OCR GROUP BERHAD [199701025005(440503-K)]

ANNUAL REPORT 2019

IFC

Building Strength in Adversity

With our knowledge, experience and expertise, we are confident that we shall thrive in adversity and emerge stronger than before.

Isola KLCC

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Chairman/Independent Non-Executive Director
YAM Tunku Azudinshah Ibni Tunku Annuar

Group Managing Director
Ong Kah Hoe

Executive Director
Tee Tze Chern, JP
(Retired on 29 May 2019)

Independent Non-Executive Directors
Hj. Abdullah Bin Abdul Rahman
Dato' Lim Heng Ee
(Resigned on 18 February 2020)
Yap Sing Khon
(Resigned on 31 December 2019)
Admiral Tan Sri Dato' Seri Panglima Ahmad Kamarulzaman Hj Ahmad Badaruddin *(Retired)*
(Appointed on 13 March 2019)
Chong Min Shih
(Appointed on 10 February 2020)
Julian Koh Lu Ern
(Appointed on 18 February 2020)
Dato' Haji Mohd Fakrunizam Bin Ibrahim
(Appointed on 21 February 2020)

Non-Independent Non-Executive Directors
Lee Chin Cheh
Lim Teck Seng
(Resigned on 13 January 2020)

AUDIT COMMITTEE

Julian Koh Lu Ern *(Chairman)*
(Appointed on 18 February 2020)
Yap Sing Khon *(Chairman)*
(Resigned on 31 December 2019)
YAM Tunku Azudinshah Ibni Tunku Annuar
Hj. Abdullah Bin Abdul Rahman

NOMINATING COMMITTEE

YAM Tunku Azudinshah Ibni Tunku Annuar *(Chairman)*
Hj. Abdullah Bin Abdul Rahman
Lee Chin Cheh

REMUNERATION COMMITTEE

YAM Tunku Azudinshah Ibni Tunku Annuar *(Chairman)*
Ong Kah Hoe
Tee Tze Chern, JP
(Resigned on 29 May 2019)
Hj. Abdullah Bin Abdul Rahman
(Resigned on 20 February 2020)
Lim Teck Seng
(Resigned on 13 January 2020)
Chong Min Shih
(Appointed on 20 February 2020)

OPTION COMMITTEE

Ong Kah Hoe *(Chairman)*
(Appointed on 21 February 2020)
Dato' Lim Heng Ee *(Chairman)*
(Resigned on 18 February 2020)
Tan Ban Tatt
(Resigned on 28 June 2019)
Lily Tee
(Resigned on 29 May 2019)
Admiral Tan Sri Dato' Seri Panglima Ahmad Kamarulzaman Hj Ahmad Badaruddin *(Retired)*
(Appointed on 21 February 2020)
Wong Jyh Juan
(Appointed on 21 February 2020)

RISK MANAGEMENT COMMITTEE

Ong Kah Hoe *(Chairman)*
Lee Chin Cheh
(Appointed on 20 February 2020)
Tan Ban Tatt
(Resigned on 28 June 2019)
Tang Hang Lee
(Resigned on 20 February 2020)
Admiral Tan Sri Dato' Seri Panglima Ahmad Kamarulzaman Hj Ahmad Badaruddin *(Retired)*
(Appointed on 20 February 2020)

COMPANY SECRETARY

Ng Bee Lian (MAICSA 7041392)
Practicing Certificate: 201908003459

REGISTERED OFFICE

49-B, Jalan Melaka Raya 8
Taman Melaka Raya
75000 Melaka
Tel : +6 06 281 5300
Fax : +6 06 281 5332

CORPORATE OFFICE

8.01, 8th Floor, Persoft Tower
6B, Persiaran Tropicana
Tropicana Golf & Country Resort
47410 Petaling Jaya, Selangor
Tel : +6 03 7806 3003
Fax : +6 03 7880 4003

SHARE REGISTRAR

Boardroom Share Registrars Sdn. Bhd.
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor, Malaysia
Tel : +6 03 7890 4700
Fax : +6 03 7890 4670

AUDITORS

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF1018
Chartered Accountants
Level 16 Tower C, Megan Avenue II
12 Jalan Yap Kwan Seng
50450 Kuala Lumpur
Tel : +6 03 2788 9999
Fax : +6 03 2788 9998

PRINCIPAL BANKERS

United Overseas Bank (Malaysia) Berhad
AmBank (M) Berhad

STOCK EXCHANGE LISTING

Main Market – Construction
Bursa Malaysia Securities Berhad
Stock Name and Stock Code:
- OCR (7071)
- OCR-PA (7071PA)
- OCR-WC (7071WC)
- OCR-WD (7071WD)

Corporate website : www.ocrbhd.com
Corporate email : corporate@ocrbhd.com

CORPORATE STRUCTURE

OCR Group Berhad [199701025005 (440503-K)]

Wholly-Owned Subsidiaries of OCR Group Berhad:

1) O&C Commerce Sdn. Bhd. [201101033614 (961749-X)]
   • Retailers and traders of consumable products.
2) O&C 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.
5) Sunrise Meadow Sdn. Bhd. [201601014228 (1185159-H)]
   • Property development and property investment.
6) Kirana Masyhur Sdn. Bhd. [201601037701 (1208642-U)]
   • Construction of residential properties.
7) YP O&C Development Sdn. Bhd. [201601038462 (1209403-K)]
   • Real property management.
8) Fajar Simfoni Sdn. Bhd. [201801001511 (1263524-X)]
   • Engage in the business of investment holding, export and import of goods and real property management.
9) Junjung Simfoni Sdn. Bhd. [201801004687 (1266701-X)]
   • Engage in the business of investment holding, export and import of goods and real property management.
10) OCR Land Development Sdn. Bhd. [201801012568 (1274584-H)]
   • Construction of residential properties.
11) Amazing Symphony Sdn. Bhd. [201801012530 (1274546-D)]
   • Construction of residential properties.

90% Owned Subsidiary of OCR Group Berhad:

1) O&C 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)]
   • Construction of residential and commercial properties.
2) Serba Simfoni Sdn. Bhd. [201801000842 (1262855-H)]
   • Engage in the business of investment holding, export and import of goods and real property management.

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

1) Fotopop (M) Sdn. Bhd. [199001000272 (191830-X)] [1]
   • Real property management.

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

1) Visi Anggun Properties Sdn. Bhd. [201601029205 (1200146-T)]
   • Construction of residential and commercial properties.

70% Owned Subsidiary of OCR Group Berhad:

1) O&C 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, project management and real estate.
3) Kita Mampan Sdn. Bhd. [201301028974 (1058804-X)]
   • Construction of residential and commercial properties and real estate.

50.01% Owned Subsidiary of OCR Group Berhad:

1) O&C Makok Isola Sdn. Bhd. [201101009616 (937755-H)]
   • 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)] [2]
   • Investment holding, project management consultation and construction.

Note :
[1] Fotopop (M) Sdn. Bhd. was acquired on 6 May 2020.
[2] Landasan Surimas Sdn. Bhd. was acquired on 17 March 2020.

Our vision is to provide roofs over the heads of every Malaysian, touching lives of the community and be the jewel in the Crown of the nation.

Building livable spaces for a better tomorrow

PRIYA Scheme Kuantan

BOARD OF DIRECTORS

YAM TUNKU AZUDINSHAH IBNI TUNKU ANNUAR

Age 50, Male, Malaysian
Chairman/Independent Non-Executive Director
Chairman of Remuneration Committee
Chairman of Nominating Committee
Member of Audit Committee

YAM Tunku Azudinshah Ibni Tunku Annuar was appointed to the Board of Directors ("Board") as an Independent Non-Executive Director cum Chairman of the Board on 14 August 2015. He is the Chairman of Remuneration Committee and Nominating Committee as well as member of the Audit Committee of OCR Group Berhad ("the Company" or "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 co-founded PRS Corporate Images and Orbitel.net, media companies and produced television programmes focusing on the "Halal Industry". Amongst its clients are Nestle, Sime Darby, Mentri 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 Ibni Tunku Annuar does not hold any directorships in other public companies but sits on the board of several private limited companies.

ONG KAH HOE

Age 45, Male, Malaysian
Group Managing Director
Chairman of Risk Management Committee
Chairman of Option Committee
Member of Remuneration Committee

Mr. Ong Kah Hoe 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 appointed as Group Managing Director of the Company on 19 August 2016. Mr. Ong is the Chairman of Risk Committee and Option Committee as well as member of Remuneration Committee of the Company.

Mr. Ong graduated from University of Coventry, United Kingdom ("U.K.") in 1997 with a Bachelor Degree (Honours) in Business Administration.

Mr. Ong has over sixteen (16) 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.

Mr. Ong Kah Hoe does not hold any directorships in other public companies but sits on the board of several private limited companies.

Board Of Directors (Cont'd)

LEE CHIN CHEH

Age 48, Male, Malaysian
Non-Independent Non-Executive Director
Member of Nominating Committee
Member of Risk Management Committee

Mr. Lee Chin Cheh was appointed to the Board as an Independent Non-Executive Director on 23 June 2016 and was re-designated as Non-Independent Non-Executive Director on 21 November 2017. He is member of Nominating Committee and Risk Management Committee of the Company.

Mr. Lee graduated from University of Wolverhampton, U.K., with a Bachelor of Laws LL.B.(Hons), and received his Certificate in Legal Practice from the Malaysia Legal Profession Qualifying Board in 1995. He was admitted to the roll of Advocate and Solicitor of the High Court of Malaysia in 1996.

Mr. Lee established Messrs. Lee, Ong & Partners, a firm of advocates and solicitors, in 1997 and is the Managing Partner of the firm.

He serves as a legal and business advisor to corporate entities in Malaysia and Singapore and also as legal advisor on local non-governmental organisations such as the Petaling Trade and Industry Association, the Petaling Jaya Coffee Shop and Restaurant Association, the Selangor and Kuala Lumpur Kwangsi Association, Petaling Hawkers Association, the Selangor Lee Clan's Association, etc. He currently serves as Council Member of Malaysia-Guangdong Investment Promotion Council.

Besides OCR, Mr. Lee also sits on the board of Pan Asia Corporation Limited, listed on the Australia Securities Exchange, as well as several private limited companies.

