mixed Development	1.0	146.5
Stellar Damansara	Residential	1.5	180.0

* as construction project completed by the Group

SUSTAINABILITY STATEMENT (Cont'd)

1. ECONOMIC TOPICS (CONT'D)

1.2 Indirect Economic Values (Cont'd)

Projects in Pipeline	Project Type	Site Area (Acres)	Estimated GDV (RM'mil)
Kyra - Residensi Akasia (Phase I)	Residential	5.3	287.3
OCR Logistic Hub, Shah Alam	Industrial	20.0	921.0
Vertex, Kuantan City Centre	Mixed Development	2.2	337.0
Templer project	Residential	18.4	313.0

1.3 Product Quality and Responsibility

OCR's primary sources of revenue are driven by our property development, construction and project management consultation businesses. Ensuring the quality of our projects and services is also vital for the experience of our customers.

Consequently, the Group is strongly committed to maintaining the highest quality standards in the provision of these products and services to protect its brand reputation and promote customer loyalty. OCR diligently adheres to established quality standards, including ISO 9001 Quality Management Systems. While ISO certification is currently undergoing a renewal process, OCR consistently conducts the Quality Assessment System in Construction (QLASSIC) assessments to evaluate workmanship quality in construction projects.

This emphasis on ISO and QLASSIC underscores OCR's dedication to delivering top-quality products and services while meeting the highest industry standards.

1.4 Quality Management for Property Development

OCR has established a comprehensive quality control system to oversee the design and construction processes of its Property Development division. The Group ensures adherence to industry standards through rigorous monitoring and assessment procedures, including those set by the Construction Industry Development Board ("CIDB"). Notably, for all major building projects, OCR conducts QLASSIC assessments to evaluate workmanship quality, consistently exceeding industry benchmarks.

The most recent QLASSIC score achieved by OCR is a CIDB Score of 3 stars, indicating a high level of workmanship quality according to Malaysian construction standards.

1.5 Brand Recognition and Reputation

Apart from placing a strong emphasis on product and service quality, it is essential to implement robust and efficient branding and marketing strategies to attract and retain customers, cultivate the desired brand image and gain customer loyalty, especially within a highly competitive and price-sensitive market.

SUSTAINABILITY STATEMENT (Cont'd)

1. ECONOMIC TOPICS (CONT'D)

1.5 Brand Recognition and Reputation (Cont'd)

Therefore, it is crucial to strengthen the desired brand image, maintain ongoing awareness and enhance OCR's appeal through branding initiatives to compete effectively and expand its market share. As part of our comprehensive branding approach, we have set operational targets related to enhancing brand visibility and media coverage, increasing engagement on social media platforms and striving for industry awards, as detailed below:

Brand presence and media coverage

- RM2.3 million PR Value per annum cumulatively from print and online media.

Social media presence

- Facebook: (FY2023 baseline: 117,000 followers)
- Instagram: (FY2023 baseline: 1648 followers)

Industry Awards

- To received the Best Eco-Friendly High Rise Development , Rising Star Award & Visionary Developer Award

In the year under review, OCR continues to receive industry recognition for the quality of our property development projects and has secured the following accolades:

List of Awards		
FY2021	Best Lifestyle Developer by ASEAN Property Developer Award	OCR Group Berhad has been awarded the Best Lifestyle Developer by PropertyGuru Asia Property Awards 2021 marking another achievement of the group.
	Special Recognition for CSR by ASEAN Property Developer Award	OCR Group Berhad is honoured to have received the Special Recognition for CSR by PropertyGuru Asia Property Awards 2021 and looking forward to continuing serving the community for years to come.

SUSTAINABILITY STATEMENT (Cont'd)

1. ECONOMIC TOPICS (CONT'D)

1.5 Brand Recognition and Reputation (Cont'd)

In the year under review, OCR continues to receive industry recognition for the quality of our property development projects and has secured the following accolades: (cont'd)

List of Awards		
FY2022	Best Modern Lifestyle Development for The Mate by ASEAN Property Development Awards 2022	The Mate, one of the flagship projects by OCR wins the Best Modern Lifestyle Development, epitomizing our vision of redefining modern living.
	Best Investment Deal Development for YOLO Signature Suites by ASEAN Property Development Awards 2022	YOLO Signature Suites clinches the prestigious title of Best Investment Deal Development, underscoring our strategic prowess in property investment.
	Best Emerging Developer by ASEAN Property Development Awards 2022	OCR Group Berhad is honoured to be recognised as the Best Emerging Developer, highlighting our rapid growth, innovative strategies, and commitment to excellence in the property development sector. As an emerging leader, OCR remains dedicated to driving growth and delivering exceptional value to our stakeholders.
	Innovative Developer by ASEAN Property Development Awards 2022	OCR Group Berhad is proud to receive the Innovative Developer award, showcasing our dedication to innovation and creativity in property development.
FY2023	Visionary Developer Award by ASEAN Property Development Awards 2023	OCR Group Berhad has been awarded the prestigious Visionary Developer Award and the Group remains dedicated to creating iconic developments that inspire and enrich the lives of communities.
	Best Eco-Friendly High-Rise Development – Stellar Damansara by ASEAN Property Development Awards 2023	Stellar Damansara, developed by OCR Group Berhad, is named the Best Eco-Friendly High-Rise Development, highlighting our commitment to sustainable development practices.
	Rising Star Award by The Star FIABCI Malaysia Developer's Award 2023	OCR Group Berhad is honoured to be bestowed with the Rising Star Award, acknowledging our contributions to the industry. The Group remains determined to forge ahead and shape the landscape of property development in Malaysia and beyond.

1.6 Landbank

As a property developer, OCR requires extensive land parcels to bring its real estate masterplans to fruition, particularly within the framework of its township-focused business model. OCR has established a robust strategy for land acquisition to ensure a sustainable pipeline of land reserves for future development, all while maintaining its financial liquidity for funding development initiatives.

All land acquisitions from property owners are executed in strict compliance with local regulations. This entails conducting assessments of environmental and social impacts to evaluate the suitability of development plans concerning factors such as land topography, traffic, market conditions and other effects on the neighbouring communities. Additionally, all required approvals from local town councils are obtained before commencing development.

SUSTAINABILITY STATEMENT (Cont'd)

1. ECONOMIC TOPICS (CONT'D)

1.6 Landbank (Cont'd)

As of FY2023, OCR has a total of 30 acres of land bank to be developed:

Future Project Developable Area	Area (acres)
Vacant development land zoned for residential <i>Hulu Langat, Selangor</i>	3.7
Development land zoned for commercial use <i>Federal Territory of Kuala Lumpur</i>	0.3
Vacant development land currently used as a car parking area <i>Melaka Tengah, Melaka</i>	1.4
Agricultural land <i>Alor Gajah, Melaka</i>	24.6

2. ENVIRONMENTAL TOPICS

2.1 Climate Change

While recognising the widespread climate change impacts and the potential risks to the Group's business value chains, the Group has taken steps and shown progress to identify, address and mitigate the relevant impacts.

Emissions

Recognising the property development industry's impact on greenhouse gas ("GHG") emissions, OCR is dedicated to supporting climate change mitigation efforts. In FY2023, we have initiated the tracking and reporting of direct emissions from the consumption of fossil fuels (Scope 1) at OCR's ongoing project sites and indirect emissions from purchased electricity (Scope 2), covering usage across sales galleries, offices, sites and other properties.

As we progress, OCR reaffirms its commitment to monitoring and transparently sharing our endeavours to improve emission reduction strategies, in line with responsible business conduct and our pledge to environmental stewardship.

GHG Emission Data	FY2023
Scope 1 (tCO₂e) <i>Direct combustion of fossil fuels</i>	174.03
Scope 2 (tCO₂e) <i>Indirect emissions from purchased electricity</i>	366.07

Note: The conversion factor used to convert litres consumption to energy value is based on the Malaysia Energy Statistic Handbook 2020. Meanwhile, emission factors and Global Warming Potential (GWP) values are retrieved from the Intergovernmental Panel on Climate Change (IPCC) database. The emission factor used for grid electricity is based on the United Nations Framework Convention on Climate Change (UNFCCC) Harmonised Grid Factors 2021.

SUSTAINABILITY STATEMENT (Cont'd)

2. ENVIRONMENTAL TOPICS (CONT'D)

2.2 Energy Consumption

In addressing the imperative of sustainability, OCR acknowledges the importance of responsible energy consumption. With an eye on energy efficiency, OCR is actively exploring measures to reduce energy consumption across its operations. This includes potential transition to energy-efficient lighting, such as LED bulbs, across all projects developed by OCR and within our headquarters office and the consideration of practices like turning off air conditioning systems during non-operational hours.

Diesel Consumption

As the Group's construction projects expand, OCR's Construction division's project sites continue to be the leading consumers of diesel within the organisation. In FY2023, these construction sites collectively consumed a substantial 65,600 litre of diesel, with landscaping activities also beginning to contribute to the consumption during the same year.

	FY2023
Diesel consumption (litres)	65,600

Electricity Consumption

Electricity supply plays a crucial role in supporting the Group's operations by providing power to its office facilities and construction sites. OCR recognises the importance of efficiently managing its purchased electricity, which is primarily sourced from the national grid.

As our Group's projects continue to grow with each passing year, we foresee a rising trend in consumption due to increased business demand. Striving for greater efficiency in energy consumption, especially in the medium to long term, not only supports cost-effectiveness, particularly in the face of rising energy prices but also aligns with the Group's commitment to reduce its carbon footprint. Consequently, the Group has been diligently exploring measures to enhance energy efficiency, thereby contributing to a reduction in its carbon footprint.

	FY2023
Total energy consumption (GJ)	2,391.75

2.3 Materials Consumption

In addition to energy and water, OCR's property development endeavours heavily rely on materials such as steel, wood, sand and cement for construction projects. While the Group currently does not implement specific material consumption initiatives, the judicious use of these raw materials is recognised as a priority across all operational sites.

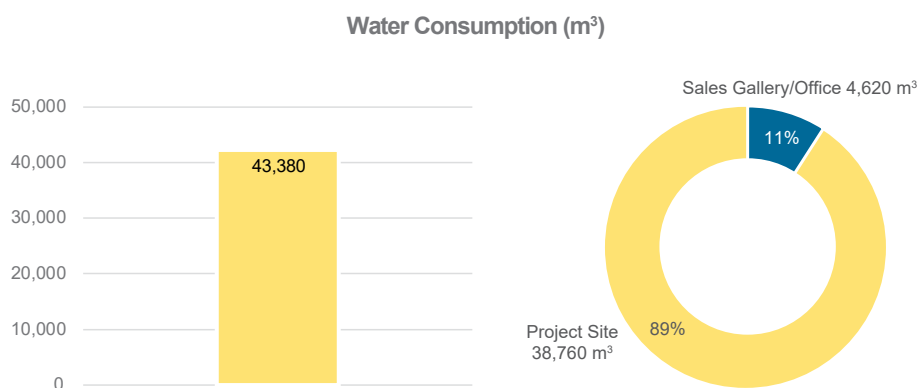
2.4 Water Consumption

Water is used across various aspects of the Group's operations, including construction and sanitation. The Group maintains a vigilant watch on its water usage, driven by the goals of enhanced ESG compliance and the preservation of this vital resource. In FY2023, OCR took significant strides towards enhancing its water management practices by tracking and reporting water consumption across active construction sites, sales galleries and offices.

SUSTAINABILITY STATEMENT (Cont'd)

2. ENVIRONMENTAL TOPICS (CONT'D)

2.4 Water Consumption (Cont'd)



To promote water conservation within the organisation, OCR has implemented several initiatives aimed at raising awareness and reducing water consumption. These initiatives include monthly maintenance and inspection of taps and pipes, ensuring optimal efficiency and preventing water wastage. Remarkably, OCR achieved 100% employee participation in water-saving awareness campaigns conducted at the headquarters office. Additionally, at project sites such as PRIYA, pumped underground water has been employed for construction activities, reducing reliance on piped water supply.

Looking ahead, OCR has set targets to further enhance our water management practices. These goals include reducing water intensity across operations, expanding rainwater harvesting initiatives, and exploring alternative water sources to improve efficiency and sustainability.

2.5 Waste Management

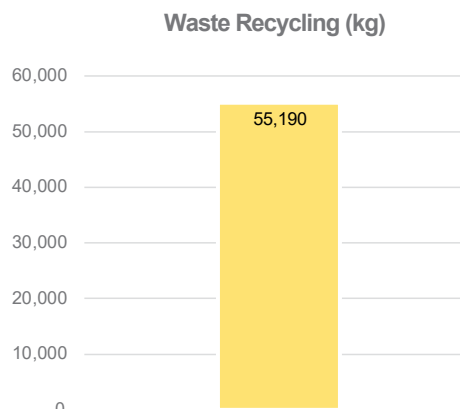
Efficient management of waste and effluents plays a vital role in preventing environmental pollution and its associated consequences. At OCR, a central aspect of our waste management strategy is focused on recycling construction waste to reduce its impact on landfills. While the initiation of tracking and reporting of waste recycling data in FY2023 has marked a significant step towards environmental stewardship, OCR acknowledges the importance of further measures and strategies to address and disclose waste generation and diversion from the disposal.

To ensure effective waste management and monitoring, OCR aligns with ISO 14001 Environmental Management System standards, Environmental Quality Act 1974 and Environmental Quality (Scheduled Wastes) Regulations 2005.

2.6 Green Buildings Initiatives

Recognising the growing interest in and preference for sustainability practices, OCR is taking steps to meet the increasing demand for eco-friendly development projects. The focus is on purpose-built features in buildings that incorporate environmentally friendly elements, aiming to conserve resources, reduce waste and encourage recycling. Additionally, there is a concerted effort to provide ample green spaces, promoting a healthier and more sustainable lifestyle.

As we strive to establish ourselves as one of the leading integrated property developers in Malaysia, our commitment to sustainability is reflected in the continuous integration of eco-conscious elements. This involves practices such as rainwater harvesting and the installation of LED lighting and energy-efficient fittings as integral components of our property designs.



SUSTAINABILITY STATEMENT (Cont'd)

2. ENVIRONMENTAL TOPICS (CONT'D)

2.7 Biodiversity Conservation

As the nature of our operations involves land clearance, OCR acknowledges the potential impact on natural habitats and the risks posed to plant and animal species, as well as the ecosystem's balance. While detailed ecological assessments are not currently conducted, the Group remains committed to incorporating such assessments into our future plans. We continue to invest in conservation and restoration efforts within our land banks to uphold environmental harmony.

3. SOCIAL TOPICS

Within the operations of OCR, the Group acknowledged the significant contribution of its people. Various programmes on career and skill development have been created for the employees to achieve career progression and skillsets as well as enhance their socio-economic status.

Through various measures which have been built within the property projects, OCR strives to support social causes through the development of affordable housing that ultimately contributes to the development and empowerment of the local communities.

3.1 Labour and Human Rights

OCR upholds and advocates for human rights. OCR values transparency and open communication. To address any concerns regarding bullying or harassment, we have implemented a comprehensive grievance mechanism and confidential reporting channels. These avenues provide our staff with a secure platform to report any instances of misconduct, ensuring that their concerns are addressed promptly and with utmost discretion.

	FY2021	FY2022	FY2023
Number of substantiated complaints concerning human rights violations	-	-	-

OCR is also dedicated to upholding the rights of our employees to engage in open engagement. We firmly believe that empowering our employees to express their concerns contributes to cultivating a workplace that is more inclusive, collaborative, and conducive to mutual growth and success.

3.2 Diversity and Equal Opportunity

Creating employment opportunities for Malaysians, particularly within the communities where the Group operates is an important focus practiced within the Group. We advocate diversity, equality, and inclusivity as fundamental pillars in driving our workforce. We recognize that diversity not only enriches our organisation but also ensures that we possess a diverse array of skillsets and perspectives, vital for effectively serving the needs of our stakeholders, both internal and external.

OCR upholds the principle that all our employees are entitled to the same benefits, with coverage limits varying based on their respective job grades. These comprehensive benefits encompass medical, dental, optical, life and personal accident insurance, along with a travelling allowance.

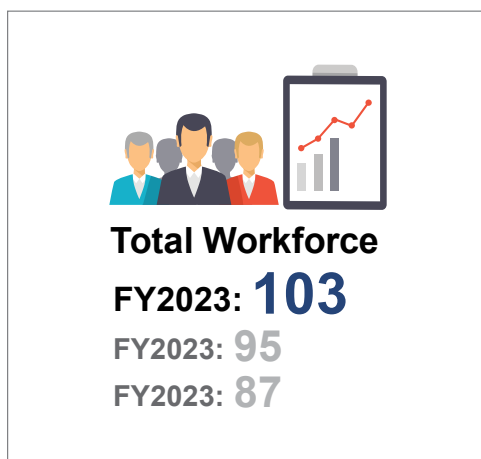
Our commitment to diversity extends beyond our workforce and is exemplified in our property developments. The Mate project stands as a clear example, promoting co-living and co-working spaces that foster a diverse and inclusive community. In our tenant selection process, OCR adheres to a strict policy of non-discrimination based on race, gender, religion, or sexuality, ensuring an inclusive and welcoming environment for all residents.

SUSTAINABILITY STATEMENT (Cont'd)

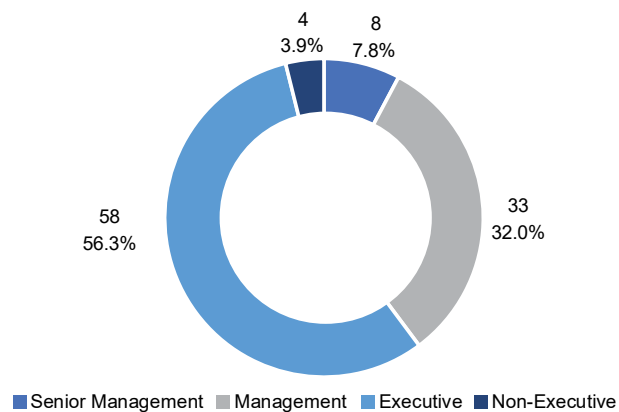
3. SOCIAL TOPICS (CONT'D)

3.2 Diversity and Equal Opportunity (Cont'd)

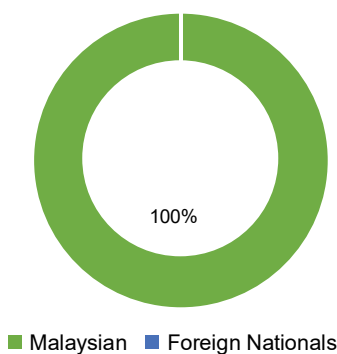
Any form of discrimination is viewed as a serious transgression by the Group, and treated as misconduct. This initiates a disciplinary process, including a domestic inquiry and subsequent disciplinary actions, up to and including termination when deemed necessary. A diverse workforce enriches the Group by bringing forth innovative ideas from various perspectives, enhancing experience and learning. OCR continues to commit to providing equal opportunities, regardless of differences in gender and background, at all employment levels.



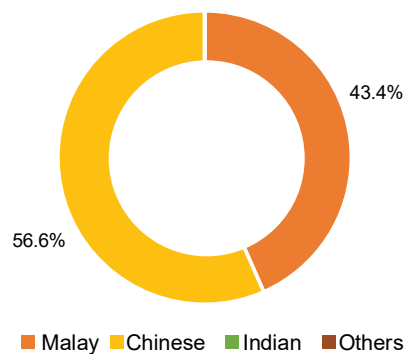
Workforce by Employee Category



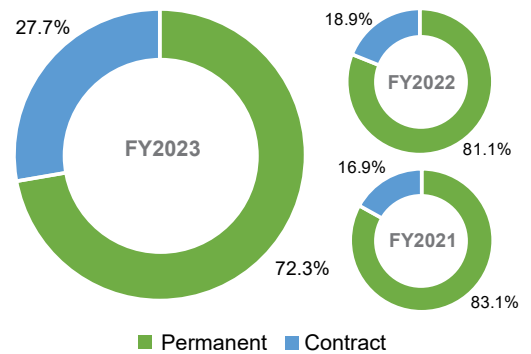
Workforce Nationality



Workforce Ethnicity



Proportion of Contract Employees

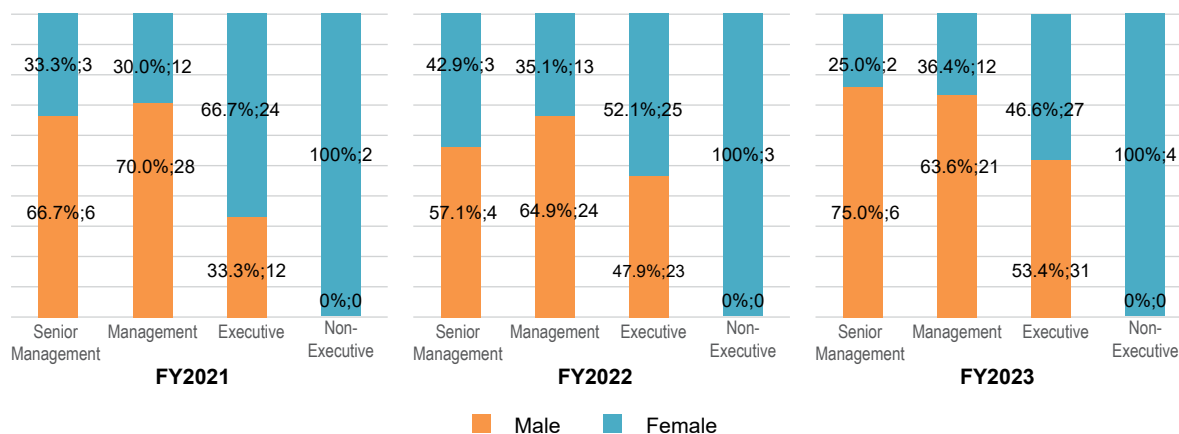


SUSTAINABILITY STATEMENT (Cont'd)

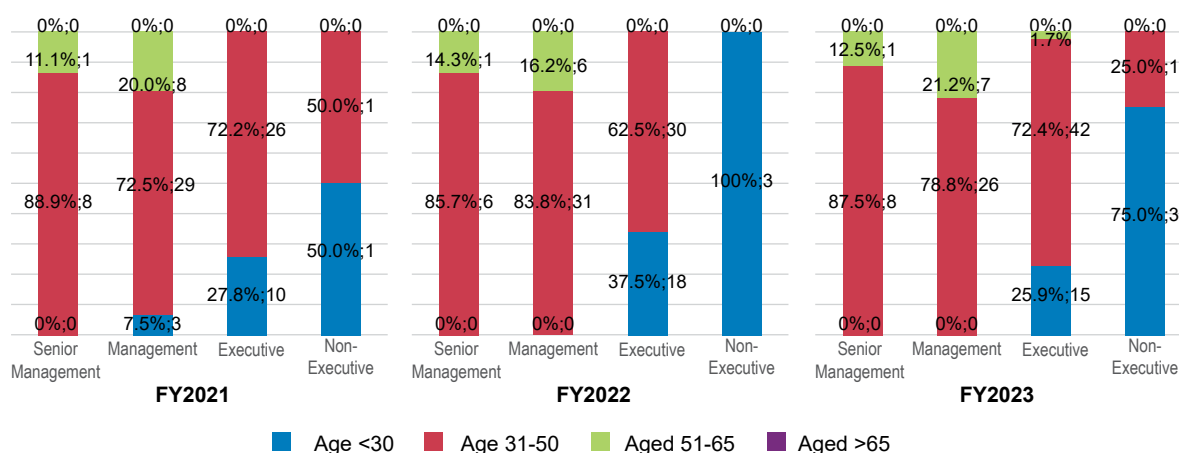
3. SOCIAL TOPICS (CONT'D)

3.2 Diversity and Equal Opportunity (Cont'd)

Gender Breakdown by Employee Category



Age Breakdown by Employee Category



3.3 Talent Management

Recognising that the Group's achievements are strongly reliant on the competence and knowledge of its employees, OCR remains committed to offering inclusive and fair access to personal and professional development, thus promoting lifelong learning opportunities for everyone.

Hiring and Attrition

For OCR, recruitment is driven by the Group's needs and decisions. The right mix of desirable skills and a good attitude is the key element in ensuring the candidate's capability to contribute positively towards the growth and culture of the company. The Group also prioritises local talents for all levels of Management and Non-Management positions. By strategically investing in these practices, OCR cultivates a positive culture that not only attracts but also retains top talent. Through strategic hiring and developing internal talent would ensure a seamless transition when key roles need to be filled. This proactive approach minimises disruptions and maintains organisational stability.

Retention of talents is always the Group's priority. We have created a retention policy based on a combination of monetary rewards, promotion possibilities, extensive and relevant training, and continually engaging the employee. The Group acknowledges that talent development through the provision of training and learning opportunities upskills the talent pool, thereby enabling employees to perform at greater productivity or to function at higher levels of performance. It also contributes to improved morale and can reduce attrition.

SUSTAINABILITY STATEMENT (Cont'd)

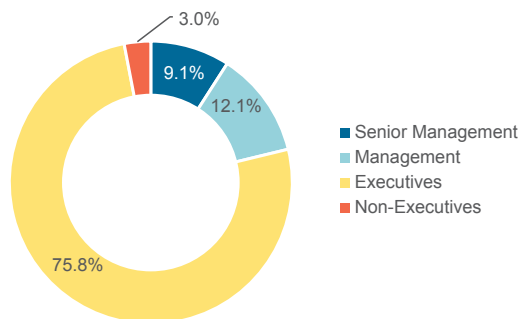
3. SOCIAL TOPICS (CONT'D)

3.3 Talent Management (Cont'd)

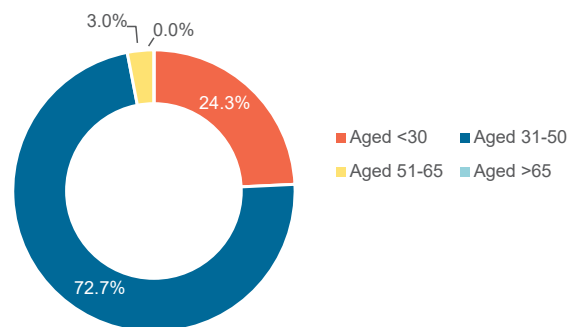
Hiring And Attrition (cont'd)

Also integral to OCR's talent management strategy is a comprehensive performance appraisal system. This approach ensures employees receive constructive feedback, celebrate accomplishments and pinpoint avenues for development. In FY2023, 100% of employees underwent regular performance appraisals.

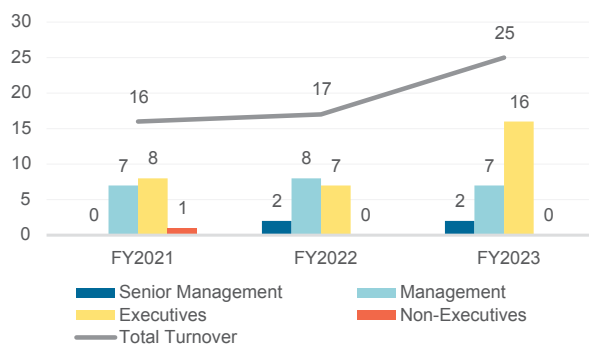
NEW HIRES BY EMPLOYEE CATEGORY
FY2023



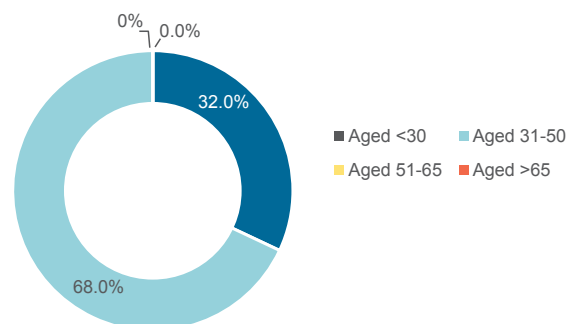
NEW HIRES BY AGE GROUP



TURNOVER BY EMPLOYEE CATEGORY
FY2023



TURNOVER BY AGE GROUP



Employee Engagement and Satisfaction

OCR acknowledges the significance of striking a balance between the company's needs and the satisfaction of our employees to boost workplace productivity. While no employee satisfaction survey has been conducted to date, the Group intends to implement such surveys in the future to assess various social indicators, including work-life balance, workplace relationships, working conditions and management support and leadership.

SUSTAINABILITY STATEMENT (Cont'd)

3. SOCIAL TOPICS (CONT'D)

3.3 Talent Management (Cont'd)

Employee Benefits and Well-Being

To OCR, we truly advocate the significance of maintaining a vibrant workplace through providing competitive compensation, aligned to market and industry. We highly value the dedication and commitment of our employees and, as such, prioritise providing a comprehensive array of benefits.

In addition to standard employee benefits, the Group provides competitive compensation packages to its workforce as a component of our approach to rewarding and acknowledging their contributions.

Employee Benefits Data (RM'000)	FY2021	FY2022	FY2023
Total payments made to employees in terms of salaries, bonuses and benefits	3,148	5,674	8,084
Total statutory payments made for employees' retirement benefits (EPF)	331	613	960
Total payments in medical insurance (SOC SO) for employees	109	129	178

Parental Benefits

OCR offers parental leave to both male and female employees. Male employees are granted a 7-day paid leave, while female employees are provided with 98 days of paid leave.

Parental Benefits Data	FY2023
Employees Entitled to Paternity Leave	40 (69.0%)
Employees Entitled to Maternity Leave	36 (80.0%)
Employees Who Took Paternity Leave	2 (5.0%)
Employees Who Took Maternity Leave	1 (2.8%)
Return to Work Rate*	
Male	100%
Female	100%
Retention Rate**	
Male	50.0%
Female	100%

*Return-to-work rate: Percentage of employees returning to work after parental leave out of the total employees scheduled to return after parental leave.

**Retention rate: Percentage of employees retained 12 months after returning to work post-parental leave out of the total employees returning from parental leave in the previous reporting period.

SUSTAINABILITY STATEMENT (Cont'd)

3. SOCIAL TOPICS (CONT'D)

3.3 Talent Management (Cont'd)

Training and Skills Development

OCR prioritise continuous learning and development of our workforce. In alignment with UNSDG Goal 8, we provide learning opportunities to enhance employee skills and keep them abreast of industry advancements.

The Human Capital Department plays a pivotal role by annually tailoring a Training and Development Plan based on employees' needs recorded through the Staff Appraisal Form, ensuring a human-centric approach to skills enhancement. Our training methods comprise internal knowledge sharing and external training sessions ensuring staff stay up-to-date with the relevant skills and industry knowledge. Through well-structured training programmes and knowledge-sharing initiatives, we cultivate a skilled and adaptable workforce that grants us a competitive edge within the industries we operate in.

OCR's commitment to training talents in both technical knowledge and soft skills is evident through 37 training sessions conducted in FY2023.

Training Programmes	Internal Knowledge Sharing	External Consultant
Anti-Bribery & Anti-Corruption ("ABAC") Training	√	
100 Problems of Construction Contracts		√
20 Practical Casa Studies for Property Management JMB/MC (2023/2024 Edition)		√
Advanced Content Marketing - AI Tools & Digital Campaign Planning		√
AI-Powered Content Mastery		√
Applying MFRS15 & MPERS S34 Construction Contracts & Property Development Activities		√
Basic Lifting Supervisor Course		√
Building Conditional Inspection, Report and Appraisal		√
CEO Series 2023		√
Construction Claims & CIPAA Conference Malaysia 2023		√
Digital Marketing Strategies Conference 2023		√
Effective Business Communication and Interpersonal Skills		√
Environmental Social Governance ("ESG") International Green Build Conference 2023 Realising Low Carbon Real Estate		√
Executive/Personal Assistant		√
How To Establish a Salary Structure & Benefits Plan		√
Industrial Development Masterclass for Property Developers		√
Introduction to Integrated Reporting		√
Kemahiran Perkeranian dan Pentadbiran Pejabat		√
Land Development Procedures		√
Legal Updates on Housing Development Industry		√
Mandatory Accreditation Programme (MAP)		√

SUSTAINABILITY STATEMENT (Cont'd)

3. SOCIAL TOPICS (CONT'D)

3.3 Talent Management (Cont'd)

Training and Skills Development (Cont'd)

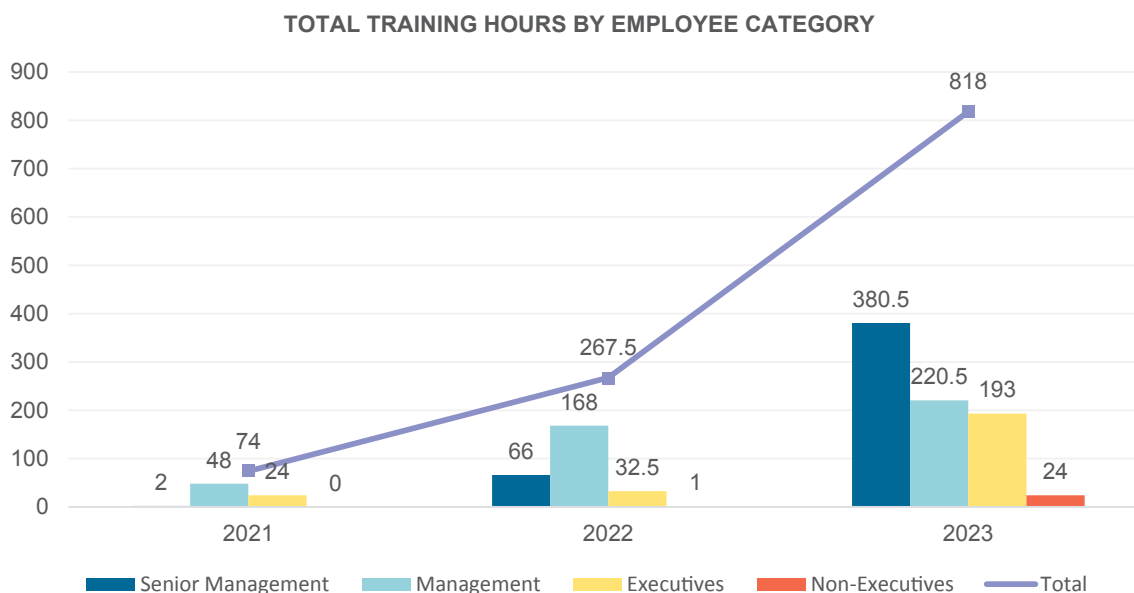
Training Programmes	Internal Knowledge Sharing	External Consultant
MIA Blended Learning Series: Group Accounting (MFRS 3,10,11): Basic to Intermediate by Using MS Excel Worksheets.		√
MIA Webinar Series: Tax Issues and Law Relating to Property Developers, JMB/MC and Investors		√
Motion Graphics & Visual Effects Using Adobe After Effects		√
PAM 2006/2018 Extension of Time ("EOT") Applications & Assessment- The architect's dilemma		√
Process Improvement for Building Facilities Management - Operation and Maintenance		√
QLASSIC Awareness Course		√
Quality Customer Service- Miles to Smiles		√
Rehda Housing Conference		√
Restructuring Corporate Cash Flow & Treasury Management in Challenging Times		√
Strategic Financial Management		√
Tapping Tax Trends: Seminar on E-Invoicing, Recent Tax Cases and Audit Trends		√
Tax & Budget Webinar		√
Taxation: Moving Forward E-Invoice Switching Preparedness		√
Teknik Pengurusan Rekod Dan Fail Pejabat Yang Efectif		√
Understand Construction Contracts-Failure & Remedies		√
Updates of MMLR - Enhanced Sustainability Disclosure		√

SUSTAINABILITY STATEMENT (Cont'd)

3. SOCIAL TOPICS (CONT'D)

3.3 Talent Management (Cont'd)

Training and Skills Development (Cont'd)



Training Data		FY2023
Total Training Spend (RM) As A Company		45,204.50
Average Training Spend (RM) per Employee		664.77

3.4 Occupational Safety and Health

In pursuing UNSDG Goal 3 for “Good Health and Well-Being”, OCR is committed to maintaining the highest safety and health standards to ensure the well-being of our employees and third-party contractors. The Group strictly adheres to all relevant laws and regulations set forth by local and international governmental authorities.