HJ. ABDULLAH BIN ABDUL RAHMAN

Age 62, Male, Malaysian
Independent Non-Executive Director
Member of Audit Committee
Member of Nominating Committee

Hj Abdullah Bin Abdul Rahman was appointed to the Board as an Independent Non-Executive Director on 14 August 2015. He is member of Audit Committee and Nominating Committee of the Company.

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 as well as several private limited companies.

Board Of Directors (Cont'd)

ADMIRAL TAN SRI DATO' SERI PANGLIMA AHMAD KAMARULZAMAN HJ AHMAD BADARUDDIN *(RETIRED)*

Age 61, Male, Malaysian
Independent Non-Executive Director
Member of Risk Management Committee
Member of Option Committee

Admiral Tan Sri Dato' Seri Panglima Ahmad Kamarulzaman Hj Ahmad Badaruddin *(Retired)* was appointed to the Board as an Independent Non-Executive Director on 13 March 2019. He is members of Risk Management Committee and Option Committee of the Company.

He graduated with MBA from University of Strathclyde Business School, Scotland and MA in Defense Studies and International Relations from Universiti Kebangsaan Malaysia. He completed the Executive Program in Business Management at Kenan-Flagler Business School, University of North Carolina, USA. He is a Distinguished Graduate of the Fu Hshing Kang College, Republic of China in Political Warfare as well as the US Naval War College, Newport, Rhode Island.

He has served the King and country for fourty two (42) years. Held numerous positions in the Navy and Joint Services including Chief of Staff Malaysian Armed Forces Headquarters and Joint Force Commander of the Malaysian Armed Forces. He has achieved a peak in his career as he assumed command of the 16th Royal Malaysian Navy Chief on 18 November 2015. During his tenure, he has been managing over 20,000 sailors with the annual operating and development expenditure of about RM3 billion. He has also established strong strategic networking with Government and corporate organisations, at national and regional levels. Currently, he is involving in consulting work and advise companies in business management.

Presently, he sits on the board of T7 Global Berhad, TRC Synergy Berhad and Bousted Heavy Industries Corporation Berhad as well as several private limited companies.

CHONG MIN SHIH

Age 44, Female, Malaysian
Independent Non-Executive Director
Member of Remuneration Committee

Ms. Chong Min Shih was appointed to the Board as an Independent Non-Executive Director on 10 February 2020. She is a member of Remuneration Committee.

Ms. Chong graduated with a Bachelor of Business (Accountancy) Degree with RMIT University.

She has nineteen (19) years of professional experience in turning around challenging and underperforming accounts through strategic implementation and partnership programmes.

Currently, she is managing Onesoff Consulting Sdn. Bhd., Heyday Creation Sdn. Bhd., 7seeds Solution Sdn. Bhd. and Maths Master Mind Sdn. Bhd..

Ms. Chong Min Shih does not hold any directorships in other public companies but sits on the board of several private limited companies.

Board Of Directors (Cont'd)

JULIAN KOH LU ERN

Age 58, Male, Malaysian
Independent Non-Executive Director
Chairman of Audit Committee

Mr. Julian Koh Lu Ern was appointed to the Board as an Independent Non-Executive Director and Chairman of Audit Committee of the Company on 18 February 2020.

Mr. Julian is an associate member of the Chartered Institute of Management Accounts, U.K. ("ACMA") and a Chartered Global Management Accountant ("CGMA"). He is also a Chartered Accountant of Malaysia (C.A. (M)) with Malaysian Institute of Accountants ("MIA").

He 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. 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 Lu Ern does not hold any directorships in other public companies but sits on the board of a private limited company.

DATO' HAJI MOHD FAKRUNIZAM BIN IBRAHIM

Age 38, Male, Malaysian
Independent Non-Executive Director

Dato' Haji Mohd Fakrunizam Bin Ibrahim was appointed to the Board as an Independent Non-Executive Director on 21 February 2020.

He graduated with a Bachelor Degree of Science with Honours in Cognitive Science from Universiti Malaysia Sarawak, Shahputra College.

Dato' has served as Manager at Shell Malaysia Sdn. Bhd. from November 2003 to July 2008, Manager to Head of Exploration and Production at Petronas ICT from August 2008 to December 2012, Director of Innovation and Knowledge Management at Ministry of Education (Education Performance Delivery Unit - PADU) from January 2013 to December 2014 and Managing Director of Oxford Alliance Sdn. Bhd. from January 2015 to October 2015. Currently, he is Group Chief Executive Officer of Meridian Rex Sdn. Bhd., a Meridian energy utilities and engineering company.

Dato' Haji Mohd Fakrunizam does not hold any directorships in other public companies but sits on the board of several private limited companies.

Board Of Directors (Cont'd)

Notes:

1. **Shareholdings in the Company and Subsidiaries of the Company**

   The direct and indirect interests of each Director in securities and warrants of the Company are set out on page 186 of this Annual Report.

2. **Conflict of Interest**

   Save for the related party transactions involving Mr. Ong Kah Hoe, the Group Managing Director of the Company, as disclosed on page 47 of this Annual Report, none of the other Directors of the Company has any personal interest in any business arrangements involving the Company.

3. **Conviction of Offences**

   None of the Directors of the Company have been convicted of any offences within the past five (5) years other than traffic offences, if any.

4. **Board Meeting Attendances**

   The attendance record of the Directors at Board of Directors' meetings for the financial year ended 31 December 2019 is found on page 33 of this Annual Report.

5. **Training Programmes, Seminars and Conference Attendances**

   The attendance record of the Directors at the training programmes, seminars and conferences for the financial year ended 31 December 2019 is found on page 31 of this Annual Report.

KEY SENIOR MANAGEMENT

The management team is headed by the Group Managing Director, Mr. Ong Kah Hoe and his profile can be found under the Profile of Directors on page 5 of the Annual Report. The profiles of other Key Senior Management are as follows:

WONG JYH JUAN

Age 41, Male, Malaysian
Chief Financial Officer
Member of Option Committee

Mr. Wong Jyh Juan was employed by OCR Group Berhad ("the Company" or "OCR") as Chief Financial Officer ("CFO") on 19 August 2019. He is a member of Option Committee of the Company.

He graduated with a Bachelor Accounting (Hons.) from Universiti Tenaga Nasional and Master of Business Administration (with Distinction) from University of Nottingham, U.K.. He is a Chartered Accountant of Malaysia (C.A. (M)), a Fellow Member of the Association of Chartered Certified Accountants ("FCCA") and a Certified Internal Auditor ("CIA").

Mr. Wong started his career in assurance services with Deloitte and Ernst & Young between 2002 to 2005, serving as an external financial auditor, due diligence auditor for mergers and acquisitions as well as reporting accountant for IPOs. After that, he joined CIMB Investment Bank Berhad in 2007 for around seven (7) years, in charge of driving key leads, managing and execution of equity and debt capital markets transactions, banking, treasury as well as a myriad of universal banking products.

Between 2014 to 2019, Mr. Wong joined Country Garden Holdings Co. Ltd. ("CG") and rose through the ranks with merit, eventually serving his last held position as the CFO and Assistant Regional President for its Malaysia Region. He played an instrumental role in CG's fast growth within Iskandar Malaysia and Klang Valley. His major accomplishments include assisting CG to become the first Chinese corporate to establish an award-winning AA3 rated Sukuk program, with issuances of different tenors since 2015.

Presently, Mr. Wong does not hold any directorship in any public companies. He does not have family relationship with any directors and/or other substantial shareholders of the Company. He holds 500,000 unit of securities of the Company. 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 period.

LOKE WEI FENG

Age 47, Male, Malaysian
Chief Operating Officer

Mr. Loke Wei Feng was employed by the Company as Chief Operating Officer on 3 July 2017.

He graduated with a First Class Honours in Bachelor of Civil Engineering from Universiti Teknologi Malaysia.

Mr. Loke began his career as Civil and Structural Design Engineer in 1996. He joined Sunrise Berhad as Project cum Development Manager in 2002.

He left Sunrise Berhad in 2007 and joined Capitaland Commercial Limited to take on overseas projects in both Hanoi and Ho Chi Minh City. In 2011, he assumed the position of Senior General Manager with UEM Sunrise Berhad.

Mr. Loke sits on the board of Serba Simfoni Sdn. Bhd., Fajar Simfoni Sdn. Bhd., Junjung Simfoni Sdn. Bhd., OCR Land Development Sdn. Bhd. and Amazing Symphony Sdn. Bhd., the subsidiaries of OCR.

Presently, Mr. Loke does not hold any directorship 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 with the Company. 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 period.

Key Senior Management (Cont'd)

ONG YEW MING

Age 44, Female, Malaysian
Chief Marketing Officer

Ms. Ong Yew Ming graduated with a Bachelor 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 the company, 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 optimise return on the investments.

Throughout her sixteen (16) years career, she has successfully launched more than twenty (20) projects ranging from residential to mix-development. Today, Ms. Ong is overseeing Corporate Development Division of OCR, which includes sales and marketing, credit and leasing, digital marketing, corporate affairs and branding.

Ms. Ong sits on the board of Greatway Capital Sdn. Bhd., O&C Commerce Sdn. Bhd., Pangkal Teguh Sdn. Bhd., Visi Anggun Properties Sdn. Bhd. and O&C Makok Isola Sdn. Bhd., the subsidiaries of OCR.

Presently, Ms. Ong does not hold any directorship in any public companies. She and Mr. Ong Kah Hoe are siblings. The direct interest and indirect interest of her securities and warrants of the Company are set out in page 186 of this Annual Report. 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 period.

ISAAC CHUA AIK KIANG

Age 44, Male, Malaysian
General Manager of Property Development

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

He began his career as Test Engineer in 1999. Subsequently, he moved on with his career as Civil and Structural Design Engineer in 2001. In 2008, he joined Mahajaya Berhad as Project Manager.

In 2010, Mr. Isaac joined OCR Land Holdings Sdn. Bhd. as Project Manager. He is currently the General Manager of Project Development for OCR since 16 December 2019.

He has been paneled with the Asian International Arbitration Center as Adjudicator in 2016.

Throughout his twenty (20) years of career, he is involved in land requisition, feasibility study, project management and properties management. He successfully completed more than fifteen (15) projects ranging from residential to mix-development.

Presently, Mr. Isaac does not hold any directorship 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 with the Company. 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 period.

Key Senior Management (Cont'd)

NG CHIN YUNG

Age 47, Male, Malaysian
General Manager of Corporate Development

Mr. Ng Chin Yung was employed by the Company as General Manager of Corporate Development on 21 June 2018.

He graduated with a Bachelor 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, strategised and launched more than fourty (40) projects, ranging from fully integrated 1,000-acre township to commercial developments such as industry park, shopping mall as well as residential developments ranging from resort to luxury residences in Klang Valley, Johor Bahru, Penang, Ipoh, Malacca, Kedah and Kuantan.

Taking every challenge as an opportunity and having built a solid ground with the companies for sixteen (16) years, Mr. Ng has vast experiences in the property sector across both local and global arenas, including 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 directorship 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 with the Company. He has not been convinced 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 period.

PHYLLIS TAY YEN SIN

Age 36, Female, Malaysian
General Counsel

Ms Phyllis Tay Yen Sin was employed by the Company as General Counsel on 13 December 2019.

She graduated with a Bachelor of Laws (Hons) from University of London, and was called to the Malaysian Bar.

She is also a certified Adjudicator of Asian International Arbitration Centre since 2014.

Ms. Phyllis started her career by practising as a corporate and commercial lawyer in one of the largest and oldest legal firm 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 CG in 2015 with its core business in property development, property management and hospitality. At CG, she established and led the Legal Department as Legal Director for the Malaysia Region including Forest City project in Johor.

Presently, Ms. Phyllis does not hold any directorship 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 with 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 period.

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors ("Board"), it is my pleasure to present to you the OCR Group Berhad's ("OCR" or "the Group") Annual Report and audited financial statements of the Group for the financial year ended 31 December 2019.

Chairman's Statement (Cont'd)

ECONOMIC AND INDUSTRY OVERVIEW

The overall global Gross Domestic Product ("GDP") growth moderated from 3.7% in 2018 to 2.9% in 2019 as trade policy uncertainties and geopolitical tensions in key emerging market economies continued to weigh on global economic activity in the second half of 2019.

Domestically, Malaysia saw resilient private sector spending and continued expansion in the services and manufacturing sectors as sentiment improved on the back of anticipated economic and political stability. Total lending for housing in 2019 had also increased by 7.6% to RM572.4 billion compared to RM532.0 billion in 2018. However, slower global growth and trade activities impacted overall GDP, leading to Malaysia's GDP growing by a modest 4.3% in 2019 from 4.7% in 2018.

As at 31 December 2019, the total number and value of the unsold completed residential units decreased to 30,664 units and RM18.8 billion respectively from 32,313 units and RM19.9 billion respectively a year ago, signifying the success of the Home Ownership Campaign 2019 which helped reduce the burden of owning a home for the ordinary rakyat.

FINANCIAL HIGHLIGHTS

I am pleased to report that OCR successfully delivered an impressive turnaround in the year under review, posting net profit attributable to shareholders of RM8.9 million on RM81.9 million revenue. This compares favourably to net loss attributable to shareholders of RM7.0 million on RM70.3 million revenue in the 17 month financial period ended 31 December 2018.

More than just the effects of disposing the loss-making trading and manufacturing operations, the Group's convincing turnaround adequately validates the viability and soundness of the Group's strategy in focusing on property development, construction and property management consultation ("PMC") as our primary growth drivers. Backed by the long-established track record of the Key Senior Management in the sector, coupled with the innovative concepts that we have introduced, we are pleased that our initiatives have borne first fruits, and look forward to reaping further results in the coming years.

CORPORATE DEVELOPMENTS

- **Completion of Bonus Issue of Warrants**

  The Group had completed a bonus issue of warrants on the basis of two (2) warrants for every seven (7) existing ordinary shares held in OCR on 22 February 2019 to express our appreciation to our shareholders for their continuous support and patience. Furthermore, the bonus issue provided our shareholders the chance to increase their equity participation in OCR and participate in our future growth.

- **Approval for Issuance of New Ordinary Shares and Employees' Share Option Scheme ("ESOS")**

  On 21 January 2020, we had proposed two (2) corporate exercises: a new share issuance of 98.6 million new ordinary shares, representing approximately 30.0% of share capital, and ESOS involving up to 15.0% of the total number of issued shares with a duration of five (5) years from the effective date. These were approved during the Extraordinary General Meeting held on 7 February 2020.

  The new share issuance would enable us to raise interest-free funds over the next twelve (12) months, which will be used to fund existing and future property development and construction projects.

  Meanwhile, the ESOS exercise would drive, motivate and align our employees' interests towards achieving the Group's goals and objectives. Additionally, the exercise will also help to retain key employees by giving them a sense of ownership, loyalty and belonging to the Group.

- **Strategic Review of Operations and Workforce Realignment**

  OCR stands on firmer ground today, with our core business in property development, construction and PMC leading our growth path. The Group intends to sustain this momentum in greater measure in the coming years, and is in the process of reviewing existing and potential ventures to ensure feasibility and positive contributions to the Group in the foreseeable future.

Chairman's Statement
(Cont'd)

CORPORATE DEVELOPMENTS (CONT'D)

- **Strategic Review of Operations and Workforce Realignment (Cont'd)**

  Simultaneously, we have kickstarted the process of structural and framework reorganisation within the Group, which include right-sizing and optimisation of workforce at operations as well as corporate levels, to be aligned with the Group's strategic direction. We reviewed and will continue to explore various options available, including retaining and attracting talents with the right skillset, experience and interest, as well as adding key decision makers and corporate personnel to spearhead the Group forward. Furthermore, the Group has also implemented performance-based initiatives to align the employees' interests with the Group's goals and objectives.

MARKET OUTLOOK

We remain cautious of the global outlook for the year ahead as the Organisation for Economic Co-operation and Development forecasted annual global GDP to be muted in 2020, with prospects remaining uncertain in light of the Covid-19 pandemic.

According to Bank Negara, growth of Malaysia's GDP is forecasted to be affected by the Covid-19 pandemic as strict measures to contain the spread of the pandemic will weigh considerably on both external demand and domestic growth. However, the Malaysian economy is expected to stage a positive rebound in 2021 in line with the projected improvement in global growth.

Consequently, the Group is more cautious on the near-term prospects of the property sector despite Bank Negara's move to reduce the overnight policy rate by 50 basis points earlier this year and remove financial institutions' requirements on lending/borrowing to the broad property sector.

We believe that the various measures announced by the Government to support the property sector, which includes the re-introduction of the Home Ownership Campaign, Real Property Gain Tax ("RPGT") exemption for disposal of residential homes and the upliftment of the 70% margin of finance limit for third property buyers will help boosting our business.

Nonetheless, I am heartened that OCR stands on firmer footing today as compared to the previous year, with healthy orderbook and unbilled sales totaling RM369.5 million as at end-2019 to provide visibility for the next three (3) years.

Going forward, the Group will continue to be vigilant and target to implement our three-pronged strategy to reach greater heights in 2020. Firstly, we will continue to innovate and offer unique products to serve the right market. Secondly, we will be actively searching for landbank and joint-venture opportunities to expand our geographical footprint in the up-and-coming hotspots in Malaysia. Lastly, we will also be on the lookout for potential earnings-accreditive opportunities for our construction and PMC businesses. These strategies will be elaborated further in the Management Discussion and Analysis section in this Annual Report.

APPRECIATION

I would like to extend my heartfelt gratitude to my colleagues on the Board, management and all our employees for your relentless efforts in charting a new course for OCR. The success we enjoy today was made possible by your commitment, good work ethics and dedication.

I would also like to express the Board's gratitude to our customers, business partners, associates, suppliers and valued shareholders for your support to OCR. We will continue to improve our operations and bring greater value to our stakeholders, alongside our aspiration to become a leading niche, innovative and integrated real estate player in Malaysia.

I would like to offer our appreciation to Dato' Lim Heng Ee and Mr. Yap Sing Khon, who have relinquished their roles as Independent and Non-Executive Directors, as well as Mr. Lim Teck Seng, who stepped down from his role as Non-Independent and Non-Executive Director.

Additionally, we are pleased to welcome Dato' Haji Mohd Fakrunizam, Mr. Julian Koh Lu Ern and Ms. Chong Min Shih as our Independent and Non-Executive Directors since February 2020. With their extensive experience in their respective fields, we are optimistic that they will contribute positively to the Group as members of the Board.

Rest assured that we at OCR are constantly searching for new growth opportunities for the Group to create long-term sustainable value to our shareholders.

Sincerely,

YAM Tunku Azudinshah Ibni Tunku Annuar
Chairman

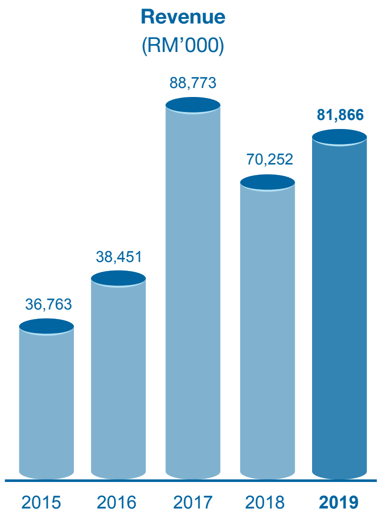
FIVE YEARS FINANCIAL HIGHLIGHTS

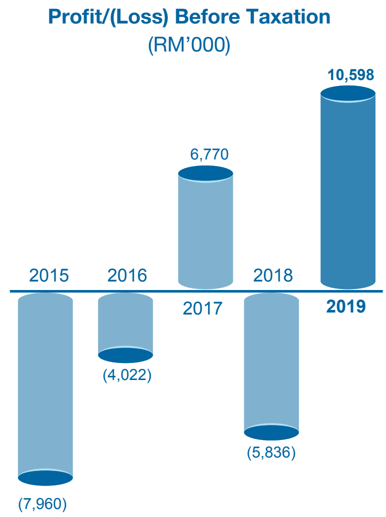
		FY 15 1 Aug 2014 to 31 July 2015	FY 16 1 Aug 2015 to 31 July 2016	FY 17 1 Aug 2016 to 31 July 2017	FY 18 1 Aug 2017 to 31 Dec 2018*	FY 19 1 Jan 2019 to 31 Dec 2019
Revenue	RM'000	36,763	38,451	88,773	70,252**	81,866
Profit/(Loss) before taxation	RM'000	(7,960)	(4,022)	6,770	(5,836)	10,598
Profit/(Loss) after taxation	RM'000	(7,992)	(4,085)	2,843	(7,330)	8,990
Profit/(Loss) after taxation attributable to owners of the Company	RM'000	(7,991)	(4,092)	3,850	(7,037)	8,881
Non-controlling interests	RM'000	(1)	8	(1,007)	(293)	109
Total assets	RM'000	59,358	141,619	172,940	269,865	323,313
Shareholders' equity	RM'000	48,522	85,564	102,154	113,032	124,404
Net tangible asset per share	**RM**	**0.24**	**0.37**	**0.37**	**0.26**	**0.18**
Net earnings/(loss) per share	RM (sen)	(4.20)	(1.94)	1.61	(2.49)	2.74
Return on total assets		0.62	0.27	0.51	0.27	0.25
Return on equity		0.76	0.45	0.87	0.64	0.66