List of OSH Regulations/Standards/Laws

Occupational Safety and Health Act, 1994 (“OSHA 1994”)
Occupational Health and Safety Assessment Series (“OHSAS 18001”)

SUSTAINABILITY STATEMENT (Cont'd)

3. SOCIAL TOPICS (CONT'D)

3.4 Occupational Safety and Health (Cont'd)

To fortify the implementation of safety protocols, OCR proactively conducts weekly safety site inspections at all active construction sites. In FY2023, four of OCR's project sites obtained OHSAS 18001 certification. We are also pleased to report that there have been zero reported incidents due to safety non-compliance. The detailed breakdown of our worksite OSH data for FY2023 is provided below:

OSH Site Data	FY2021	FY2022	FY2023
Total manhours worked (Average overall total number of days worked by workers)	N/A	N/A	1,681,920
No. of work-related fatalities	-	-	-
Number of recordable work-related injuries	-	-	-
Lost Time Incident Rate ("LTIR")	-	-	-
Unsafe Act Unsafe Condition ("UAUC")	-	-	-

Guided by OCR Berhad's Safety and Health Policy, the Group views safety as a top priority by effectively handling and monitoring safety matters. OCR practices regular safety committee meetings to discuss OSH matters among main contractors and its workers. In case of any incidents or accidents reported on the construction sites, the Group refers to the safety protocol in place to ensure adequate hazard control.

To effectively manage occupational health and safety issues and ensure environmental compliance at worksites, we establish a safety and health committee at every project site. This committee, comprises project management personnel, site managers, and a team of consultants and contractors. Site managers work in collaboration with qualified safety and health officers to conduct daily inspections, ensuring the proper implementation of identified safety measures.

Construction site workers are required to attend safety training on a timely basis. Regular fogging, pest control and sanitization activities are also conducted to prevent virus outbreaks. The appointed health and safety officer prepares monthly reports detailing the status of health and safety issues, including manhours lost due to injuries. The officer is also responsible for coordinating safety programs to promote a safe and healthy working culture.

Safety And Health Training and Programmes

In addition to adhering to safety regulations, OCR enhances the Health, Safety, and Environmental ("HSE") proficiency of our employees and construction personnel by providing supplementary training. This training is conducted by HSE subject matter experts from both within the organisation and external training providers.

In FY2023, several training programmes have been conducted to create a safe and healthy workplace for all employees and workers involved. A total of 2 personnel from OCR have been trained on health and safety-related standards.

List of Safety Training

Basic Lifting Supervisor Course

SUSTAINABILITY STATEMENT (Cont'd)

4. GOVERNANCE TOPICS

4.1 Anti-Corruption and Corporate Governance

In compliance with the Malaysian Anti-Corruption Commission Act 2009 ("MACC Act"), OCR has established a dedicated Anti-Bribery and Corruption Policy & Procedures ("ABAC"), which was adopted by the Board on 30 September 2019. The Group maintains a zero-tolerance stance towards any form of bribery, corruption, and/or misconduct in all its business matters.

All Directors, employees and associates of OCR Group, including suppliers, contractors and subcontractors, have been given the proper briefing on the ABAC policy requirements. A no-gift and entertainment policy are enforced in all the Group's interactions with its stakeholders. All new business partners as part of our supplier assessment practices are subject to due diligence on anti-corruption as well.

The Risk Management Committee has oversight responsibilities for matters of ethics, integrity and anti-corruption. Anti-corruption training is provided for all Board of Directors and Key Senior Management, with the most recent training conducted virtually in 18 April and 14 December 2023.

The Whistleblowing Policy has been put in place to provide an avenue for stakeholders to report suspicious activity or wrongdoing in the Group. The Whistle-Blower Committee appoints an appropriate Investigator to perform an investigation to see if the Protected Disclosure is deemed fit for so. A Whistle-Blower Committee, chaired by the Chairman of the Audit Committee, is appointed by the Audit Committee to review all disclosures made and decide the next appropriate course of action.

As a commitment to our zero-tolerance policy towards corruption, all OCR staff are required to undergo mandatory ABAC training sessions. This has fostered an anti-corruption culture among staff resulting in a zero-incident track record.

There had been zero incidences of corruption in the Group during FY2023, either detected through our bribery and corruption risk assessment or reported through the Group's Whistleblowing channels. There were no incidents of third-party contract termination or non-renewal due to corruption-related violations, nor were any employees dismissed or disciplined for corruption-related offences. The Group has not received any fines, censures or penalties, or entered into legal settlements, in relation to corruption in FY2023.

Anti-Corruption Data	FY2021	FY2022	FY2023
Number of Confirmed Corruption Incidents	-	-	-
Percentage of operations assessed for corruption-related risks	0%	0%	0%

Percentage of employees who attended anti-corruption training	FY2023
Senior Management	87.5%
Management	72.7%
Executives	53.4%
Non-Executives	75.0%

SUSTAINABILITY STATEMENT (Cont'd)

4. GOVERNANCE TOPICS (CONT'D)

4.2 Regulatory Compliance

The Group acknowledges that its operations are subject to a variety of relevant laws, regulations, listing obligations and other guidelines established by local authorities and governmental bodies. Failure to comply with these regulatory requirements could expose the Group to potential penalties, sanctions, or the revocation of licenses and approvals needed to conduct OCR's business activities. Moreover, such non-compliance can harm the Group's reputation of its employees, customers, suppliers and other stakeholders.

OCR is dedicated to the responsible management of our regulatory compliance risk. This commitment encompasses providing comprehensive and accurate financial and corporate governance disclosures in accordance with the applicable laws, regulations, and/or listing requirements that pertain to OCR's operations.

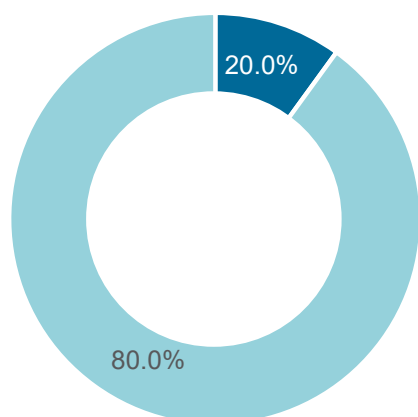
In FY2023, the Group did not incur fines or receive censures from regulatory authorities for any non-compliance or misconduct related to environmental, socioeconomic, corporate governance, or anti-corruption matters. There were no instances of disputes brought through resolution mechanisms during FY2023 for the Company.

4.3 Board Composition and Diversity

In an effort to bolster the Group's leadership and support decision-making, the Board is represented by qualified individuals with various expertise and professional experiences. This is partly reflected in its commitment to pledge gender diversity on the Board. As of FY2023, the Company's Board women members account for 20%. The Board affirms that the appointment of more woman representatives to the Board and senior management will be prioritised when vacancies arise and when suitable candidates are identified.

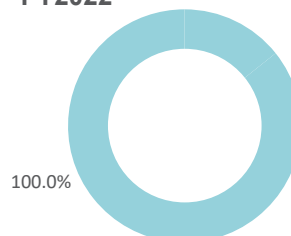
	FY2021	FY2022	FY2023
Number of Board of Directors (Excluding Alternate Director)	5	4	5
• Number of Independent Directors on the Board	4	3	3

**BOARD OF DIRECTORS BY GENDER
FY2023**

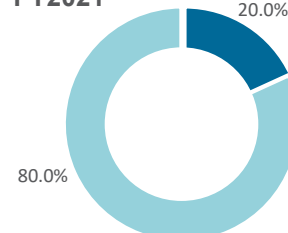


■ Female ■ Male

FY2022



FY2021

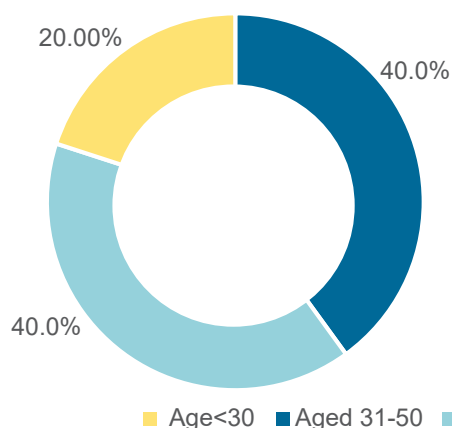


SUSTAINABILITY STATEMENT (Cont'd)

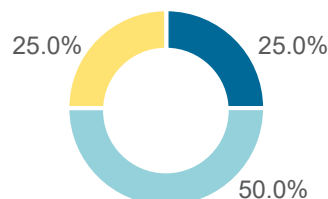
4. GOVERNANCE TOPICS (CONT'D)

4.3 Board Composition and Diversity (Cont'd)

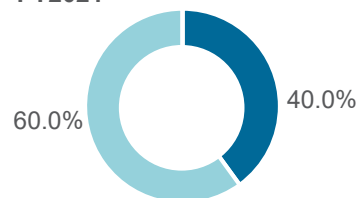
BOARD OF DIRECTORS BY AGE GROUP
FY2023



FY2022



FY2021



■ Age<30 ■ Aged 31-50 ■ Aged 51-65 ■ Aged>65

4.4 Supply Chain Assessment

OCR is committed to supporting local economic development through procurement practices that prioritise fairness, transparency and project awards to local vendors with a demonstrated track record of ecologically and socially responsible practices.

The Group has established a comprehensive supplier pre-qualification and registration process as part of its supplier management standards of operating procedure ("SOP") which reviews and assesses suppliers on criteria such as price, payment terms, product and service quality, financial stability and corruption risk to ensure that they are fully capable of meeting our needs and expectations to support the delivery of our projects.

Supplier are required to comply with the Group's policies and ensure all forms of the pre-qualification and registration process are filled out as per SOP. Through this process, we can strengthen trust with our vendors find products and services that meet our needs at the best value support local industries and faster prosperity among our community members.

The Group's top three suppliers in terms of monetary value and scope of work are as follows:

Suppliers	Materials Supplied
Mega Uptown Sdn Bhd	Scaffolding and hollow
PP Chin Hin Sdn Bhd	Hardware and cement
Chin Hin Concrete (KL) Sdn Bhd	Ready mix concrete

PROPORTION OF LOCAL SUPPLIERS

■ Local Supplier ■ Foreign Supplier



SUSTAINABILITY STATEMENT (Cont'd)

4. GOVERNANCE TOPICS (CONT'D)

4.4 Supply Chain Assessment (Cont'd)

Procurement Data	FY2023
Total Number of Suppliers	450
Total Number of Local Suppliers	450
Total Number of Foreign Suppliers	-
Percentage of new suppliers that were screened using environmental criteria (%)	0 %
Number of suppliers assessed for environmental impacts	-
Percentage of new suppliers that were screened by social criteria (%)	0 %
Number of suppliers assessed for social impacts	-
Number of suppliers endorsed anti-bribery/ anti-corruption policies (third-party declaration)	-

OCR is also planning on incorporating due diligence processes to ensure suppliers comply with human rights practices and labour law to mitigate risks from its supply chain.

Moving forward, the Group aims to expand the implementation of the Legal Workers & Social and Environmental Compliance Declaration by Suppliers. This will now include all major building works contractors and all associated works/packages related to the contract (works exceeding 1 million), requiring all awarded contractors and suppliers to fully adhere to the specified requirements.

4.5 Data Privacy and Security

OCR holds a high regard for the Personal Data Protection Act 2010 ("PDPA"), honouring customers' right to data privacy and adhering fully to the collection, use and disclosure of their data. We often come into contact with large amounts of customer data, in the course of our business activities, some of which may be sensitive in nature.

Using robust cybersecurity procedures, we commit to data privacy which ensures the safe handling of customers' personal data. Our Code of Conduct contains a non-disclosure clause that extends this commitment to employees, directors as well as suppliers and business partners who may come into contact with customer information during business dealings.

As of the current date, we are pleased to report that there have been no breaches of customer data privacy in the year under review.

	FY2021	FY2022	FY2023
Number of complaints concerning breaches of customer privacy and losses of customer data	-	-	-

SUSTAINABILITY STATEMENT (Cont'd)

4. GOVERNANCE TOPICS (CONT'D)

4.6 Community Engagement

Giving back to the community remains a priority for OCR as part of our nation-building priorities. OCR is committed to enhancing the lives of communities in regions where we operate. We frequently collaborate with communities to resolve issues and take note of feedback to improve our future projects. Advocating this stance, OCR has recently embarked on a tree-planting initiative at Priya Kuantan. With an investment of RM110,000, this project will benefit the 1,124-unit residence spanning 100 acres of land, potentially accommodating a resident population of about 5,000 people.

Procurement Data	FY2022	FY2023
Total amount invested in the community (RM)	7,500	110,000
Total number of beneficiaries	10	5,000

Tree Planting at PRIYA Kuantan



Through initiatives like this, OCR strives to foster a stronger sense of community and environmental stewardship in the areas we serve.

SUSTAINABILITY STATEMENT (Cont'd)

Performance Data Table

Indicators	Unit	FY2021	FY2022	FY2023
Bursa C1(a): Percentage of employees who have received training on anti-corruption by employee category				
Senior Management	%	N/A	N/A	87.5
Management	%	N/A	N/A	72.7
Executive	%	N/A	N/A	53.4
Non-Executive	%	N/A	N/A	75.0
Bursa C1(b): Percentage of operations assessed for corruption-related risks		-	-	-
Bursa C1(c): Confirmed incidents of corruption	Number	-	-	-
Bursa C2(a): Total amount invested in the community where the target beneficiaries are external to the listed issuer				
	RM	N/A	7,500	110,000
Bursa C2(b): Total number of beneficiaries of the investment in communities	Number	N/A	10	5,000
Bursa C3(a): Percentage of employees by gender and age group, for each employee category:				
Senior Management				
- Male	%	66.7	57.1	75.0
- Female	%	33.3	42.9	25.0
- Aged <30	%	-	-	-
- Aged 31-50	%	88.9	85.7	87.5
- Aged >51	%	11.1	14.3	12.5
Management				
- Male	%	70.0	64.9	63.6
- Female	%	30.0	35.1	36.4
- Aged <30	%	7.5	-	-
- Aged 31-50	%	72.5	83.8	78.8
- Aged >51	%	20.0	16.2	21.2
Executive				
- Male	%	33.3	47.9	53.4
- Female	%	66.7	52.1	46.6
- Aged <30	%	27.8	37.5	25.9
- Aged 31-50	%	72.2	62.5	72.4
- Aged >51	%	-	-	1.7

SUSTAINABILITY STATEMENT (Cont'd)

Performance Data Table (Cont'd)

Indicators	Unit	FY2021	FY2022	FY2023
Bursa C3(a): Percentage of employees by gender and age group, for each employee category:				
Non-Executive				
- Male	%	-	-	-
- Female	%	100	100	100
- Aged <30	%	50.0	100	75.0
- Aged 31-50	%	50.0	-	25.0
- Aged >51	%	-	-	-
Bursa C3(b): Percentage of directors by gender and age group:				
- Male	%	80.0	100.0	80.0
- Female	%	20.0	0.0	20.0
- Aged <30	%	0.0	0.0	0.0
- Aged 31-50	%	40.0	25.0	40.0
- Aged 51-65	%	60.0	50.0	40.0
- Aged >66	%	0.0	25.0	20.0
Bursa C4(a): Total energy consumption	GJ	N/A	N/A	2,391.75
Bursa C5(a): Number of work-related fatalities	Number	-	-	-
Bursa C5(b): Lost time incident rate	Rate	-	-	-
Bursa C5(c): Number of employees trained on health and safety standards	Number	N/A	N/A	2
Bursa C6(a): Total hours of training by employee category:	Hour	74	267.5	818
- Senior Management	Hour	2	66	380.5
- Management	Hour	48	168	220.5
- Executive	Hour	24	32.5	193
- Non-Executive	Hour	-	1	24
Bursa C6(b): Percentage of employees that are contractors or temporary staff	%	27.7	18.9	16.9

SUSTAINABILITY STATEMENT (Cont'd)

Performance Data Table (Cont'd)

Indicators	Unit	FY2021	FY2022	FY2023
<u>Bursa C6(c):</u> Total number of employee turnover by employee category	Number	16	17	25
- Senior Management	Number	-	2	2
- Management	Number	7	8	7
- Executive	Number	8	7	16
- Non-Executive	Number	1	-	-
<u>Bursa C6(d):</u> Number of substantiated complaints concerning human rights violations	Number	-	-	-
<u>Bursa C7(a):</u> Proportion of spending on local suppliers	%	100	100	100
<u>Bursa C8(a):</u> Number of substantiated complaints concerning breaches of cus	Number	-	-	-
<u>Bursa C9(a):</u> Total volume of water used	Litre	N/A	N/A	43,380,000
<u>Bursa C10(a):</u> Total waste generated, and a breakdown of the following:	Tonnes	N/A	N/A	N/A
(i) total waste diverted from disposal	%	N/A	N/A	N/A
(ii) total waste directed to disposal	%	N/A	N/A	N/A
<u>Bursa C11(a):</u> Scope 1 emissions	tCO ₂ e	N/A	N/A	174.03
<u>Bursa C11(b):</u> Scope 2 emissions	tCO ₂ e	N/A	N/A	366.07
<u>Bursa C11(c):</u> Scope 3 emissions:	tCO ₂ e	N/A	N/A	N/A
- Employee Commuting	tCO ₂ e	N/A	N/A	N/A
- Business Travel	tCO ₂ e	N/A	N/A	N/A

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“**Board**”) of OCR Group Berhad (“**OCR**” or “**the Company**”) remains dedicated to upholding the Company’s and subsidiaries’ (“**the Group**”) corporate governance (“**CG**”) standards. The Board is committed to following the principles and best practices of corporate governance by adhering to the core values outlined in the Malaysian Code on Corporate Governance 2021 (“**MCCG**”) and the Corporate Governance Guide issued by Bursa Malaysia Securities Berhad (“**Bursa Malaysia**”). This commitment from the Board sets the foundation for the management team and all employees to ensure the effective management of the Company’s businesses and affairs in the best interests of all stakeholders.

The Board is delighted to provide an overview of the application of the principles outlined in the MCCG and the degree to which the Group has adhered to the following three (3) key principles of the MCCG for the financial year ended 31 December 2023 (“**FY2023**”):

Principle A: Board leadership and effectiveness;

Principle B: Effective audit and risk management; and

Principle C: Integrity in corporate reporting and meaningful relationship with stakeholders.

This statement is prepared in accordance with Main Market Listing Requirements (“**MLLR**”) of Bursa Malaysia and it is to be read together with the Corporate Governance Report (“**CG Report**”) as published in the Company’s website at www.ocrbhd.com. The CG Report provides the details on how the Company implemented each Practice outlined in the MCCG during the FY2023.

1. BOARD LEADERSHIP AND EFFECTIVENESS

1.1 Board Leadership

a. Functions of the Board and Management

The Board holds responsibility for overseeing the Group’s performance and affairs and plays a crucial role in providing leadership and guidance for defining the strategic direction of the Group.

The Board has delegated the day-to-day management of the Group to the Group Managing Director (“**Group MD**”). The Group MD manages the Group in accordance with the strategies and policies approved by the Board. In addition, he also oversees the management of subsidiary companies, making decisions on business operations, resources allocation, and associated risks involved while pursuing the corporate objectives of the Group.

The Group MD is supported by the Executive Director (“**ED**”) and the Key Senior Management team for the day-to-day management of the business and operations of the Group. They ensure the effective systems, controls and resources are in place to execute business strategies and plans. The ED and Key Senior Management team highlight to the Group MD the significant operational issues and concerns arisen from the normal business operation and the progress of the key initiatives undertaken by them. Regular meetings between the Group MD, ED, and Key Senior Management team serve as forums to review and monitor the Group’s operational performance. During the Board meetings, the Group MD reports and updates the Board on the Group’s business operations. The ED and Key Senior Management team analysed the financial results and discuss operational issues, and address factors affecting the operations. The Board provides instructions to the ED and Key Senior Management team to rectify challenges and implements preventive actions to avoid similar issues in the future.

Non-Executive Directors are not involved in the day-to-day management of the Group but contribute their own specialized expertise and experience in the development of the Group’s overall business strategy. Their involvement as members of various Board Committees of the Company further strengthens the CG and controls measures within the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

1. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1.1 Board Leadership (Cont'd)

b. Board Roles and Responsibilities

The responsibilities of the Board are stated in the Board Charter, which is available on the Company's website at www.ocrbhd.com.

Broadly, the Board of the Company undertakes the following principal roles and responsibilities in discharging its fiduciary duties:

- Maintain good CG standards;
- Formulating a strategic plan for the Company and tailoring the same from time to time by taking practical and realistic approaches;
- Overseeing the conduct of the Company's business to evaluate whether the business is being properly managed and sustained;
- Identifying principal risks and ensuring the implementation of appropriate systems to manage these risks; and
- Reviewing the adequacy and integrity of the Company's internal control systems for compliance with applicable laws, regulations, rules and guidelines.

The Board establishes several Board Committees to assist in carrying out its duties and responsibilities. These Board Committees include the Audit and Risk Management Committee, Nominating Committee, Option Committee and Remuneration Committee. Each Board Committees operates in accordance with its designated Terms of Reference and report to the Board on matters considered and their recommendations thereon.

The Board retains the authority to establish such other committees as needed to enhance operational efficiency. Notwithstanding these committees, the ultimate responsibility for decision-making remains with the Board.

c. Ethical Leadership by the Board

Standard Ethical Codes of Conduct for Directors

The Board will continue to adhere to the "Code of Ethics for Company Directors" established by the Companies Commission of Malaysia which is based on the following principles:

- Compliance with legal and regulatory requirements and Group policies;
- Observance of the Board Charter;
- Duty to act in the best interest of the Group;
- Honest and integrity;
- Ensuring no conflict of interest;
- Adherence to no-profit rule; and
- Maintenance of relationships with stakeholders.

Key elements of its Code of Conduct are set out in the Group's Board Charter, a copy of which is available on the Company's website at www.ocrbhd.com.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

1. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1.1 Board Leadership (Cont'd)

c. Ethical Leadership by the Board (Cont'd)

Whistle-blower Policy

The Board has adopted a Whistle-blower Policy which sets out the principle and grievance procedures for all stakeholders (including but not limited to, employees, customers, suppliers, government bodies and financial institutions) to raise genuine concerns of possible improprieties perpetrated with the Group. The same information is on the Company's website at www.ocrbhd.com.

Whistleblowers can contact the Audit and Risk Management Committee Chairman through his email at juliankoh@ocrbhd.com.

Anti-Bribery and Corruption Policy

The Group is dedicated to conducting business with ethical integrity and honesty, maintaining a zero-tolerance stance on bribery and corruption. To uphold these principles, the Group has implemented an Anti-Bribery and Corruption Policy. The Anti-Bribery Corruption Policy is available on the Company's website at www.ocrbhd.com.

Directors' Fit and Proper Policy

The Board adopted a Directors' Fit and Proper Policy to ensure that Directors possess the character, integrity, relevant range of skills, knowledge, experience, competence and time commitment to carry out their roles and responsibilities effectively in the best interest of the Company and its stakeholders. The Directors' Fit and Proper Policy is available on the Company's website at www.ocrbhd.com.

d. The Role of Chairman and Group MD

The positions of Chairman and Group MD of the Company are held by different individuals with distinct and separate roles to enhance governance and transparency, ensuring that no single individual possesses unchecked decision-making powers. This practice aligns with the principles of good corporate governance.

The Chairman leads and manages the Board by focusing on strategy, governance and compliance.

The Chairman's responsibilities include the following:

- Represent the Board to shareholders;
- Provide Board leadership on policy formation and decision-making;
- Oversee and maintain regular dialogue with the Group MD;
- Ensure the integrity and effectiveness of the governance process of the Board;
- Ensure that management proposals are deliberated and examined by the Board, taking into account stakeholders' interests;
- Conduct and facilitate meetings of the Board to ensure that appropriate discussions take place and that relevant opinions among Board members are forthcoming; and
- Organise information necessary for the Board to deal with the agenda and ensure that Directors have full and timely access to information.

The Group MD has overall responsibility for the operational and business units of the Group, organisational effectiveness and the implementation of Board policies, directives, strategies and decisions. Serving as the liaison between the Board and Key Senior Management, the Group MD ensures that the decisions made by the Board are effectively executed by the ED and Key Senior Management.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

1. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1.1 Board Leadership (Cont'd)

e. Chairman of the Board should not be a member of the Board Committees

Pursuant to Practice 1.4 of the MCCG, whereby the Chairman of the Board should not be a member of the Audit Committee, Nominating Committee or Remuneration Committee. However, our Chairman of the Board, YAM Tunku Azudinsyah Ibni Tunku Annuar, is also a member of the Audit and Risk Management Committee. The Company is of the view that YAM Tunku Azudinsyah Ibni Tunku Annuar is able to exercise his independent and objective view and also to provide suggestions to the Company based on his vast experiences, despite of his role as the Chairman of the Board as well. Alternatively, the Board will look for suitable candidate, if there is a necessity on it.

f. Strategies Promoting Sustainability

The Board considers the promotion of sustainability strategies in environmental, social and governance aspects as an integral component of its broader responsibility to all stakeholders and the communities in which it conducts operations. The Group will continue to ramp up its effort in promoting sustainability initiatives for the communities in which it operates and the welfare of its employees. The details of the sustainability activities are set out in the Sustainability Statement on pages 25 to 61 of this Annual Report.

g. Qualified and Competent Company Secretaries

In accordance with the MCCG, the Board is supported by qualified and competent Company Secretaries. The Company Secretaries are the members of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) and are qualified to act as Company Secretary pursuant to Section 235(2) of the Companies Act 2016.

The Company Secretaries are responsible to provide support and guidance, advising the Board on all secretarial matters of the Company, in particular the compliance of the Bursa Malaysia's MMLR as well as to inform and keep the Board updated on the latest enhancements in CG, changes in the legal regulatory framework, new statutory requirements and best practices.

h. Directors' Training

Every member of the Board is encouraged to consistently participate in relevant training programmes to keep themselves abreast of the latest developments and to update their knowledge. Each Board member is aware of the need to continuously undergo training appropriate to their needs in line with Paragraph 15.08(3) of Bursa Malaysia's MMLR.

The Board members are given the liberty to determine the relevant type of trainings needed for their personal development. They are encouraged to attend the talks and seminars organised by Bursa Malaysia which are tailored to the Directors and the management.

The Company Secretaries regularly update the Board on the relevant guidelines on statutory and regulatory requirements from time to time and briefed the Board on a quarterly basis, where applicable, at Board meetings. During the financial year under review, the External Auditors also briefed the Board members on any changes to the Malaysian Financial Reporting Standards ("MFRS") that would affect the Group's financial statements.

The Nominating Committee of the Board assesses the training needs of each Director on an annual basis by determining areas that would strengthen their contribution to the Board. From the assessment, the Nominating Committee was satisfied that the Directors have attended adequate trainings to enable them to discharge their duties.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

1. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1.1 Board Leadership (Cont'd)

h. Directors' Training (Cont'd)

During the FY2023, the seminars, forums, conferences and training programmes attended by each Director were as follows:

Directors	Seminars/Forums/Conferences/Trainings Attended
YAM Tunku Azudinshah Ibni Tunku Annuar	Updates of MMLR – Enhanced Sustainability Disclosure
Ong Kah Hoe	Director's Responsibilities on Financial Reporting and Case Studies
	Updates of MMLR – Enhanced Sustainability Disclosure
Chan Lian Sei (appointed w.e.f. 31 May 2023)	Mandatory Accreditation Programme (MAP)
	Updates of MMLR – Enhanced Sustainability Disclosure
Hj. Abdullah Bin Abdul Rahman	Updates of MMLR – Enhanced Sustainability Disclosure
Julian Koh Lu Ern	Rise of the Chatbots: Artificial Intelligence and the Future of Accounting (MIA)
	PowerTalk Series: Navigating ESG Data into Decisions
	Director's Responsibilities on Financial Reporting and Case Studies
	Forum – AI in Accounting: Threat or Opportunity (MIA)
	Supply, Demand and Inflation: A Deep Dive for Boards Confirmation
	SC's Audit Oversight Board Conversation with Audit Committees
	Updates of MMLR – Enhanced Sustainability Disclosure

i. Board Charter

The objective of the Group's Board Charter is to provide a guidance and established the guidelines for the exercise on the manner in which the Board's constitutional powers and responsibilities will be exercised and discharged. The Group's Board Charter outlines the core principles of corporate governance to which the Group adopts and to which each Director or the Directors collectively, as the case may be, should strive for.

The Board reviews its Charter periodically to ensure it remains relevant and consistent with the Board's objectives and responsibilities as well as the prevailing standards of corporate governance. The Board Charter is made available on OCR's website at www.ocrbhd.com.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

1. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1.2 Board Dynamics

a. Board Composition

The current composition of the Board of the Company provides an adequate mix of knowledge, skills and expertise to assist the Board in discharging its stewardship and responsibilities effectively. Additionally, the current composition of the Board is aligned with the interests of shareholders, to provide an effective leadership, strategic direction and necessary governance to the Group at an optimum level.

The Company's Board comprises five (5) Directors, where three (3) are Independent Non-Executive Directors (including the Chairman), a Group Managing Director and an Executive Director. A list of the Board and their profiles are respectively set out on pages 4 to 6 of this Annual Report.

b. Board Meetings

The Board meets on a quarterly basis and additional meetings are held as and when necessary.

All dates for Board and Board committees' meetings throughout the FY2023 were unanimously determined prior to the commencement of the calendar year. This is to enable the Directors to achieve full attendance at all meetings of the Company and to comply with the MMLR of Bursa Malaysia which provides that the office of a director will become vacant if the director is absent from more than 50% of the total Board of Directors' meetings held during a financial year.

Board meetings are conducted in accordance with a structured formal agenda prepared by the Company Secretary in consultation with the management. The notices and agendas for Board meeting are circulated to each Board member at least seven (7) days prior to the meeting followed with the soft copies of the relevant Board Papers, containing information pertinent to the matters to be deliberated at the upcoming meeting and any other information the Directors may additionally require on the agenda items, are provided to Directors before the scheduled meeting.

The meeting agendas include review and updates of the Group's latest developments, quarterly financial performance, business plans, strategic decisions, findings from both the External and Internal Auditors and any other proposals or other significant matters that require the expeditious direction of the Board. This includes deliberations on any principal risks with a potential significant impact on the Group's business or financial position.

The Directors are obligated to promptly disclose to the Board should they have any direct or indirect interest in transactions to be undertaken by the Company or the Group. The interested Directors are required to notify the Board and subsequently, abstain from deliberations and decisions related to the concerned transaction. The interested Directors are encouraged to excuse themselves from the meeting to facilitate a more thorough discussion.

During the FY2023, a total of five (5) Board meetings were held and the attendance of each Director is set out hereinbelow:

Directors	Attendance
YAM Tunku Azudinshah Ibni Tunku Annuar	5/5
Ong Kah Hoe	5/5
Chan Lian Sei (appointed w.e.f. 31 May 2023)	2/2
Hj. Abdullah Bin Abdul Rahman	5/5
Julian Koh Lu Ern	5/5

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

1. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1.2 Board Dynamics (Cont'd)

b. Board Meetings (Cont'd)

Besides the Company Secretary, the representative of the Finance Department attended each Board meetings and every Audit and Risk Management Committee meeting, on the standing invitation of the Board during the FY2023. Other Key Senior Management may be invited to attend specific meetings as required.

c. Independent Directors

The composition of Independent Directors on the Board of the Company complies with the requirement of Bursa Malaysia's MMLR which stipulates that at least two (2) directors or one-third (1/3) of the Board of Directors of a listed issuer, whichever is the higher, must be independent directors and one (1) director of the listed issuer is a woman.

The annual assessment of the contributions made by the Board, Board Committees and individual Directors were conducted via the Company's appraisal form. Additionally, the evaluation considered each Director's capacity to dedicate adequate time and effort to fulfill their roles and responsibilities. The assessment also took into account the independence of Directors, factoring in their character, integrity and professionalism.

Following the annual assessment carried out on 29 February 2024, the Board is satisfied with the level of independence demonstrated by all the Independent Directors. The Board will continue to conduct independence assessment annually with the assistance of the Nominating Committee to ensure that the Independent Directors are able to exercise independent judgement and act in the best interests of the Group.

d. Tenure of Independent Directors

As at the date of this CG Overview Statement, none of the Independent Non-Executive Directors have served for a cumulative term of more than nine (9) years on the Board as Independent Non-Executive Directors.

Policy of Tenure of Independent Directors

The Board Charter outlines that the tenure limit for independent directors will be limit at cumulative term of 12 years. However, in adherence to the MCCG recommendation, upon completing the nine (9) years, an Independent Director may continue to serve on the Board subject to the director's re-designation as a non-independent director. Otherwise, if the Board intends to retain such a Director as an Independent Director beyond the nine (9) years, the decision would be justified, and shareholders' approval sought at a general meeting through a two-tier voting process.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

1. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1.3 Nominating Committee

The Nominating Committee of the Company consists of two (2) members and all of them are Independent Non-Executive Directors. The Committee is chaired by Mr. Julian Koh Lu Ern, an Independent Non-Executive Director, in line with Practice 5.8 of the MCCG.

Members

1. Julian Koh Lu Ern (Chairman/Independent Non-Executive Director)
2. Hj. Abdullah Bin Abdul Rahman (Member/Independent Non-Executive Director)

The roles and responsibilities of the Nominating Committee are governed by its Terms of Reference and the Board Charter of the Company, copies of which can be retrieved at the Company's website at www.ocrbhd.com.

The key role of the Nominating Committee is to ensure:

- A formal and transparent procedure for the selection and assessment of candidates for Board appointments;
- Assessment of the effectiveness of the Board and its sub-committees as a whole and the contribution of the individual Director on an annual basis; and
- Contribute towards ensuring the Board composition meets the needs of the Company.

In fulfilling its roles, the Nominating Committee evaluates and assesses candidates nominated for appointment to the Board and Board Committees of the Company. The Nominating Committee also reviews the tenure of each Directors to ensure the tenure of an independent director does not exceed a term limit of nine (9) years as recommended by the MCCG, as well as the Directors standing for re-election at the Annual General Meeting ("AGM") of the Company.

The Nominating Committee also assesses the effectiveness of the Board as a whole and the contribution of each Board Committee as well as each individual director on an annual basis to ensure that the Board and its respective Board Committee has the appropriate balance of expertise and ability.