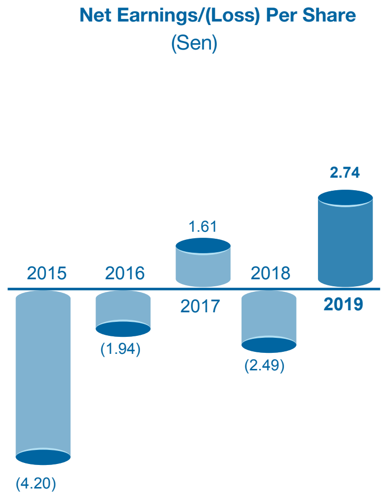
* Due to the changes in financial year end from 31 July 2018 to 31 December 2018, FY 18 refers to financial period commencing from 1 August 2017 to 31 December 2018 and hence, this is a cumulative 17-month results. As such, there are no direct comparative figures available for the preceding year corresponding period.

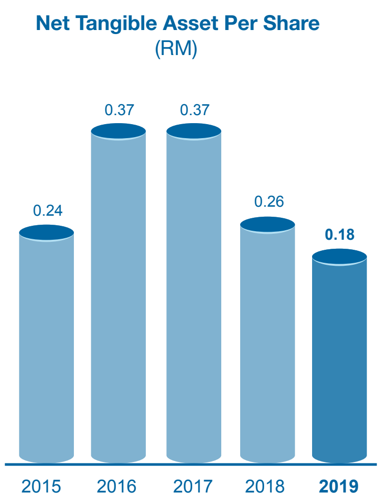
** In FY 18, RM25,783,000 of revenue is generated from discontinued operations which have been disposed.

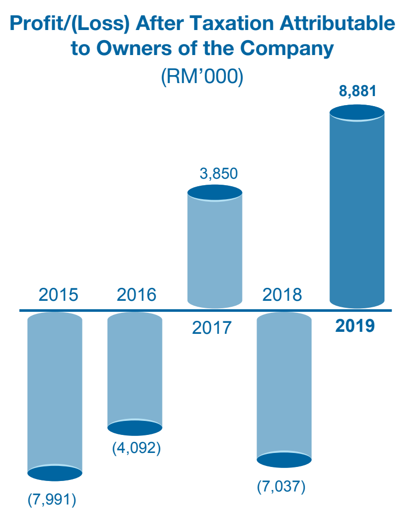
Five Years Financial Highlights (Cont'd)





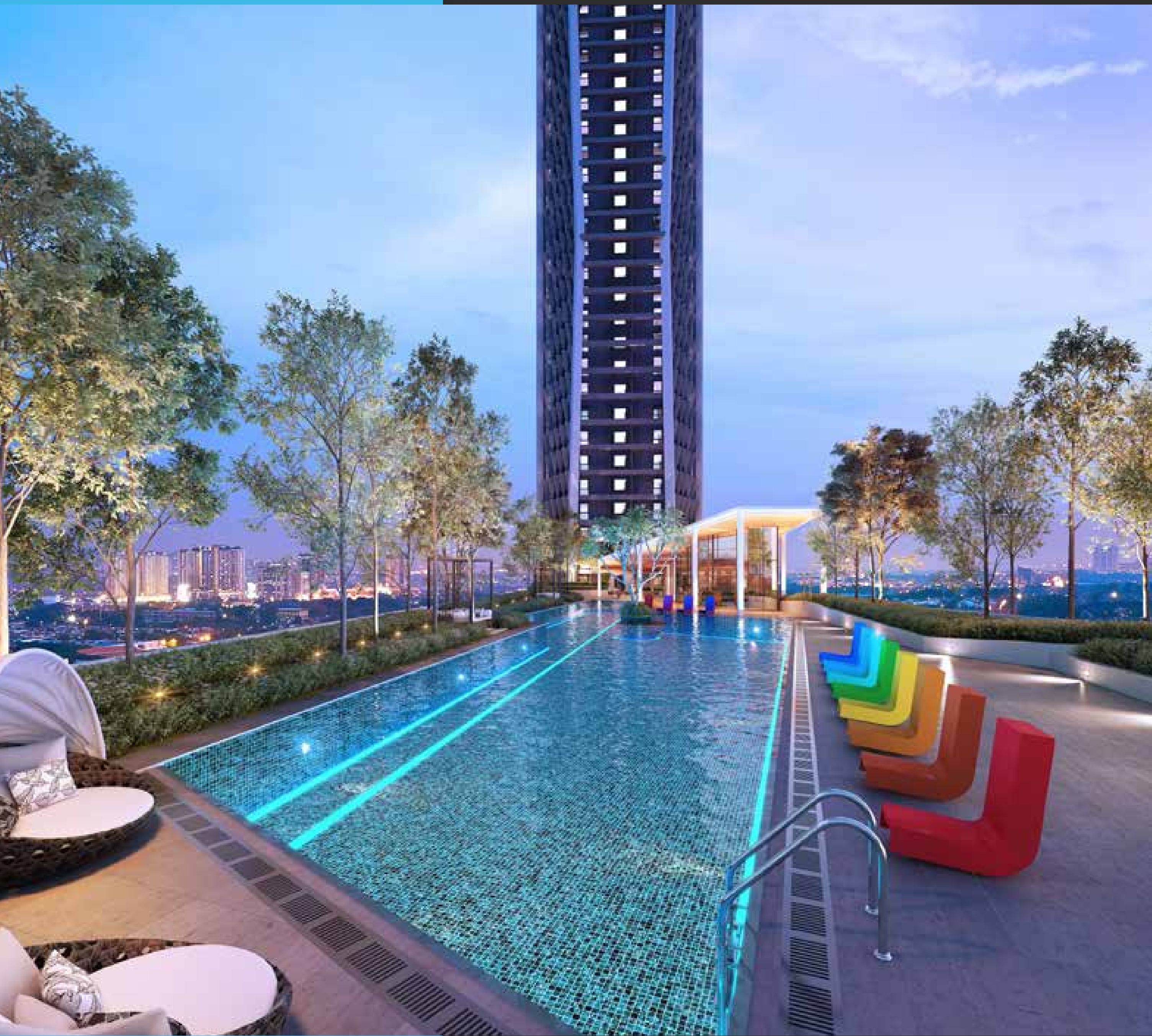






Our mission is to deliver impressive, innovative, and high quality yet affordable homes with excellent workmanship.

Building Trust and Satisfaction



YOLO Signature Suites

MANAGEMENT DISCUSSION AND ANALYSIS

GROUP PROFILE

OCR Group Berhad ("OCR" or "the Group") is involved in the 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 currently listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Malaysia").

Formerly known as Takaso Resources Berhad, OCR initially manufactured rubber, baby products and traded baby apparel, toiletries and electrical and mechanical products. The Group then diversified into construction in 2015 and property development in 2016. It was renamed to O&C Resources Berhad on 15 October 2015 and then to OCR Group Berhad on 19 December 2017. Since the inception of the Group's venture into the property development, construction and PMC businesses, the Group had undertaken various projects. On 29 January 2018, OCR was reclassified from the consumer products sector to the construction sector on Bursa Malaysia.

Reflecting the Group's change in business strategy, OCR disposed off its manufacturing and trading business via the sale of two wholly-owned subsidiaries, Takaso Industries Pte Ltd and Takaso Rubber Products Sdn. Bhd.. The disposals of the two loss-making businesses enabled OCR to focus on its core activities to enhance its financial performance and position.

FINANCIAL OVERVIEW

2019 proved to be a challenging year for the overall property sector. Despite that, the Home Ownership Campaign 2019 reduced the total number and value of the unsold completed residential units to 30,664 units and RM18.8 billion respectively as at end December 2019 from 32,313 units and RM19.5 billion respectively previously.

I am pleased to report that OCR was unfazed by the general sentiment of the domestic property sector, and implemented our plans to bring the Group onto the right path. I am pleased to state that financial year ended 31 December 2019 ("FY 2019") was indeed a milestone turnaround year for OCR as the Group reported significant growth in both its top-and-bottom line performances.

In FY 2019, OCR reported a revenue increase of 16.5% to RM81.9 million from RM70.3 million in the 17 months financial period ended 31 December 2018 (17M18, inclusive of discontinued operations). This was mainly attained through healthy progressive billings from its property developments, namely Isola KLCC and PRIYA Scheme Kuantan, and its construction project YOLO Signature Suites.

Of the total RM81.9 million revenue, 60.2% or RM49.3 million was derived from the Group's property development segment, while the remaining 39.8% or RM32.6 million was contributed by its construction business.

In line with the improved top-line and favourable product mix, the Group's core gross profit for the year under review increased by 93.0% to RM19.3 million from RM16.3 million in 17M18.

This strong surge, together with reduced finance costs to RM1.7 million from RM2.3 million and stringent measures in optimising operating expenditure as well as the disposal of loss-making operations of trading and manufacturing have resulted in the Group recording core profit before taxation of RM10.6 million in the year under review, from a loss before taxation of RM5.8 million in the previous financial period.

OCR ended FY 2019 on a positive note, by posting net profit of RM8.9 million from a core net loss of RM7.0 million previously.

Evidently, the Group's strategic approach of focusing on its core competencies enabled OCR to register strong performance in FY 2019.

As at 31 December 2019, the Group had three (3) ongoing property development projects with unbilled sales of RM233.4 million, and one (1) ongoing construction project with outstanding orderbook of RM136.1 million. The breakdown of property development and construction ongoing projects are detailed below.

Management Discussion and Analysis (Cont'd)

FINANCIAL OVERVIEW (CONT'D)

Property Development Projects

Project	Project Type	Site Area (acres)	Estimated GDV (RM'mil)
Current Projects			
Isola KLCC	Residential	0.4	273.0
PRIYA Scheme Kuantan	Residential	100.0	146.0
The Mate, Damansara Jaya	Mixed Development	1.0	144.0
Future Projects			
Vertex, Kuantan City Centre	Mixed Development	2.2	268.0
Boulevard Gardens, Damansara	Residential	1.5	166.0
Tiara Bangi Homes	Landed Houses	8.7	90.0
Melaka Project	Mixed Development	1.4	206.0
Bandar Dato Onn Project	Mixed Development	47.9	700.0
Semenyih Project	Residential	501.5	10,000.0

Construction Project

Project	Project Type	Site Area (acres)	Contract Value (RM'mil)	Order Book (RM'mil)
YOLO Signature Suites	Mixed Development	1.7	159.0	136.1

ASSETS, LIABILITIES AND EQUITY

The Group's total asset base rose to RM323.3 million as at 31 December 2019 from RM269.9 million previously. This is largely due to increased inventories, trade receivables and contract assets recorded in FY 2019, in line with the Group's improved top-line. The rise in inventories is largely due to more work-in-progress units recorded in FY 2019 compared to the prior period as the Group ramped up its property development activities. Cash and cash equivalents in the year under review also increased to RM21.5 million from RM16.3 million on positive cash flow movements.

Total liabilities increased to RM200.3 million in FY 2019 from RM158.2 million a year ago on increased trade payables and higher borrowings to fund the larger base of ongoing projects.

The larger share capital from the bonus issuance of warrants as well as the completion of a private placement pushed shareholders' equity to RM124.4 million in end-2019, from RM113.0 million a year ago.

Despite the increase in borrowings in FY 2019, the Group's net gearing ratio maintained at a healthy level of 0.48 times on improved cash pile and larger share capital. This allows the Group sufficient flexibility to fund current and upcoming initiatives going forward.

DIVIDEND POLICY

The Group has not established a fixed dividend policy in light of our present growth phase which requires capital to fund upcoming property developments, marketing and other expenses to expand the business for the long-term. Delivering sustainable performance is our first priority and beneficial to all, from management and employees to shareholders.

Although OCR Group did not declare any dividend in the year under review, the Board of Directors ("Board") will explore distributing dividends in the future in order to reward shareholders.

Management Discussion and Analysis (Cont'd)

KEY HIGHLIGHTS

Isola KLCC

Launched in October 2017, our maiden property development project sits on a 0.4-acre land in Kuala Lumpur and consists of four (4) residential blocks, totalling 140 units. In 2017, this project has won the Best Condo Architectural Design in Property Asia, Asia Property Awards in Malaysia, which was presented by KOHLER. As at 31 December 2019, Isola KLCC had a take-up rate of 82.0% and is on track for completion in the fourth quarter of 2021.

Isolo KLCC show unit

Management Discussion and Analysis (Cont'd)

KEY HIGHLIGHTS (CONT'D)

PRIYA Scheme Kuantan

The Group had entered into a 50:50 joint venture agreement with Yayasan Pahang to develop an affordable housing scheme at a 100-acre leasehold land in Kuantan to help the citizens of Malaysia achieve their dream of owning a home. The development – the largest affordable housing scheme in Kuantan - comprises 978 units of single-storey terrace houses and 146 units of single-storey semi-detached homes, is expected to be completed by second quarter of 2021 and is 86.0% taken-up as at end-2019.

PRIYA Scheme Kuantan show unit

Management Discussion and Analysis (Cont'd)

KEY HIGHLIGHTS (CONT'D)

The Mate, Damansara Jaya

The development was soft-launched in December 2019 and was well received by the public with 80.0% of the soft-launched units taken up within a month. The Mate Damansara Jaya is a development that comprises 268 units of signature suites integrated with co-living and co-working spaces. This project will be officially launched by second half of 2020, and is targeted for completion by fourth quarter of 2022.

The Mate show unit

Management Discussion and Analysis (Cont'd)

KEY HIGHLIGHTS (CONT'D)

Vertex, Kuantan City Centre

Our proposed mixed development project of Vertex Kuantan comprises thirty four (34) retail outlets and two (2) blocks of serviced apartments with 978 units. It sits on a 2.2-acre land in Kuantan, Pahang and is within walking distance from the East Coast Mall, Stadium Darul Makmur, and the five-star Zenith Hotel. The project is a 70:30 joint venture between the Group and SSPP Development Sdn. Bhd.. The project is expected to be soft-launched by the end of 2020, depending on the market condition.

Boulevard Gardens, Damansara

Strategically located along Sprint Expressway, the proposed project is a development on a 1.5-acre land in Petaling District. The development will comprise two (2) blocks with a total of 88 units of premium residences, equipped with comprehensive facilities including jacuzzi, gym, swimming pool, multipurpose deck and etc. The project is in the pipeline for soft-launch by the end of 2020, depending on the market condition.

Tiara Bangi Homes

Tiara Bangi Homes is envisaged to encompass 200 units of four-storey town villas spanning across an 8.7-acre land in Bangi, Selangor. The project is within the locality of two (2) universities, namely Universiti Kuala Lumpur and Universiti Kebangsaan Malaysia. The development is a 50:50 joint venture between OCR and Arra Inovasi Sdn. Bhd. and is scheduled for launching in the first half of 2021.

Melaka Project

The proposed Melaka project consists of a hotel and a block of serviced apartments. The project is located in the Central Melaka District which is only 1.5km away from Melaka Chinatown, the famous Jonker Street, and the historical Melaka Old Town. The project is expected to commence in the second half of 2021.

D'nonce Project

Following the announcement of termination of joint venture agreement with D'nonce Technology Berhad and OCR will not be proceeding with the project.

Bandar Dato' Onn Project

Located in Tebrau, Johor, the proposed mixed development is a 70:30 joint venture between OCR and Casa Bangsar Sdn. Bhd.. It will comprise double-storey terrace link houses, serviced apartments, and a shopping complex spanning across a 47.9-acre land. The Bandar Dato' Onn project will be developed in phases over three (3) years and is still currently under planning.

Semenyih Project

The Group entered into a joint venture agreement with a wholly-owned subsidiary of Seacera Group Berhad to develop a 501.5-acres of freehold land in Semenyih. The project will comprise of a balance mixed of low rise landed as well as high rise strata developments. While there is an ongoing litigation, the Group remains optimistic on the outcome. We are currently in the midst of strategising and planning and do not foresee the project to contribute substantially to the Group's earnings in the immediate term.

ANTICIPATED ON KNOWN RISKS

As an integrated boutique property developer and construction player, the Group's operations are exposed to several risks. The following are amongst the key potential risks and uncertainties that may adversely impact the business, financial condition and the results of the operations:

- **Volatile operating market**

  With the change in political coalitions and global trade slowdown due to the widespread effects of Covid-19 pandemic, we face the risk of a volatile operating environment amid the various market uncertainties. The potential job crunch and constraints in disposable income in turn may weaken demand for property developments as the costs of owning a home becomes increasingly burdensome and loan rejection rates increase.

  In order to mitigate this, we ensure that we undertake thorough market research and tailor our launches strategically to cater to the market demand. This allows us to maximise the take-up for our properties and prevent the build-up of overhang units.

  Other than that, our sales team conducts background and credit checks on potential buyers before proceeding with the loan processing to ensure that they are able to afford the desired homes. In the event that the desired properties are above buyers' budget, they are empowered to propose other developments within the Group's portfolio that would better suit their affordability and thus, still fulfil their dream of home ownership.

- **Availability of raw materials**

  As we are also a construction player, we rely heavily on the availability of raw materials such as steel, cement and other fittings to deliver our services. In order to ensure constant and timely supply of raw materials, we source essential items from multiple vendors to safeguard ourselves from any disruption in the supply chain.

  Besides that, our steady portfolio of property developments with ranging completion dates allows us visibility of orders and also helps secure steady stream of supplies.

- **Delay of completion for property developments and constructions**

  With the global supply chain disruptions transpired by Covid-19 and movement control order ("MCO") issued in Malaysia, the construction of many property developments including our projects was halted for more than two (2) months to a standstill. This has affected the construction progresses of property developments and construction jobs. To alleviate this risk, we reviewed, re-strategised and optimised our resources during the MCO period to maximise efficiency. The Group proceeded swiftly to ensure that our progress is back on track after resumption of construction sites.

GROWTH STRATEGIES

Despite the headwinds, the management team will implement its three-pronged approach to maintain the Group's growth trajectory:

- **Implement innovative designs and offerings to attract buyers**

  Firstly, as a boutique property developer, our main selling point to attract buyers for our property development projects is its innovative designs and selling propositions.

  This is aptly demonstrated in our various undertakings. For instance, despite the limited land size of Isola KLCC within the city centre, we endeavoured to ensure that buyers have ample space within their homes corresponding with the contemporary and comfortable lifestyles. We have incorporated automated elevated parking system for vehicles, adopting efficient technologies and design for optimistic space and recreational facilities.

  Similarly for The Mate, featuring two and a half floors of designated co-living and co-working spaces to promote interest in young buyers and/or users. This modern concept corresponds with the rise of the gig economy and portrays us as a visionary developer that is attuned to the lifestyles and affordability of inter-generational buyers.

Management Discussion and Analysis (Cont'd)

GROWTH STRATEGIES (CONT'D)

- **Actively searching for landbanking opportunities**

  As a boutique property developer, we are aiming to expand our geographical footprint across Malaysia by tapping into up-and-coming sites to ride the growth wave such as Kuantan, which has been very positive so far. We are targeting to launch projects in current and upcoming hotspots over the next two (2) years, namely Vertex, Boulevard Gardens, Tiara Bangi Homes, Melaka Project and Bandar Dato' Onn Project.

  Going forward, we will be actively looking for landbank and joint venture opportunities as part of our efforts to increase our product offerings in Malaysia.

- **Lookout for opportunities for our construction and PMC businesses**

  As part of our revived business model, we have incorporated and strengthened our construction and PMC arms as part of our core activities, allowing us to provide end-to-end services to our clients. This will also help the Group to diversify source of income and promote a more sustainable earning base.

  At the moment, we have one construction project on-hand: YOLO Signature Suites, a mixed development with 395 signature suites. At the same time, we hold a PMC role for Affordable Housing Development Scheme ("ADHS") whereby OCR is in charge of overseeing ADHS in various locations in Pahang from the planning phase until the completion stage, which includes the Group's PRIYA Scheme Kuantan.