The Nominating Committee adopts the self-evaluation method to evaluate the performance of the Directors of the Company. This annual review aims to evaluate the necessary mix of skills, experience and other qualities, including core competencies which the Executive and Non-Executive Directors of the Company should bring to the Board, identify areas for improvement and review the succession plan for Key Senior Management in the Group.

During FY2023, the following activities were undertaken by the Nominating Committee:

- (i) Reviewed the size and composition of the Board of OCR and its Board balance;
- (ii) Reviewed the required mix of skills and experience and other qualities including core competencies of the Non-Executive Directors and Executive Directors of the Company should have;
- (iii) Reviewed the tenure of the independent directors;
- (iv) Reviewed the effectiveness of the Board as a whole, contribution of each individual Director and committees of the Board;
- (v) Reviewed the re-election of Directors for FY 2023;
- (vi) Assessed the training programmes attended by the Directors as well as the training needs required to aid the Directors in the discharge of their duties as Directors and to keep abreast with industry developments and trends;
- (vii) Assessed the independence of the Independent Directors of the Company;
- (viii) Reviewed the Terms of Reference; and
- (ix) Reviewed and recommended to the Board for the appointment of Ms. Chan Lian Sei as the Executive Director of the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

1. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1.3 Nominating Committee (Cont'd)

a. Diversity of Board and Senior Management

The Board recognizes the importance of boardroom diversity in terms of age, gender, nationality, ethnicity and socio-economic background and understanding the benefit derived from such diversity. The Board views that while promoting boardroom diversity is essential, the selection criteria based on competencies, skills, extensive experience and knowledge to strengthen the Board should remain as its first priority.

As of now, the Company does not have specific policies regarding gender diversity in boardroom but will work towards achieving the appropriate boardroom diversity in the future.

b. Appointment to the Board

The proposed appointment of a new member to the Board will be deliberated by the full Board based on the recommendation put forth by the Nominating Committee. Various methods and sources will be employed to ensure the selection of the most suitable candidates. This may involve exploring options such as sourcing from a directors' registry, utilizing open advertisements, or engaging independent search firms in the recruitment process.

Before any recommendation made to the Board, the Nominating Committee will evaluate a candidate by considering the following:

- skills, knowledge, expertise and experience;
- character, integrity, professionalism;
- competence and time to effectively discharge his or her role; and
- in the case of candidates for the position of Independent Non-Executive Directors, the Committee should also evaluate the candidates' ability and commitment to discharge such responsibilities/functions as expected from Independent Non-Executive Directors.

c. Re-election of Directors

In accordance with the Constitution of the Company, all Directors, including the Group MD, shall retire from office at least once every three (3) years and all retiring Directors shall be eligible for re-election at the AGM in which they retire. A retiring Directors shall remain in office until the close of the meeting at which he/she retires.

The Constitution further provide that Directors who are appointed by the Board during the financial period before an AGM are subject to retirement and shall be eligible for re-election by the shareholders at the AGM of the Company to be held following the new Directors' appointment.

On 29 February 2024, the Nominating Committee had reviewed and recommended the re-election of the following Directors who are retiring pursuant to the Company's Constitution and being eligible, offered themselves for re-election:

- Ong Kah Hoe
- Chan Lian Sei

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

1. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1.4 Remuneration Committee

The Board believes in a remuneration policy that fairly supports the Directors' responsibilities and fiduciary duties in steering the Group to achieve its long-term goals and to enhance shareholders' value. The Board's objective in this respect is to provide a competitive remuneration package that attracts, develops and retains talented individuals to serve as Directors.

To achieve this objective, the primary role of the Remuneration Committee of the Company is to establish the policy framework and make recommendations to the Board regarding remuneration packages and other terms of employment for Executive Directors. The remuneration packages for Executive Directors are set at levels designed to attract and retain individuals with the necessary experience and expertise to effectively manage the business of the Group.

The determination of the remuneration of the Non-Executive Directors is decided by the Board as a whole and not by the Remuneration Committee, with the Directors concerned abstaining from the deliberations and voting on decisions in respect of his or her individual remuneration package. Subsequently, on an annual basis, the Board recommends the Directors' fees and other benefit of Directors to the shareholders for approval at the AGM.

The composition of the Remuneration Committee is as follows:

1. Hj. Abdullah Bin Abdul Rahman (Chairman/ Independent Non-Executive Director)
2. Julian Koh Lu Ern (Member/ Independent Non-Executive Director)
3. Chan Lian Sei (Member/ Executive Director)

For the FY2023, the fees and remuneration packages of the Executive Directors and Non-Executive Directors of the Company are as follows:

Remuneration of Executive Directors and Non-Executive Directors

	Directors' Fee (RM'000)	Salaries (RM'000)	Benefits- in-kind (RM'000)	Other Emoluments (RM'000)	Total (RM'000)
Executive Directors					
Ong Kah Hoe	-	600.0	-	85.5	685.5
Chan Lian Sei	24.6	-	-	-	24.6
Non-Executive Directors					
Tunku Azudins Shah Ibni Tunku Annuar	42.0	-	-	-	42.0
Hj. Abdullah Bin Abdul Rahman	42.0	-	-	-	42.0
Chong Min Shih (resigned w.e.f. 7 February 2023)	4.4	-	-	-	4.4
Julian Koh Lu Ern	42.0	-	-	4.0	46.0

Please refer to the CG Report for the details of the fees and remuneration packages of the Executive Directors and Non-Executive Directors of the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

1. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1.4 Remuneration Committee (Cont'd)

Remuneration of Executive Directors and Non-Executive Directors (Cont'd)

The MCCG also recommended the Board to disclose on named basis the top five (5) senior management's remuneration component including salary, bonus, benefits-in-kind and other emoluments in bands of RM50,000. However, the Board is of the view that due to the highly competitive nature of the human resource market, the aggregate remunerations of top five (5) senior management's remuneration is sufficient and is as follows:

	Salary and bonuses (RM'000)	Other emoluments (RM'000)	Benefit-in-kind (RM'000)	Total (RM'000)
Total top five (5) senior management	2,478.2	337.2	108.1	2,923.5

2. EFFECTIVE AUDIT AND RISK MANAGEMENT

2.1 Establishment and Effectiveness of the Audit and Risk Management Committee

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

The ARMC of the Company consists of three (3) Independent Non-Executive Directors. The ARMC is chaired by an Independent Non-Executive Director, Mr. Julian Koh Lu Ern and is aligned with Practice 9.1 of the MCCG.

The main objective of the ARMC is to assist the Board in carrying out its responsibilities relating to the audit plan, audit report, internal controls, internal audit function, related party transactions, accounting and reporting practices within the Group.

The report of the ARMC, the list of committee members and its activities during the FY2023 are set out on pages 82 to 84 of this Annual Report.

The Terms of Reference of the ARMC is available on the Company's website at www.ocrbhd.com.

2.2 Roles and Responsibilities of the ARMC

a. Oversight of Financial Reporting

The Board ensures that shareholders are provided with a balanced and meaningful evaluation of the Company's financial performance, including its position and future prospects through the issuance of the Annual Audited Financial Statements and quarterly financial reports and through corporate announcements on significant developments affecting the Company in accordance with the MMLR.

The Chairman of ARMC, Mr. Julian Koh Lu Ern, an Independent Non-Executive Director of the Company, has more than thirty-five (35) years of experience in the fields of strategic planning, human resources, accounting, corporate finance, risk management, managing and controlling information system, taxation and funding in diversified industries including advertising, property development, stockbroking and fund management.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

2. EFFECTIVE AUDIT AND RISK MANAGEMENT

2.2 Roles and Responsibilities of the ARMC (Cont'd)

a. Oversight of Financial Reporting (Cont'd)

As part of the governance process in the review of quarterly and yearly financial statements by the ARMC, the representative of Finance Department provides assurance to the ARMC on a quarterly basis that appropriate accounting policies had been consistently adopted and applied, the going concern basis applied in the Condensed Consolidated Financial Statements (“CCFS”) and Annual Financial Statements (“AFS”) was appropriate and prudent judgements and reasonable estimates have been made in accordance with the requirements set out in the MFRS. Furthermore, adequate processes and controls were in place for effective and efficient financial reporting and disclosures under the MFRS, International Financial Reporting Standards and MMLR of Bursa Malaysia. The representative also affirms that the CCFS and AFS are free from material misstatement and provide a true and fair view of the financial position of the Group and the respective companies within the Group for FY2023.

In addition, the outsourced Internal Audit Function of the Company undertakes independent assessments of the internal control systems of the Group based on the areas of coverage and approved internal audit plan. Furthermore, outsourced Internal Auditors reported its findings to the ARMC at scheduled interval meeting as per approved internal audit plan. Throughout the FY2023, the outsourced Internal Auditors had in their internal audit report and follow up report stated the internal audit observations at material times with respect to the respective scope of internal audit coverages approved as per internal audit plan (with the potential risks and implication identified) that required the Management and the ARMC’s attention. Therefore, there are no other material issues or major deficiencies (apart from the internal audit observations during material times with respect to the scope of internal audit coverages approved as per internal audit plan) had been noted which would pose a high risk to the business processes under review at respective material times. The outsourced Internal Auditors had sent in their employees to conduct audit reviews and highlight their audit findings to the Management and to ARMC.

For the FY2023, one (1) internal audit reports and one (1) follow up reports had been tabled for ARMC’s review.

Premised on the above, the Board considers that it has provided a fair, balanced and representative assessment of the Company’s and the Group’s business in its quarterly results and annual financial statements.

The financial statements of the Company and the Group for the FY2023 are set out on pages 91 to 186 of this Annual Report and a statement by the Board of its responsibilities in preparing the financial statements is on page 90.

b. Related Party Transactions

An internal compliance framework exists to ensure the Group meets its obligations relating to the related party transactions under the MMLR of Bursa Malaysia. The Board, through the ARMC, reviews all material related party transactions involved.

In the event a corporate proposal is required to be approved by shareholders, the Interested Directors, the Interested Major Shareholders and person connected to them are required to abstain from voting in respect of their shareholdings relating to that corporate proposal.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

2. EFFECTIVE AUDIT AND RISK MANAGEMENT

2.2 Roles and Responsibilities of the ARMC (Cont'd)

c. Risk Management and Internal Control

The Board regards risk management and internal controls as an integral part of the overall management process. The Board assumes the responsibility in establishing a risk management framework as well as maintaining a sound system of risk management and internal control throughout the Group which provides reasonable assurance in ensuring the effectiveness and efficiency of the Group's operations. This is not limited to financial aspects of the business but also operational and regulatory compliance. The ultimate objectives of sound risk management are to protect the Group's assets and safeguard shareholders' investments.

An overview of the risk management and internal controls within the Group is set out in the Statement on Risk Management and Internal Control on pages 85 to 89 of this Annual Report.

d. Internal Audit Control

The Group has outsourced its internal audit function to external consultants, which reports directly to the ARMC in respect of the adequacy of the Group's internal control and risk management systems. A summary of activities conducted by the internal audit function as well as the costs incurred in carrying out the function in respect of the financial year under review were set out in the ARMC Report on pages 82 to 84 of this Annual Report.

e. Assessment on Suitability and Independence of External Auditors

The ARMC performs a yearly assessment of the suitability and independence of the External Auditors before making recommendation to the Board for the appointment or reappointment of the External Auditors.

The ARMC takes the following into consideration:

- The adequacy of the experience and resources of the External Auditors;
- The nature of the non-audit services and the fees payable for such services; and
- The level of independence of the External Auditors.

An assessment on the independence of the External Auditors, Messrs. Baker Tilly Monteiro Heng PLT (AF 0117) of Baker Tilly Tower, Level 10, Tower 1, Avenue 5, Bangsar South City, 59200 Kuala Lumpur and ARMC was satisfied with the results of the aforesaid assessment. The ARMC was unanimous in their decision to recommend to the Board the appointment of Messrs. Baker Tilly Monteiro Heng PLT as the auditors of the Company for the financial year ending 31 December 2024.

The Board having received the recommendation from ARMC, were in consensus to recommend for the shareholders' approval at the Company's forthcoming 26th AGM that Messrs. Baker Tilly Monteiro Heng PLT be hereby re-appointed as External Auditors of the Company for the financial year ending 31 December 2024 at the remuneration and terms to be agreed upon with the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

3. INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP

3.1 Encourage Engagement with Shareholders and other Stakeholders

The Board acknowledges the importance of being accountable to the shareholders and the investing public through a direct and effective line of communication. Consequently, the Group consistently ensures the timely release of quarterly financial results, audited financial statements, corporate developments and announcements of the Group through BURSA LINK. Additionally, the Company's Annual Reports and other Circulars to Shareholders, as well as ad hoc press statements, are disseminated through the Company's website at www.ocrbhd.com. This serves as the principal channel for keeping the shareholders and the investing public informed about the Group's major developments, overviews of financial performance and progress throughout the year.

The General Meetings of the Company are the principal forum for interaction between the management and its private and institutional investors. The Group MD together with other Board members and relevant management staffs are present at General Meetings of the Company to engage directly with the shareholders and to account for their stewardship of the Company. The External Auditors of the Company were also present to respond to any enquiries from the shareholders.

In adherence to good CG practices, the notice for the 25th AGM was issued 28 days before the AGM held on 30 May 2023.

Pursuant to the Paragraph 8.29A(1) of the MMLR of the Bursa Malaysia, the Company is required to ensure that any resolutions set out in the notice of general meetings are voted by poll. At the 25th AGM of the Company, all resolutions were voted by poll.

3.2 Corporate Reporting

The details of governance structure in place to manage the Environmental, Social and Governance ("ESG") risks as well as opportunities were set out in the Sustainability Statement on pages 25 to 61 of this Annual Report.

COMPLIANCE STATEMENT

The Board is of the view that the Group upholds adequate CG and shall remain committed to attaining the highest possible standards through the continuous adoption of the principles and best practices set out in MCCG and all other applicable laws, where applicable and appropriate. This CG Overview Statement was approved by the Board on 25 April 2024.

ADDITIONAL COMPLIANCE INFORMATION DISCLOSURES

UTILISATION OF PROCEEDS RAISED

40% Private Placement

On 30 May 2023, the Company had obtained shareholders' approval in relation to the proposed allotment and issuance of up to 395,999,000 new ordinary shares ("**Placement Shares**"), representing up to approximately 40% of the existing number of issued shares of OCR.

The Placement Shares were issued in five (5) tranches as follows: -

- a) First tranche was completed on 24 July 2023, following the listing and quotation of 125,000,000 new ordinary shares at an issue price of RM0.08 per placement share and raised RM10,000,000.
- b) Second tranche was completed on 7 August 2023, following the listing and quotation of 125,000,000 new ordinary shares at an issue price of RM0.08 per placement share and raised RM10,000,000.
- c) Third tranche was completed on 18 September 2023, following the listing and quotation of 50,000,000 new ordinary shares at an issue price of RM0.08 per placement share and raised RM4,000,000.
- d) Fourth tranche was completed on 7 November 2023, following the listing and quotation of 41,400,000 new ordinary shares at an issue price of RM0.07 per placement share and raised RM2,898,000.
- e) Fifth tranche was completed on 29 November 2023, following the listing and quotation of 54,599,000 new ordinary shares at an issue price of RM0.07 per placement share and raised RM3,821,930.

The status of the utilization of proceeds arising from the 40% Private Placement are as below:

Utilisation of proceeds	Expected timeframe	Actual proceeds raised RM'000	Amount utilised as at the LPD RM'000	Balance unutilised RM'000
(i) Funding for existing and future property development	Within 12 months from the receipt of placement proceeds	29,710	29,710 ⁽¹⁾	-
(ii) Expenses for the Private Placement 40%	Immediate	1,010	1,010	-
Total		30,720	30,720	-

Note:-

- ⁽¹⁾ The proceeds have been utilised for several project namely ISOLA at KLCC, PRIYA at Kuantan, The Mate at Damansara Jaya, Vertex at Kuantan City Centre and YOLO Signature Suites.

ADDITIONAL COMPLIANCE INFORMATION DISCLOSURES (Cont'd)

AUDIT FEE AND NON-AUDIT FEES

The amount of audit fees and non-audit fees paid or payable to the Company's External Auditors and firms affiliated to the External Auditors' firms by the Group and the Company for the financial year ended 31 December 2023 ("FY2023") are as follows:

Type of fees	Group (RM)	Company (RM)
Audit fees	295,000	74,000
Non-audit fees	71,900	71,900
Total	366,900	145,900

MATERIAL CONTRACTS

Save as disclosed below, there were no material contracts entered into by the Company and its subsidiaries involving the interests of directors, chief executive who is not a director or major shareholders either still subsisting at the end of the financial year ended 31 December 2023 or entered into since the end of the previous financial year.

(a) Acquisition of OCR Selayang Industrial Park Sdn. Bhd. ("OCR Selayang")

The Company had on 8 November 2021 entered into a conditional share sale agreement with Mr. Ong Kah Hoe, a director of the Company and Mr. Lee Wei Jack to acquire a total of 500,000 ordinary shares in OCR Selayang, representing 50% equity interest in OCR Selayang for an indicative purchase consideration of approximately RM14.12 million to be satisfied entirely via issuance and allotment of 104,953,197 new ordinary shares in OCR at the issue price of RM0.1345 per consideration share.

The acquisition of OCR Selayang was completed 8 March 2022 following the listing and quotation of 104,953,197 Consideration Shares on the Main Market of Bursa Malaysia Securities Berhad.

OPTIONS OR CONVERTIBLE SECURITIES

Share Issuance Scheme

The Employees' Share Option Scheme ("ESOS") was approved at the Extraordinary General Meeting held on 7 February 2020. The ESOS is for a duration of five (5) years and may be extended for a further period of up to a maximum of five (5) years at the discretion of the Board upon recommendation of the Option Committee.

Details of the Options offered to eligible persons of the Company are as set out as follows:

Description	Total No of Share Options	Executive Director	Key Senior Management	Other Eligible Employees
Options granted	11,000,000	1,800,000	5,000,000	4,200,000
Options exercised	-	-	-	-
Options forfeited/expired	(11,000,000)	(1,800,000)	(5,000,000)	(4,200,000)
Outstanding options unexercised	-	-	-	-

ADDITIONAL COMPLIANCE INFORMATION DISCLOSURES (Cont'd)

RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE OR TRADING NATURE

The Company had obtained a general mandate from its shareholders at the 25th Annual General Meeting (“AGM”) held on 30 May 2023 for the Recurrent Related Party Transactions (“RRPTs”) of a revenue or trading nature. The details of the RRPTs are disclosed in the Circular to Shareholders dated 28 April 2023.

The RRPTs during the financial year ended 31 December 2023 are as follows:

Name of Related Parties	Related party within OCR Group	Nature of Transaction	Aggregate value made during the FY2023 RM'000	Interested Directors, Major Shareholders and Persons Connected and Nature of relationship
Unilink Outdoor Sdn. Bhd. (“UOSB”)	OCR Group Berhad (“OCR”)	OCR rents the billboard from UOSB for advertising and marketing projects purposes.	-	<ul style="list-style-type: none"> Mr. Ong Kah Hoe (“OKH”) is the Group Managing Director of OCR and a major shareholder of OCR with a direct interest of 18.82% and indirect interest of 4.21% by virtue of his interest in OCR Land Holdings Sdn. Bhd. (“OCR LHSB”), a company in which OKH is deemed interested pursuant to Section 8 of the Act and his parents and siblings’ direct shareholdings. OKH is a director and major shareholder of UOSB with a direct interest of 99%.
	O&C Makok Isola Sdn. Bhd. (“OMISB”)	OMISB rents the billboard from UOSB for advertising and marketing projects purposes.	-	
	OCR Development (Kuantan) Sdn. Bhd. (“ODKSB”)	ODKSB rents the billboard from UOSB for advertising and marketing projects purposes.	-	
	OCR Properties (Kuantan) Sdn. Bhd. (“OPKSB”)	OPKSB rents the billboard from UOSB for advertising and marketing projects purposes.	-	
	OCR Construction Sdn. Bhd. (“OCRCSB”)	OCRCSB rents the billboard from UOSB for advertising and marketing projects purposes.	-	
	OCR Land Development Sdn. Bhd. (“OCR LDSB”)	OCR LDSB rents the billboard from UOSB for advertising and marketing projects purposes.	-	
	Stack Builder Sdn. Bhd. (“SBSB”)	SBSB rents the billboard from UOSB for advertising and marketing projects purposes.	-	
	Wonderland Projects Sdn. Bhd. (“WPSB”)	WPSB rents the billboard from UOSB for advertising and marketing projects purposes.	-	

ADDITIONAL COMPLIANCE INFORMATION DISCLOSURES (Cont'd)

RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE OR TRADING NATURE (CONT'D)

The RRPTs during the financial year ended 31 December 2023 are as follows: (Cont'd)

Name of Related Parties	Related party within OCR Group	Nature of Transaction	Aggregate value made during the FY2023 RM'000	Interested Directors, Major Shareholders and Persons Connected and Nature of relationship
OCRLHSB	OMISB	OMISB pays marketing fee to OCRLHSB for advertising and marketing for Isola at KLCC.	-	<ul style="list-style-type: none"> OKH is the Group Managing Director of OCR and a major shareholder of OCR with a direct interest of 18.82% and indirect interest of 4.21% by virtue of his interest in OCRLHSB, a company in which OKH is deemed interested pursuant to Section 8 of the Act and his parents and siblings' direct shareholdings. OKH is a director and major shareholder of OCRLHSB with a direct interest of 35%.
	OPKSB	OPKSB pays marketing fee to OCRLHSB for advertising and marketing for PRIYA Kuantan.	79.1	
	ODKSB	ODKSB pays marketing fee to OCRLHSB for advertising and marketing for Vertex at Kuantan City Centre.	-	
	OCRCBS	OCRCBS pays marketing fee to OCRLHSB for advertising and marketing for The Mate at Damansara Jaya.	656.3	
	OCRLDSB	OCRLDSB pays marketing fee to OCRLHSB for advertising and marketing for Stellar at Damansara.	2,512.6	
	SBSB	SBSB pays marketing fee to OCRLHSB for advertising and marketing for Rumah Selangorku project at Shah Alam.	-	
OCR Properties (YOLO) Sdn. Bhd. ("OPYSB")	OCRCBS	OPYSB awards a construction contract for YOLO Signature Suites to OCRCBS.	52,359.5	<ul style="list-style-type: none"> OKH is the Group Managing Director of OCR and a major shareholder of OCR with a direct interest of 18.82% and indirect interest of 4.21% by virtue of his interest in OCRLHSB, a company in which OKH is deemed interested pursuant to Section 8 of the Act and his parents and siblings' direct shareholdings. OKH is a director and major shareholder of OPYSB with a direct interest of 50%.

ADDITIONAL COMPLIANCE INFORMATION DISCLOSURES (Cont'd)

RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE OR TRADING NATURE (CONT'D)

The RRPTs during the financial year ended 31 December 2023 are as follows: (Cont'd)

Name of Related Parties	Related party within OCR Group	Nature of Transaction	Aggregate value made during the FY2023 RM'000	Interested Directors, Major Shareholders and Persons Connected and Nature of relationship
Vinta Construction Sdn. Bhd. ("VCSB") (formerly known as Unilink Sdn. Bhd.)	OCRCBS	OCRCBS awards a construction contract for The Mate at Damansara Jaya to VCSB.	16,081.1	<ul style="list-style-type: none"> OKH is the Group Managing Director of OCR and a major shareholder of OCR with a direct interest of 18.82% and indirect interest of 4.21% by virtue of his interest in OCRLHSB, a company in which OKH is deemed interested pursuant to Section 8 of the Act and his parents and siblings' direct shareholdings. OKH is a director and major shareholder of USB with a direct interest of 35%.
	ODKSB	ODKSB awards a construction contract for Vertex at Kuantan City Centre to VCSB.	-	
	OPKSB	OPKSB awards a construction contract for PRIYA Kuantan to VCSB.	28,221.3	
	SBSB	SBSB awards a construction contract in phases for Rumah Selangorku Project at Shah Alam to VCSB.	-	
	WPSB	WPSB awards a construction contract for Jalan Alor project to VCSB.	-	
	OCRLDSB	OCRLDSB awards a construction contract for Stellar at Damansara to VCSB.	-	
OCR Development Sdn. Bhd. ("OCRDSB")	OCRLDSB	OCRDSB to jointly develop Stellar at Damansara with OCRLDSB.	-	<ul style="list-style-type: none"> OKH is the Group Managing Director of OCR and a major shareholder of OCR with a direct interest of 18.82% and indirect interest of 4.21% by virtue of his interest in OCRLHSB, a company in which OKH is deemed interested pursuant to Section 8 of the Act and his parents and siblings' direct shareholdings. OKH is a director and major shareholder of OCRDSB with a direct interest of 50% as at LPD date.

ADDITIONAL COMPLIANCE INFORMATION DISCLOSURES (Cont'd)

RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE OR TRADING NATURE (CONT'D)

The RRPTs during the financial year ended 31 December 2023 are as follows: (Cont'd)

Name of Related Parties	Related party within OCR Group	Nature of Transaction	Aggregate value made during the FY2023 RM'000	Interested Directors, Major Shareholders and Persons Connected and Nature of relationship
Fantastic Voyage Sdn. Bhd. ("FVSB")	OCRCBS	FVSB awards a construction contract for the PRIYA II to OCRCBS.	-	<ul style="list-style-type: none"> OKH is the Group Managing Director of OCR and a major shareholder of OCR with a direct interest of 18.82% and indirect interest of 4.21% by virtue of his interest in OCRLHSB, a company in which OKH is deemed interested pursuant to Section 8 of the Act and his parents and siblings' direct shareholdings. OKH is a director and major shareholder of FVSB with a direct interest of 50%.
Goldcoast Achievements Sdn. Bhd. ("GASB")	OCR	OCR rents office premises from GASB as corporate headquarters.	-	<ul style="list-style-type: none"> OKH is the Group Managing Director of OCR and a major shareholder of OCR with a direct interest of 18.82% and indirect interest of 4.21% by virtue of his interest in OCRLHSB, a company in which OKH is deemed interested pursuant to Section 8 of the Act and his parents and siblings' direct shareholdings. OKH is a director and major shareholder of GASB with a direct interest of 74%.

Further information on the proposed new and renewal of shareholders' mandate for the RRPTs to be tabled at the forthcoming AGM are set out in the Circular to Shareholders dated 30 April 2024.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Board of Directors ("**Board**") of OCR Group Berhad ("**OCR**" or "**the Company**") is pleased to present the Audit and Risk Management Committee Report for the financial year ended 31 December 2023 ("**FY2023**").

A. MEMBERS AND MEETING ATTENDANCE

The Audit and Risk Management Committee ("**ARMC**") comprised three (3) members, all of whom are Independent Non-Executive Directors. The chairman of the ARMC is a member of the Malaysian Institute of Accountants. The current composition complies with the Main Market Listing Requirements ("**MMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Malaysia**").

The members of the ARMC and members' attendance at the five (5) meetings held during the FY2023 are as follows:

Designation	Directors	No. of meetings attended
Chairman	Julian Koh Lu Ern - Independent Non-Executive Director	5/5
Member	YAM Tunku Azudinsyah Ibni Tunku Annuar – Independent Non-Executive Director	5/5
Member	Encik Hj. Abdullah Bin Abdul Rahman (appointed w.e.f 17 April 2023)	4/4

The members of ARMC were provided with notices and agenda approximately seven (7) days before the meeting. Minutes of each ARMC meeting were recorded and presented for confirmation at the subsequent ARMC meeting. These minutes were also tabled at the Board meeting for the Directors' notation. Additionally, the ARMC Chairman reported the key issues discussed during the ARMC meeting to the Board.

By invitation, the representative of Finance Department and their team members have attended all the meetings held throughout the financial year to present their reports on financial results and other matters for the ARMC's deliberation and approval. In addition, if required, other Key Senior Management and representatives of the External and Internal Auditors were also invited to attend these meetings to brief the ARMC on specific issues, when necessary.

The ARMC has established a transparent and appropriate relationship with the Group's External Auditors. In the course of audit of the Group's operations, the External Auditors have highlighted to the ARMC on the key audit issues and audit concerns which required ARMC attention. Furthermore, the External Auditors have the opportunity to have private discussions with the ARMC in the absence of the Management, if needed. This ensures effective communication and collaboration between the ARMC and the External Auditors.

The Internal Auditors were also invited to attend the ARMC meetings. Throughout the FY2023, the Internal Auditor participated in two (2) meetings to present their respective internal audit reports. They also provided recommendations regarding the actions and steps taken by Management in response to any audit findings. This collaborative approach ensures that the ARMC remains well-informed about internal audit matters and can effectively oversee Management's response to audit findings.

Conversely, the External and Internal Auditors may also respectively request for a meeting with the ARMC, if deemed necessary.

B. RIGHTS, AUTHORITIES AND TERMS OF REFERENCE

The functions of the ARMC are as set out in the Terms of Reference of the ARMC, of which a copy can be found on the Company's website at www.ocrbhd.com.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (Cont'd)

C. SUMMARY OF ACTIVITIES OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

The work carried out by the ARMC in discharging its duties and functions with respect to their responsibilities during the financial period under review were summarized as follows:

a) Financial Results

- Reviewed and recommended unaudited quarterly financial results and audited financial statements before recommending to the Board for consideration and approval for release to Bursa Malaysia; and
- Deliberated on significant matters raised by the External Auditors including financial reporting issues, significant judgements made by Senior Management, significant and unusual events or transactions and management's reports and updates on actions recommended by the External Auditors for improvement.

b) Risk Management and Internal Audit

- Reviewed and adopted the internal audit plan and the Internal Auditors' scope of work;
- Reviewed and discussed with the Internal Auditor, its audit findings and issues arising during the audit;
- Reviewed the adequacy and effectiveness of corrective actions taken by Senior Management on all significant matters raised by the Internal Auditor;
- Reviewed the Statement on Risk Management and Internal Control to ensure that it is consistent with their understanding of the state of internal control of the Group and recommended the same to the Board for inclusion in the Annual Report;
- Conducted the annual performance assessment; and
- Reviewed the adequacy and effectiveness of the risk management process to ensure that management is implementing a systematic methodology for identifying, assessing, and mitigating risk areas.

c) External Audit

- Reviewed and approved the External Auditor's scope of work and audit plan prior to commencement of the annual audit;
- Reviewed and discussed with the External Auditor, the results of the audit, the audit report and findings noted during its audit and reported the same to the Board;
- Evaluated the independence and performance of the External Auditor and recommended its fees and re-appointment to the Board for approval; and
- Met the External Auditor without the presence of Executive Directors and Senior Management to have a frank and candid dialogue and to exchange free and honest views and opinions.

d) Annual Report

- Reviewed relevant statements/reports including financial statements of this Annual Report; and
- Reviewed the Corporate Governance Report as required by Paragraph 15.25 of MMLR of Bursa Malaysia.

e) Recurrent Related Party Transactions ("RRPTs")

- Reviewed and discussed when a RPT is transacted by the Group and if any conflict of interest situation that may arise within the Group;
- Reviewed the RRPTs involving the Group to ensure that the transactions entered into were at arm's length basis and on normal commercial terms and not detrimental to the interest of minority shareholders of the Company;
- Reviewed on a quarterly basis the actual transacted value of RRPTs matching them against the mandate from shareholders to ensure compliance with the MMLR of Bursa Malaysia and to ensure an immediate announcement, in the event the actual value of a mandated RRPT exceeds 10% or more value of the RRPT disclosed in the previous year's RRPT Circular to Shareholders, which shareholder has approved, and

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (Cont'd)

e) Recurrent Related Party Transactions ("RRPTs") (Cont'd)

- Reviewed the Circular to shareholders in relation to the renewal of shareholders' mandate for RRPT and new shareholder's mandate for additional RRPTs, prior to its recommendation to the Board for approval.

f) Others

- Reviewed and recommended the Corporate Governance Overview Statement, ARMC Report and Statement on Risk Management and Internal Control to the Board for approval and inclusion in the Annual Report 2023.

The summary of works that had been undertaken by the outsourced internal audit function during the FY2023 included the following:

- internal control review for the business processes / subprocesses of Sales and Marketing Management of Stellar Damansara Project by OCR Land Development Sdn. Bhd.; and
- Action Plan Progress Follow-Up Report for the previous internal audit findings.

Furthermore, the performance of the internal audit function is formally evaluated by the ARMC on a yearly basis.

The total costs incurred by the Internal Auditor in discharging its functions and responsibilities in respect of the FY2023 was RM28,000.

Further details of the internal audit function and its activities are provided in the Statement on Risk Management and Internal Control, set out in page 85 to 89 of this Annual Report.

D. INTERNAL AUDIT FUNCTION

The Group's internal audit function is outsourced to a professional firm named Needsbridge Advisory Sdn. Bhd. ("Internal Auditor"). The primary responsibility of Internal Auditor is to assist the Board and the ARMC in reviewing the systems of internal control and providing recommendations to strengthen these systems. The three (3) main functions of the Internal Auditor are as follows:

- Assess and report on the effectiveness of the design and operation of the framework of controls which enable risks to be assessed and managed;
- Assess and report on the effectiveness of management actions to address deficiencies in the framework of controls; and
- Investigate and report on cases of suspected employee fraud and malpractice, if any.

The scope of review conducted by the outsourced internal audit function, as outlined in the internal audit plan, is determined and approved by the ARMC with input from the management.

The internal audit highlighted to the ARMC on their audit findings and requested formulation of management action plans by the Management to ensure an adequate and effective internal control system within the Group and to mitigate risks arising from any weaknesses in the Group's internal control system. Subsequently, a follow up review was performed to ensure that those weaknesses were appropriately addressed and that recommendations from the internal audit reports and corrective actions on reported weaknesses were taken appropriately within the required timeframe by the Management.

E. Conflict of Interest

Pursuant to Paragraph 15.12(1)(h) of the MMLR of Bursa Malaysia, the Audit Committee is responsible for reviewing the conflict of interest situation that arose, persist or may arise within the Group, including any transaction, procedure or course of conduct that raises questions of management integrity and the measures taken to resolve, eliminate or mitigate such conflict.

During the FY2023, the ARMC had reviewed the Group's conflict of interest or potential conflict of interest (excluding a related party transaction) on quarterly basis and the ARMC noted that there were no conflict of interest or potential conflict of interest that arose, persist or may arise including any transaction, procedure or course of conduct that raises question of management integrity within the Group.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors ("**Board**") of OCR Group Berhad ("**the Company**"), in compliance with Paragraph 15.26(b) and Practice Note 9 of Main Market Listing Requirement ("**MMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Malaysia**"), is pleased to provide the following Statement on Risk Management and Internal Control ("**Statement**").

The Statement outlines the nature and scope of risk management and internal control of the Company and its subsidiaries (collectively with its subsidiaries, "**the Group**") for the financial period under review and up to the date of approval of this Statement. The Group is guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers' as required by Bursa Malaysia. The Group is also in compliance with the principles and best practices relating to risk management and internal control as stipulated in the Malaysian Code on Corporate Governance 2021 ("**MCCG**").

BOARD'S RESPONSIBILITY

The Board affirms its overall responsibility of maintaining a sound risk management and internal control system and reviewing their adequacy and effectiveness to achieve the Group's corporate objectives and strategies. Furthermore, it is also the responsibility of the Board to safeguard all the stakeholders' interests and protecting the Group's assets and to establish the risk appetite of the Group. The Board is committed to the establishment and maintenance of an appropriate control environment and framework that is embedded into the Group's corporate culture, processes, and strategies.

The Board recognises that this system is designed to manage, rather than eliminate, the risks of not adhering to the Group's policies and achieving goals and objectives within the risk appetite established by the Board and Management. Therefore, the system provides reasonable, but not absolute, assurance against the occurrence of any material misstatement, loss or fraud. The process is regularly reviewed by the Audit and Risk Management Committee ("**ARMC**") and the Board.

The Board is assisted by the Group Managing Director ("**Group MD**") and Key Senior Management in implementing the Board's approved policies and procedures on governance, risk and control by identifying and analysing risk information; designing and operating suitable internal controls to manage and control these risks; and monitoring effectiveness of governance, risk management and control activities.

The Board does not review the risk management and internal control system of its associated companies as the Group does not have management control over the associated companies. Notwithstanding that, the Group's interests are served through representation on the Board of the associated companies and provides the Board with information on the performance of the Group's investments on an equity basis.

RISK MANAGEMENT

The Board recognise risk management as an integral part of system of internal control and good management practice in pursuit of its strategies and business objectives. The Board maintains an on-going commitment for identifying, evaluating and managing significant risks faced by the Group systematically during the financial period under review.

The Group incorporated an Enterprise Risk Management ("**ERM**") framework, as the governance structure and processes for group wide risk management, to proactively identify, evaluate and manage key risks and assess their likelihood and magnitude of impact to protect and create value for our stakeholders, including owners, employees, customers, regulators, and society overall.

The structured risk management process as defined in the ERM Framework is employed by the Group MD and Key Senior Management for risk identification, risk assessment, control identification, risk treatment and control activities. Risk assessment, at gross and residual level, is guided by the likelihood rating and impact rating established based on the risk appetite approved by the Board. Based on the risk management process, Key Risk Registers were compiled by Group MD and Key Senior Management, with the relevant key risks identified rated based on the agreed upon risk rating. Key Risks Register are used for the identification of high residual risks which are above the risk appetite of the Group that requires the ARMC and the Board's immediate attention and risk treatment as well as for future risk monitoring.

At strategic level, business plans, business strategies and development proposals with risks and opportunities as well as sustainability consideration are formulated by the Key Senior Management and presented to the Group MD and the Board for review and approval to ensure proposed plans and strategies are in line with the Group's risk appetite approved by the Board. In addition, specific strategic and key operational risks and opportunities are highlighted and deliberated by ARMC and/or the Board during the review of the financial performance of the Group in the scheduled meetings.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (Cont'd)

RISK MANAGEMENT (CONT'D)

Respective heads of departments/divisions (i.e. risk and opportunity owners) are responsible for managing the risks under their responsibilities. Risk and opportunity owners are responsible for effective and efficient operational monitoring and management by way of maintaining effective internal controls and executing risk and control procedures on a day-to-day basis. Changes in key operational risks or emergence of new key business risks are identified through daily operational management and controls and review of financial and operational reports by respective level of Management, generated by internal management information system, supplemented by external data and information collected. Respective risk and opportunity owners are responsible to assess the changes to the existing operational risks and emerging risks and to formulate and implement effective controls to manage these risks. Critical and material risks are highlighted to the Group MD for the final decision on the formulation and implementation of effective internal controls and reported to the Board by the Group MD.

The monitoring of the risk management process implemented by the Group is enhanced by the internal audits carried out by the internal audit function with specific audit objectives and business risks identified for each internal audit cycle based on the internal audit plan approved by the ARMC.

The above process has been practiced by the Group for the financial year under review and up to the date of approval of this statement.

ADEQUATE PROCEDURES ("APS") MITIGATING CORPORATE LIABILITY

The provision of Section 17A of the Malaysian Anti-Corruption Commission Act 2009 which took effect on 1 June 2020, encompasses duty on the Directors, controllers and Management of the Group to encourage compliance with anticorruption laws and ensure that APs are in place to detect, prevent and minimise any possible corrupt practices that might be committed by any employees of the Group. In light of this, the Group has embarked on establishing the APs based on the "Guidelines on Adequate Procedures" issued by the Prime Minister's Department.

The Group has conducted corruption risk assessment, set up the control measures with Whistle-blower Policy, Code of Conduct and Anti-Bribery and Anti-Corruption Policy implemented. Besides, the Group will systematically review and monitor the progress and enforcement of the APs with on-going training and communication to all levels of the employees. The list of preventive actions is not exhaustive, as any measure that can prevent corruption is encouraged and the relevant new policies will be adopted to ensure the APs carried out are effective and relevant.

INTERNAL CONTROL

Management reports key financial data, performance indicators and regulatory matters to the Board. This is to ensure that matters requiring the Board's attention are highlighted for review, deliberation and decision on a timely basis. The Board approves appropriate responses or amendments to the Group's policies. Besides, the results of the Group are reported quarterly and any significant fluctuations are analysed and acted on in a timely manner. Issues relating to the business operations are highlighted to the Board's attention during Board meetings. Further, independent assurance is provided by the Group's External Auditors, internal auditors and the ARMC to the Board. The ARMC reviews internal control matters and update the Board on significant control gaps for the Board's attention and action.

The key features of the Group's internal control system are made up of five core components, i.e. Control Environment, Information and Communication, Control Activities, Risk Assessment and Monitoring Activities with principles representing the fundamental concepts associated with each component and they are as follows:-

- Board of Directors/Board Committees

The role, functions and composition of the Board are guided by formal Board Charter whereby roles and responsibilities of the Board are specified to preserve the independence of the Board from the Management.

The delegation of responsibilities to the various committees of the Board is clearly defined in the terms of reference of respective Board Committees. At present, the committees which are established are the ARMC, Remuneration Committee, Nominating Committee, and Option Committee.

- Board Meetings

The Board meets at least quarterly and has a formal agenda on matters for discussion. Meetings of Board and respective Board Committees are carried out on scheduled and as and when required basis, to review the performance of the Group, from financial and operational perspective.

- Integrity and Ethical Value

The tone from the top on integrity and ethical value are enshrined in formal Integrity, Standards & Code of Conduct as contained in the Board Charter established and approved by the Board. This formal code forms the foundation of integrity and ethical value for the Group.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (Cont'd)

INTERNAL CONTROL (CONT'D)

- Integrity and Ethical Value (Cont'd)

To further enhance the ethical value throughout the Group, formal Anti-Bribery and Corruption Policy had been put in place by the Board to prevent the risk of bribery within the Group. A Whistle-blower Policy ("Policy") has been established to provide clarity of oversight of the whistleblowing process, protection and the confidentiality provided to whistleblowers. The Policy provides a protocol to employees and stakeholders to raise genuine possibilities of improprieties, malpractices and misconduct within the Group for remedial action. This Policy is available on the Company's website at www.ocrbhd.com.

- Organisation Structure, Accountability and Authorisation

The Group has formal organisation structures, supported by job descriptions for key positions, in place to ensure appropriate level of authorities and responsibilities are delegated accordingly to competent staffs in achieving operational effectiveness and efficiency. The Group is committed to employing suitably qualified staff so that the appropriate level of authorities and responsibilities can be delegated while accountability of performance and controls are assigned accordingly to competent staffs to ensure operational efficiency. Furthermore, there is close involvement in daily operations of the Group by the Group MD and Key Senior Management.

The authorisation requirement of the key internal control points of key business processes are included as part of the policies and procedures established by the Group.

- Risk Assessment and Control Activities

Risk assessment is performed by risk owners at scheduled interval or when there is a change in internal and/or business context in accordance with ERM Framework. Internal controls, as risk responses, are formulated and put in place to mitigate risks identified to a level acceptable by the Board.

The Group's policies and procedures are regularly reviewed and updated to ensure it continues to support the Group's business activities in achieving the Group's business objectives.

- Risk Assessment and Control Activities (Cont'd)

In compliance with the ISO certifications, the Group has documented policies and procedures developed and maintained in line with its ISO certifications with authorisation requirement for key processes stated therein. For business processes not under the ISO certifications, the Management develops and maintains documented process flow for key business processes employed with relevant authorisation requirement, if applicable.

- Human Resource Management

The Group put in place consistent human resource practice throughout the Group to ensure the Group's ability to operate in an effective and efficient manner by employing and retaining adequate competent employees possessing necessary knowledge, skill and experience in order to carry out their duties and responsibilities assigned effectively and efficiently.

- Information and Communication

At operational level, clear reporting lines established across the Group and operation and management reports are prepared for dissemination to relevant personnel for effective communication of critical information throughout the Group for timely decision making and execution in pursuit of the business objectives. Matters that require the Board and Key Senior Management's attention are highlighted for review, deliberation and decision on a timely basis.

The Group puts in place effective and efficient information and communication infrastructures and channels, i.e. computerised information system, secured intranet, electronic mail system and modern telecommunication, so that operation data and management information can be communicated timely and securely to dedicated personnel within the Group for decision making and for communication with relevant external stakeholders for execution and information collection. Apart from that, relevant financial and management reports are generated for different level of the organisation structure for review and decision making. The Board and Key Senior Management meetings are held for effective two-way communication of information at different levels.

Communication of policies and procedures of the Group are conducted via written format, information boards, electronic mail system and in-house trainings by respective risk or control owners.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (Cont'd)

INTERNAL CONTROL (CONT'D)

- Monitoring and Review

Periodical Key Senior Management meetings are held to discuss and review financial and operational performance of key divisions/departments of the Group.

Apart from the above, the quarterly financial performance review containing key financial results and previous corresponding financial results are presented to the ARMC for review and the Board for approval before public release.

Furthermore, internal audits are carried out by Internal Auditor (which reports directly to the ARMC) to assess the adequacy of internal controls in relation to specific critical control processes and highlights significant risks impacting the Group to the ARMC as well as recommending improvements to various processes to minimise the risks.

The monitoring of compliance with relevant laws and regulations are further enhanced by independent review of specific areas of safety, health and environment by independent consultants engaged by the Group and/or relevant regulatory bodies.

- Training and Development Programmes

Training and development programmes are established to ensure that staff are constantly kept up-to-date with the constant technology and regulatory changing environment in order to be competent in the industry in line with the Group's business objectives.

The outsourced internal audit function is reporting to the ARMC directly and the engagement director, Mr. Pang Nam Ming, is a Certified Internal Auditor with Certification in Risk Management Assurance accredited by the Institute of Internal Auditors Global and a professional member of the Institute of Internal Auditors Malaysia. The internal audits are carried out, in material aspects, in accordance with the International Professional Practices Framework ("IPPF"), i.e. Mission, Core Principles for the Professional Practice of Internal Auditing, Code of Ethics and the International Standards for the Professional Practice of Internal Auditing established by the Institute of Internal Auditors Global. The audit engagement of the outsourced internal audit function is governed by the engagement letter with key terms including purpose and scope of works, accountability, independence, the outsourced internal audit function's responsibilities, the management's responsibilities, the authority accorded to the outsourced internal audit function, limitation of scopes of works, confidentiality, proposed fees and engagement team. The appointment and resignation of the internal audit function as well as the proposed audit fees are subject to review by the ARMC and for its reporting to the Board for ultimate approval. During the financial year under review, the manpower allocated to the fieldworks of the internal audit function was one (1) manager, whom was assisted by at least one (1) senior consultant and one (1) consultant per engagement with oversight performed by the director.

The outsourced internal audit function adopts the risk-based internal audit approach to develop its audit plan which addresses the critical business processes, internal control gaps, effectiveness, and adequacy of the existing state of internal control and recommends possible improvements to the internal control process. Each internal audit cycle within the internal audit plan is specific with regard to audit objectives, key risks assessed and scopes of the internal control review. The results of the audits are presented to the ARMC at their meeting.

INTERNAL AUDIT FUNCTION

The ARMC evaluates the effectiveness of the internal audit function in relation to their defined responsibilities. The independent internal audit function is outsourced to a professional audit firm, NeedsBridge Advisory Sdn. Bhd., which carries out the internal audit reviews based on internal audit plans approved by the ARMC.

Follow-up reviews are also carried out to assess the status of implementation of management action plans, which are based on internal audit recommendations. The results of these follow-up reviews are also highlighted to the ARMC at their meetings.

During the financial year ended 31 December 2023 ("FYE 2023"), the outsourced internal audit function conducted internal control reviews in relation to project and site management (including governance) of one of its operating subsidiaries of the Group in Malaysia, as well as sales and marketing management (including governance) of another operating subsidiaries of the Group in Malaysia in accordance with the Internal Audit Plan dated 25 August 2022 reviewed by the Audit Committee and approved by the Board.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (Cont'd)

INTERNAL AUDIT FUNCTION (CON'T)

The cost incurred in maintaining the outsourced internal audit function for the FYE 2023 amounted to RM 28,000.

ASSURANCE PROVIDED BY GROUP MANAGING DIRECTOR AND CONCLUSION

In concluding this Statement, the Board has received assurance from the Group MD, being the highest-ranking executive in the Company and being the person primarily responsible for the management of the financial affairs of the Company, stating that the Group's risk management and internal control system is operating adequately and effectively in all material aspects. For the financial year under review, there were no material losses resulting from significant control weaknesses.

Based on the review of the risk management activities and results, results of the internal audit activities, monitoring and review mechanism stipulated above and assurance provided by the Group MD, the Board is satisfied that the risk management and internal control systems are satisfactory and have not resulted in any material losses, contingencies or uncertainties that would require disclosure in the Group's Annual Report.

The Board is also satisfied that the existing levels of system of risk management and internal controls including material associated companies are effective to enable the Group to achieve its business objectives. The Board continues to be committed toward maintaining a sound system of risk management and internal controls as well as carrying out measures to strengthen these systems. However, the Board wishes to point out that all risk management system and system of internal controls could only manage rather than eliminate risks of failure to achieve business objectives. Therefore, these systems of risk management and internal control in the Group provide only reasonable but not absolute assurance against material misstatements, frauds and losses.

REVIEW OF THIS STATEMENT BY EXTERNAL AUDITORS

Pursuant to paragraph 15.23 of the MMLR, the External Auditors have reviewed this Statement for inclusion in the 2023 Annual Report, and have reported to the Board that nothing has come to their attention that causes them to believe that the Statement is not prepared, in all material aspects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control Guidelines for Directors of Listed Issuers, nor is the Statement factually inaccurate.

The Statement was approved by the Board at its meeting on 25 April 2024.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The Directors are required pursuant to the Companies Act 2016 (**"the Act"**) to prepare the financial statements for each financial year in accordance with the applicable approved accounting standards in Malaysia.

The Directors are responsible to ensure that the financial statements give a true and fair view of the state of affairs of the Company and the Group as at the end of the financial year, and of the results and cash flows of the Company and the Group for the financial year.

In ensuring the preparation of these financial statements, the Directors have observed the following criteria:

- overseeing the overall conduct of the Group and the Company's business;
- appropriate accounting policies and practices have been adopted and applied consistently;
- the statements are supported by reasonable and prudent judgements and estimates;
- all applicable accounting standards have been followed, subject to any material departure and explained in the financial statements;
- reviewing the adequacy and integrity of internal control systems and management information system in the Company and within the Group; and
- a going-concern basis has been adopted unless it is inappropriate to presume that the Group will continue its business.

The Directors are also responsible for ensuring that the Group and the Company keep proper accounting records which disclose the financial position of the Group and of the Company with reasonable accuracy at any time, thus enabling the financial statements to comply with the requirements of the Act and prepared in accordance with applicable Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Listing Requirements of Bursa Securities.

The Directors are also responsible for taking the necessary steps to ensure appropriate systems are in place to safeguard the assets of the Group and of the Company and to detect and prevent fraud and other irregularities.

The Directors are satisfied that in preparing the financial statements of the Group and the Company for the financial year ended 31 December 2023, the Group and the Company have used the appropriate accounting policies and applied them consistently and supported by reasonable and prudent judgments and estimates. The Directors also consider that all applicable approved accounting standards have been complied with and further confirm that the financial statements have been prepared on a going concern basis.

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DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2023.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of its subsidiaries include construction of residential and commercial properties, property development, property investment, investment holding, property and real estate management and leasing of temporary structure space to tenants.

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

RESULTS

	Group RM	Company RM
Loss for the financial year, net of tax	(19,698,698)	(32,423,797)
Attributable to:		
Owners of the Company	(18,700,434)	(32,423,797)
Non-controlling interests	(998,264)	-
	(19,698,698)	(32,423,797)

DIVIDENDS

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

The directors do not recommend the payment of any dividends in respect of the financial year ended 31 December 2023.

RESERVES OR PROVISIONS

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

BAD AND DOUBTFUL DEBTS

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

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

Directors' Report (Cont'd)

CURRENT ASSETS

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.

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

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

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

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

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

CHANGE OF CIRCUMSTANCES

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

ITEMS OF MATERIAL AND UNUSUAL NATURE

In the opinion of the directors,

- (i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

Directors' Report (Cont'd)

AUDITORS' REMUNERATION AND INDEMNITY

The auditors' remuneration of the Group and the Company during the financial year were RM295,000 and RM74,000 respectively.

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

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company issued 395,999,000 new ordinary shares at an average price of RM0.0776 per ordinary share pursuant to private placement exercises to eligible investors for working capital purpose.

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

During the financial year, no new issue of debenture was made by the Company.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up the unissued shares of the Company during the financial year other than the issue of options pursuant to the Employee's Share Option Scheme ("ESOS").

At an Extraordinary General Meeting held on 7 February 2020, the Company's shareholders approved the establishment of an ESOS for directors and employees who meet the criteria of eligibility for participation.

The salient features and other details of the ESOS are disclosed in Note 17 to the financial statements.

The options offered for the subscription of unissued ordinary shares and the exercise prices are as follows:

Grant date	Exercise price	Number of option over ordinary shares			At 31.12.2023
		At 1.1.2023	Granted	Expired/ Forfeited	
6 August 2020	0.249	4,300,000	-	(4,300,000)	-

The ESOS had expired on 31 December 2023. All unexercised options automatically lapsed upon expiry of the ESOS.

DIRECTORS

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

Ong Kah Hoe *
Tunku Azudinshah Ibni Tunku Annuar
Abdullah Bin Abdul Rahman
Julian Koh Lu Ern
Chan Lian Sei
Chong Min Shih

(Appointed on 31 May 2023)
(Resigned on 7 February 2023)

* Directors of the Company and certain subsidiaries

Directors' Report (Cont'd)

DIRECTORS (CONT'D)

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

Abdul Hamid Bin Busu
Arlida Binti Ariff
Azinal Abidin Bin Ali
Badrushah Bin Abdul Rahim
Muhammad Suleiman Bin Mohd Amin
Muhammad Yusuf Bin Mohd Amin
Ong Kah Wee
Ong Yew Ming
Syed Muzzaffar Bin Syed Mohsin
Tan Chin Hoong
Toh Foo Hing

(Resigned on 25 March 2024)

DIRECTORS' INTERESTS

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

	<----- Number of Ordinary Shares ----->			
	At 1.1.2023	Bought	Sold	At 31.12.2023
The Company				
Direct interests:				
Ong Kah Hoe	186,291,463	-	-	186,291,463
Indirect interests:				
Ong Kah Hoe *	41,678,800	-	-	41,678,800

* *Deemed interests by virtue of his direct substantial shareholding in OCR Land Holdings Sdn. Bhd. and via his parents and siblings.*

By virtue of his interests in the ordinary shares of the Company and pursuant to Section 8 of the Companies Act 2016 in Malaysia, Ong Kah Hoe is deemed to have an interest in the ordinary shares of its subsidiaries to the extent that the Company has an interest.

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

Directors' Report (Cont'd)

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors as shown below) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest other than any deemed benefit which may arise from transactions as disclosed in Note 26 to the financial statements.

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

	Group RM	Company RM
Directors of the Company		
Executive directors		
- Salaries and other emoluments	1,209,677	606,372
- Contribution to defined contribution plan	144,000	72,000
- Others	14,317	7,158
- Fee	24,613	24,613
	1,392,607	710,143
Non-executive directors		
- Fees	130,375	130,375
	1,522,982	840,518

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

INDEMNITY TO DIRECTORS AND OFFICERS

During the financial year, no indemnity insurance was given to, or insurance affected for, any directors or officers of the Group and the Company.

SUBSIDIARIES

The details of the Company's subsidiaries are as follows:

Name of company	Principal place of business/ country of incorporation	Ownership interest		Principal activities
		2023 %	2022 %	
OCR Commerce Sdn.Bhd. ("OCSB")	Malaysia	100	100	Dormant
OCR Construction Sdn. Bhd. ("OCCSB")	Malaysia	100	100	Construction of residential and commercial properties and property development

Directors' Report (Cont'd)

SUBSIDIARIES (CONT'D)

The details of the Company's subsidiaries are as follows (cont'd):

Name of company	Principal place of business/ country of incorporation	Ownership interest		Principal activities
		2023 %	2022 %	
OCR Development (Kuantan) Sdn. Bhd. ("ODKSB")	Malaysia	70	70	Property development and property investment
Tristar City Sdn. Bhd. ("TCSB")	Malaysia	100	100	Property development and property investment
Grand Superland Sdn. Bhd. ("GSSB")	Malaysia	100	100	Construction of residential and commercial properties and property development and investment holding
Pangkal Teguh Sdn. Bhd. ("PTSB")	Malaysia	70	70	Construction of residential and commercial properties, property management and real estate
Kita Mampan Sdn. Bhd. ("KMPSB")	Malaysia	70	70	Construction of residential and commercial properties
O&C Makok Isola Sdn. Bhd. ("OMISB") #	Malaysia	50.01	50.01	Property development
Sunrise Meadow Sdn. Bhd. ("SMSB")	Malaysia	100	100	Property development and property investment
Kirana Masyhur Sdn. Bhd. ("KMSB")	Malaysia	100	100	Dormant
OCR Properties (Kuantan) Sdn. Bhd. ("OPKSB")	Malaysia	90	90	Property development and property investment
OCR Ventures Sdn. Bhd. ("OVSB")	Malaysia	100	100	Property development and property investment
OCR (The Mate) Sdn. Bhd. ("OTMSB")	Malaysia	100	100	Dormant
Junjung Simfoni Sdn. Bhd. ("JSSB")	Malaysia	100	100	Dormant

Directors' Report (Cont'd)

SUBSIDIARIES (CONT'D)

The details of the Company's subsidiaries are as follows (cont'd):

Name of company	Principal place of business/ country of incorporation	Ownership interest		Principal activities
		2023 %	2022 %	
Amazing Symphony Sdn. Bhd. ("ASSB")	Malaysia	-	100	Construction of residential properties
OCR Land Development Sdn. Bhd. ("OLDSB")	Malaysia	100	100	Property development
Wonderland Projects Sdn. Bhd. ("WPSB")	Malaysia	100	100	Property investment holding and leasing of temporary structure space to tenants
Stack Builder Sdn. Bhd. ("SBSB")	Malaysia	50.495	50.495	Property development
OCR Selayang Industrial Park Sdn. Bhd. ("OSIPSB")	Malaysia	50	50	Investment holding, receiving rental and property development
Subsidiary of Kirana Masyhur Sdn. Bhd.				
Mampan Esa (Melaka) Sdn. Bhd. ("MEMSB")	Malaysia	50.0005	50.0005	Real estate management
Subsidiaries of Grand Superland Sdn. Bhd.				
Visi Anggun Properties Sdn. Bhd. ("VAPSB")	Malaysia	80	80	Dormant
Greatway Capital Sdn. Bhd. ("GCSB")	Malaysia	100	100	Dormant
Serba Simfoni Sdn. Bhd. ("SSSB")	Malaysia	100	100	Dormant
OCR Avenue Sdn. Bhd. ("OASB")	Malaysia	100	100	Property investment
Subsidiary of Serba Simfoni Sdn. Bhd.				
Fotopop (M) Sdn. Bhd. ("FMSB")	Malaysia	100	100	Dormant

The Group consolidated 100% of OMISB as the non-controlling interest shareholder has no control over OMISB.

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

Directors' Report (Cont'd)

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

Allotment and issuance of new ordinary shares

On 24 July 2023, 7 August 2023, 18 September 2023, 7 November 2023 and 29 November 2023, the Company issued a total of 395,999,000 subscription of new ordinary shares at an average issue price of RM0.0776.

SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

(a) Multiple proposals – (I) Proposed settlement; (II) Proposed Rights Issue with Warrants; (III) Proposed Exemption 1; (IV) Proposed Exemption 2 and (V) Proposed Exemption 3

On 13 December 2023, the Company announced that it proposed to undertake the following proposals:

- (i) proposed settlement of advances amounting to RM43.30 million owing by Stack Builder Sdn. Bhd. ("Stack Builder"), a 50.5%-owned subsidiary of the Company, to Ong Kah Hoe ("OKH") and Tan Chin Hoong ("TCH") ("Stack Builder Advances") to be satisfied entirely via the issuance of 618,525,646 new ordinary shares in the Company ("OCR Shares" or "Shares") at an issue price of RM0.0700 per Share ("Settlement Shares") ("Proposed Settlement");
- (ii) proposed renounceable rights issue of up to 1,336,348,534 new Shares ("Rights Shares") together with up to 1,336,348,534 free detachable warrants in the Company ("Warrants E") on the basis of 2 Rights Shares together with 2 Warrants E for every 3 existing Shares held by entitled shareholders of the Company ("Shareholders") ("Entitled Shareholders") on an entitlement date to be determined and announced later ("Entitlement Date") ("Proposed Rights Issue with Warrants");
- (iii) proposed exemption under Paragraph 4.08(1)(b) of the Rules on Take-Overs, Mergers and Compulsory Acquisitions issued by the Securities Commission Malaysia ("SC") pursuant to Section 377 of the Capital Market and Services Act, 2007 ("CMSA") ("Rules") to OKH, TCH and persons acting in concert ("PACs") with them from the obligation to undertake a mandatory take-over offer for the remaining OCR Shares and options granted under the Company's existing employees' share options scheme ("ESOS") ("ESOS Options") (if any) not already held by them ("Mandatory Offer") upon the completion of the Proposed Settlement ("Proposed Exemption 1");
- (iv) proposed exemption under Paragraph 4.08(1)(b) of the Rules to OKH from the obligation to undertake a Mandatory Offer upon the completion of the Proposed Rights Issue with Warrants ("Proposed Exemption 2"); and
- (v) proposed exemption under Paragraph 4.08(1)(b) of the Rules to OKH and PACs with him from the obligation to undertake a Mandatory Offer upon the completion of the Proposed Rights Issue with Warrants ("Proposed Exemption 3").

(b) Incorporation of a new subsidiary

On 4 April 2024, Grand Superland Sdn. Bhd., a wholly owned subsidiary incorporated a private limited liability company known as OCR Templer Sdn. Bhd. ("OTSB"). As a result of the incorporation, OTSB became a 100% owned subsidiary of the Group.

(c) Joint venture agreement entered by OTSB

On 24 April 2024, OTSB entered into a Joint Venture Agreement ("JVA") with a third party ("Owner"), to develop certain lands into residential and/or commercial development ("the project").

At the reporting date, OTSB has yet to commence the development as OTSB is still in the midst of fulfilling its condition precedents in relation to this JVA.

Directors' Report (Cont'd)

AUDITORS

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

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

.....
ONG KAH HOE

Director

.....
TUNKU AZUDINSHAH IBNI TUNKU ANNUAR

Director

Date: 25 April 2024

STATEMENT BY DIRECTORS

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

We, **ONG KAH HOE** and **TUNKU AZUDINSHAH IBNI TUNKU ANNUAR**, being two of the directors of OCR GROUP BERHAD, do hereby state that in the opinion of the directors, the accompanying financial statements set out on pages 106 to 186 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and of their financial performance and cash flows for the financial year then ended.

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

.....
ONG KAH HOE

Director

Kuala Lumpur

Date: 25 April 2024

.....
TUNKU AZUDINSHAH IBNI TUNKU ANNUAR

Director

STATUTORY DECLARATION

(Pursuant to Section 251(1) of the Companies Act 2016)

I, **ONG KAH HOE**, being the director primarily responsible for the financial management of OCR GROUP BERHAD, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements set out on pages 106 to 186 are correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

.....
ONG KAH HOE

Director

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 25 April 2024.

Before me,

.....
Commissioner for Oaths

HADINUR MOHD SYARIF W761

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF OCR GROUP BERHAD

(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of OCR Group Berhad, which comprise the statements of financial position as at 31 December 2023 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 106 to 186.

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 2023, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

Independent Auditors' Report to the members of OCR Group Berhad (Cont'd)

Key Audit Matters (Cont'd)

Group and Company

Trade and other receivables (Note 4(a) and 11 to the financial statements)

The Group and the Company have significant trade and other receivables as at 31 December 2023.

We focused on this area because the Group's and the Company's expected credit losses assessments require the exercise of significant judgements to be made by the directors, especially in determining the risk of default and expected credit losses, which are based on the Group's and the Company's past history, existing market conditions as well as forward-looking estimates at the end of the reporting period. These judgements and assumptions are inherently uncertain.

Our response:

Our audit procedures included, among others:

- discussing with the management on the recoverability of the trade and other receivables;
- obtaining confirmation of balances from selected receivables; and
- checking subsequent receipts, customer correspondence and understanding directors' explanation on recoverability with significantly past due balances on selected receivables.

Group

Revenue recognition for property development and construction activities (Note 4(b), 8, 13 and 20 to the financial statements)

The Group's accounting policy is to recognise the revenue from property development and construction activities over the period of the contract by reference to the progress towards complete satisfaction of the performance obligation. The progress towards complete satisfaction of performance obligation is to be determined by reference to the proportion of development and construction costs incurred for works performed to-date bear to the estimated total costs for each project (input method).

We focused on this area because the Group's revenue recognition for property development and construction activities requires the exercise of significant judgement to be made by the directors, particularly in determining the progress towards satisfaction of a performance obligation, the extent of the property development and construction costs incurred, the estimated total property development and construction revenue and costs, as well as the recoverability of the development and construction projects. The estimated total revenue and costs are affected by a variety of uncertainties that depend on the outcome of future events.

Our response:

Our audit procedures included, among others:

- reading the terms and conditions of sample or agreements with selected customers;
- understanding the Group's process in preparing or updating project budgets and the calculation of the progress towards complete satisfaction of performance obligation;
- comparing the key assumptions to contractual terms and discussing with project managers;
- checking the mathematical computation of recognised revenue for the projects during the financial year; and
- comparing the directors' assessment on the potential deduction to revenue arising from liquidated and ascertained damages against the contractual delivery dates, estimated delivery dates and progress reports.