  We hope to use this experience to prove our capabilities and create a track record to win future contracts.

APPRECIATION

On behalf of the Board, we express our gratitude to our management team and staff who have strived to enable OCR to face the current circumstances with grit and resilience. Only through your fighting spirit and constant determination are we able to persevere in the hardships. Together, we will continue to reach greater heights and move forward as a family.

Sincerely,

Ong Kah Hoe
Group Managing Director

OCR Employees' Annual Dinner

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("Board") of OCR Group Berhad ("the Company" or "OCR") presents this statement to provide shareholders and investors with an insight into the corporate governance practices of the Company under the leadership of the Board during the financial year ended 31 December 2019 ("FY 2019"). This overview takes guidance from the three (3) key Corporate Governance principles as set out in the Malaysian Code on Corporate Governance ("MCCG") issued by the Securities Commission of Malaysia, which are:

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 compliance with Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("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 has applied each Practice as set out in the MCCG during the FY 2019.

1. BOARD LEADERSHIP AND EFFECTIVENESS

1.1 Board Leadership

a. Functions of the Board and Management

The Board is responsible for the performance and affairs of OCR and its subsidiaries ("the Group") and to provide leadership and guidance for setting strategic direction of the Group.

The Board has delegated to the Group Managing Director ("Group MD") the day-to-day management of Group. The Group MD manages the Group in accordance with the strategies and policies approved by the Board. He also leads the management of subsidiary companies in making, implementing and managing the day-to-day decisions on the business operations, resources and the associated risks involved while pursuing the corporate objectives of the Group.

The Group MD is supported by the Key Senior Management team for the day-to-day management of the business and operations of the Group by ensuring that effective systems, controls and resources are in place to execute business strategies and plans entrusted to them. The Key Senior Management team highlights 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. The Group MD and Key Senior Management team meet regularly to review and monitor the performance of the Group's operations and during Board meetings, he reports and updates the Board on the Group's business operations. The Key Senior Management team analysed the financial results and discussed on various operational issues and factors that affected the operations. Instructions were given by the Board to the Key Senior Management team to take necessary actions to rectify problems faced and preventive actions were taken to avoid recurrence of similar problems in the future.

Non-Executive Directors are not involved in the day-to-day management of the Group but contribute their own particular expertise and experience in the development of the Group's overall business strategy. Their participation as members of various Board Committees of the Company also contributes towards the enhancement of the corporate governance and controls of the Group.

1. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1.1 Board Leadership (Cont'd)

b. Board Roles and Responsibilities

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

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

- Maintain good corporate governance 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 various Board Committees to assist in carrying out its duties and responsibilities. These Board Committees include the Audit Committee, Nominating Committee, Option Committee, Remuneration Committee and Risk Management Committee. Each of these Board Committees operates within its respective Terms of Reference, and report to the Board on matters considered and their recommendations thereon.

The Board may form such other committees from time to time to promote operational efficiency. Notwithstanding these committees, the ultimate responsibility for decision still lies 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;
- No conflict of interest;
- No-profit rule; and
- 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**.

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 set up 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 Committee Chairman through his email juliankoh@ocrbhd.com to make a complaint.

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. This is so that no individual has unfettered powers of decision-making and also to comply with good principles of 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 Managing Director and chief executives;
- 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 Group's operational and business units, organisational effectiveness and implementation of Board policies, directives, strategies and decisions. The Group MD also functions as the intermediary between the Board and the Key Senior Management in that he ensures that Board decisions are carried out by Key Senior Management.

e. Strategies Promoting Sustainability

The Board views the commitment to promote sustainability strategies in the environment, social and governance aspects as part of its broader responsibility to all its stakeholders and the communities in which it operates. The Group will continue to put efforts 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 48 to 53 of this Annual Report.

1. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1.1 Board Leadership (Cont'd)

f. Qualified and Competent Company Secretary

The Company Secretary of OCR is a member of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA") and is qualified to act as company secretary pursuant to Section 235(2) of the Companies Act, 2016.

The Company Secretary is responsible to provide support and guidance in 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 corporate governance, changes in the legal regulatory framework, new statutory requirements and best practices.

The Board has recorded their satisfaction with the performance and support rendered by the Company Secretary to the Board in discharging her functions for the FY 2019.

g. Directors' Training

Each member of the Board of OCR is encouraged to regularly undergo suitable training programmes to keep themselves abreast of the latest changes and to update their knowledge and each of them 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 on their own the appropriate type of trainings needed for their personal development, they are highly encouraged to attend the talks and seminars organised by Bursa Malaysia which are highly relevant to Directors and management of the Group.

The Company Secretary regularly update the relevant guidelines on statutory and regulatory requirements from time to time for the Board's reference and briefed the Board quarterly on these updates, where applicable, at Board meetings. 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 during the financial year under review.

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 is satisfied that the Directors have attended adequate trainings to enable them to discharge their duties.

1. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1.1 Board Leadership (Cont'd)

g. Directors' Training (Cont'd)

During the FY 2019, the seminars, forums, conferences and training programmes attended by each Director were as follows:

Directors	Seminars/Forums/Conferences/Trainings Attended	Date
YAM Tunku Azudinshah Ibni Tunku Annuar	- Amendments to Listing Requirement 2019 & Analysis of Corporate Governance Monitor 2019 organised by Tricor Corporate Services Sdn. Bhd..	26 December 2019
Ong Kah Hoe	- Amendments to Listing Requirement 2019 & Analysis of Corporate Governance Monitor 2019 organised by Tricor Corporate Services Sdn. Bhd..	26 December 2019
Hj. Abdullah Bin Abdul Rahman	- Amendments to Listing Requirement 2019 & Analysis of Corporate Governance Monitor 2019 organised by Tricor Corporate Services Sdn. Bhd..	26 December 2019
Lee Chin Cheh	- Amendments to Listing Requirement 2019 & Analysis of Corporate Governance Monitor 2019 organised by Tricor Corporate Services Sdn. Bhd..	26 December 2019
Admiral Tan Sri Dato' Seri Panglima Ahmad Kamarulzaman Hj Ahmad Badaruddin *(Retired)*	- Mandatory Accreditation Programme for Directors of Public Listed Companies organised by the ICLIF. - International Investment Opportunities and the Ensuing Legal Work organised by CPD Bar Council Malaysia. - Raising Defences: Section 17A, MACC Act organised by FIDE ICLIF. - Group Wide Training Programme for Board and Senior Management of LTAT, Affin Bank Bhd & Boustead Group PLC's organised by Putra Specialist Hospital. - Amendments to Listing Requirement 2019 & Analysis of Corporate Governance Monitor 2019 organised by Tricor Corporate Services Sdn. Bhd..	26 & 27 June 2019 8 August 2019 17 October 2019 23 November 2019 26 December 2019

The newly appointed Independent Non-Executive Directors, Ms. Chong Min Shih, Mr. Julian Koh Lu Ern and Dato' Haji Mohd Fakrunizam Bin Ibrahim attended the Mandatory Accreditation Programme conducted by The Iclif Leadership and Governance Centre from 30 March 2020 to 1 April 2020 pursuant to Practice Note 5 of the MMLR of Bursa Malaysia.

1. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1.1 Board Leadership (Cont'd)

h. Board Charter

The objective of the Group's Board Charter is to provide a guidance and sets out the guidelines 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. A copy of Board Charter is made available on OCR's website at **www.ocrbhd.com.**

1.2 Board Dynamics

a. Board Composition

The current composition of the Board of OCR provides an adequate mix of knowledge, skills and expertise to assist the Board in effectively discharging its stewardship and responsibilities. It also appropriately reflects the interest of its shareholders to provide an effective leadership, strategic direction and necessary governance to the Group at optimum level.

There are eight (8) Directors on the Board of OCR where six (6) are Independent Non-Executive Directors, including the Chairman, a Non-Independent Non-Executive Director and a Group Managing Director. A list of the entire OCR Board and their profiles are respectively set out on pages 5 to 8 of this Annual Report.

b. Board Meetings

The Board meets at least once in three (3) months upon finalisation of the results of each financial quarter to facilitate the review and approval of that quarter's financial results. The role of Chairman of the Board is to ensure that each agenda item is adequately reviewed and deliberated within a reasonable timeframe.

Dates of each Board and Board committee meetings for the FY 2019 were unanimously agreed upon by the Directors three (3) months in advance. However, dates of all Board and Board committee meetings for 2019 were unanimously decided prior to the start of the calendar year 2019. 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.

Besides listing the meeting dates, information of the closed periods for dealing in the quoted securities of OCR by Directors based on the targeted dates of announcements of the Group's quarterly results are set out in the calendar. Notwithstanding the yearly pre-set meeting dates, additional ad-hoc meetings may be called should the need arise.

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

1. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1.2 Board Dynamics (Cont'd)

b. Board Meetings (Cont'd)

Meeting agendas while not exhaustive, include review and updates of the Group's latest developments, quarterly financial performance, business plans, strategic decisions, major investments, 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 include deliberations on any principal risks that may have significant impact on the Group's business or its financial position and the mitigating factors when assessing the viability of business propositions and corporate proposals.

The Directors have a duty to immediately declare to the Board should they have any direct or indirect interest in transactions to be entered into by the Company or the Group. The interested Directors would serve notice to the Board and thereupon, abstain from deliberations and decisions of the Board on the transaction concerned. They would be encouraged to excuse themselves from the meeting to facilitate a more thorough discussion.

During the FY 2019, 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	4/5
Ong Kah Hoe	5/5
Tee Tze Chern, JP *(Retired on 29 May 2019)*	1/2
Dato' Lim Heng Ee *(Resigned on 18 February 2020)*	3/5
Lee Chin Cheh	3/5
Abdullah Bin Abdul Rahman	4/5
Lim Teck Seng *(Resigned on 13 January 2020)*	3/5
Yap Sing Khon *(Resigned on 31 December 2019)*	5/5
Admiral Tan Sri Dato' Seri Panglima Ahmad Kamarulzaman Hj Ahmad Badaruddin *(Retired) (Appointed on 13 March 2019)*	3/4
Chong Min Shih *(Appointed on 10 February 2020)*	-/-
Julian Koh Lu Ern *(Appointed on 18 February 2020)*	-/-
Dato' Haji Mohd Fakrunizam Bin Ibrahim *(Appointed on 21 February 2020)*	-/-

Besides the Company Secretary, the Chief Financial Officer and Manager of Finance Department of the Company attend each Board meeting, as well as every Audit Committee meeting, on the standing invitation of the Board during the FY 2019. Other Key Senior Management may be invited to attend certain meetings if so required.