Independent Auditors' Report to the members of OCR Group Berhad (Cont'd)

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

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

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

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

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

The directors of the Company are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

Independent Auditors' Report to the members of OCR Group Berhad (Cont'd)

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

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

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

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

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

Other Matters

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

Baker Tilly Monteiro Heng PLT
201906000600 (LLP0019411-LCA) & AF 0117
Chartered Accountants

Ong Teng Yan
No. 03076/07/2025 J
Chartered Accountant

Kuala Lumpur

Date: 25 April 2024

STATEMENTS OF FINANCIAL POSITION

as at 31 December 2023

		Group		Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
ASSETS					
Non-current assets					
Property, plant and equipment	5	5,966,141	6,381,968	189,134	224,686
Right-of-use assets	6(a)	10,208,897	10,628,275	-	-
Investment properties	7	191,309,865	27,188,273	-	-
Inventories	8	27,684,696	27,684,696	-	-
Investment in subsidiaries	9	-	-	178,404,577	206,450,795
Investment in associates	10	545,894	142,396	-	-
Trade and other receivables	11	6,137,405	18,538,951	983,014	-
Other investments	12	7,858,600	5,425,200	7,858,600	5,425,200
Total non-current assets		249,711,498	95,989,759	187,435,325	212,100,681
Current assets					
Inventories	8	206,488,629	181,004,528	-	-
Current tax assets		385,499	461,860	12,225	-
Trade and other receivables	11	118,346,048	159,128,329	26,377,624	5,166,841
Prepayments		454,599	305,205	-	-
Contract assets	13	13,540,147	19,432,883	-	-
Contract costs	14	12,070,632	8,055,610	-	-
Cash and short-term deposits	15	25,945,150	24,151,051	11,763,382	11,440,233
Total current assets		377,230,704	392,539,466	38,153,231	16,607,074
TOTAL ASSETS		626,942,202	488,529,225	225,588,556	228,707,755

Statements of Financial Position (Cont'd)

	Note	Group 2023 RM	2022 RM	Company 2023 RM	2022 RM
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	16	275,177,931	244,458,001	275,177,931	244,458,001
Other reserves	17	886,498	2,034,273	886,498	2,034,273
Accumulated losses		(81,722,696)	(63,635,437)	(85,115,484)	(53,304,862)
		194,341,733	182,856,837	190,948,945	193,187,412
Non-controlling interests	9(d)	10,355,439	15,353,703	-	-
TOTAL EQUITY		204,697,172	198,210,540	190,948,945	193,187,412
Non-current liabilities					
Trade and other payables	18	81,686,926	20,761,765	-	-
Lease liabilities	6(b)	41,864	174,844	-	-
Loans and borrowings	19	104,999,362	88,613,681	-	-
Total non-current liabilities		186,728,152	109,550,290	-	-
Current liabilities					
Trade and other payables	18	171,579,321	129,930,783	16,671,611	20,520,343
Lease liabilities	6(b)	235,100	180,523	-	-
Loans and borrowings	19	53,909,641	48,585,533	17,968,000	15,000,000
Current tax liabilities		230,531	156,318	-	-
Contract liabilities	13	9,562,285	1,915,238	-	-
Total current liabilities		235,516,878	180,768,395	34,639,611	35,520,343
TOTAL LIABILITIES		422,245,030	290,318,685	34,639,611	35,520,343
TOTAL EQUITY AND LIABILITIES		626,942,202	488,529,225	225,588,556	228,707,755

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

STATEMENTS OF COMPREHENSIVE INCOME

for the Financial Year Ended 31 December 2023

		Group		Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
Revenue	20	146,918,271	208,353,521	10,880,051	5,128,473
Cost of sales		(140,804,401)	(183,783,027)	-	-
Gross profit		6,113,870	24,570,494	10,880,051	5,128,473
Other income		4,197,493	1,752,406	582,830	475,961
Administrative expenses		(20,637,831)	(13,579,570)	(9,706,494)	(6,528,239)
Net impairment (losses)/gain on financial instruments		(351,474)	(164,504)	(7,937,667)	2,423,186
Other expenses		(2,455,994)	(2,139,214)	(25,204,131)	(9,119,051)
Operating (loss)/profit		(13,133,936)	10,439,612	(31,385,411)	(7,619,670)
Finance costs	21	(6,304,120)	(4,773,258)	(1,038,386)	(726,252)
Share of results of associates, net of tax	10	406,117	(3,694)	-	-
(Loss)/Profit before tax	22	(19,031,939)	5,662,660	(32,423,797)	(8,345,922)
Tax expenses	23	(666,759)	(214,054)	-	-
(Loss)/Profit for the financial year		(19,698,698)	5,448,606	(32,423,797)	(8,345,922)
Other comprehensive (loss)/ income, net of tax					
<i>Items that may be reclassified subsequently to profit or loss</i>					
Fair value (loss)/gain of equity instruments designated at fair value through other comprehensive income		(534,600)	198,000	(534,600)	198,000
Other comprehensive (loss)/ income for the financial year		(534,600)	198,000	(534,600)	198,000
Total comprehensive (loss)/ income for the financial year		(20,233,298)	5,646,606	(32,958,397)	(8,147,922)

Statements of Comprehensive Income (Cont'd)

	Note	Group 2023 RM	2022 RM	Company 2023 RM	2022 RM
(Loss)/Profit attributable to:					
Owners of the Company		(18,700,434)	(8,038,764)	(32,423,797)	(8,345,922)
Non-controlling interests	9(d)	(998,264)	13,487,370	-	-
		(19,698,698)	5,448,606	(32,423,797)	(8,345,922)
Total comprehensive (loss)/ income attributable to:					
Owners of the Company		(19,235,034)	(7,840,764)	(32,958,397)	(8,147,922)
Non-controlling interests	9(d)	(998,264)	13,487,370	-	-
		(20,233,298)	5,646,606	(32,958,397)	(8,147,922)
Loss per share attributable to owners of the Company (sen per share):					
Basic	24(a)	(1.67)	(0.89)		
Diluted	24(b)	(1.67)	(0.89)		

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

STATEMENTS OF CHANGES IN EQUITY

for the Financial Year Ended 31 December 2023

----- Attributable to the owners of the Company -----									
Group	Note	Share capital RM	Fair value reserve of financial assets at FVOCI RM	Share option reserve RM	Accumulated losses RM	Total RM	Non- controlling interests RM	Total equity RM	
At 1 January 2023		244,458,001	1,421,098	613,175	(63,635,437)	182,856,837	15,353,703	198,210,540	
Total comprehensive loss for the financial year									
Loss for the financial year		-	-	-	(18,700,434)	(18,700,434)	(998,264)	(19,698,698)	
Other comprehensive loss for the financial year		-	(534,600)	-	-	(534,600)	-	(534,600)	
Total comprehensive loss		-	(534,600)	-	(18,700,434)	(19,235,034)	(998,264)	(20,233,298)	
Transactions with owners									
Issuance of ordinary shares	16	30,719,930	-	-	-	30,719,930	-	30,719,930	
Share option lapsed	17	-	-	(613,175)	613,175	-	-	-	
Dividends paid to non-controlling interest on shares of a subsidiary		-	-	-	-	-	(4,000,000)	(4,000,000)	
Total transaction with owners		30,719,930	-	(613,175)	613,175	30,719,930	(4,000,000)	26,719,930	
At 31 December 2023		275,177,931	886,498	-	(81,722,696)	194,341,733	10,355,439	204,697,172	

Statements of Changes in Equity (Cont'd)

----- Attributable to the owners of the Company -----

Group	Note	Share capital RM	Fair value reserve of financial assets at FVOCI RM	Share option reserve RM	Accumulated losses RM	Total RM	Non- controlling interests RM	Total equity RM
At 1 January 2022		211,099,773	1,223,098	739,279	(55,936,890)	157,125,260	140,034	157,265,294
Total comprehensive income/(loss) for the financial year								
(Loss)/Profit for the financial year		-	-	-	(8,038,764)	(8,038,764)	13,487,370	5,448,606
Other comprehensive income for the financial year		-	198,000	-	-	198,000	-	198,000
Total comprehensive income/(loss)		-	198,000	-	(8,038,764)	(7,840,764)	13,487,370	5,646,606
Transactions with owners								
Issuance of ordinary shares	16	33,358,228	-	-	-	33,358,228	-	33,358,228
Share option issued	17	-	-	221,296	-	221,296	-	221,296
Share option lapsed	17	-	-	(347,400)	347,400	-	-	-
Non-controlling interests arising from acquisition of a new subsidiary	9	-	-	-	-	-	1,719,116	1,719,116
Change in ownership interests in a subsidiary	9	-	-	-	(7,183)	(7,183)	7,183	-
Total transaction with owners		33,358,228	-	(126,104)	340,217	33,572,341	1,726,299	35,298,640
At 31 December 2022		244,458,001	1,421,098	613,175	(63,635,437)	182,856,837	15,353,703	198,210,540

Statements of Changes in Equity (Cont'd)

----- Attributable to the owners of the Company -----						
Company	Note	Share capital RM	Fair value reserve of financial assets at FVOCI RM	Share option reserve RM	Accumulated losses RM	Total equity RM
At 1 January 2023		244,458,001	1,421,098	613,175	(53,304,862)	193,187,412
Total comprehensive loss for the financial year						
Loss for the financial year		-	-	-	(32,423,797)	(32,423,797)
Other comprehensive loss for the financial year		-	(534,600)	-	-	(534,600)
Total comprehensive loss		-	(534,600)	-	(32,423,797)	(32,958,397)
Transactions with owners						
Issuance of ordinary shares	16	30,719,930	-	-	-	30,719,930
Share option lapsed	17	-	-	(613,175)	613,175	-
Transaction with owners		30,719,930	-	(613,175)	613,175	30,719,930
At 31 December 2023		275,177,931	886,498	-	(85,115,484)	190,948,945

Statements of Changes in Equity (Cont'd)

----- Attributable to the owners of the Company -----						
Company	Note	Share capital RM	Fair value reserve of financial assets at FVOCI RM	Share option reserve RM	Accumulated losses RM	Total equity RM
At 1 January 2022		211,099,773	1,223,098	739,279	(45,306,340)	167,755,810
Total comprehensive loss for the financial year						
Loss for the financial year		-	-	-	(8,345,922)	(8,345,922)
Other comprehensive income for the financial year		-	198,000	-	-	198,000
Total comprehensive loss		-	198,000	-	(8,345,922)	(8,147,922)
Transactions with owners						
Issuance of ordinary shares	16	33,358,228	-	-	-	33,358,228
Share option issued	17	-	-	221,296	-	221,296
Share option lapsed	17	-	-	(347,400)	347,400	-
Transaction with owners		33,358,228	-	(126,104)	347,400	33,579,524
At 31 December 2022		244,458,001	1,421,098	613,175	(53,304,862)	193,187,412

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

STATEMENTS OF CASH FLOWS

for the Financial Year Ended 31 December 2023

Note	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Cash flows from operating activities				
(Loss)/Profit before tax	(19,031,939)	5,662,660	(32,423,797)	(8,345,922)
Adjustments for:				
Depreciation of:				
- investment properties	74,534	60,984	-	6,892
- property, plant and equipment	1,808,996	1,513,870	71,713	82,431
- right-of-use assets	572,463	356,794	-	-
Dividend income	-	-	(4,000,000)	-
Gain on disposal of:				
- investment properties	-	(77,188)	-	(77,188)
- property, plant and equipment	-	(192,673)	-	(192,673)
- a subsidiary	(249,296)	-	(1)	-
Impairment losses on:				
- investment in an associate	2,619	198,140	-	-
- investment in subsidiaries	-	-	76	5,575,049
- loans that are part of net investment in subsidiaries	-	-	25,132,342	3,454,679
Interest expenses	6,304,120	4,773,258	1,038,386	726,252
Interest income	(599,141)	(374,154)	(389,153)	(205,501)
Inventories written down	-	9,835,161	-	-
Net impairment losses/(gain) on trade and other receivables	351,474	164,504	7,937,667	(2,423,186)
Share of results of associates	(406,117)	3,694	-	-
Share-based payments	-	221,296	-	190,868
Unwinding of discount on other receivables	67,083	-	-	-
	(11,105,204)	22,146,346	(2,632,767)	(1,208,299)
Changes in working capital:				
Inventories	(25,484,101)	45,778,745	-	-
Contract assets/(liabilities)	13,539,783	(92,055,151)	-	-
Contract costs	(4,015,022)	5,987,422	-	-
Trade and other payables	91,637,257	(16,125,362)	3,108,228	(438,116)
Trade and other receivables	(20,497,578)	(21,280,687)	(2,000,270)	(2,999)
Prepayments	(149,394)	994,012	-	21,199
Amount owing by/(to) subsidiaries	-	-	(35,970,547)	(20,873,637)
Amount owing by an associate	(277,609)	576,057	(62,220)	(87,358)
Amount owing by/(to) related parties	29,276,463	(1,925,045)	3,681,334	533,764
Amount owing to directors	(4,283,623)	4,033,547	-	-
Net cash from/(used in) operations	68,640,972	(51,870,116)	(33,876,242)	(22,055,446)
Dividend received	-	-	4,000,000	-
Interest paid	(4,884,492)	(4,414,679)	(861,307)	(722,230)
Interest received	599,141	374,154	389,153	205,501
Income tax paid	(516,185)	(1,802,974)	(12,225)	-
Net cash from/(used in) operating activities	63,839,436	(57,713,615)	(30,360,621)	(22,572,175)

Statements of Cash Flows (Cont'd)

		Group		Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
Cash flows from investing activities					
Addition in investment in subsidiaries		-	-	-	(919,900)
Dividend paid to non-controlling interests on shares of a subsidiary		(4,000,000)	-	-	-
Net cash flows from acquisition of subsidiaries	9(c)	-	20,075,697	-	-
Pledged fixed deposits with licenced banks		1,570,836	(327,215)	(292,114)	(182,238)
Proceeds from disposal of:					
- investment properties		-	1,800,000	-	1,800,000
- property, plant and equipment		-	428,624	-	428,624
- a subsidiary, net of cash disposed	9(b)	-	-	1	-
Purchase of:					
- property, plant and equipment	(a)	(1,393,169)	(285,421)	(36,161)	(39,594)
- investment properties	(a)	(109,382,223)	(2,874,061)	-	-
Net cash (used in)/from investing activities		(113,204,556)	18,817,624	(328,274)	1,086,892
Cash flows from financing activities					
Proceeds from issuance of ordinary shares		30,719,930	21,813,376	30,719,930	21,813,376
Drawdown of:					
- bridging loan	(c)	7,000,000	-	-	-
- term loans	(c)	37,549,760	38,003,525	-	-
- trust receipts	(c)	12,722,801	12,073,502	-	-
Repayment of:					
- bridging loan	(c)	(7,029,561)	(18,058,334)	-	-
- hire purchase liabilities	(c)	(1,369,404)	(1,565,211)	-	(356,911)
- lease liabilities	(c)	(254,440)	(47,749)	-	-
- trust receipts	(c)	(12,392,298)	(12,434,295)	-	-
- term loans	(c)	(12,325,103)	(5,569,123)	-	(244,098)
Net cash from financing activities		54,621,685	34,215,691	30,719,930	21,212,367
Net increase/(decrease) in cash and cash equivalents		5,256,565	(4,680,300)	31,035	(272,916)
Cash and cash equivalents at the beginning of the financial year		(7,059,194)	(2,378,894)	101,556	374,472
Cash and cash equivalents at the end of the financial year	15(a)	(1,802,629)	(7,059,194)	132,591	101,556

Statements of Cash Flows (Cont'd)

(a) Purchase of property, plant, and equipment and investment properties

During the financial year, the Group and the Company made the following cash payments to purchase property, plant and equipment and investment properties:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Purchase of property, plant and equipment	1,393,169	4,656,324	36,161	39,594
Financed by way of hire purchase arrangements	-	(4,370,903)	-	-
Cash payments on purchase of property, plant and equipment	1,393,169	285,421	36,161	39,594

	Group	
	2023 RM	2022 RM
Addition in investment properties	164,196,126	6,443,661
Less: Transferred from deposits refundable	(54,813,903)	-
Less: Deduct against payables	-	(3,569,600)
Cash payments on purchase of investment properties	109,382,223	2,874,061

(b) Total cash outflows for leases as a lessee

During the financial year, the Group and the Company had total cash outflows for leases of RM722,689 and RM27,120 (2022: RM590,161 and RM27,120) respectively.

Statements of Cash Flows (Cont'd)

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

	At 1.1.2023 RM	Cash flows RM	----- Non-cash ----- Acquisition/ Addition of assets RM	Interest (capitalised)/ expenses RM	At 31.12.2023 RM
Group					
Bridging loan	7,029,561	(29,561)	-	-	7,000,000
Term loans	94,801,870	25,224,657	-	(3,786,903)	116,239,624
Trust receipts	4,630,889	330,503	-	-	4,961,392
Revolving credit	15,000,000	-	-	-	15,000,000
Hire purchase liabilities	3,763,751	(1,369,404)	-	264,127	2,658,474
Lease liabilities	355,367	(254,440)	153,085	22,952	276,964
Share margin financing	-	-	2,968,000	-	2,968,000
	125,581,438	23,901,755	3,121,085	(3,499,824)	149,104,454
Company					
Revolving credit	15,000,000	-	-	-	15,000,000
Share margin financing	-	-	2,968,000	-	2,968,000
	15,000,000	-	2,968,000	-	17,968,000

	At 1.1.2022 RM	Cash flows RM	----- Non-cash ----- Acquisition/ Addition of assets RM	Interest expenses RM	At 31.12.2022 RM
Group					
Bridging loan	25,087,895	(18,058,334)	-	-	7,029,561
Term loans	62,367,468	32,434,402	-	-	94,801,870
Trust receipts	4,991,682	(360,793)	-	-	4,630,889
Revolving credit	15,000,000	-	-	-	15,000,000
Hire purchase liabilities	605,298	(1,565,211)	4,370,903	352,761	3,763,751
Lease liabilities	-	(47,749)	397,298	5,818	355,367
	108,052,343	12,402,315	4,768,201	358,579	125,581,438
Company					
Term loans	244,098	(244,098)	-	-	-
Revolving credit	15,000,000	-	-	-	15,000,000
Hire purchase liabilities	352,889	(356,911)	-	4,022	-
	15,596,987	(601,009)	-	4,022	15,000,000

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

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

OCR Group Berhad ("the Company") is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur. The principal place of business of the Company is located at A-3A-01, Block Allamanda, 10 Boulevard Lebuhraya Sprint, PJU 6A, 47400 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

The Company is principally engaged in the business of investment holding. The principal activities of its subsidiaries are disclosed in Note 9 to the financial statements.

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 25 April 2024.

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

2.2 Adoption of new MFRS and amendments to MFRSs

The Group and the Company have adopted the following applicable new MFRS and amendments to MFRSs for the current financial year:

New MFRS

MFRS 17 Insurance Contracts

Amendments to MFRSs

MFRS 101 Presentation of Financial Statements

MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors

MFRS 112 Income Taxes

The adoption of the above new MFRS and amendments to MFRSs did not have any significant effect on the financial statements of the Group and of the Company and did not result in significant changes to the Group's and the Company's existing accounting policies, except as discussed below.

Amendments to MFRS 101 Presentation of Financial Statements

The amendments require an entity to disclose its material accounting policy information rather than significant accounting policies. The amendments, amongst others, also include examples of circumstances in which an entity is likely to consider an accounting policy information to be material to its financial statements.

Accordingly, the Group and the Company disclosed their material accounting policy information in these financial statements. However, the amendments did not result in changes to the accounting policies of the Group and of the Company.

Notes to the Financial Statements (Cont'd)

2. BASIS OF PREPARATION (CONT'D)

2.3 Amendments to MFRSs that have been issued, but are yet to be effective

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

		Effective for financial periods beginning on or after
<u>Amendments to MFRSs</u>		
MFRS 7	Financial Instruments: Disclosures	1 January 2024
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 16	Leases	1 January 2024
MFRS 101	Presentation of Financial Statements	1 January 2024
MFRS 107	Statement of Cash Flows	1 January 2024
MFRS 121	The Effect of Changes in Foreign Exchange Rates	1 January 2025
MFRS 128	Investments in Associates and Joint Ventures	Deferred

- (b) The Group and the Company plan to adopt the above applicable amendments to MFRSs when they become effective. A brief discussion on the above significant amendments to MFRSs that may be applicable to the Group and the Company are summarised below.

Amendments to MFRS 16 Leases

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

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

Amendments to MFRS 101 Presentation of Financial Statements

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

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

- (c) The Group and the Company are currently performing analysis to quantify the financial effects arising from the adoption of the amendments/improvements to MFRSs.

Notes to the Financial Statements (Cont'd)

2. BASIS OF PREPARATION (CONT'D)

2.4 Functional and presentation currency

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

2.5 Basis of measurement

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

3. MATERIAL ACCOUNTING POLICY INFORMATION

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

3.1 Basis of consolidation and economic entities

(a) Subsidiaries and business combination

The Group applies the acquisition method to account for business combinations from the acquisition date when the acquired set of activities meets the definition of a business and control is transferred to the Group.

(b) Non-controlling interests

At the acquisition date, components of non-controlling interests of the Group are measured at their acquisition-date fair values.

(c) Associates

Investment in associates is accounted for in the consolidated financial statements of the Group using the equity method.

3.2 Separate financial statements

In the Company's statement of financial position, investment in subsidiaries and associates are measured at cost less any accumulated impairment losses.

Contributions to subsidiaries are amounts for which the settlement is neither planned nor likely to occur in the foreseeable future is, in substance, considered as part of the Company's investment in the subsidiaries.

3.3 Financial instruments

Financial assets – subsequent measurement and gains and losses

Financial assets at fair value through profit or loss

The Group and the Company subsequently measure these assets at fair value. Net gains and losses, including any interest and dividend income, are recognised in profit or loss.

Notes to the Financial Statements (Cont'd)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.3 Financial instruments (Cont'd)

Financial assets – subsequent measurement and gains and losses (Cont'd)

Debt instruments at amortised cost

The Group and the Company subsequently measure these assets at amortised cost under the effective interest method. The gross carrying amount is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt instruments at fair value through other comprehensive income

The Group and the Company subsequently measure these assets at fair value. Interest income calculated under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Equity instruments at fair value through other comprehensive income

The Group and the Company subsequently measure all equity investments at fair value. Upon initial recognition, the Group and Company have made an irrevocable election to classify its equity instruments as disclosed in Note 12 that are not held for trading as equity instruments designated at fair value through other comprehensive income. The classification is determined on an instrument-by-instrument basis.

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

Financial liabilities – subsequent measurement and gains and losses

The Group and the Company classify the financial liabilities at amortised cost or fair value through profit or loss. Financial liabilities are classified as fair value through profit or loss if it is classified as held for trading, it is a derivative, it is contingent consideration of an acquirer in a business combination or it is designated as such on initial recognition. Financial liabilities at fair value through profit or loss are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

The Group and the Company subsequently measure other financial liabilities at amortised cost under the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

3.4 Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Notes to the Financial Statements (Cont'd)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.4 Property, plant and equipment (Cont'd)

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

	Useful lives (years)
Renovation, furniture and fittings	3 to 10 years
Software	5 years
Tools and equipment	3 to 10 years
Motor vehicles	5 to 10 years

3.5 Leases

(a) Lessee accounting

The Group presents right-of-use assets and lease liabilities as separate lines in the statements of financial position.

Short-term leases and leases of low value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. Accordingly, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Right-of-use assets

The right-of-use assets are measured at cost less accumulated depreciation and any accumulated impairment losses and adjust for any remeasurement of the lease liabilities. The right-of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Lease liabilities

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the incremental borrowing rate.

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

(b) Lessor accounting

The Group recognises lease payments received from investment properties under operating leases as income on a straight-line basis over the lease term as part of revenue. Rental income from sublease properties which recognise as other income.

Notes to the Financial Statements (Cont'd)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.6 Investment properties

Investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses.

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

All other investment properties are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives.

	Useful lives (years)
Buildings	50 years
Commercial building	50 years
Freehold commercial retail units	50 years

3.7 Inventories

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

Property under development and completed properties

The cost of property under development recognised in profit or loss is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative sale value of the property sold.

The cost of unsold completed properties is determined on a specific identification basis.

3.8 Revenue and other income

Financing components

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

(a) Property development

The Group develops and sells residential and commercial properties. Contracts with customers may include multiple distinct promises to customers and therefore are accounted for as separate performance obligations. In the contract with customer contains more than one performance obligation, when the stand-alone selling price are not directly observable, they are estimated based on expected cost-plus-margin approach.

For practical expediency, the Group applies revenue recognition to a portfolio of contracts (or performance obligations) with similar characteristics in the property development business if the Group reasonably expects that the effects on the financial statements would not differ materially from recognising revenue on each individual contracts (or performance obligations) within that portfolio.

Notes to the Financial Statements (Cont'd)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.8 Revenue and other income (Cont'd)

(a) Property development (Cont'd)

Revenue from residential and commercial properties are recognised as and when the control of the asset is transferred to the customer. Based on the terms of the contract and the laws that apply to the contract, control of the asset is transferred over time as the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to-date. The progress towards complete satisfaction of a performance obligation is determined by the proportion of property development costs incurred for work performed to-date bear to the estimated total property development costs (an input method).

The consideration is due based on the scheduled payments in the contract, therefore, no element of financing is deemed present. When a particular milestone is reached in excess of the scheduled payments, a contract asset will be recognised for the excess of revenue recognised to-date under the input method over the progress billings to-date and include deposits or advances received from customers. When the progress billings to-date and deposits or advances received from customers exceeds revenue recognised to-date, then the Group recognises a contract liability for the difference.

Based on the Group's customary business practice, the customers' legal fees are borne by the Group. Revenue is recognised based on the transaction price agreed in the contracts, net of the customer's legal fees. The Group uses its experience in estimating the legal fees to be incurred by using the expected value method. The amount of revenue recognised does not include any customers' legal fees which is constrained.

For residential and commercial properties, as part of the statutory requirements, the Group's and the Company's obligations are to rectify any defects that become apparent within the defect liability period of 24 months after the customer takes vacant possession of the building. No provision for rectification costs has been made as at the end of the financial year as there has been no known material defect reported and only minimal costs have been incurred in the past.

(b) Construction contracts

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

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

Billings are made with a credit term of 30 days, therefore, no element of financing is deemed present. The Group becomes entitled to invoice customers for construction of commercial and industrial properties based on achieving a series of performance-related milestones.

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

Defect liability period is usually 24 months from the date of Certificate of Practical Completion as provided in the contracts with customers.

Notes to the Financial Statements (Cont'd)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.8 Revenue and other income (Cont'd)

(c) Rental income

Rental income from investment properties is recognised on a straight-line basis over the term of the lease. Lease incentive granted is recognised as an integral part of the total rental income, over the term of the lease.

(d) Management fees

Management fees are recognised over time as services are rendered based on time elapsed.

(e) Interest income

Interest income is recognised using the effective interest method.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

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

(a) Impairment of trade and other receivables

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

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

The information about the impairment losses on the Group's and the Company's trade and other receivables is disclosed in Note 25(b)(i) to the financial statements.

Notes to the Financial Statements (Cont'd)

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONT'D)

(b) Revenue recognition for property development and construction

The Group recognised property development and construction revenue and expenses in profit or loss by using the progress towards complete satisfaction of performance obligation. The progress towards complete satisfaction of performance obligation is determined by the proportion that property development or construction costs incurred for work performed to-date bear to the estimated total property development or construction costs.

Significant judgement is required in determining the progress towards complete satisfaction of performance obligation, the extent of the property development or construction costs incurred, the estimated total property development and construction revenue and costs, as well as the recoverability of the projects. In making the judgement, the Group evaluates based on past experience and relying on the work of specialists.

The carrying amounts of property development costs, contract assets and contract liabilities are disclosed in Notes 8 and 13 to the financial statements.

5. PROPERTY, PLANT AND EQUIPMENT

	Renovation, furniture and fittings RM	Software RM	Tools and equipment RM	Motor vehicles RM	Total RM
Group 2023 Cost					
At 1 January 2023	4,028,885	67,783	6,657,946	572,983	11,327,597
Additions	1,353,855	1,660	37,654	-	1,393,169
At 31 December 2023	5,382,740	69,443	6,695,600	572,983	12,720,766
Accumulated depreciation					
At 1 January 2023	3,400,182	22,307	1,105,490	417,650	4,945,629
Depreciation charge for the financial year	376,260	12,609	1,373,527	46,600	1,808,996
At 31 December 2023	3,776,442	34,916	2,479,017	464,250	6,754,625
Carrying amounts					
At 31 December 2023	1,606,298	34,527	4,216,583	108,733	5,966,141

Notes to the Financial Statements (Cont'd)

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

	Renovation, furniture and fittings RM	Software RM	Tools and equipment RM	Motor vehicles RM	Total RM
Group 2022 Cost					
At 1 January 2022	3,791,297	45,409	2,261,584	1,078,592	7,176,882
Additions	237,588	22,374	4,396,362	-	4,656,324
Disposal	-	-	-	(505,609)	(505,609)
At 31 December 2022	4,028,885	67,783	6,657,946	572,983	11,327,597
Accumulated depreciation					
At 1 January 2022	3,059,175	10,357	35,664	596,221	3,701,417
Depreciation charge for the financial year	341,007	11,950	1,069,826	91,087	1,513,870
Disposal	-	-	-	(269,658)	(269,658)
At 31 December 2022	3,400,182	22,307	1,105,490	417,650	4,945,629
Carrying amounts					
At 31 December 2022	628,703	45,476	5,552,456	155,333	6,381,968
			Renovation, furniture and fittings RM	Motor vehicles RM	Total RM
Company 2023 Cost					
At 1 January 2023			987,451	155,764	1,143,215
Additions			36,161	-	36,161
At 31 December 2023			1,023,612	155,764	1,179,376
Accumulated depreciation					
At 1 January 2023			762,765	155,764	918,529
Depreciation charge for the financial year			71,713	-	71,713
At 31 December 2023			834,478	155,764	990,242
Carrying amounts					
At 31 December 2023			189,134	-	189,134

Notes to the Financial Statements (Cont'd)

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

	Renovation, furniture and fittings RM	Motor vehicles RM	Total RM
Company			
2022			
Cost			
At 1 January 2022	947,857	661,373	1,609,230
Additions	39,594	-	39,594
Disposal	-	(505,609)	(505,609)
At 31 December 2022	987,451	155,764	1,143,215
Accumulated depreciation			
At 1 January 2022	697,187	408,569	1,105,756
Depreciation charge for the financial year	65,578	16,853	82,431
Disposal	-	(269,658)	(269,658)
At 31 December 2022	762,765	155,764	918,529
Carrying amounts			
At 31 December 2022	224,686	-	224,686

Assets under hire purchase agreements

The carrying amounts of assets under hire purchase agreements are as follows:

	Group 2023 RM	2022 RM
Tools and equipment	2,672,556	3,533,161
Motor vehicles	108,733	155,333
	2,781,289	3,688,494

The tools and equipment and motor vehicles under hire purchase agreements of the Group are pledged as security for related hire purchases liabilities as disclosed in Note 19 to the financial statements.

Notes to the Financial Statements (Cont'd)

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

(a) Right-of-use assets

The Group leases several assets including leasehold land and sales office and showroom.

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

	Leasehold land RM	Sales office and showroom RM	Total RM
Group 2023 Cost			
At 1 January 2023	11,285,603	397,298	11,682,901
Additions	-	153,085	153,085
At 31 December 2023	11,285,603	550,383	11,835,986
Accumulated depreciation			
At 1 January 2023	1,004,964	49,662	1,054,626
Depreciation charge for the financial year	307,133	265,330	572,463
At 31 December 2023	1,312,097	314,992	1,627,089
Carrying amounts			
At 31 December 2023	9,973,506	235,391	10,208,897
Group 2022 Cost			
At 1 January 2022	11,285,603	-	11,285,603
Additions	-	397,298	397,298
At 31 December 2022	11,285,603	397,298	11,682,901
Accumulated depreciation			
At 1 January 2022	697,832	-	697,832
Depreciation charge for the financial year	307,132	49,662	356,794
At 31 December 2022	1,004,964	49,662	1,054,626
Carrying amounts			
At 31 December 2022	10,280,639	347,636	10,628,275

Leasehold land generally has lease terms between 31 to 36 years (2022: 32 to 37 years).

The Group also leases sales office and showroom for its project which has lease terms of 2 years.

Notes to the Financial Statements (Cont'd)

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

(b) Lease liabilities

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

	Group 2023 RM	2022 RM
Minimum lease payments:		
- Not later than one year	260,615	197,285
- Later than one year and not later than five years	24,112	179,015
Less: Future finance charges	284,727 (7,763)	376,300 (20,933)
Present value of minimum lease payments	276,964	355,367
Represented by:		
Current		
- Not later than one year	235,100	180,523
Non-current		
- Later than one year and not later than five years	41,864	174,844
	276,964	355,367

The lease liabilities bear interest rates ranging from 5.75% to 6.33% (2022: 6.33%) per annum.

7. INVESTMENT PROPERTIES

	Freehold land RM	Freehold buildings RM	Freehold commercial retail units RM	Assets under construction RM	Total RM
Group 2023 Cost					
At 1 January 2023	18,486,830	3,726,683	-	5,217,161	27,430,674
Additions	-	79,038	-	164,117,088	164,196,126
Reclassification	-	-	7,139,200	(7,139,200)	-
At 31 December 2023	18,486,830	3,805,721	7,139,200	162,195,049	191,626,800

Notes to the Financial Statements (Cont'd)

7. INVESTMENT PROPERTIES (CONT'D)

	Freehold land RM	Freehold buildings RM	Freehold commercial retail units RM	Assets under construction RM	Total RM
Group 2023 Accumulated depreciation					
At 1 January 2023	-	242,401	-	-	242,401
Depreciation charge for the financial year	-	74,534	-	-	74,534
At 31 December 2023	-	316,935	-	-	316,935
Carrying amounts					
At 31 December 2023	18,486,830	3,488,786	7,139,200	162,195,049	191,309,865

	Freehold land RM	Freehold buildings RM	Freehold commercial building RM	Assets under construction RM	Total RM
Group 2022 Cost					
At 1 January 2022	18,486,830	2,500,183	2,067,375	-	23,054,388
Additions	-	1,226,500	-	5,217,161	6,443,661
Disposals	-	-	(2,067,375)	-	(2,067,375)
At 31 December 2022	18,486,830	3,726,683	-	5,217,161	27,430,674
Accumulated depreciation					
At 1 January 2022	-	188,309	337,671	-	525,980
Depreciation charge for the financial year	-	54,092	6,892	-	60,984
Disposals	-	-	(344,563)	-	(344,563)
At 31 December 2022	-	242,401	-	-	242,401
Carrying amounts					
At 31 December 2022	18,486,830	3,484,282	-	5,217,161	27,188,273

Notes to the Financial Statements (Cont'd)

7. INVESTMENT PROPERTIES (CONT'D)

	Company	
	2023 RM	2022 RM
Freehold commercial building		
Cost		
At 1 January	-	2,067,375
Disposal	-	(2,067,375)
At 31 December	-	-
Accumulated depreciation		
At 1 January	-	337,671
Depreciation charge for the financial year	-	6,892
Disposal	-	(344,563)
At 31 December	-	-
Carrying amounts		
At 31 December	-	-

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

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Rental income	388,000	226,067	-	-

- (b) Investment properties with a total carrying amount of RM184,170,665 (2022: RM21,971,112) for the Group have been pledged to licensed banks as securities for banking facilities granted to the Group as disclosed in Note 19 to the financial statements.
- (c) As at the reporting date, land titles for the freehold commercial retail units and investment properties under construction with carrying amounts of RM7,139,200 (2022: Nil) and RM162,195,049 (2022: RM5,217,161) respectively have yet to be registered under the subsidiaries' name.

On 20 April 2022, a subsidiary of the Group ("the developer") entered into Joint Venture Agreement with a third party ("the landowner") for the development of a parcel of 99 years leasehold land held under PT12, Seksyen 15, Bandar Shah Alam, Daerah Petaling, Selangor Darul Ehsan amounted to RM162,195,049 (2022: RM1,647,561). The Group has irrevocable power to deal with the land pursuant to the power of attorney given to the Group under the Power of Attorney dated 20 April 2022.

- (d) Included in investment properties are borrowing costs capitalised during the financial year as follows:

	Group	
	2023 RM	2022 RM
Borrowing costs capitalised	5,560,525	-

Notes to the Financial Statements (Cont'd)

7. INVESTMENT PROPERTIES (CONT'D)

(e) Fair value of investment properties is as follows:

	Group 2023 RM	2022 RM
Freehold land and buildings	23,000,000	23,000,000
Freehold commercial retail units	7,139,200	-
	30,139,200	23,000,000

There is no transfer between the levels of fair value hierarchy during the financial year ended 31 December 2023 and 31 December 2022.

Valuation processes applied by the Group

The fair value of the freehold land and buildings is determined by an external independent property valuer, a member of the Institute of Valuers in Malaysia, with appropriate recognised professional qualifications and recent experience in the location and category of property being valued.

The fair values of freehold commercial retail units are arrived at based on comparisons with prices of similar properties in the same location.

Highest and best use

In estimating the fair value of the properties, the highest and best use of the properties is its current use.

(f) Fair value of investment properties under construction

The fair value of the investment properties under construction is unable to be determined as there are uncertainties in estimating its fair value. The estimated fair value of the investment properties under construction is RM200,000,000 based on the valuation report dated 4 November 2022 performed by an independent firm of professional valuer.

8. INVENTORIES

	Group 2023 RM	2022 RM
Non-current		
Land held for development		
- Land costs	23,622,539	23,622,539
- Development costs	4,062,157	4,062,157
	(a) 27,684,696	27,684,696

Notes to the Financial Statements (Cont'd)

8. INVENTORIES (CONT'D)

	Note	Group 2023 RM	2022 RM
Current			
Property under development			
- Land costs	(b)	101,541,869	118,101,415
- Development costs	(b)	104,946,760	62,833,288
		206,488,629	180,934,703
Construction materials		-	69,825
		206,488,629	181,004,528
		234,173,325	208,689,224

(a) Land held for development

Land held for property development with a total carrying amount of RM18,051,029 (2022: RM18,051,029) have been pledged to a licensed bank as securities for banking facilities granted to the Group as disclosed in Note 19 to the financial statements.

(b) Property under development

Property development costs with a total carrying amount of RM190,534,665 (2022: RM169,708,933) have been pledged to licensed banks as securities for banking facilities granted to the Group as disclosed in Note 19 to financial statements.

(c) The cost of inventories of the Group recognised as an expense in cost of sales during the financial year was RM86,598,858 (2022: RM139,943,904).

(d) In the previous financial year, the cost of inventories of the Group recognised as an expense in respect of write-down of inventories to net realisable value was RM9,835,161.

(e) Included in inventories are borrowing costs capitalised in the property development costs during the financial year as follows:

	Group 2023 RM	2022 RM
Borrowing costs capitalised	2,014,166	2,072,902

Notes to the Financial Statements (Cont'd)

9. INVESTMENT IN SUBSIDIARIES

	Company 2023 RM	2022 RM
At cost		
Unquoted shares	32,350,997	32,350,998
Less: Accumulated impairment losses	(7,075,048)	(7,075,049)
	25,275,949	25,275,949
Deemed capital contribution: - Share option granted	232,759	232,759
Loans that are part of net investments	181,302,640	184,396,766
Less: Accumulated impairment losses	(28,406,771)	(3,454,679)
	152,895,869	180,942,087
Carrying amounts At the end of the financial year	178,404,577	206,450,795

Loans that are part of net investments represent amount owing by subsidiaries which are non-trade in nature, unsecured and non-interest bearing. The settlement of the amount is neither planned nor likely to occur in the foreseeable future as it is the intention of the Company to treat these amounts as long-term source of capital to the subsidiaries. As this amount is, in substance, a part of the Company's net investment in the subsidiaries, it is stated at cost less accumulated impairment loss, if any.

(a) Details of the subsidiaries are as follows:

Name of company	Principal place of business/ country of incorporation	Ownership interest		Principal activities
		2023 %	2022 %	
OCR Commerce Sdn. Bhd. ("OCSB")	Malaysia	100	100	Dormant
OCR Construction Sdn. Bhd. ("OCCSB")	Malaysia	100	100	Construction of residential and commercial properties and property development
OCR Development (Kuantan) Sdn. Bhd. ("ODKSB")	Malaysia	70	70	Property development and property investment

Notes to the Financial Statements (Cont'd)

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

(a) Details of the subsidiaries are as follows (Cont'd):

Name of company	Principal place of business/ country of incorporation	Ownership interest		Principal activities
		2023 %	2022 %	
Tristar City Sdn. Bhd. ("TCSB")	Malaysia	100	100	Property development and property investment
Grand Superland Sdn. Bhd. ("GSSB")	Malaysia	100	100	Construction of residential and commercial properties and property development and investment holding
Pangkal Teguh Sdn. Bhd. ("PTSB")	Malaysia	70	70	Construction of residential and commercial properties, property management and real estate
Kita Mampan Sdn. Bhd. ("KMPSB")	Malaysia	70	70	Construction of residential and commercial properties
O&C Makok Isola Sdn. Bhd. ("OMISB") #	Malaysia	50.01	50.01	Property development
Sunrise Meadow Sdn. Bhd. ("SMSB")	Malaysia	100	100	Property development and property investment
Kirana Masyhur Sdn. Bhd. ("KMSB")	Malaysia	100	100	Dormant
OCR Properties (Kuantan) Sdn. Bhd. ("OPKSB")	Malaysia	90	90	Property development and property investment
OCR Ventures Sdn. Bhd. ("OVSB")	Malaysia	100	100	Property development and property investment
OCR (The Mate) Sdn. Bhd. ("OTMSB")	Malaysia	100	100	Dormant
Junjung Simfoni Sdn. Bhd. ("JSSB")	Malaysia	100	100	Dormant

Notes to the Financial Statements (Cont'd)

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

(a) Details of the subsidiaries are as follows (Cont'd):

Name of company	Principal place of business/ country of incorporation	Ownership interest		Principal activities
		2023 %	2022 %	
Amazing Symphony Sdn. Bhd. ("ASSB")	Malaysia	-	100	Construction of residential properties
OCR Land Development Sdn. Bhd. ("OLDSB")	Malaysia	100	100	Property development
Wonderland Projects Sdn. Bhd. ("WPSB")	Malaysia	100	100	Property investment holding and leasing of temporary structure space to tenants
Stack Builder Sdn. Bhd. ("SBSB")	Malaysia	50.495	50.495	Property development
OCR Selayang Industrial Park Sdn. Bhd. ("OSIPSB")	Malaysia	50	50	Investment holding, receiving rental and property development
Subsidiary of Kirana Masyhur Sdn. Bhd.				
Mampan Esa (Melaka) Sdn. Bhd. ("MEMSB")	Malaysia	50.0005	50.0005	Real estate management
Subsidiaries of Grand Superland Sdn. Bhd.				
Visi Anggun Properties Sdn. Bhd. ("VAPSB")	Malaysia	80	80	Dormant
Greatway Capital Sdn. Bhd. ("GCSB")	Malaysia	100	100	Dormant
Serba Simfoni Sdn. Bhd. ("SSSB")	Malaysia	100	100	Dormant
OCR Avenue Sdn. Bhd. ("OASB")	Malaysia	100	100	Property investment
Subsidiary of Serba Simfoni Sdn. Bhd.				
Fotopop (M) Sdn. Bhd. ("FMSB")	Malaysia	100	100	Dormant

The Group consolidated 100% of OMISB as the non-controlling interest shareholder has no control over OMISB.

Notes to the Financial Statements (Cont'd)

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

(b) Disposal of a subsidiary

On 19 May 2023, the Company had entered into a sale and purchase agreement with a third party for the disposal of entire shareholdings in Amazing Symphony Sdn. Bhd. ("ASSB") to dispose a total of 1 ordinary share in ASSB, representing 100% of the issued and paid-up capital in ASSB for consideration of RM1. The sale and purchase agreement has been completed and ASSB ceased to be subsidiary of the Company on even date.

(i) Summary of the effects of disposal of a subsidiary is as follows:

	2023 RM
Recognised:	
Cash consideration received	1
Amount payable by the purchaser	3,000,000
	3,000,001
Derecognised:	RM
Fair value of identifiable net assets at disposal date	
Cash in hand	1
Deposit refundable	3,000,000
Other payable and accruals	(8,701)
Amount owing to holding company	(60,549)
Amount owing to a director	(20,000)
	(2,910,751)
Waiver of shareholder net advances	89,250
	160,046
Gain on disposal of a subsidiary (Note 22)	249,296

(ii) Summary of the effects of disposal of a subsidiary on cash flows:

	2023 RM
Consideration received in cash	1
Less: Cash and cash equivalents of subsidiary disposed	(1)
Net cash flows on disposal of a subsidiary	-

Notes to the Financial Statements (Cont'd)

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

(c) Acquisition of a subsidiary

For the financial year ended 31 December 2022

On 25 March 2022, the Group had acquired 50% controlling interests in the equity share of OSIPSB for a total purchase consideration of RM14,116,205 pursuant to a revised share sales agreement.

(i) Fair value consideration transferred:

	2022 OSIPSB RM
Ordinary shares of the Company	11,544,852

For purpose of accounting of the share consideration, the fair value of the 104,953,197 ordinary shares issued as the consideration paid for OSIPSB was determined based on ordinary shares on basis of the closing market price of the Company of RM0.11 per share on the acquisition date instead of based on issue price of RM0.1345 per ordinary share.

(ii) Fair value of the identifiable assets acquired and liabilities recognised:

	2022 OSIPSB RM
Assets	
Cash and bank balances	20,075,697
Inventories	53,566,924
Contract cost	6,433,076
Other receivables and prepayments	32,878,708
Total assets	112,954,405
Liabilities	
Contract liabilities	(107,003,111)
Trade and other payables	(2,513,061)
Total liabilities	(109,516,172)
Total identified net assets acquired	3,438,233
Less: Inventories written down	9,825,735
Non-controlling interests at fair value	(1,719,116)
Fair value of consideration transferred	11,544,852

Notes to the Financial Statements (Cont'd)

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

(c) Acquisition of a subsidiary (Cont'd)

For the financial year ended 31 December 2022 (Cont'd)

(iii) Effects of acquisition on cash flows:

	2022 OSIPSB RM
Fair value of consideration transferred	11,544,852
Less: Non-cash consideration	(11,544,852)
Consideration paid in cash	-
Less: Cash and cash equivalents of subsidiaries acquired	20,075,697
Net cash inflows on acquisition	20,075,697

(iv) Effects of acquisition in statements of comprehensive income:

From the date of acquisition, the subsidiary's contributed revenue and profit net of tax are as follows:

	2022 OSIPSB RM
Revenue	105,224,412
Profit for the financial year	28,735,583

If the acquisition had occurred on 1 January 2022, the consolidated results for the financial year ended 31 December 2022 would have been as follows:

	2022 OSIPSB RM
Revenue	105,681,599
Profit for the financial year	28,860,492

Notes to the Financial Statements (Cont'd)

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

(d) Non-controlling interests in subsidiaries

Equity interest held by non-controlling interests are as follows:

Name of company	Principal place of business/ country of incorporation	Ownership interest	
		2023 %	2022 %
OCR Development (Kuantan) Sdn. Bhd.	Malaysia	30	30
Pangkal Teguh Sdn. Bhd.	Malaysia	30	30
Kita Mampan Sdn. Bhd.	Malaysia	30	30
OCR Properties (Kuantan) Sdn. Bhd.	Malaysia	10	10
Mampan Esa (Melaka) Sdn. Bhd.	Malaysia	49.9995	49.9995
Visi Anggun Properties Sdn. Bhd.	Malaysia	20	20
Stack Builder Sdn. Bhd.	Malaysia	49.50495	49.50495
OCR Selayang Industrial Park Sdn. Bhd.	Malaysia	50	50

Carrying amount of non-controlling interests:

Name of company	Group	
	2023 RM	2022 RM
OCR Selayang Industrial Park Sdn. Bhd.	11,768,056	15,184,408
Stack Builder Sdn. Bhd.	2,153,306	2,348,760
Other subsidiaries with immaterial non-controlling interests	(3,565,923)	(2,179,465)
	10,355,439	15,353,703

Profit or loss allocated to non-controlling interests:

Name of company	Group	
	2023 RM	2022 RM
OCR Selayang Industrial Park Sdn. Bhd.	636,332	13,465,292
Stack Builder Sdn. Bhd.	(195,454)	(19,345)
Other subsidiaries with immaterial non-controlling interests	(1,439,142)	41,423
	(998,264)	13,487,370

Notes to the Financial Statements (Cont'd)

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

(e) Summarised financial information of material non-controlling interests

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

	OCR Selayang Industrial Park Sdn. Bhd. RM	Stack Builder Sdn. Bhd. RM
Summarised statement of financial position		
As at 31 December 2023		
Non-current assets	-	460,145
Current assets	29,255,712	88,126,883
Non-current liabilities	-	(22,183,962)
Current liabilities	(5,719,601)	(62,053,387)
Net assets	23,536,111	4,349,679
Summarised statement of comprehensive income/(loss)		
Financial year ended 31 December 2023		
Revenue	6,972,778	-
Profit/(Loss) for the financial year	1,272,663	(394,817)
Total comprehensive income/(loss)	1,272,663	(394,817)
Summarised statement of cash flows information		
Financial year ended 31 December 2023		
Net cash from operating activities	8,009,810	4,949,421
Net cash used in investing activities	-	(568,354)
Net cash used in financing activities	(8,000,000)	(4,368,492)
Net increase in cash and cash equivalents	9,810	12,575

Notes to the Financial Statements (Cont'd)

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

(e) Summarised financial information of material non-controlling interests (Cont'd)

The summarised financial information (before intra-group elimination) of the Group's and Company's subsidiary that has material non-controlling interest is as follows (Cont'd):

	OCR Selayang Industrial Park Sdn. Bhd. RM	Stack Builder Sdn. Bhd. RM
Summarised statement of financial position		
As at 31 December 2022		
Current assets	38,485,042	82,443,444
Non-current liabilities	-	(27,880,000)
Current liabilities	(8,116,226)	(49,818,948)
Net assets	30,368,816	4,744,496
Summarised statement of comprehensive income/(loss)		
Financial year ended 31 December 2022		
Revenue	105,224,412	-
Profit/(Loss) for the financial year	28,735,583	(24,565)
Total comprehensive income/(loss)	28,735,583	(24,565)
Summarised statement of cash flows information		
Financial year ended 31 December 2022		
Net cash used in operating activities	(20,055,947)	(891,329)
Net decrease in cash and cash equivalents	(20,055,947)	(891,329)

(f) Allotment of additional interests in subsidiaries

(i) Allotment of additional interests in Wonderland Projects Sdn. Bhd.

On 10 March 2022, the Company allotted additional 670,000 new ordinary shares at an issue price of RM1 of RM670,000 in Wonderland Projects Sdn. Bhd., a wholly owned subsidiary of the Group.

(ii) Allotment of additional interests in Stack Builder Sdn. Bhd.

On 11 August 2022, the Company allotted an additional 1 new ordinary share at an issue price of RM249,900 in Stack Builder Sdn. Bhd., a subsidiary of the Group. The Company's effective ownership in Stack Builder Sdn. Bhd. increased from 50% to 50.5% as results of the additional share allotted.

Effect of the increase in the Company's ownership interest was as follows:

	2022 RM
Increase in share of net assets	(7,183)
Excess charged directly to equity	(7,183)

Notes to the Financial Statements (Cont'd)

10. INVESTMENT IN ASSOCIATES

	Group	
	2023 RM	2022 RM
At cost		
Unquoted shares	1,380,000	1,380,000
Share of post-acquisition reserves	(581,539)	(987,656)
Less: Impairment losses	(252,567)	(249,948)
	545,894	142,396

Details of associates are as follows:

Name of company	Principal place of business/ country of incorporation	Effective equity interest		Principal activities/ nature of relationship
		2023 %	2022 %	
Associate of Kita Mampan Sdn. Bhd.				
AES Builders Sdn. Bhd. ("AES") ^	Malaysia	34.30	34.30	Construction of residential and commercial properties. The activities contribute to the Group's construction segment.
Associate of Kirana Masyhur Sdn. Bhd.				
Landasan Surimas Sdn. Bhd. ("LSSB")	Malaysia	40	40	Investment holding, project management consultation and construction. The activities contribute to the Group's construction segment.

^ Audited by auditors other than Baker Tilly Monteiro Heng PLT.

Summarised financial information of material associates

Summarised financial information of the associates has not been presented as the associates and the shares of results of associates are not individually material to the Group.

In the previous financial year, the Group has not recognised its share of losses of AES Builders Sdn. Bhd. amounting to RM106,872 because the Group's cumulative shares of losses has exceeded its interest in that associate and the Group has no obligation in respect of these losses. The Group's cumulative accumulated losses not recognised were RM1,282,696.

Notes to the Financial Statements (Cont'd)

11. TRADE AND OTHER RECEIVABLES

	Note	Group 2023 RM	2022 RM	Company 2023 RM	2022 RM
Non-current:					
Non-trade					
Other receivables	(a)	6,137,405	18,538,951	983,014	-
Total other receivables (non-current)		6,137,405	18,538,951	983,014	-
Current:					
Trade					
Trade receivables		26,045,188	11,207,500	-	-
Retention sum		4,590,934	7,392,607	-	-
Stakeholder sum		5,018,139	-	-	-
Related parties		40,895,884	43,871,752	-	-
		76,550,145	62,471,859	-	-
Less: Accumulated impairment losses		(436,596)	(1,317,764)	-	-
Total trade receivables (current)	(b)	76,113,549	61,154,095	-	-
Non-trade					
Other receivables	(c)	31,420,539	15,955,016	1,562,631	137,925
Deposits	(d)	5,408,678	64,102,716	27,111	27,111
Amount owing by:					
- subsidiaries	(e)	-	-	33,188,241	1,841,463
- an associate	(e)	2,206,196	1,928,587	149,578	87,358
- related parties	(e)	10,337,284	21,895,471	788,762	4,474,016
		49,372,697	103,881,790	35,716,323	6,567,873
Less: Accumulated impairment losses					
- other receivables		(5,085,858)	(3,765,858)	-	-
- deposits		(213,111)	(213,111)	(13,111)	(13,111)
- amount owing by:					
- subsidiaries		-	-	(9,325,588)	(1,300,563)
- an associate		(1,841,229)	(1,928,587)	-	(87,358)
	(c)	(7,140,198)	(5,907,556)	(9,338,699)	(1,401,032)
Total other receivables (current)		42,232,499	97,974,234	26,377,624	5,166,841
Total trade and other receivables (current)		118,346,048	159,128,329	26,377,624	5,166,841
Total trade and other receivables (non-current and current)		124,483,453	177,667,280	27,360,638	5,166,841

Notes to the Financial Statements (Cont'd)

11. TRADE AND OTHER RECEIVABLES (CONT'D)

(a) Other receivables (non-current)

In the previous financial year, included in other receivables was amount receivable from Makok Intl Sdn. Bhd. ("MISB"), a corporate shareholder of a subsidiary of the Group, O&C Makok Isola Sdn. Bhd. ("OMISB") within 3 years from the date of the Promissory Note or upon completion of a development project under a Joint Venture Agreement ("JVA") whichever is later or at such other date as may be instructed by OMISB amounted to RM14,709,074. The amount is subject to interest charged proportionately from the interest expense incurred based on the bank loan balance at the end of reporting date. During the financial year, the amount had been reclassified current assets, in view that the amount is expected to be receivable in the next 12 months.

(b) Trade receivables

Trade receivables are non-interest bearing and the normal credit term offered by the Group ranging from cash term to 30 days (2022: cash term to 30 days) from the date of invoices. Other credit terms are assessed and approved on a case-by-case basis. Late interest is charged at 10% (2022: 10%) per annum on the overdue balance to house buyers.

The retention sum and stakeholder sum are receivables upon the expiry of defect liabilities period as provided in the contracts with customers.

Receivables that are impaired

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

	Group	
	2023 RM	2022 RM
At 1 January	1,317,764	1,359,609
Reversal of impairment losses		
- Individually assessed	(881,168)	(41,845)
At 31 December	436,596	1,317,764

The information about the credit exposures is disclosed in Note 25(b)(i) to the financial statements.

Included in trade receivables of the Group are amounts totalling of RM45,145,072 (2022: RM51,264,359) due from 4 (2022: 4) of its significant receivables.

Notes to the Financial Statements (Cont'd)

11. TRADE AND OTHER RECEIVABLES (CONT'D)

(c) Other receivables (current)

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

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
At 1 January	5,907,556	5,701,207	1,401,032	3,824,218
Charge for the financial year				
- Individually assessed	1,320,000	206,349	8,025,025	87,358
Reversal of impairment losses				
- Individually assessed	(87,358)	-	(87,358)	(2,510,544)
At 31 December	7,140,198	5,907,556	9,338,699	1,401,032

Included in the other receivables of the Group at the end of the reporting period is an amount of RM8,720,009 (2022: RM8,720,009) representing unsecured and interest-free advances to a joint venturer for development project in Bangi, Selangor Darul Ehsan.

(d) Deposits

Included in deposits of the Group at the end of reporting period:

- (i) was an amount of RM54,813,903 in the previous financial year represented deposits paid upon execution of a Joint Venture Agreement ("JVA") with a landowner to develop a parcel of 99 years leasehold land held under PT 12, Seksyen 15, Bandar Shah Alam, Daerah Petaling, Selangor Darul Ehsan into a development project, subject to the terms and conditions contained therein the agreement; and
- (ii) is an amount of RM3,500,000 (2022: RM5,000,000) representing deposit paid by a subsidiary of the Group, OCR Development (Kuantan) Sdn. Bhd. ("ODKSB") upon execution of a Joint Venture Agreement with a landowner in relation to a proposed development on a parcel of land in Bandar Kuantan, Kuantan, Pahang.

(e) Amount owing by subsidiaries, an associate and related parties

The non-trade amounts owing by subsidiaries, an associate and related parties are unsecured, interest-free, repayable on demand and are expected to be settled in cash.

12. OTHER INVESTMENTS

	Group and Company	
	2023 RM	2022 RM
Financial assets at fair value through other comprehensive income ("FVOCI")		
- Quoted equity investments in Malaysia	7,858,600	5,425,200

All the quoted equity investments in Malaysia of the Group and the Company are pledged as collaterals for the share margin financing facility as disclosed in Note 19 to the financial statements.

Notes to the Financial Statements (Cont'd)

13. CONTRACT ASSETS/(CONTRACT LIABILITIES)

	Group	
	2023 RM	2022 RM
Contract assets relating to property development contracts	8,498,639	15,183,139
Contract assets relating to construction service contracts	5,041,508	4,249,744
Total contract assets	13,540,147	19,432,883
Contract liabilities relating to property development contracts	(9,562,285)	(1,915,238)
Total contract liabilities	(9,562,285)	(1,915,238)
Net amount	3,977,862	17,517,645

(a) Contract assets

The contract assets represent the Group's rights to consideration for the work completed for properties sold and construction contracts but are yet to be billed. Contract assets are transferred to receivables when the Group issues progress billings to the customers. Typically, the amount will be billed within 7 days and payments is expected within 30 days.

(b) Contract liabilities

The contract liabilities represent progress billings and deposits received for construction contracts for which performance obligations have not been satisfied. The contract liabilities are expected to be recognised as revenue over a period of 30 days.

Notes to the Financial Statements (Cont'd)

13. CONTRACT ASSETS/(CONTRACT LIABILITIES) (CONT'D)

(c) Significant changes in contract balances

	Group 2023 RM	2022 RM
Property development contracts		
Contract (liabilities)/assets		
At the beginning of the financial year	13,267,901	27,530,794
Acquisition of a subsidiary	-	(107,003,111)
Revenue recognised during the financial year	85,251,511	158,624,641
Progress billings issued during the financial year	(93,699,497)	(62,867,425)
Consideration received from customers, but revenue not recognised	1,808,310	(628,974)
Changes in transaction price	(7,691,871)	(2,388,024)
At the end of the financial year	(1,063,646)	13,267,901
Construction contracts		
Contract assets		
At the beginning of the financial year	4,249,744	4,934,811
Revenue recognised during the financial year	53,151,232	47,393,213
Progress billings issued during the financial year	(52,359,468)	(48,078,280)
At the end of the financial year	5,041,508	4,249,744
Net amount	3,977,862	17,517,645

14. CONTRACT COSTS

	Group 2023 RM	2022 RM
Current		
Costs to obtain contracts	12,070,632	8,055,610

Costs to obtain contracts relate to incremental commission fees paid to intermediaries as results of obtaining contracts with customers.

The costs to obtain contracts are amortised in accordance with the pattern of transfer of goods or services to which the asset relates. During the financial year, the amortisation of contract costs of the Group recognised were RM8,082,104 (2022: RM7,237,255).

Notes to the Financial Statements (Cont'd)

15. CASH AND SHORT-TERM DEPOSITS

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Cash and bank balances	8,278,884	4,913,949	132,591	101,556
Short-term deposits placed with licensed banks	17,666,266	19,237,102	11,630,791	11,338,677
	25,945,150	24,151,051	11,763,382	11,440,233

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

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Short-term deposits placed with licensed banks	17,666,266	19,237,102	11,630,791	11,338,677
Less: Deposits with maturity period of more than three months (pledged)	(11,630,791)	(11,338,677)	(11,630,791)	(11,338,677)
Less: Pledged deposits	(6,035,475)	(7,898,425)	-	-
	-	-	-	-
Cash and bank balances	8,278,884	4,913,949	132,591	101,556
Bank overdrafts	(10,081,513)	(11,973,143)	-	-
	(1,802,629)	(7,059,194)	132,591	101,556

- (b) The short-term deposits placed with licensed banks of the Group and of the Company are pledged to licensed banks as security for credit facilities granted to the Group and the Company as disclosed in Note 19 to the financial statements.
- (c) The short-term deposits of the Group and the Company bore interest rates ranging from 1.85% to 2.70% (2022: 1.85% to 2.55%) and 2.70% (2022: 2.55%) per annum respectively at the end of the reporting date. The fixed deposits of the Group and the Company have maturity periods ranging from 1 to 12 months (2022: 1 to 12 months).
- (d) Included in cash and bank balances of the Group is amount of RM3,527,348 (2022: RM997,543) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966 which are restricted from use in other operations.

Notes to the Financial Statements (Cont'd)

16. SHARE CAPITAL

	Group and Company		Amount	
	2023 Unit	2022 Unit	2023 RM	2022 RM
Ordinary shares Issued and fully paid up (no par value):				
At 1 January	989,998,155	681,043,247	244,458,001	211,099,773
Issuance of shares during the financial year through:				
- Warrants D exercised	-	1,711	-	376
- private placement	395,999,000	204,000,000	30,719,930	21,813,000
- purchase consideration paid for acquisition of a subsidiary	-	104,953,197	-	11,544,852
At 31 December	1,385,997,155	989,998,155	275,177,931	244,458,001

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

During the financial year, the Company issued 395,999,000 (2022: 204,000,000) new ordinary shares at an average price of RM0.0776 (2022: RM0.1069) per ordinary share pursuant to private placement exercises to eligible investors for working capital purpose.

In the previous financial year, the Company:

- (a) issued 104,953,197 new ordinary shares at an issue price of RM0.1345 per ordinary share as the purchase consideration for the acquisition of the 50% equity interest in OCR Selayang Industrial Park Sdn. Bhd. pursuant to a revised share sale agreement dated 8 November 2021. For purpose of accounting for the share consideration, the fair value of RM0.11 per ordinary shares as at the date of completion was recorded instead of issue price of RM0.1345 per ordinary share; and
- (b) issued 1,711 new ordinary shares at an exercise price of RM0.22 per warrant from exercise of Warrants D.

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

17. OTHER RESERVES

	Note	Group and Company	
		2023 RM	2022 RM
Fair value reserve of financial assets at fair value through other comprehensive income ("FVOCI")	(a)	886,498	1,421,098
Share option reserve	(b)	-	613,175
		886,498	2,034,273

Notes to the Financial Statements (Cont'd)

17. OTHER RESERVES (CONT'D)

(a) Fair value reserve of financial assets at FVOCI

This reserve comprises the cumulative net change in the fair value of financial assets at FVOCI until the investments are derecognised or impaired.

The Group and the Company have elected to recognise changes in the fair value of its investments in equity securities in other comprehensive income. These changes are accumulated within the fair value reserve of financial assets at FVOCI. The Group and the Company transfer amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

(b) Share option reserve

The share option reserve comprises the cumulative value of eligible Executive Directors and employees' services received for the issue of share options. The reserve is recorded over the vesting period commencing from the grant date and is reduced by the expiry or exercise of the share options. When the option is exercised, the amount from the share option reserve is transferred to share capital. When the share options expire, the amount from the share option reserve is transferred to retained earnings.

Share options are granted to eligible Executive Directors and employees based on the conditions as specified on the date of offer of the scheme. The options granted are vesting immediately and settlement is by issuance of fully paid ordinary shares. The exercise price in each grant is set 10% below the weighted average of the market prices of the Company's ordinary shares in the last five trading days before the grant date. The contractual term of each option granted is one to three years. There are no cash settlement alternatives. The options carry neither right to dividends nor voting rights. Options may be exercised any time from the date of vesting to the date of expiry.

The share options expired on 31 December 2023. All unexercised share options automatically lapsed upon expiry of the share option and the outstanding share option reserve balances was transferred to retained earnings.

Movement of share options during the financial year

The following table illustrates the number and the weighted average exercise price ("WAEP") of, and movement in, share options:

	2023		2022	
	Number Unit	WAEP RM	Number Unit	WAEP RM
At 1 January	4,300,000	0.249	8,080,000	0.249
Lapsed during the year	(3,850,000)	0.249	(2,580,000)	0.249
Forfeited during the year	(450,000)	0.249	(1,200,000)	0.249
At 31 December	-	-	4,300,000	0.249
Exercisable at 31 December	-	-	4,300,000	0.249

The options outstanding as at 31 December 2023 have exercise price at Nil (2022: RM0.249) and the weighted average remaining contractual life for the share options outstanding as at 31 December 2023 was 0 year (2022: 1 year).

No option was exercised during the financial year. The options expired on 31 December 2023. All unexercised share options automatically lapsed upon expiry of the share options.

Notes to the Financial Statements (Cont'd)

18. TRADE AND OTHER PAYABLES

	Note	Group 2023 RM	2022 RM	Company 2023 RM	2022 RM
Non-current:					
Trade					
Land cost payables	(a)	66,686,926	16,672,312	-	-
Non-trade					
Amount owing to a related party	(b)	15,000,000	4,089,453	-	-
Total trade and other payables (non-current)		81,686,926	20,761,765	-	-
Current:					
Trade					
Land cost payable	(a)	28,229,400	3,229,400	-	-
Trade payables	(c)	28,814,870	29,202,403	-	-
Retention sum		15,830,525	14,877,777	-	-
Total trade payables (current)		72,874,795	47,309,580	-	-
Non-trade					
Other payables		12,721,321	8,343,500	609,639	150,465
Deposits		451,642	5,045,940	-	-
Accruals		2,321,912	1,492,676	900,630	580,847
Accrued costs for completion of projects	(d)	32,121,361	16,179,035	-	-
Amount owing to subsidiaries	(b)	-	-	14,182,803	18,806,572
Amount owing to related parties	(b)	7,785,035	3,953,174	978,539	982,459
Amount owing to directors	(b)	43,303,255	47,606,878	-	-
Total other payables (current)		98,704,526	82,621,203	16,671,611	20,520,343
Total trade and other payables (current)		171,579,321	129,930,783	16,671,611	20,520,343
Total trade and other payables (non-current and current)		253,266,247	150,692,548	16,671,611	20,520,343

Notes to the Financial Statements (Cont'd)

18. TRADE AND OTHER PAYABLES (CONT'D)

- (a) The non-current and current land cost payables represent land proprietary entitlements and development profits payable for its development projects.
- (b) The amounts owing to subsidiaries, related parties and directors are unsecured, non-interest bearing, repayable on demand and are expected to be settled in cash, except an amount owing to a related party is repayable in monthly instalments of RM125,000 and bears interest rate of 10% at the end of the financial reporting period.
- (c) Trade payables are non-interest bearing and the normal credit terms granted to the Group and the Company ranging from cash term to 150 days (2022: cash term to 150 days). The retention sum is payable upon the expiry of defect liability period.
- (d) Accrued costs for completion of projects of the Group represent development and construction costs identified to be incurred for housing and commercial development projects and construction projects of the Group.

For the explanation on the Group's and the Company's liquidity risk management process, refer to Note 25(b) (ii) to the financial statements.

19. LOANS AND BORROWINGS

Note	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Non-current:				
Secured				
Bridging loan (a)	7,000,000	-	-	-
Term loans (a)	96,547,042	84,448,289	-	-
Bank overdrafts (non-checking account) (b)	-	1,506,917	-	-
Hire purchase liabilities (e)	1,452,320	2,658,475	-	-
	104,999,362	88,613,681	-	-
Current:				
Secured				
Bridging loan (a)	-	7,029,561	-	-
Term loans (a)	19,692,582	10,353,581	-	-
Trust receipts (c)	4,961,392	4,630,889	-	-
Revolving credit (d)	15,000,000	15,000,000	15,000,000	15,000,000
Bank overdrafts (b)	10,081,513	10,466,226	-	-
Share margin financing (e)	2,968,000	-	2,968,000	-
Hire purchase liabilities (f)	1,206,154	1,105,276	-	-
	53,909,641	48,585,533	17,968,000	15,000,000
	158,909,003	137,199,214	17,968,000	15,000,000

Notes to the Financial Statements (Cont'd)

19. LOANS AND BORROWINGS (CONT'D)

		Group		Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
Total loans and borrowings:					
Bridging loan	(a)	7,000,000	7,029,561	-	-
Term loans	(a)	116,239,624	94,801,870	-	-
Bank overdrafts	(b)	10,081,513	11,973,143	-	-
Trust receipts	(c)	4,961,392	4,630,889	-	-
Revolving credit	(d)	15,000,000	15,000,000	15,000,000	15,000,000
Share margin financing	(e)	2,968,000	-	2,968,000	-
Hire purchase liabilities	(f)	2,658,474	3,763,751	-	-
		158,909,003	137,199,214	17,968,000	15,000,000

The loans and borrowings bore interest rates at the end of the reporting period as follows:

	Group		Company	
	2023 %	2022 %	2023 %	2022 %
Bridging loan	7.45	7.57	-	-
Term loans	5.75 to 8.14	5.07 to 7.89	-	-
Trust receipts	8.20	7.95	-	-
Revolving credit	5.91	5.56	5.91	5.56
Bank overdrafts	6.45 to 7.20	6.45 to 7.20	-	-
Hire purchase liabilities	4.19 to 8.36	4.19 to 8.36	-	-
Share margin financing	7.00	-	7.00	-

(a) Bridging loan and term loans

Bridging loan of a subsidiary of Nil (2022: RM7,029,561) were secured and supported as follows:

- (i) legal charge over a piece of freehold land together with the project located in Mukim Kuala Lumpur as disclosed in Note 8 to the financial statements;
- (ii) personal guarantee of a director of the Company and a third party; and
- (iii) corporate guarantee of the Company.

Bridging loan and term loans of a subsidiary of RM10,452,888 (2022: RM15,692,511) are secured and supported as follows:

- (i) legal charges over a freehold land with the building erected thereon located in Mukim Bandar Petaling Jaya, Daerah Petaling, Negeri Selangor as disclosed in Note 8 to the financial statements;
- (ii) first party deed of assignment and charge over all the sales proceeds in respect of the proposed development as well as monies available in the Property Development Account ("PDA");
- (iii) personal guarantee of a director of the Company; and
- (iv) corporate guarantee of the Company.

Notes to the Financial Statements (Cont'd)

19. LOANS AND BORROWINGS (CONT'D)

(a) Bridging loan and term loans (Cont'd)

Term loan of a subsidiary of RM19,403 (2022: RM42,239) is secured and supported as follows:

- (i) third party specific debenture by way of fixed and floating charge over two pieces of leasehold commercial land located in Mukim Kawasan Bandar XXXIX, Daerah Melaka Tengah, Negeri Melaka belong to two subsidiaries as disclosed in Note 8 to the financial statements;
- (ii) first party deed of assignment and charge over the surplus sales proceeds in respect of the proposed development as well as monies available in the designated account; and
- (iii) corporate guarantee of the Company.

Term loan of a subsidiary of RM28,400,000 (2022: RM31,123,830) is secured and supported as follows:

- (i) against first party, first legal charge over a property also known PN 114156, Lot 96079, Daerah Petaling, Mukim of Bukit Raja, Selangor as disclosed in Note 8 to the financial statements;
- (ii) debenture over fixed and floating assets, both present and future of a subsidiary of the Group;
- (iii) joint and several guarantee by a director; and
- (iv) corporate guarantee of the Company.

Term loan of a subsidiary of RM5,117,515 (2022: RM5,297,754) is secured and supported as follows:

- (i) legal charge over freehold land held under GRN35394, Lot No. 442 Seksyen 19, Mukim of Kuala Lumpur, Daerah of Kuala Lumpur, Negeri of Wilayah Persekutuan as disclosed in Note 7 to the financial statements;
- (ii) joint and several guarantee by the directors; and
- (iii) corporate guarantee of the Company.

Term loans of a subsidiary of RM16,937,002 (2022: RM9,412,600) are secured and supported as follows:

- (i) an all monies third party first legal charge over residential land held under Title No. Hak Milik 454, Lot 13844 Daerah Petaling, Mukim Sungai Buloh, Kampong Sungai Karu Ara, 47400 Negeri Selangor as disclosed in Note 8 to the financial statements;
- (ii) a personal guarantee by a director of the Company;
- (iii) a corporate guarantee by the Company;
- (iv) an all-monies debenture and power of attorney created over all present and future assets and properties;
- (v) an assignment of Housing Development Account ("HDA") or Project Account on all sales proceeds inclusive of profit from sales of designated project;
- (vi) power of Attorney by a subsidiary of the Group in favour of the Bank to appoint a contractor at the Bank's absolute discretion to complete the entire designated project upon the occurrence of an event of default and non-completion or suspension in the designated project for any reasons; and
- (vii) undertakings from all the Company's guarantors to cover any cost overrun and to complete the designated project.

Notes to the Financial Statements (Cont'd)

19. LOANS AND BORROWINGS (CONT'D)

(a) Bridging loan and term loans (Cont'd)

Term loans of a subsidiary of RM62,312,816 (2022: RM33,232,876) are secured and supported as follows:

- (i) open all money third party first fixed charge over a piece of leasehold commercial land held under HSD 16667, PT 12, Seksyen 15, Bandar Shah Alam, Daerah Petaling, Negeri Selangor Darul Ehsan registered in the name of a joint venture partner as disclosed in Note 7 to the financial statements;
- (ii) open all money first party debenture by way of a fixed and floating charge created by over all a subsidiary's present and future assets;
- (iii) open all money first party deed of assignment and charge over the debt service reserve account ("DSRA");
- (iv) personal guarantee by a director of the Company; and
- (v) corporate guarantee by the Company.

(b) Bank overdrafts

The bank overdrafts of the Group are secured by:

- (i) a personal guarantee of a director of the Company;
- (ii) a third-party specific debenture by way of fixed and floating charge over two pieces of leasehold land in Daerah Melaka Tengah, Negeri Melaka belong to two subsidiaries as disclosed in Note 8 to the financial statements;
- (iii) a first party deed of assignment and charge over the surplus sales proceeds in respect of proposed development as well as all monies available in the designated account;
- (iv) a corporate guarantee of the Company;
- (v) fixed deposits with licensed banks as disclosed in Note 15 to the financial statements;
- (vi) against first party, first legal charge over a property also known PN 114156, Lot 96079, Daerah Petaling, Mukim of Bukit Raja, Selangor as disclosed in Note 8 to the financial statements; and
- (vii) debenture over fixed and floating assets, both present and future of a subsidiary.

(c) Trust receipts

The trust receipts of the Group are secured by a personal guarantee of a director of the Company, fixed deposits with licensed banks as disclosed in Note 15 to the financial statements and a corporate guarantee of the Company.

(d) Revolving credit

The revolving credit of the Group and of the Company is secured and supported as follows:

- (i) personal guarantee of a director of the Company; and
- (ii) fixed deposits placed with licensed banks as disclosed in Note 15 to the financial statements.

(e) Share margin financing

Share margin financing facility of the Group and of the Company is to finance the purchase of quoted securities by placing the collateral shares as disclosed in Note 12 to the financial statements.

Notes to the Financial Statements (Cont'd)

19. LOANS AND BORROWINGS (CONT'D)

(f) Hire purchase liabilities

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

	Group	
	2023 RM	2022 RM
Minimum lease payments:		
- Not later than one year	1,369,404	1,369,404
- Later than one year and not later than five years	1,519,544	2,872,609
- Later than five years	-	16,339
Less: Future finance charges	2,888,948 (230,474)	4,258,352 (494,601)
Present value of minimum lease payments	2,658,474	3,763,751
Represented by:		
Current		
- Not later than one year	1,206,154	1,105,276
Non-current		
- Later than one year and not later than five years	1,452,320	2,658,475
	2,658,474	3,763,751

Notes to the Financial Statements (Cont'd)

20. REVENUE

	Note	Group 2023 RM	2022 RM	Company 2023 RM	2022 RM
Revenue from contract customers:					
Construction contracts		53,306,558	47,393,213	-	-
Property development		93,223,713	160,734,241	-	-
	(a)	146,530,271	208,127,454	-	-
Revenue from other sources:					
Dividend income		-	-	4,000,000	-
Management fees		-	-	6,880,051	5,128,473
Rental income from investment properties		388,000	226,067	-	-
		388,000	226,067	10,880,051	5,128,473
Total		146,918,271	208,353,521	10,880,051	5,128,473
Timing of revenue recognition:					
Over time	(a)	146,530,271	208,127,454	-	-

(a) Disaggregation of revenue

The Group and the Company report the following major segments: construction services, property development and others in accordance with MFRS 8 *Operating Segments*. For purpose of disclosure of disaggregation of revenue, it disaggregates revenue into major goods or services as disclosed in Note 28 to the financial statements and timing of revenue recognition (i.e. goods transferred at a point in time, or services transferred over time).

The Group operates its businesses predominantly in Malaysia. Accordingly, the information by geographical segments is not presented.

Notes to the Financial Statements (Cont'd)

20. REVENUE (CONT'D)

(b) Transaction price allocated to the remaining performance obligation

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially satisfied) at the reporting date:

	Group	
	2023 RM	2022 RM
Aggregate amount of the transaction price allocated to contracts that are partially or fully unsatisfied		
- Construction contracts	-	64,798,296
- Property development contracts	107,289,677	155,276,949
	107,289,677	220,075,245

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

21. FINANCE COSTS

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Interest expenses on:				
- bank overdrafts	644,032	810,381	-	-
- hire purchase liabilities	264,127	352,761	-	4,022
- lease liabilities	22,952	5,818	-	-
- revolving credit	861,327	719,016	861,327	719,016
- trust receipts	395,816	315,827	-	-
- term and bridging loans	2,696,238	2,569,455	-	3,214
- net fair value loss on financial assets measured at amortised cost	1,419,628	-	177,059	-
	6,304,120	4,773,258	1,038,386	726,252

Notes to the Financial Statements (Cont'd)

22. (LOSS)/PROFIT BEFORE TAX

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

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Auditors' remuneration:				
- statutory audit:				
- Baker Tilly Monteiro Heng PLT	295,000	279,000	74,000	73,000
- other auditors	-	8,500	-	-
- other services:				
- Baker Tilly Monteiro Heng PLT	71,900	30,000	71,900	30,000
- non-statutory audit fees:				
- other auditors	28,000	24,000	28,000	24,000
Depreciation of:				
- investment properties	74,534	60,984	-	6,892
- property, plant and equipment	1,808,996	1,513,870	71,713	82,431
- right-of-use assets	572,463	356,794	-	-
Directors' fees	154,988	163,964	154,988	163,964
Directors' remuneration:				
- salaries and other remuneration	1,209,677	900,000	606,372	600,000
- defined contribution plans	144,000	109,542	72,000	73,002
- others	14,317	-	7,158	-
- share-based payments	-	49,792	-	49,792
Expenses relating to:				
- short-term leases	431,250	513,000	27,880	27,120
- leases of low value assets	36,999	29,412	-	-
Gain on disposal of:				
- investment property	-	(77,188)	-	(77,188)
- property, plant and equipment	-	(192,673)	-	(192,673)
- a subsidiary	(249,296)	-	(1)	-
Impairment losses on:				
- investment in an associate	2,619	198,140	-	-
- investment in subsidiaries	-	-	76	5,575,049
- loans that are part of net investment in subsidiaries	-	-	25,132,342	3,454,679
Interest income	(599,141)	(374,154)	(389,153)	(205,501)
Inventories written down	-	9,835,161	-	-
Net impairment losses/(gain) on trade and other receivables	351,474	164,504	7,937,667	(2,423,186)
Rental income	(42,000)	(39,500)	-	-
Staff costs:				
- salaries and other remuneration	8,084,090	5,502,566	5,171,796	3,663,267
- defined contribution plans	960,487	613,126	630,202	422,290
- others	177,868	129,333	115,881	84,485
- share-based payments	-	171,504	-	141,076
Unwinding of discount on other receivables	67,083	-	-	-

Notes to the Financial Statements (Cont'd)

23. TAX EXPENSES

The major components of income tax expense for the financial years ended 31 December 2023 and 31 December 2022 are as follows:

	Group 2023 RM	2022 RM
Statements of comprehensive income		
Current income tax:		
- current income tax charge	284,739	214,054
- adjustments in respect of prior years	382,020	-
	666,759	214,054
Income tax expense recognised in profit or loss	666,759	214,054

Income tax is calculated at the Malaysian statutory income tax rate of 24% (2022: 24%) of the estimated assessable profit for the financial year.

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

	Group 2023 RM	2022 RM	Company 2023 RM	2022 RM
(Loss)/Profit before tax	(19,031,939)	5,662,660	(32,423,797)	(8,345,922)
Tax at Malaysian statutory income tax rate of 24% (2022: 24%)	(4,567,665)	1,359,038	(7,781,711)	(2,003,021)
Adjustments:				
Deferred tax not recognised on tax losses and temporary differences	2,773,387	3,130,102	-	265,234
Income not subject to tax	(4,038,106)	(30,416)	(64,245)	(662,691)
Non-deductible expenses	7,140,660	3,972,296	8,484,563	2,400,478
Adjustment in respect prior years:				
- income tax	382,020	-	-	-
Share of results of associates	(97,468)	887	-	-
Utilisation of deferred tax assets previously not recognised	(926,049)	(8,217,853)	(638,607)	-
Income tax expense	666,759	214,054	-	-

Notes to the Financial Statements (Cont'd)

23. TAX EXPENSES (CONT'D)

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Unabsorbed capital allowances	989,353	798,497	593,737	518,604
Unused tax losses	32,497,475	28,758,900	5,735,839	8,462,035
Other timing differences	5,588,439	1,820,627	(90,925)	(81,127)
	39,075,267	31,378,024	6,238,651	8,899,512
Potential deferred tax assets not recognised at 24% (2022: 24%)	9,378,064	7,530,726	1,497,276	2,135,883

Unused tax losses which are available for offset against future taxable income will expire in the following years:

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Year of assessment				
2028	3,542,543	6,268,739	1,844,992	4,571,188
2029	1,466,977	1,466,977	1,457,622	1,457,622
2030	1,603,080	1,603,080	1,015,173	1,015,173
2031	12,252,987	9,640,463	570,405	570,405
2032	9,779,641	9,779,641	847,647	847,647
2033	3,852,247	-	-	-
	32,497,475	28,758,900	5,735,839	8,462,035

Notes to the Financial Statements (Cont'd)

24. LOSS PER SHARE

(a) Basic loss per ordinary share

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

	Group	
	2023 RM	2022 RM
Loss attributable to owners of the Company	(18,700,434)	(8,038,764)
	Unit	Unit
Weighted average number of ordinary shares in issue:		
Ordinary shares at 1 January	989,998,155	681,043,247
Movement during the financial year:		
- effect of exercised of Warrants D	-	1,521
- effect of private placement	131,300,729	137,793,151
- effect of issuance of shares on acquisition of subsidiaries	-	86,262,902
Weighted average number of ordinary shares for basic loss per share	1,121,298,884	905,100,821
	RM	RM
Basic loss per ordinary share (sen)	(1.67)	(0.89)

(b) Diluted loss per ordinary share

Diluted loss per share is based on the loss for the financial year attributable to owners of the Company and the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The basic and diluted loss per ordinary shares is the same as the Company has no dilutive potential ordinary shares.

Notes to the Financial Statements (Cont'd)

25. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

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

- (i) Amortised cost ("AC"); and
- (ii) Designated fair value through other comprehensive income ("DFVOCI").

	Carrying amount RM	AC RM	DFVOCI RM
As 31 December 2023			
Financial assets			
Group			
Other investments	7,858,600	-	7,858,600
Trade and other receivables	124,483,453	124,483,453	-
Cash and short-term deposits	25,945,150	25,945,150	-
	158,287,203	150,428,603	7,858,600
Company			
Other investments	7,858,600	-	7,858,600
Trade and other receivables	27,360,638	27,360,638	-
Cash and short-term deposits	11,763,382	11,763,382	-
	46,982,620	39,124,020	7,858,600
As 31 December 2023			
Financial liabilities			
Group			
Trade and other payables	(253,266,247)	(253,266,247)	-
Loans and borrowings	(158,909,003)	(158,909,003)	-
	(412,175,250)	(412,175,250)	-
Company			
Trade and other payables	(16,671,611)	(16,671,611)	-
Loans and borrowings	(17,968,000)	(17,968,000)	-
	(34,639,611)	(34,639,611)	-

Notes to the Financial Statements (Cont'd)

25. FINANCIAL INSTRUMENTS (CONT'D)

(a) Categories of financial instruments (Cont'd)

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned (Cont'd):

	Carrying amount RM	AC RM	DFVOCI RM
As 31 December 2022			
Financial assets			
Group			
Other investments	5,425,200	-	5,425,200
Trade and other receivables	177,667,280	177,667,280	-
Cash and short-term deposits	24,151,051	24,151,051	-
	207,243,531	201,818,331	5,425,200
Company			
Other investments	5,425,200	-	5,425,200
Trade and other receivables	5,166,841	5,166,841	-
Cash and short-term deposits	11,440,233	11,440,233	-
	22,032,274	16,607,074	5,425,200
As 31 December 2022			
Financial liabilities			
Group			
Trade and other payables	(150,692,548)	(150,692,548)	-
Loans and borrowings	(137,199,214)	(137,199,214)	-
	(287,891,762)	(287,891,762)	-
Company			
Trade and other payables	(20,520,343)	(20,520,343)	-
Loans and borrowings	(15,000,000)	(15,000,000)	-
	(35,520,343)	(35,520,343)	-

Notes to the Financial Statements (Cont'd)

25. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management

The Group's and the Company's activities are exposed to a variety of financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and market price risk. The Group's and the Company's overall financial risk management objective is to optimise value for their shareholders. The Group and the Company do not use derivative financial instruments to hedge certain exposures and do not trade in financial instruments.

The Board of Directors reviews and agrees to policies and procedures for the management of these risks, which are executed by the Group's senior management. The audit committee provides independent oversight to the effectiveness of the risk management process.

(i) Credit risk

Credit risk is the risk of financial loss to the Group and the Company that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group and the Company are exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments. The Group and the Company have a credit policy in place and the exposure to credit risk is managed through the application of credit approvals, credit limits and monitoring procedures. Credit worthiness of a customer is assessed based on a set of evaluation criteria and credit limits are defined in accordance with this assessment.

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

- the counterparty is unable to pay its credit obligations to the Group and the Company in full, without taking into account any credit enhancements held by the Group and the Company; or
- the contractual payment of the financial asset is more than 30 days past due unless the Group and the Company have reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

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

- significant financial difficulty of the counterparty;
- a breach of contract, including a default event;
- a concession or restructuring of loans granted by the lender of the counterparty relating to the counterparty's financial difficulty; or
- it is probable that the counterparty will enter bankruptcy or other financial reorganisation.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the counterparty does not have assets or source of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's and the Company's procedure for recovery of amounts due.

Notes to the Financial Statements (Cont'd)

25. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

Trade receivables and contract assets

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables and contract assets are represented by their carrying amounts in the statements of financial position.

The carrying amount of trade receivables and contract assets are not secured by any collateral or supported by any other credit enhancements. In determining the recoverability of these receivables, the Group considers any change in the credit quality of the receivables from the date the credit was initially granted up to the reporting date. The Group has adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

Credit risk concentration profile

The Group determines the credit risk concentration of its trade receivables and contract assets by industry sector profile on an ongoing basis. The credit risk concentration profile of the Group's trade receivables and contract assets at the reporting date are as follows:

	2023		Group		2022	
	RM	%			RM	%
Trade receivables						
Property development	11,155,150	12			9,889,736	12
Construction	64,958,399	73			51,264,359	65
	76,113,549	85			61,154,095	77
Contract assets						
Property development	8,498,639	9			15,183,139	18
Construction	5,041,508	6			4,249,744	5
	13,540,147	15			19,432,883	23
	89,653,696	100			80,586,978	100

The Company does not have trade receivables as at reporting date.

The Group applies the simplified approach to providing for impairment losses prescribed by MFRS 9 *Financial Instruments*, which permits the use of the lifetime expected credit loss provision for all trade receivables and contract assets. To measure the impairment losses, trade receivables have been grouped based on shared credit characteristics and the days past due. The impairment losses also incorporate forward-looking information.

Notes to the Financial Statements (Cont'd)

25. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

Trade receivables and contract assets (Cont'd)

The Group's major concentration of credit risk relates to the amounts owing by 1 (2022: 3) customers who constituted approximately 39% (2022: 77%) of its trade receivables (including related parties) at the end of the reporting period.

The information about the credit risk exposure on the Group's trade receivables and contract assets are as follows:

Group	Gross carrying amount RM	Impairment loss RM	Net balance RM
At 31 December 2023			
Contract assets	13,540,147	-	13,540,147
Trade receivables			
Current (not past due)	1,042,499	-	1,042,499
1 - 30 days past due	3,816,053	-	3,816,053
31 - 60 days past due	4,345,223	-	4,345,223
61 - 90 days past due	7,207,582	-	7,207,582
More than 90 days past due	59,702,192	-	59,702,192
Credit impaired (individually assessed)	436,596	(436,596)	-
	76,550,145	(436,596)	76,113,549
Total	90,090,292	(436,596)	89,653,696
At 31 December 2022			
Contract assets	19,432,883	-	19,432,883
Trade receivables			
Current (not past due)	14,274,576	-	14,274,576
1 - 30 days past due	4,580,928	-	4,580,928
31 - 60 days past due	7,071,502	-	7,071,502
61 - 90 days past due	4,592,108	-	4,592,108
More than 90 days past due	28,102,439	-	28,102,439
Credit impaired (individually assessed)	3,850,306	(1,317,764)	2,532,542
	62,471,859	(1,317,764)	61,154,095
Total	81,904,742	(1,317,764)	80,586,978

Notes to the Financial Statements (Cont'd)

25. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

Trade receivables and contract assets (Cont'd)

Credit risk arising from construction contracts

For construction contracts, as there are only a few customers, the Group assessed the risk of loss for each customer individually based on their financial information, past trend of payments and external credit ratings, where applicable.

Credit risk arising from property development

The Group does not have any significant credit risk as its services and products are predominantly rendered and sold to large number of customers comprise substantially property purchasers with financing facilities from reputable end-financiers. Credit risks with respect to property purchasers with no end financing facilities are limited as the ownership and rights to the properties revert to the Group in the event of default. The Group does not have any significant exposure to any individual or counterparty nor any major concentration of credit risk related to any financial instruments.

Other receivables and other financial assets

For other receivables and other financial assets (including investment securities and cash and cash equivalents), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Group's and the Company's maximum exposure to credit risk arising from other receivables and other financial assets are represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

Some intercompany balances between entities within the Group comprise loans or advances which are repayable on demand. The Company regularly monitors the financial performance and position of these entities on an individual basis. When these entities' financial performance and position deteriorates significantly, the Company assumes that there is a significant increase in credit risk, and thereby a lifetime expected credit loss assessment is necessary. As the Company is able to determine the timing of repayment of the loans or advances, the Company will consider the loans or advances to be in default when these entities are unable to pay based on the expected manner of recovery and recovery period. The Company determines the probability of default for these loans or advances using internally available information. The Company considers the loans or advances to be credit-impaired when the entities are unlikely to repay their debts.

Notes to the Financial Statements (Cont'd)

25. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

Other receivables and other financial assets (Cont'd)

As at the end of the reporting date, the Group and the Company consider the other receivables and other financial assets as low credit risk and any loss allowance would be negligible.

Other than the credit-impaired other receivables, the Group and the Company consider these financial assets to have low credit risk.

As at the reporting date, the Group and the Company did not recognise any loss allowance for impairment for other receivables and other financial assets other than those as disclosed in Note 11 to the financial statements.

Financial guarantee contracts

The Company is exposed to credit risk in relation to financial guarantees given to banks in respect of banking facilities granted to certain subsidiaries. The Company monitors the results of the subsidiaries and their repayment on an on-going basis. The maximum exposure to credit risks amounts to RM138,282,529 (2022: RM118,435,463) representing the maximum amount the Company could pay if the guarantee is called on as disclosed in Note 25(b)(ii) to the financial statements. As at the reporting date, there was no loss allowance for impairment as determined by the Company for the financial guarantee.

The financial guarantees have not been recognised since the fair value on initial recognition was not material as the guarantee is provided as credit enhancement to subsidiaries' secured borrowings.

(ii) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations when they fall due. The Group's and the Company's exposure to liquidity risk arise primarily from mismatches of the maturities between financial assets and liabilities. The Group's and the Company's exposure to liquidity risk arise principally from trade and other payables, loans and borrowings.

The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through use of stand-by facilities. The Group and the Company maintain sufficient liquidity and available funds from operational collections to meet daily cash needs, while maintaining controls and security over cash movements. The Group and the Company use a series of processes to obtain maximum benefits from its flow of funds, such that they are efficiently managed to maximise income from investment and minimise cost on borrowed funds. The Group's and the Company's treasury department also ensure that there are sufficient unutilised stand-by facilities, funding and liquid assets available to meet both short-term and long-term funding requirements.

Notes to the Financial Statements (Cont'd)

25. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(ii) Liquidity risk (Cont'd)

Maturity analysis

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

	Carrying amount RM	Contractual cash flows			Total RM
		On demand or within 1 year RM	Between 1 and 5 years RM	More than 5 years RM	
Group					
At 31 December 2023					
Financial liabilities					
Trade and other payables	253,266,247	171,579,322	84,125,884	-	255,705,206
Term and bridging loans	123,239,624	26,867,146	85,149,866	37,501,469	149,518,481
Trust receipts	4,961,392	5,368,226	-	-	5,368,226
Revolving credit	15,000,000	15,886,500	-	-	15,886,500
Bank overdrafts	10,081,513	10,816,151	-	-	10,816,151
Hire purchase liabilities	2,658,474	1,369,404	1,519,544	-	2,888,948
Share margin financing	2,968,000	3,175,760	-	-	3,175,760
	412,175,250	235,062,509	170,795,294	37,501,469	443,359,272
At 31 December 2022					
Financial liabilities					
Trade and other payables	150,692,548	130,395,241	22,439,247	-	152,834,488
Term and bridging loans	101,831,431	23,463,065	93,335,324	11,008,739	127,807,128
Trust receipts	4,630,889	4,999,045	-	-	4,999,045
Revolving credit	15,000,000	15,834,000	-	-	15,834,000
Bank overdrafts	11,973,143	11,425,878	1,339,148	-	12,765,026
Hire purchase liabilities	3,763,751	1,369,404	2,872,609	16,339	4,258,352
	287,891,762	187,486,633	119,986,328	11,025,078	318,498,039

Notes to the Financial Statements (Cont'd)

25. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(ii) Liquidity risk (Cont'd)

Maturity analysis (Cont'd)

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

	Carrying amount RM	Contractual cash flows			Total RM
		On demand or within 1 year RM	Between 1 and 5 years RM	More than 5 years RM	
Company					
At 31 December 2023					
Financial liabilities					
Other payables	16,671,611	16,671,611	-	-	16,671,611
Revolving credit	15,000,000	15,886,500	-	-	15,886,500
Share margin financing	2,968,000	3,175,760	-	-	3,175,760
Financial guarantee contracts	-	138,282,529	-	-	138,282,529
	34,639,611	174,016,400	-	-	174,016,400
At 31 December 2022					
Financial liabilities					
Other payables	20,520,343	20,520,343	-	-	20,520,343
Revolving credit	15,000,000	15,834,000	-	-	15,834,000
Financial guarantee contracts	-	118,435,463	-	-	118,435,463
	35,520,343	154,789,806	-	-	154,789,806

Notes to the Financial Statements (Cont'd)

25. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(iii) Interest rate risk

Interest rate risk is the risk of fluctuation in fair value or future cash flows of the Group's and the Company's financial instruments as results of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from their long-term loans and borrowings with floating interest rates. The Group's and the Company's do not hedge their interest rate risk.

Sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial instruments at fair value through profit or loss. Therefore, a change in interest rates as at the reporting period would not affect the profit or loss.

Sensitivity analysis for floating rate instruments

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant on the Group's and the Company's total equity and profit for the financial year.

	Change in rate %	Effect on profit for the financial year RM	Effect on equity RM
Group			
31 December 2023	+ 10%	(15,625,053)	(15,625,053)
	- 10%	15,625,053	15,625,053
31 December 2022	+ 10%	(13,343,546)	(13,343,546)
	- 10%	13,343,546	13,343,546
Company			
31 December 2023	+ 10%	(1,796,800)	(1,796,800)
	- 10%	1,796,800	1,796,800
31 December 2022	+ 10%	(1,500,000)	(1,500,000)
	- 10%	1,500,000	1,500,000

Notes to the Financial Statements (Cont'd)

25. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(iv) Market price risk

Market price risk is the risk of fluctuation in fair value or future cash flows of the Group's and the Company's financial instruments as results of changes in market price (other than interest or exchange rates).

The Group's and the Company's investments in quoted equity instruments are subject to market price risk. Such exposures are not hedged as the investment is stable where the risks accepted are commensurate with the expected returns.

	Change in rate %	Effect on profit for the financial year RM	Effect on equity RM
Group and Company			
31 December 2023	+ 10%	785,860	785,860
	- 10%	(785,860)	(785,860)
31 December 2022	+ 10%	542,520	542,520
	- 10%	(542,520)	(542,520)

(c) Fair value measurement

The carrying amounts of cash and cash equivalents, short-term receivables and payables and short-term borrowings reasonably approximate to their fair values due to the relatively short-term nature of these financial instruments.

There have been no transfers between Level 1 and Level 2 during the financial year (2022: no transfer in either direction).

Notes to the Financial Statements (Cont'd)

25. FINANCIAL INSTRUMENTS (CONT'D)

(c) Fair value measurement (cont'd)

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

Group	Total RM	Fair value			Fair value			Total
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	
31 December 2023								
Financial assets								
Non-current								
Trade and other receivables	6,137,405	-	-	-	-	-	6,137,405	6,137,405
Other investments								
- Quoted equity investments	7,858,600	7,858,600	-	-	-	-	-	-
Financial liabilities								
Non-current								
Trade payables	81,686,926	-	-	-	-	-	81,686,926	81,686,926
31 December 2022								
Financial assets								
Non-current								
Other receivables	18,538,951	-	-	-	-	-	18,538,951	18,538,951
Other investments								
- Quoted equity investments	5,425,200	5,425,200	-	-	-	-	-	-
Financial liabilities								
Non-current								
Trade payables	20,761,765	-	-	-	-	-	20,761,765	20,761,765

Notes to the Financial Statements (Cont'd)

25. FINANCIAL INSTRUMENTS (CONT'D)

(c) Fair value measurement (cont'd)

The following table provides the fair value measurement hierarchy of the Group's and the Company's financial instruments: (Cont'd)

Carrying amount Total RM	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value			Total
	Level 1	Level 2	Level 3	Fair value			
				Level 1	Level 2	Level 3	
Company							
31 December 2023							
Financial assets							
Non-current							
Other receivables	983,014	-	-	-	-	983,014	983,014
Other investments							
- Quoted equity investments	7,858,600	7,858,600	-	-	-	-	-
31 December 2022							
Financial assets							
Non-current							
Other investments							
- Quoted equity investments	5,425,200	5,425,200	-	-	-	-	-

Notes to the Financial Statements (Cont'd)

25. FINANCIAL INSTRUMENTS (CONT'D)

(c) Fair value measurement (Cont'd)

Level 1 fair value

Fair value of financial instruments carried at fair value

The fair value of Company's quoted investments is estimated based on their quoted market prices as at end of the reporting year.

Level 3 fair value

Fair value of financial instruments not carried at fair value

The fair value of trade and other receivables and trade payables are determined using the discounted cash flows method based on discount rates that reflects the issuer's borrowing rate as at the end of the reporting period.

The fair value, which are for disclosure purposes, have been determined using the following basis:

- (i) The fair value of the Group's trade and other receivable (non-current) is calculated based on present value of the projected repayment of balances;
- (ii) The fair value of the Group's trade payables (non-current) is calculated based on the present value of the trade payable entitlement on development land belonging to trade payables as disclosed in Note 18(a) to the financial statements; and
- (ii) The fair value of the Group's and the Company's loans and borrowings that carry floating interest rates approximated their carrying amounts as they are repriced to market interest rates on or near the reporting date.

Fair value hierarchy is not presented for those financial assets and financial liabilities of the Group and the Company which are not carried at fair value by any valuation method.

26. RELATED PARTIES

(a) Identification of related parties

Parties are considered related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operational decisions, or vice versa, or where the Group and the party are subject to common control. Related parties may be individuals or other entities.

Related parties of the Group include:

- (i) Subsidiaries;
- (ii) Associates;
- (iii) Entities in which directors have substantial financial interest; and
- (iv) Key management personnel of the Group and the Company, comprise persons (including directors) having the authority and responsibility for planning, directing and controlling the activities directly or indirectly.

Notes to the Financial Statements (Cont'd)

26. RELATED PARTIES (CONT'D)

(b) Significant related party transactions

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

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Progress billings				
Entities in which a director has a substantial financial interests	52,359,469	48,078,281	-	-
Subcontractor fees				
Entity in which a director has a substantial financial interests	44,302,463	67,801,165	-	-
Marketing fees				
Entity in which a director has a substantial financial interests	3,248,062	1,097,625	-	-
Dividend income				
A subsidiary	-	-	(4,000,000)	-
Management fees				
Subsidiaries	-	-	(6,880,051)	(5,128,473)

(c) Compensation of key management personnel

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Directors of the Company				
Short-term employee benefits	1,378,982	1,063,964	768,518	763,964
Post-employment employee benefits	144,000	109,542	72,000	73,002
Share-based payments	-	49,792	-	49,792
	1,522,982	1,223,298	840,518	886,758
Other key management personnels				
Short-term employee benefits	2,454,245	1,641,985	2,454,245	1,582,075
Post-employment employee benefits	320,822	199,989	320,822	192,790
Share-based payments	-	71,921	-	71,921
	2,775,067	1,913,895	2,775,067	1,846,786
	4,298,049	3,137,193	3,615,585	2,733,544

Notes to the Financial Statements (Cont'd)

27. CAPITAL MANAGEMENT

The primary objective of the Group's and the Company's capital management is to ensure that they maintain a strong credit rating and healthy capital ratio to support their business and maximise shareholder value. The Group and the Company manage their capital structure and make adjustment to it, in light to changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies and processes during the financial years ended 31 December 2023 and 31 December 2022.

The Group and the Company monitor capital using gearing ratio. The gearing ratio is calculated as total loans and borrowings less cash and short-term deposits divided by total equity. The gearing ratio as at the reporting date are as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Loans and borrowings	158,909,003	137,199,214	17,968,000	15,000,000
Less: Cash and short-term deposits	(25,945,150)	(24,151,051)	(11,763,382)	(11,440,233)
Net debts	132,963,853	113,048,163	6,204,618	3,559,767
Total equity	204,697,172	198,210,540	190,948,945	193,187,412
Debt-to-equity ratio	65%	57%	3%	2%

There was no change in the Group's and the Company's approach to capital management during the financial year.

The Group and the Company are required to comply with certain debts equity ratios in respect of their credit facilities.

Gearing ratios are not governed by the MFRSs and their definitions and calculations may vary between reporting entities.

Notes to the Financial Statements (Cont'd)

28. SEGMENT INFORMATION

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

The three reportable operating segments are as follows:

Segments	Products and services
Construction	Construction of residential and commercial properties.
Property development	Development and sales of residential and commercial properties.
Others	Investment holdings company and non-core business other than the above.

Inter-segment pricing is determined on negotiated basis.

Segment profit

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

Segment assets

The total segment asset is measured based on all assets (excluding investment in associates) of a segment, as included in the internal reports that are reviewed by the Group MD.

Segment liabilities

Segment liabilities are not included in the internal reports that are reviewed by the Group MD. Hence, no disclosures are made on segment liabilities.

Notes to the Financial Statements (Cont'd)

28. SEGMENT INFORMATION (CONT'D)

At 31 December 2023	Note	Construction RM	Property development RM	Others RM	Adjustments and eliminations RM	Total RM
Revenue:						
Revenue from external customers	A	53,306,558	93,223,713	388,000	-	146,918,271
Inter-segment revenue		27,366,414	7,175,291	10,880,051	(45,421,756)	-
		80,672,972	100,399,004	11,268,051	(45,421,756)	146,918,271
Results						
<i>Included in the measure of segment (loss)/profit</i>						
Operating results		1,244,326	(8,067,957)	(36,979,350)	32,877,371	(10,925,610)
Depreciation and amortisation		(1,512,456)	(797,291)	(146,246)	-	(2,455,993)
Net impairment losses/(gain) on trade and other receivables		(1,320,000)	-	(87,359)	1,055,885	(351,474)
Interest expenses		(1,037,792)	(3,808,181)	(1,458,147)	-	(6,304,120)
Interest income		98,443	44,402	456,296	-	599,141
Reportable segment (loss)/profit		(2,527,479)	(12,629,027)	(38,214,806)	33,933,256	(19,438,056)
<i>Not included in the measure of segment (loss)/profit</i>						
Share of results of associates		406,117	-	-	-	406,117
Segment (loss)/profit		(2,121,362)	(12,629,027)	(38,214,806)	33,933,256	(19,031,939)
Tax (expense)/credit		(733,904)	67,145	-	-	(666,759)
(Loss)/Profit for the financial year	B	(2,855,266)	(12,561,882)	(38,214,806)	33,933,256	(19,698,698)
Assets:						
Investments in associates		545,894	-	-	-	545,894
Addition to non-current assets		40,862	1,316,147	164,232,286	-	165,589,295
Segment assets	C	125,258,311	520,341,231	283,040,803	(301,698,143)	626,942,202

Notes to the Financial Statements (Cont'd)

28. SEGMENT INFORMATION (CONT'D)

At 31 December 2022	Note	Construction RM	Property development RM	Others RM	Adjustments and eliminations RM	Total RM
Revenue:						
Revenue from external customers	A	47,393,213	160,734,241	226,067	-	208,353,521
Inter-segment revenue		982,050	(1,315,303)	5,128,473	(4,795,220)	-
		48,375,263	159,418,938	5,354,540	(4,795,220)	208,353,521
Results						
<i>Included in the measure of segment profit/(loss)</i>						
Operating results		5,707,740	7,854,640	(10,634,180)	9,233,410	12,161,610
Depreciation and amortisation		(1,234,289)	(256,820)	(143,415)	(297,124)	(1,931,648)
Net impairment losses/(gain) on trade and other receivables		(118,991)	41,845	2,423,186	(2,510,544)	(164,504)
Interest expenses		(1,018,922)	(2,623,672)	(1,130,664)	-	(4,773,258)
Interest income		96,082	72,571	205,501	-	374,154
		3,431,620	5,088,564	(9,279,572)	6,425,742	5,666,354
Reportable segment profit/(loss)						
<i>Not included in the measure of segment profit/(loss)</i>						
Share of results of associates		(3,694)	-	-	-	(3,694)
		3,427,926	5,088,564	(9,279,572)	6,425,742	5,662,660
Tax expense		(61,736)	(152,318)	-	-	(214,054)
Profit/(Loss) for the financial year	B	3,366,190	4,936,246	(9,279,572)	6,425,742	5,448,606
Assets:						
Investments in associates		142,396	-	-	-	142,396
Addition to non-current assets		4,022,393	7,037,998	39,594	-	11,099,985
Segment assets	C	76,669,698	392,042,503	264,997,928	(245,180,904)	488,529,225

Notes to the Financial Statements (Cont'd)

28. SEGMENT INFORMATION (CONT'D)

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

A Inter-segment revenue

Inter-segment revenues are eliminated on consolidation.

B Reconciliation of profit or loss

	Group 2023 RM	2022 RM
Elimination of inter-segment unrealised profit	33,933,256	6,847,778
Unallocated other corporate expenses	-	(422,036)
	33,933,256	6,425,742

C Reconciliation of assets

	Group 2023 RM	2022 RM
Fair value adjustments on assets through acquisition of subsidiaries	-	26,391,182
Investment in associates	545,894	142,396
Inter-segment assets	(302,244,037)	(271,714,482)
	(301,698,143)	(245,180,904)

Geographical information

The Group operates predominantly in Malaysia and has not ventured into any operations outside Malaysia during the financial year. Accordingly, the information by geographical segment is not presented.

Information about major customers

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

	Group 2023 RM	2022 RM	Segments
Customer A	53,306,558	47,393,213	Construction

Notes to the Financial Statements (Cont'd)

29. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

Allotment and issuance of new ordinary shares

On 24 July 2023, 7 August 2023, 18 September 2023, 7 November 2023 and 29 November 2023, the Company issued a total of 395,999,000 subscription of new ordinary shares at an average issue price of RM0.0776.

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

(a) Multiple proposals – (I) Proposed settlement; (II) Proposed Rights Issue with Warrants; (III) Proposed Exemption 1; (IV) Proposed Exemption 2 and (V) Proposed Exemption 3

On 13 December 2023, the Company announced that it proposed to undertake the following proposals:

- (i) proposed settlement of advances amounting to RM43.30 million owing by Stack Builder Sdn. Bhd. ("Stack Builder"), a 50.5%-owned subsidiary of the Company, to Ong Kah Hoe ("OKH") and Tan Chin Hoong ("TCH") ("Stack Builder Advances") to be satisfied entirely via the issuance of 618,525,646 new ordinary shares in the Company ("OCR Shares" or "Shares") at an issue price of RM0.0700 per Share ("Settlement Shares") ("Proposed Settlement");
- (ii) proposed renounceable rights issue of up to 1,336,348,534 new Shares ("Rights Shares") together with up to 1,336,348,534 free detachable warrants in the Company ("Warrants E") on the basis of 2 Rights Shares together with 2 Warrants E for every 3 existing Shares held by entitled shareholders of the Company ("Shareholders") ("Entitled Shareholders") on an entitlement date to be determined and announced later ("Entitlement Date") ("Proposed Rights Issue with Warrants");
- (iii) proposed exemption under Paragraph 4.08(1)(b) of the Rules on Take-Overs, Mergers and Compulsory Acquisitions issued by the Securities Commission Malaysia ("SC") pursuant to Section 377 of the Capital Market and Services Act, 2007 ("CMSA") ("Rules") to OKH, TCH and persons acting in concert ("PACs") with them from the obligation to undertake a mandatory take-over offer for the remaining OCR Shares and options granted under the Company's existing employees' share options scheme ("ESOS") ("ESOS Options") (if any) not already held by them ("Mandatory Offer") upon the completion of the Proposed Settlement ("Proposed Exemption 1");
- (iv) proposed exemption under Paragraph 4.08(1)(b) of the Rules to OKH from the obligation to undertake a Mandatory Offer upon the completion of the Proposed Rights Issue with Warrants ("Proposed Exemption 2"); and
- (v) proposed exemption under Paragraph 4.08(1)(b) of the Rules to OKH and PACs with him from the obligation to undertake a Mandatory Offer upon the completion of the Proposed Rights Issue with Warrants ("Proposed Exemption 3").

(b) Incorporation of a new subsidiary

On 4 April 2024, Grand Superland Sdn. Bhd., a wholly owned subsidiary incorporated a private limited liability company known as OCR Templer Sdn. Bhd. ("OTSB"). As a result of the incorporation, OTSB became a 100% owned subsidiary of the Group.

(c) Joint venture agreement entered by OTSB

On 24 April 2024, OTSB entered into a Joint Venture Agreement ("JVA") with a third party ("Owner"), to develop certain lands into residential and/or commercial development ("the project").

At the reporting date, OTSB has yet to commence the development as OTSB is still in the midst of fulfilling its condition precedents in relation to this JVA.

Notes to the Financial Statements (Cont'd)

31. MATERIAL LITIGATIONS

Commencement of Arbitration Proceedings by O&C Makok Isola Sdn. Bhd. ("OMISB") against Jetson Construction Sdn. Bhd. ("JCSB")

OMISB, a 50.01% owned subsidiary of the Company has commenced arbitration proceedings ("Arbitration") against JCSB in connection with the contract for the construction of the main building and external works ("Contract") for a property development project.

OMISB as the employer, by a letter of award dated 10 July 2018 (issued through Ken Wong Architect, as the "Architect") ("LOA"), awarded the Contract to JCSB to complete the main building and external works in the Project ("Works") for the contract sum of RM88,029,450.03.

The Parties have subsequently executed a Supplemental Letter No. 1 to the LOA dated 30 January 2022 ("Supplemental Letter No.1") which provides among others that JCSB shall first complete the agreed scope of works listed therein ("Agreed Scope") on/by the First Completion Date.

JCSB has delayed the Works and have committed various breaches of its obligations under the Contract, including amongst others:

- (a) JCSB had failed, refused and/or neglected to proceed regularly and/or diligently with the Works, in particular the Agreed Scope;
- (b) JCSB had persistently failed, refused and/or neglected to comply with the Architect's Instruction's; and
- (c) JCSB had failed to complete the Works under the Agreed Scope by the First Completion Date.

As a result of JCSB's continued defaults and breaches of the Contract, and subsequent determination of JCSB's employment by OMISB by reason of these continued defaults and breaches of the Contract, OMISB has suffered and continues to suffer loss, expenses and damages, as more particularly set out below.

Particular of claims

In commencing the Arbitration, OMISB is seeking to claim for, among others but not limited to the following reliefs against JCSB:

- (a) the sum of RM30,879,616.14, or alternatively a sum to be assessed by the Tribunal for the additional costs relating to the appointment of a replacement contractor to complete the Works;
- (b) the liquidated damages;
- (c) reimbursement of all any over payment of Works;
- (d) reimbursement of all advance payment made by OMISB under the Contract;
- (e) damages including loss and expense as a result of JCSB's breach of the Contract including for delay/failure to complete the Works and/or Agreed Scope;
- (f) interest;
- (g) cost and expenses of the arbitration, including OMISB's legal costs and expenses; and
- (h) any further and/or other relief as the arbitrator deems fit to award.

The Group does not expect any material operational impact and any losses to arise by reason of the commencement of the said Arbitration proceeding other than the associated legal cost and time to be incurred on the legal claim. Hence, the Arbitration is expected to have no material operational and financial adverse impact to the Group.

LIST OF PROPERTIES

as at 31 December 2023

No	Location	Description	Tenure	Net Book Value (RM)	Date of Revaluation
1	Lot 53403 & Lot 53404, Hill Street Kajang, Bandar Kajang, District of Hulu Langat, Selangor Darul Ehsan	161,954 sq.ft of vacant development land zoned for residential	Leasehold	9,973,507	17 January 2024
2	Lot 442, Seksyen 19, Bandar Kuala Lumpur, District of Kuala Lumpur and State of Wilayah Persekutuan Kuala Lumpur	14,384 sq.ft of development land zoned for commercial use	Freehold	21,975,616	30 June 2021
3	GF-R1, GF-R2, GF-R2A, GF-R3, GF-R4, GF-R5, GF-R6, Yolo Signature, Jalan PJS 8/9, PJS 8, Bandar Sunway, 46150 Petaling Jaya, Selangor Darul Ehsan	7 unit of retail lots under construction	Leasehold	7,139,200	31 March 2022
4	Lot 475, Kawasan Bandar XXXIX, District of Melaka Tengah, State of Melaka	37,265 sq.ft of vacant development land currently using as car parking area	Leasehold	11,600,000	7 December 2022
5	Lot 476, Kawasan Bandar XXXIX, District of Melaka Tengah, State of Melaka	22,787 sq.ft of vacant development land currently using as car parking area	Leasehold	6,451,029	7 December 2022
6	Lot 1506, 1507 and 1508, Mukim of Machap, District of Alor Gajah, State of Melaka	1,072,099 sq.ft of agricultural lands	Freehold	9,633,667	7 December 2022
7	Lot 96079 held under Title No. PN 114156, Mukim Bukit Raja, District of Petaling, Selangor Darul Ehsan	1,173,266 sq.ft of converted mixed-use development land	Leasehold	87,911,877	30 June 2021

ANALYSIS OF SHAREHOLDINGS

as at 1 April 2024

STATISTICS OF ORDINARY SHAREHOLDINGS AS AT 1 APRIL 2024

Class of Shares : Ordinary Shares
 Total Number of Issued Shares : 1,385,997,155
 Voting Rights : One vote for each ordinary share held

DISTRIBUTION OF SHAREHOLDINGS AS AT 1 APRIL 2024

Size of Holdings	No. of shareholders	No. of Shares	Percentage of Shares %
1 – 99	137	5,715	0.00
100 - 1,000	309	175,444	0.01
1,001 - 10,000	1,619	10,044,802	0.72
10,001 - 100,000	2,036	81,381,633	5.87
100,001 to less than 5% of issued shares	707	1,031,989,561	74.46
5% and above of issued shares	2	262,400,000	18.93
Total	4,810	1,385,997,155	100.00

SUBSTANTIAL SHAREHOLDER AS AT 1 APRIL 2024*

No.	Name of Substantial Shareholder	No. of Shares held		No. of Shares held	
		Direct	Percentage (%)	Indirect	Percentage (%)
1	ONG KAH HOE	186,291,463	13.44	41,678,800 ⁽¹⁾	3.01

* Based on Register of Substantial Shareholder

DIRECTORS' INTERESTS IN SHARES AS AT 1 APRIL 2024

No.	Name of Directors	No. of Shares held		No. of Shares held	
		Direct	Percentage of shares held (%)	Indirect	Percentage of shares held (%)
1	TUNKU AZUDINSHAH IBNI TUNKU ANNUAR	-	-	-	-
2	ONG KAH HOE	186,291,463	13.44	41,678,800 ⁽¹⁾	3.01
3	CHAN LIAN SEI (appointed w.e.f. 31 May 2023)	-	-	-	-
4	HJ. ABDULLAH BIN ABDUL RAHMAN	-	-	-	-
5	JULIAN KOH LU ERN	-	-	-	-

Note:

⁽¹⁾ Deemed interested by virtue of Mr. Ong Kah Hoe's interest in OCR Land Holdings Sdn Bhd, pursuant to Section 8 of the Companies Act 2016 and Mr. Ong Kah Hoe's parents and siblings' direct shareholdings

Analysis of Shareholdings
as at 1 April 2024
(Cont'd)

**LIST OF TOP 30 LARGEST SECURITIES ACCOUNTS HOLDERS
(ACCORDING TO THE REGISTER OF DEPOSITORS AS AT 1 APRIL 2024)**

No.	Name of Shareholders	No. of Shares	Percentage of shares held (%)
1	CARTABAN NOMINEES (TEMPATAN) SDN BHD RHB TRUSTEES BERHAD FOR KENANGA ISLAMIC ABSOLUTE RETURN FUND	166,000,000	11.98
2	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR ONG KAH HOE (SMART)	96,400,000	6.96
3	RHB NOMINEES (TEMPATAN) SDN BHD OSK CAPITAL SDN BHD FOR ONG KAH HOE	60,000,000	4.33
4	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR KEH CHUAN SENG (SMART)	50,000,000	3.61
5	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN HWA SING (7000335)	33,500,000	2.42
6	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KEH CHUAN CHOON	33,000,000	2.38
7	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEE TIAM HOCK	33,000,000	2.38
8	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHEONG KAI MENG	31,750,000	2.29
9	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR OCR LAND HOLDINGS SDN. BHD	31,215,000	2.25
10	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHIAU HAW CHOON	30,000,000	2.16
11	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR STRONGLEAP SDN BHD	29,924,500	2.16
12	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KOON POH TAT	29,239,000	2.11
13	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHU YEE HONG	21,599,000	1.56
14	LEONG SHANG MING	19,103,000	1.38
15	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHU KERD YEE	17,500,000	1.26
16	APEX NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TEH BAK SIM (MARGIN)	17,400,000	1.26
17	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR OON BOON KHONG	17,250,000	1.24
18	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ONG KAH HOE	15,504,463	1.12
19	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR JOHNNY TING KOK LING	15,489,900	1.12
20	APEX NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR WONG SAU BING (MARGIN)	12,545,200	0.91
21	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN YUN QUAN (M04)	12,000,000	0.87
22	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE WEI KOK (7000595)	12,000,000	0.87
23	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SIM SHIAU TYNG	12,000,000	0.87
24	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KEH CHUAN SENG	12,000,000	0.87
25	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KEH CHUAN CHOON	11,000,000	0.79
26	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHAN KAY DING (M04)	10,000,000	0.72
27	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ONG CHOO MENG (DATO')	10,000,000	0.72
28	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ONG KAH HOE (020) (THIRD PARTY)	9,405,400	0.68
29	PELABURAN MARA BERHAD	8,888,890	0.64
30	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KEH CHUAN CHOON (7001036)	8,000,000	0.58
TOTAL		865,714,353	62.49

NOTICE OF 26TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Sixth (26th) Annual General Meeting (“AGM”) of the Company will be held on a fully virtual basis and entirely via remote participation and voting through an online meeting platform at www.swsb.com.my provided by ShareWorks Sdn. Bhd. (“ShareWorks”) in Malaysia (Domain registration number with MYNIC : D1A403841) on Wednesday, 29 May 2024, 2.30 p.m. for the following purposes: -

AGENDA

AS ORDINARY BUSINESS

- | | | |
|----|--|---|
| 1. | To receive the Audited Financial Statements of the Company and of the Group for the financial year ended 31 December 2023 together with the Directors' and Auditors' Reports thereon. | <i>(Please refer Explanatory Notes 1)</i> |
| 2. | To approve the payment of Directors' fees and benefits of not exceeding RM500,000 for the period from the conclusion of the 26 th AGM until the conclusion of the 27 th AGM to be held in year 2025. | Ordinary Resolution 1 |
| 3. | To re-elect Ong Kah Hoe who retires in accordance with Clause 77(2) of the Constitution of the Company. | Ordinary Resolution 2 |
| 4. | To re-elect Chan Lian Sei who retires in accordance with Clause 79 of the Constitution of the Company. | Ordinary Resolution 3 |
| 5. | To re-appoint Messrs. Baker Tilly Monteiro Heng PLT as Auditors of the Company and to hold office until the conclusion of the next AGM at such remuneration to be determined by the Directors of the Company. | Ordinary Resolution 4 |

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions:-

- | | | |
|----|--|------------------------------|
| 6. | PROPOSED AUTHORITY TO DIRECTORS TO ALLOT AND ISSUE NEW ORDINARY SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 | Ordinary Resolution 5 |
|----|--|------------------------------|

“THAT pursuant to Sections 75 and 76 of the Companies Act 2016 and subject to approvals from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued and other relevant authorities, where approval is necessary, authority be and is hereby given to the Directors to allot and issue shares in the Company at any time upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided always that the aggregate number of shares to be issued shall not exceed 10% of the total number of issued shares of the Company or such higher percentage as Bursa Malaysia Securities Berhad allowed for the time being AND THAT such authority shall continue to be in force until the conclusion of the next AGM of the Company.

AND THAT in connection with the above, pursuant to Section 85 of the Companies Act 2016 to be read together with Clause 12(3) of the Constitution of the Company, the shareholders of the Company do hereby waive their preemptive rights over all new shares, options over or grants of new shares or any other convertible securities in the Company and/or any new shares to be issued pursuant to such options, grants or other convertible securities, such new shares when issued, to rank pari passu with existing issued shares in the Company.”

Notice Of 26th Annual General Meeting (Cont'd)

7. **PROPOSED NEW AND RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

Ordinary Resolution 6

"THAT, subject always to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**"), approval be and is hereby given to the Company and its subsidiaries (collectively the "**Group**") to enter into and give effect to the recurrent related party transactions of a revenue or trading nature with the related parties as specified in Section 5 of the Circular to Shareholders dated 30 April 2024, provided that such transactions and/or arrangements which are necessary for the Group's day-to-day operations are undertaken in the ordinary course of business, at arm's length basis, on normal commercial terms and transaction prices which are not more favourable to the related parties than those generally available to the public and not detrimental to the minority shareholders of the Company (hereinafter referred to as the "Proposed New and Renewal of Shareholders' Mandate"):-

THAT the Proposed New and Renewal of Shareholders' Mandate shall only continue to be in full force until: -

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

whichever is the earlier.

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary or in the best interest of the Company to give effect to the Proposed New and Renewal of Shareholders' Mandate."

- 8. To transact any other business of which due notice have been given in accordance with the Companies Act 2016.

BY ORDER OF THE BOARD

TAN TONG LANG (MAICSA 7045482) (SSM PC No. 202208000250)
LIM WEN THENG (MAICSA 7073397) (SSM PC No. 202308000441)
 Company Secretaries

Kuala Lumpur
 Dated: 30 April 2024

Notice Of 26th Annual General Meeting (Cont'd)

Remarks:

1. The 26th AGM will be conducted on a full virtual basis via an online portal. Members are advised to refer to the Administrative Guide for the remote participation access and electronic voting at the AGM.
2. A member entitled to attend and vote at the general meeting is entitled to appoint not more than two (2) proxies to attend and vote on his/her behalf.
3. Where a member appoints two (2) proxies, the appointment of such proxies shall not be valid unless the member specifies the proportion of his shareholding to be represented by each such proxy. There is no restriction to the qualification of the proxy.
4. Where a member of the Company is an exempt authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provision of subsection 25A (1) of the Central Depositories Act which holds ordinary shares in the Company for multiple beneficial owners in one Securities Account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
5. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or, if the appointer is a corporation, either under its Common Seal or signed by the attorney so authorised.
6. The Proxy Form must be deposited at the Share Registrar Office of the Company at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, Wilayah Persekutuan or email to ir@shareworks.com.my not less than 48 hours before the time set for holding the meeting or any adjournment thereof.
7. For the purposes of determining a member who shall be entitled to attend, speak and vote at the 26th AGM, the Company shall be requesting the Record of Depositors as at 21 May 2024. Only a depositor whose name appears on the Record of Depositors as at 21 May 2024 shall be entitled to attend and vote at the meeting or appoint proxy(ies) to attend, speak and vote on his/her behalf.

Notice Of 26th Annual General Meeting (Cont'd)

Explanatory Notes:

1. Audited Financial Statements for the Financial Year Ended 31 December 2023

This item of the Agenda is for discussion purposes only, as Section 340(1)(a) of the Companies Act 2016 does not require the shareholders to formally approve the Audited Financial Statements. Therefore, this item will not be put forward for voting.

2. Ordinary Resolutions 2 and 3 - Re-election of Directors who retire in accordance with Clauses 77(2) and 79 of the Constitution of the Company

Clause 77(2) of the Constitution of the Company provides that at the Annual General Meeting in every subsequent year, one-third (1/3) of the Directors for the time being, or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3), shall retire from office at the conclusion of the Annual General Meeting in every year provided always that all Directors shall retire from office once at least in each three (3) years, but shall be eligible for re-election.

Whereby Clause 79 of the Constitution of the Company outlined that any Director so appointed shall hold office only until the next Annual General Meeting, and shall then be eligible for re-election.

Pursuant to Clause 77(2) of the Constitution of the Company, Mr. Ong Kah Hoe shall retire at the 26th AGM and Ms. Chan Lian Sei who was appointed as the Executive Director on 31 May 2023 are required to submit herself for re-election at the 26th AGM pursuant to Clause 79 of the Constitution of the Company.

The performance of the Directors who are recommended for re-election has been assessed through the Board annual evaluation. The Nominating Committee and the Board are satisfied with the performance and effectiveness of Mr. Ong Kah Hoe and Ms. Chan Lian Sei, who are due for retirement as Directors, and being eligible, have offered themselves for re-election at the 26th AGM.

3. Ordinary Resolution 5 - Authority to allot and issue shares in general pursuant to Sections 75 and 76 of the Companies Act 2016

The proposed Ordinary Resolution 5, seeking a renewal of the general mandate is to provide flexibility to the Company to issue new securities without the need to convene separate general meeting to obtain its shareholders' approval so as to avoid incurring additional cost and time. The purpose of this general mandate is for possible fund raising exercise including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital, repayment of bank borrowings, acquisitions and/or for issuance of shares as settlement of purchase consideration.

There is no ordinary share was issued pursuant to the general mandate granted to the Directors at the 25th AGM held on 30 May 2023.

Pursuant to Section 85 of the Companies Act 2016 read together with Clause 12(3)(a) of the Constitution of the Company, shareholders have pre-emptive rights to be offered any new shares in the Company which rank equally to the existing issued shares in the Company or other convertible securities.

Section 85(1) of the Companies Act 2016 provides as follows:

"85. Pre-emptive rights to new shares

- (1) *Subject to the constitution, where a company issue shares which rank equally to existing shares as to voting or distribution rights, those shares shall first be offered to the holders of existing shares in a manner which would, if the offer were accepted, maintain the relative voting and distribution rights of those shareholders."*

Clause 12(3) of the Constitution of the Company provides as follows:

"(a) Subject to the Act, the Listing Requirements and any direction to the contrary that may be given by the Company in General Meeting, all new shares or other convertible securities shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of General Meetings in proportion as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled.

Notice Of 26th Annual General Meeting (Cont'd)

(b) The offer shall be made by notice specifying the number of shares or securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or securities offered, the Directors may dispose of those shares or securities in such manner as they think most beneficial to the Company.

(c) The Directors may likewise also dispose of any new share or security which (by reason of the ratio which the new shares or securities bear to shares or securities held by persons entitled to an offer of new shares or securities) cannot, in the opinion of the Directors, be conveniently offered under this Constitution.”

The proposed Ordinary Resolution, If passed, will exclude your pre-emptive right to be offered new shares and/or convertible securities to be issued by the Company pursuant to the said Ordinary Resolution.

4. Ordinary Resolution 6 – Proposed New and Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The Ordinary Resolution 6, if passed, will allow the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Company and/or its subsidiaries, subject to the transactions being carried out in the ordinary course of business of the Company and/or its subsidiaries and on normal commercial terms which are generally available to the public and not detrimental to the minority shareholders of the Company.

This authority, unless revoked or varied by the Company at a general meeting, will expire at the next AGM of the Company.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Securities:-

1. Details of individual who are standing for election as Directors (excluding Directors for re-election)
No individual is seeking election as a Director at the 26th AGM of the Company.
2. General mandate for issue of securities in accordance with Paragraph 6.03 of the Main Market Listing Requirements of Bursa Securities.

The details of the proposed authority for Directors of the Company to issue shares in the Company pursuant to Sections 75 and 76 of the Companies Act 2016 are set out under Explanatory Note.

PROXY FORM



OCR GROUP BERHAD
[Registration No. 199701025005 (440503-K)]
(Incorporated in Malaysia)

CDS Account No.
No. of Shares held

*I/We
[Full name in block, NRIC/Passport/Company No.]

Tel. No.: of

being a *member/members of **OCR GROUP BERHAD** hereby appoint:

Full Name (in Block):	NRIC/Passport No.:	Proportion of Shareholdings	
		No. of Shares	%
Address:			
Email Address:			
Mobile Number:			

*and / or

Full Name (in Block):	NRIC/Passport No.:	Proportion of Shareholdings	
		No. of Shares	%
Address:			
Email Address:			
Mobile Number:			

or failing him, the Chairman of the Meeting as *my/our proxy to vote for *me/us on *my/our behalf at the Twenty-Sixth (26th) Annual General Meeting (“**AGM**”) of the Company to be held on a fully virtual basis through live streaming and entirely via remote participation and voting through online meeting platform at www.swsb.com.my provided by ShareWorks Sdn. Bhd. (“**ShareWorks**”) in Malaysia (Domain registration number with MYNIC : D1A403841) on Wednesday, 29 May 2024, at 2.30 p.m. or any adjournment thereof, and to vote as indicated below:-

Resolution	Agenda	FOR	AGAINST
1	To approve the payment of Directors’ fees and benefits of not exceeding RM500,000 for the period from the conclusion of the 26 th AGM until the conclusion of the 27 th AGM to be held in year 2025.		
2	To re-elect Ong Kah Hoe as Director		
3	To re-elect Chan Lian Sei as Director		
4	To re-appoint Messrs. Baker Tilly Monteiro Heng PLT as Auditors of the Company and to hold office until the conclusion of the next AGM at such remuneration to be determined by the Directors of the Company.		
5	Proposed authority to Directors to allot and issue new ordinary shares pursuant to Sections 75 and 76 of the Companies Act 2016		
6	Proposed New and Renewal of Shareholders’ Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.		

Please indicate with an ‘X’ in the space provided whether you wish your votes to be cast for or against the resolution. In the absence of specific direction, your proxy will vote or abstain as he thinks fit.

Signed this.....day of 2024

.....
Signature of Shareholder(s)/Common Seal

* Strike out whichever is not applicable

Remarks:

1. The 26th AGM will be conducted on a full virtual basis via an online portal. Members are advised to refer to the Administrative Guide for the remote participation access and electronic voting at the AGM.
2. A member entitled to attend and vote at the general meeting is entitled to appoint not more than two (2) proxies to attend and vote on his/her behalf.
3. Where a member appoints two (2) proxies, the appointment of such proxies shall not be valid unless the member specifies the proportion of his shareholding to be represented by each such proxy. There is no restriction to the qualification of the proxy.
4. Where a member of the Company is an exempt authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provision of subsection 25A (1) of the Central Depositories Act which holds ordinary shares in the Company for multiple beneficial owners in one Securities Account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
5. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or, if the appointer is a corporation, either under its Common Seal or signed by the attorney so authorised.
6. The Proxy Form must be deposited at the Share Registrar Office of the Company at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, Wilayah Persekutuan or email to ir@shareworks.com.my not less than 48 hours before the time set for holding the meeting or any adjournment thereof.
7. For the purposes of determining a member who shall be entitled to attend, speak and vote at the 26th AGM, the Company shall be requesting the Record of Depositors as at 21 May 2024. Only a depositor whose name appears on the Record of Depositors as at 21 May 2024 shall be entitled to attend and vote at the meeting or appoint proxy(ies) to attend, speak and vote on his/her behalf.

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AFFIX
STAMP

The Share Registrar of
OCR GROUP BERHAD
[Registration No. 199701025005 (440503-K)]

ShareWorks Sdn Bhd
No. 2-1, Jalan Sri Hartamas 8 Sri Hartamas
50480 Kuala Lumpur Wilayah Persekutuan
Tel No.: +603-6201 1120
Email : ir@shareworks.com.my

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ADMINISTRATIVE GUIDE

ADMINISTRATIVE GUIDE FOR SHAREHOLDERS ATTENDING THE TWENTY-SIXTH ANNUAL GENERAL MEETING ("26TH AGM")

Meeting Day & Date	: Wednesday, 29 May 2024
Time	: 2.30 p.m.
Online Meeting Platform	: www.swsb.com.my hosted by ShareWorks Sdn. Bhd. (" ShareWorks ") in Malaysia (Domain registration number with MYNIC: D1A403841)
Platform for Communication	: Shareholders may submit questions to the Board of Directors (" Board ") prior to the 26 th AGM to ir@shareworks.com.my no later than 28 May 2024 on 2.30 p.m. or to use the Question and Answer (" Q&A ") Platform to transmit questions to the Board via Remote Participation and Voting (" RPV ") Facility during live streaming.

VIRTUAL MEETING

The 26th AGM will be held via a fully virtual basis through live streaming and online remote voting using the RPV Facility.

Please note that it is your responsibility to ensure the stability of your internet connectivity throughout the 26th AGM as the quality of the live webcast and online remote voting are dependent on your internet bandwidth and stability of your internet connection.

All Shareholders of the Company, whether Individual Shareholders, Corporate Shareholders, Proxy Holders, Authorised Nominees or Exempt Authorised Nominees who wish to attend the 26th AGM will have to register to attend remotely by using the RPV Facility, the details of which is set out below.

RPV Facility

1. The 26th AGM will be conducted on a fully virtual basis through live streaming and online remote participation and voting. Should you wish to attend the 26th AGM, you are required to register yourself using the RPV Facility in accordance with the instructions as set out under paragraph 3 below.

With the RPV Facility, you may exercise your rights as a Shareholder to participate including to pose questions (in the form of real-time submission of typed texts) to the Board and vote remotely at the 26th AGM.

2. **Individual Members** are strongly encouraged to take advantage of the RPV Facility to participate and vote remotely at the 26th AGM. Please refer to the details as set out under the RPV Facility for information. If an Individual Shareholder is unable to participate in the online 26th AGM, he/she is encouraged to appoint the Chairperson of the meeting as his/her proxy and indicate the voting instructions in the Form of Proxy in accordance with the notes and instructions printed therein.

Corporate Shareholders (through Corporate Representatives or appointed proxies) are also strongly advised to participate and vote remotely at the 26th AGM using the RPV Facility. Corporate Members who wish to participate and vote remotely at the 26th AGM must contact the poll administrator, ShareWorks with the details set out below for assistance and will be required to provide the following documents to the Company no later than 27 May 2024 at 2.30 p.m.:

- a. Certificate of appointment of its Corporate Representative or Form of Proxy under the seal of the corporation;
- b. Copy of the Corporate Representative's or proxy's identity card (MyKad) (front and back)/ Passport; and
- c. Corporate Representative's or proxy's email address and mobile phone number.

Administrative Guide (Cont'd)

If a Corporate Member (through Corporate Representative(s) or appointed proxy(ies)) is unable to attend the 26th AGM, the Corporate Member is encouraged to appoint the Chairperson of the meeting as its proxy and indicate the voting instructions in the Form of Proxy in accordance with the notes and instructions printed therein.

In respect of Nominee Company Members, the beneficiaries of the shares under a Nominee Company's CDS account are also strongly advised to participate and vote remotely at the 26th AGM using the RPV Facility. Nominee Company Members who wish to participate and vote remotely at the 26th AGM can request its Nominee Company to appoint him/her as a proxy to participate and vote remotely at the 26th AGM. Nominee Company must contact the poll administrator, ShareWorks with the details set out below for assistance and will be required to provide the following documents to the Company no later than 27 May 2024 at 2.30 p.m.:

- a. Form of Proxy under the seal of the Nominee Company;
- b. Copy of the proxy's identity card (MyKad) (front and back)/Passport; and
- c. Proxy's email address and mobile phone number.

If a Nominee Company Member is unable to attend the 26th AGM, he/she is encouraged to request its Nominee Company to appoint the Chairperson of the meeting as its proxy and indicate the voting instructions in the Form of Proxy in accordance with the notes and instructions printed therein.

3. The procedures for the RPV Facility in respect of the live streaming and online remote participation and voting at the 26th AGM are as follows:

Procedures		Action
BEFORE THE 26TH AGM		
(i)	Register as a user	<ul style="list-style-type: none"> If you have already registered an account at the website, you are not required to register again. Access website www.swsb.com.my Click "Login" and click "Register" to sign up as a user. The registration will be open from 2.30 p.m. on 1 May 2024 and close at 2.30 p.m. on 28 May 2024. Complete the registration process and upload softcopy of MyKAD (front and back) or Passport for foreign shareholders. Read and agree to the terms & condition and thereafter submit your request. Upon submission, kindly login to the valid email address and verify your user ID within one (1) hour. Upon verification of the user ID, ShareWorks will send an email notification to approve you as a user. After verification of your registration against the General Meeting Record of Depositors of the Company as at 21 May 2024, the system will send you an email to notify you if your registration is approved or rejected after 21 May 2024. If your registration is rejected, you can contact ShareWorks or the Company for clarifications or to appeal.

Administrative Guide (Cont'd)

Procedures		Action
ON THE 26TH AGM DAY		
(ii)	Login to www.swsb.com.my	<ul style="list-style-type: none"> Login with your user ID and password for remote participation at the 26th AGM at any time from 2.00 p.m. i.e. 30 minutes before the commencement of the 26th AGM on 29 May 2024 at 2.30 p.m.
(iii)	Participate through Live Streaming	<ul style="list-style-type: none"> Select the "Virtual Meeting" from main menu. Click the "Join Meeting" located next to the event. You are required to provide your full name as per CDS records and your user registered email address. Kindly click the video link and insert the password given to you in your email notification in order to join the live video streaming. If you have any question for the Chairperson/ Board, you may use the Q&A platform to transmit your question. The Chairperson/ Board will try to respond to all questions submitted by remote participants during the 26th AGM. If time is a constraint, the responses will be emailed to you at the earliest possible time after the meeting ended. Take note that the quality of the live streaming is dependent on the bandwidth and stability of the internet connection at the location of the remote participants.
(iv)	Online remote voting	<ul style="list-style-type: none"> Select "Voting" located next to the "Join Meeting" and indicate your votes for the resolutions that are tabled for voting. Voting session will commence once the Chairperson of the Meeting declare that the voting platform is activated and will announce the completion of the voting session of the 26th AGM. Cast your vote on the resolution as appeared on the screen and submit your votes. Once submitted, your votes will be final and cannot be changed.
(v)	End of RPV Facilities	<ul style="list-style-type: none"> The RPV Facility will end and the Messaging window will be disabled the moment the Chairperson of the Meeting announces the closure of the 26th AGM.

Proxy

If a member is unable to attend the 26th AGM, he/she may appoint a proxy or the Chairperson of the meeting as his/her proxy and indicate the voting instructions in the Form of Proxy in accordance with the notes and instructions printed therein.

Please note that if an individual member has submitted his/her Form of Proxy prior to the 26th AGM and subsequently decides to personally participate in the 26th AGM via the RPV Facility, the individual member shall proceed to contact ShareWorks or the Company with the details set out below to revoke the appointment of his/her proxy no later than 27 May 2024 at 2.30 p.m.

Poll Voting

The voting at the 26th AGM will be conducted by poll in accordance with Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company has appointed ShareWorks as Poll Administrator to conduct the poll by way of electronic means and SharePolls Sdn Bhd as Scrutineers to verify the poll results.

The Scrutineers will verify and announce the poll results followed by the Chairperson declaration whether the resolution is duly passed.

Administrative Guide (Cont'd)

Pre-Meeting submission of question to the Board

To administer the proceedings of the 26th AGM in orderly manner, shareholders may before the 26th AGM, submit questions to the Board to ir@shareworks.com.my **no later than Sunday, 28 May 2024 at 2.30 p.m.** The Board will endeavour to address the questions received at the 26th AGM.

No Recording or Photography

Strictly **NO recording or photography** of the proceedings of the 26th AGM is allowed.

No Door Gifts or e-Vouchers

There will be **NO DISTRIBUTION** of door gifts or e-vouchers.

Digital Copies of 26th AGM Documents

We further inform that the following items are now available at www.ocrbhd.com or Bursa Malaysia Berhad's website at <https://www.bursamalaysia.com>: -

1. Notice of the 26th AGM
2. Proxy Form
3. Requisition Form;
4. Administrative Guide;
5. Annual Report 2023;
6. Corporate Governance Report; and
7. Circular to shareholder in relation to Proposed New and Renewal of Shareholders' Mandate for Recurrent Party Transactions of A Revenue or Trading Nature

Enquiry

If you have any enquiry prior to the virtual meeting, please contact **Mr. Wai Kien / Encik Taufiq** during office hours from 9.00 a.m. to 5.00 p.m. on Mondays to Fridays:

ShareWorks Sdn. Bhd.

No. 2-1, Jalan Sri Hartamas 8
Sri Hartamas
50480 Kuala Lumpur
Wilayah Persekutuan (KL)
Telephone Number: 03-6201 1120
Email: ir@shareworks.com.my

OCR GROUP BERHAD
(199701025005 (440503-K))

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