Corporate Governance Overview Statement (Cont'd)

1. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1.2 Board Dynamics (Cont'd)

c. Independent Directors

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

The annual appraisal of the contribution of the Board, Board Committees and individual Directors were conducted via the Company's pre-set appraisal form and consideration was also given to that Directors' ability to commit sufficient time and energy to perform his or her roles and responsibilities and his or her ability to satisfy the test of independence taking into account his or her character, integrity and professionalism.

At the annual assessment carried out on 27 February 2020, the Board is satisfied with the level of independence demonstrated by all the Independent Directors and it will continue to conduct independence assessment annually with the assistance of the 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

The tenure of an Independent Director does not exceed a cumulative term limit of nine (9) years since his or her appointment as an Independent Director as recommended by Practice 4.2 of MCCG. Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board beyond nine (9) years tenure provided that the Independent Director is re-designated as Non-Independent Director.

If the Board intends to retain an Independent Director beyond nine (9) years, it should justify and seek annual shareholders' approval annually. If the Board continue to retain the Independent Director after the twelfth (12) year, the Board should seek annual shareholders' approval through a two-tier voting process.

Currently, the Company did not have Independent Directors who serve more than nine (9) years and have adopted a policy which limits the tenure of its Independent Directors to nine (9) years as recommended by Practice 4.3 of MCCG.

1.3 Nominating Committee

The Nominating Committee of OCR consists of three (3) members, two (2) Independent Non-Executive Directors and a Non-Independent Non-Executive Director. The Committee is chaired by YAM Tunku Azudinshah Ibni Tunku Annuar, an Independent Non-Executive Director, in line with Practice 4.7 of MCCG.

Members
1. YAM Tunku Azudinshah Ibni Tunku Annuar (Chairman/Independent Non-Executive Director)
2. Hj. Abdullah Bin Abdul Rahman (Member/Independent Non-Executive Director)
3. Lee Chin Cheh (Member/Non-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, a copy each could be found at Company's website at **www.ocrbhd.com.**

1. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1.3 Nominating Committee (Cont'd)

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 reviews and assesses candidates proposed for appointment to the Board and Board Committees of the Company as well as the Directors standing for re-election at the Annual General Meeting ("AGM") of the Company after which their recommendations are forwarded for decision by the Board.

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 and to ensure that the Board and its respective Board Committees has the appropriate balance of expertise and ability.

The Nominating Committee adopts the peer evaluation method to evaluate the performance of the Directors of the Company. Annual review is conducted to assess the required mix of skills, experience and other qualities including core competencies which the Executive and Non-Executive of the 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 the FY 2019, there was no Nominating Committee Meeting held due to insufficient quorum. However, the Nominating Committee had passed five (5) written resolutions recommending the following matters to the Board for acceptance and approval:

(i) Recommendation for the appointment of Admiral Tan Sri Dato' Seri Panglima Ahmad Kamarulzaman Hj Ahmad Badaruddin *(Retired)*;
(ii) Resignation of Mr. Tan Ban Tatt as Chief Financial Officer;
(iii) Recommendation for the appointment of Mr. Wong Jyh Juan as Chief Financial Officer;
(iv) Recommendation to accept the resignation of Mr. Yap Sing Khon as Independent Non-Executive Director; and
(v) To assess the Directors retirement by rotation and standing for re-election by the shareholders at the forthcoming AGM.

On 27 February 2020, the following activities had been reviewed by the Nominating Committee for the FY 2019:

(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 effectiveness of the Board as a whole, contribution of each individual Director and committees of the Board;
(iv) Reviewed the performance of the Chief Financial Officer in discharging his role;
(v) Reviewed the term of office and performance of Audit Committee members to determine whether its members have carried out their duties in accordance with the term of reference;
(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; and
(vii) Assessed the independence of the Independent Directors of the Company.

Corporate Governance Overview Statement (Cont'd)

1. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1.3 Nominating Committee (Cont'd)

The Board at its meeting on 27 February 2020 was unanimous with and accepted each of the above recommendations from its Nominating Committee and summarised as follows:

(i) The Committee was overall satisfied with the size and composition of the Board, the Company is in compliance with the MMLR of Bursa Malaysia;
(ii) The mix of skills, experience and other qualities including core competencies of the Non-Executive and Executive Directors of the Company together with the effectiveness of the Board as a whole, contribution of each individual Director and committees of the Board were satisfactory;
(iii) The Committee was unanimous that the Chief Financial Officer has performed commendably and to their satisfaction in discharging the role of the Chief Financial Officer, as defined by Bursa Malaysia, based on the quarterly reports received, feedback from both the internal auditors and external auditors and the comprehensive and timely reporting to the Board;
(iv) The Committee discussed and was satisfied that the Directors had attended adequate trainings as required by the Company during the financial year under review and that each Board member shall continue to identify suitable trainings appropriate to their respective needs;
(v) The Committee was satisfied with the independence of the Independent Non-Executive Directors of the Company; and
(vi) The Committee discussed and had recommended the Directors who have given their intention to seek for re-election, be put forward for re-election by the shareholders at the coming 22nd AGM.

a. Diversity of Board and Senior Management

The Board acknowledges the importance of boardroom diversity in terms of age, gender, nationality, ethnicity and socio-economic background and recognises the benefit of this diversity. The Board views that while promoting boardroom diversity is essential, the normal selection criteria based on competencies, skills, extensive experience and knowledge to strengthen the Board should remain a priority.

The Company has not set specific policies on gender diversity in boardroom but will work towards achieving the appropriate boardroom diversity. Currently there is one (1) female director, Ms. Chong Min Shih who was appointed as Independent Non-Executive Director of the Company on 10 February 2020.

b. Appointment to the Board

The proposed appointment of a new member to the Board will be deliberated by the full Board based upon the recommendation of the Nominating Committee.

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

1. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1.3 Nominating Committee (Cont'd)

b. Appointment to the Board (Cont'd)

The following Directors of the Company had resigned from the Board due to their other personal commitments and responsibilities. The relevant announcements on their resignations from the Board and Board Committees were released to Bursa Malaysia on the same day:

Directors	Resignation Date
Mr. Yap Sing Khon (Independent Non-Executive Director and Chairman of Audit Committee)	31 December 2019
Mr. Lim Teck Seng (Non-Independent Non-Executive Director and Member of Remuneration Committee)	13 January 2020
Dato' Lim Heng Ee (Independent Non-Executive Director and Chairman of Option Committee)	18 February 2020

While the following newly appointed Directors will be subjected to retirement by casual vacancy at this forthcoming AGM:

Directors	Appointment Date
Ms. Chong Min Shih (Independent Non-Executive Director)	10 February 2020
Mr. Julian Koh Lu Ern (Independent Non-Executive Director)	18 February 2020
Dato' Haji Mohd Fakrunizam Bin Ibrahim (Independent Non-Executive Director)	21 February 2020

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 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 31 December 2019, the Nominating Committee had reviewed and recommended that the following Directors will retire by rotation, and being eligible had offered themselves for re-election at the forthcoming AGM:-

- YAM Tunku Azudinshah Ibni Tunku Annuar
- Ong Kah Hoe

Hence, YAM Tunku Azudinshah Ibni Tunku Annuar and Mr. Ong Kah Hoe will retire by rotation and eligible for re-election pursuant to Clause 77(2) of the Constitution at the forthcoming AGM.

Corporate Governance Overview Statement (Cont'd)

1. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1.3 Nominating Committee (Cont'd)

d. Succession Planning

Succession planning for Executive Directors and key senior positions of the Group is closely planned and aligned to the Company's policy.

Candidates will be screened and assessed by OCR in accordance with its experience, profession and familiarity with relevant industries.

Candidates for Board positions will be subjected to assessment by the Nominating Committee of the Company before a recommendation is tabled to the Board for decision.

The second liners for all Key Senior Management posts in the Group's organisation chart have been identified but these eligible candidates would not be revealed until such time there is a need to do so.

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 offer a competitive remuneration package in order to attract, develop and retain talented individuals to serve as Directors.

For this purpose, the Remuneration Committee of the Company was set up with the primary function to set up the policy framework for recommending to the Board on remuneration packages and other terms of employment of the Executive Directors. The remuneration packages of Executive Directors are determined at levels which enable the Company to attract and retain candidates with the relevant experience and expertise to manage the business of the Group effectively.

Determination of the remuneration of the Non-Executive Directors are a matter which 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. The Board will then on a yearly basis recommend the Directors' fees of its Non-Executive Directors to the shareholders for approval at the AGM.

The composition of the Remuneration Committee as follows:

1. YAM Tunku Azudinshah Ibni Tunku Annuar (Chairman/Independent Non-Executive Director)
2. Ong Kah Hoe (Member/Group MD)
3. Tee Tze Chern, JP (Member/Executive Director) *(Resigned on 29 May 2019)*
4. Hj. Abdullah Bin Abdul Rahman (Member/Independent Non-Executive Director) *(Resigned on 20 February 2020)*
5. Lim Teck Seng (Member/Non-Independent Non-Executive Director) *(Resigned on 13 January 2020)*
6. Chong Min Shih (Member/Independent Non-Executive Director) *(Appointed on 20 February 2020)*

During the FY 2019, there was no Remuneration Committee Meeting held due to not enough quorum at the meeting which was fixed on 29 November 2019. However, the Remuneration Committee had passed a written resolution to recommend an aggregate sum of RM 229,600 as Directors' fees and Directors' benefit in respect of the FY 2019 to the Board for their acceptance and approval.

1. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1.4 Remuneration Committee (Cont'd)

For the FY 2019, the fees and remuneration packages of the Executive Directors and Non-Executive Directors and top Key Senior Management 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					
Mr. Ong Kah Hoe	-	600.0	-	73.0	673.0
Mr. Tee Tze Chern, JP *(retired on 29 May 2019)*	10.0	-	-	0.6	10.6
Non-Executive Directors					
Tunku Azudinshah Ibni Tunku Annuar	36.0	-	-	0.6	36.6
Hj. Abdullah Bin Abdul Rahman	36.0	-	-	0.5	36.5
Mr. Lee Chin Cheh	36.0	-	-	0.3	36.3
Dato' Lim Heng Ee *(Resigned on 18 February 2020)*	24.0	-	-	0.4	24.4
Mr. Lim Teck Seng *(Resigned on 13 January 2020)*	24.0	-	-	0.3	24.3
Mr. Yap Sing Khon *(Resigned on 31 December 2019)*	24.0	-	-	0.6	24.6
Admiral Tan Sri Dato' Seri Panglima Ahmad Kamarulzaman Hj Ahmad Badaruddin *(Retired) (Appointed on 13 March 2019)*	36.0	-	-	0.3	36.3

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)

	Directors' Fee (RM'000)	Salaries (RM'000)	Benefits-in-kind (RM'000)	Other Emoluments (RM'000)	Total (RM'000)
Non-Executive Directors					
Ms. Chong Min Shih *(Appointed on 10 February 2020)*	-	-	-	-	-
Mr. Julian Koh Lu Ern *(Appointed on 18 February 2020)*	-	-	-	-	-
Dato' Haji Mohd Fakrunizam Bin Ibrahim *(Appointed on 21 February 2020)*	-	-	-	-	-

Note:Details of Directors' remuneration above include Directors who have resigned during the FY 2019.

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 suffice to set out 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	1,165.9	139.8	-	1,305.7

2. EFFECTIVE AUDIT AND RISK MANAGEMENT

2.1 Establishment and Effectiveness of the Audit Committee

a. Audit Committee

The Audit Committee of OCR consists of three (3) Independent Non-Executive Directors. Following the resignation of Audit Committee Chairman, Mr. Yap Sing Khon on 31 December 2019, Mr. Julian Koh Lu Ern has been appointed as Audit Committee Chairman on 18 February 2020 in place thereof. The Audit Committee is chair by an Independent Non-Executive Director, in line with Practice 8.1 of MCCG.

The main purpose of the Audit Committee is to assist the Board in fulfilling its responsibilities relating to the internal controls, related party transactions, accounting and reporting practices of the Group.

2. EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

2.1 Establishment and Effectiveness of the Audit Committee (Cont'd)

a. Audit Committee (Cont'd)

The report of the Audit Committee, its salient Terms of Reference, the list of committee members and its activities during the FY 2019 are set out on pages 54 to 56 of this Annual Report.

The copy of Terms of Reference of the Audit Committee is available on the Company's website at **www.ocrbhd.com.**

2.2 Roles and Responsibilities of the Audit Committee

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 former Chairman of Audit Committee, Mr. Yap Sing Khon, has more than twenty (20) years of experience in public accounting practice and is a Practitioner of a Chartered Accounting firm, together with his other two (2) fellow Audit Committee members, reviewed the Company's financial statements in the presence of the Chief Financial Officer to clarify and address any queries the Audit Committee may have, prior to recommending the financials for approval and issuance to the stakeholders.

Following the resignation of Mr. Yap Sing Khon as Chairman of Audit Committee on 31 December 2019, Mr. Julian Koh Lu Ern, an Independent Non-Executive Director of the Company, was appointed as Chairman of Audit Committee in place thereof. Mr. Julian Koh 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.

As part of the governance process in reviewing the quarterly and yearly financial statements by the Audit Committee, the Chief Financial Officer provides assurance to the Audit Committee on a quarterly basis that appropriate accounting policies had been adopted and applied consistently; that the going concern basis applied in the Condensed Consolidated Financial Statements ("CCFS") and Annual Financial Statements ("AFS") was appropriate and that prudent judgements and reasonable estimates had been made in accordance with the requirements set out in the MFRS; that adequate processes and controls were in place for effective and efficient financial reporting and disclosures under the MFRS, International Financial Reporting Standards and MMLR; and that the CCFS and AFS did not contain material misstatement and gave a true and fair view of the financial position of the Group and the respective companies within the Group in 2019.

Corporate Governance Overview Statement (Cont'd)

2. EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

2.2 Roles and Responsibilities of the Audit Committee (Cont'd)

a. Oversight of Financial Reporting (Cont'd)

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 Audit Committee at scheduled interval meeting as per approved internal audit plan. Throughout the FY 2019, 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 Audit Committee'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 Audit Committee.

For the FY 2019, one (1) internal audit report and one (1) follow up report had been tabled and reviewed.

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 FY 2019 are set out on pages 64 to 183 of this Annual Report and a statement by the Board of its responsibilities in preparing the financial statements is on page 62.

b. Related Party Transactions

An internal compliance framework exists to ensure the Group meets its obligations relating to the related party transactions under the Bursa Malaysia's MMLR. The Board, through the Audit Committee, 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.

The Company had at an Extraordinary General Meeting ("EGM") held on 26 December 2019 sought a mandate from its shareholders to enter into additional related party transactions, details of which were provided on the Circular to Shareholders dated 11 December 2019.

The Circular to Shareholders dated 26 June 2020 as well as the notes to the financial statements herein provide further details on these related party transactions.

2. EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

2.2 Roles and Responsibilities of the Audit Committee (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 57 to 61 of this Annual Report.

d. Internal Audit Control

The Group has outsourced its internal audit function to external consultants, which reports directly to the Audit Committee 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 Audit Committee Report on pages 54 to 56 of this Annual Report.

e. Assessment on Suitability and Independence of External Auditors

The Audit Committee performs a yearly assessment of the suitability and independence of the External Auditors before making recommendation to the Board for the appointment or re-appointment of the External Auditors.

The Audit Committee 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.

The former External Auditors, Messrs. Crowe Malaysia PLT had on 27 February 2020 confirmed to the Audit Committee that they would not be seeking for re-appointment as External Auditors of the Company for the financial year ending 31 December 2020.

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, was carried out on 4 June 2020 and Audit Committee was satisfied with the results of the aforesaid assessment. Audit Committee 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 2020. The is to replace Messrs. Crowe Malaysia PLT who retires at the forthcoming 22nd AGM.

The Board having received the recommendation from Audit Committee, were in consensus to recommend for the shareholders' approval at the Company's forthcoming 22nd AGM that Messrs. Baker Tilly Monteiro Heng PLT be hereby appointed as External Auditors of the Company for the financial year ending 31 December 2020 in place of the resigning External Auditors, Messrs. Crowe Malaysia PLT, 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 investing public via a direct and effective line of communication. As such, the Group always ensures the timely release of quarterly financial results, audited financial statements, corporate developments and announcements of the Group via the BURSA LINK. The Company's annual reports and other circulars to shareholders and where appropriate, ad hoc press statements and Company's website at **www.ocrbhd.com** which serve as the principal channel in keeping the shareholders and the investing public informed of 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 personally 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 line with good coporate governance practice, the notice of the 21st AGM was issued 28 days before the AGM held on 29 May 2019 while the notice of the EGMs held on 26 December 2019 and 7 February 2020 were issued at least fourteen (14) days before those EGMs.

The AGM held on 29 May 2019 and the EGMs held on 26 December 2019 and 7 February 2020 were well attended by the shareholders and proxies.

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 21st AGM and EGMs of the Company, all resolutions were decided by a poll and the votes received in respect of each resolution were notified to the Bursa Malaysia on the same date as the meeting was held. The Company has appointed an independent external scrutineer to validate all the votes at the said general meeting.

3.2 Corporate Reporting

The details of governance structure in place to manage the economic, environmental and social risks as well as opportunities were set out in the Sustainability Statement on pages 48 to 53 of this Annual Report.

ADDITIONAL COMPLIANCE INFORMATION DISCLOSURES

COMPLIANCE STATEMENT

Based on the above, the Board considers that as far as possible, it has taken steps to comply with the Practices of the Malaysian Code on Corporate Governance for the financial year ended 31 December 2019 ("FY 2019").

UTILISATION OF PROCEEDS RAISED FROM PRIVATE PLACEMENTS DURING 2019

On 17 October 2018, the Company has proposed to undertake the proposed placement of up to ten per centum (10%) of the total number of issued shares of the Company (excluding treasury shares) equivalent to 29,239,000 new shares.

The private placement has been completed on 9 January 2019 following the listing of and quotation for 29,239,000 new ordinary shares at RM0.28 per placement share on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Malaysia") and successfully raised RM8.18 million.

The status of the utilisation of proceeds arising from the private placement as at 31 December 2019 is as follows:

Description	Proposed Utilisation RM'000	Actual Utilisation RM'000
Construction works for the Project*	8,107	8,107
Estimated expenses for the private placement	80	80
	8,187	8,187

* On 15 May 2018, O&C Construction Sdn. Bhd ("OCCSB"), a wholly-owned subsidiary of the Company, secured a Letter of Award from OCR Properties (YOLO) Sdn. Bhd. appointing OCCSB as the contractor for the construction work of a 41-storey commercial building in Sunway Mentari, Bandar Sunway, Petaling Jaya.

On 7 February 2020, the Company had obtained shareholders' approval in relation to proposed allotment and issuance of up to 98,600,000 new ordinary shares to Macquarie Bank Limited.

The first two tranches of private placement were initiated on 22 May 2020 and 23 May 2020 following the listing of and quotation for a total of 4,000,000 new ordinary shares at RM0.245 per placement share on the Main Market of Bursa Malaysia. This has successfully raised a total sum of RM0.98 million for the Company.

The status of the utilisation of proceeds arising from the private placement as at 3 June 2020 is as follows:

Description	Proposed Utilisation RM'000	Actual Utilisation RM'000
(i) Funding for existing and future property development and construction projects	23,014	953
(ii) Estimated expenses for private placement	650	27
	23,664	980

SANCTIONS AND PENALTIES

There were no sanctions and penalties imposed on the Company and its subsidiaries, Board or Key Senior Management during the FY 2019.

Additional Compliance Information Disclosures (Cont'd)

AUDIT FEES AND NON-AUDIT FEES

The amount of audit and non-audit fees paid and payable to the External Auditors for the FY 2019 are tabled as follows:

	Company		Group	
	FY 2019 RM'000	FY 2018 RM'000	FY 2019 RM'000	FY 2018 RM'000
Statutory audit fees paid/payable to: Crowe Malaysia PLT ("Crowe") (a)	45,000	39,000	158,500	161,500
Non-Audit fees paid/payable to: Crowe	-	-	5,000	4,000
Affiliates of Crowe	-	4,000	-	33,600
Total (b)	-	4,000	5,000	37,600
% of non-audit fees (b/a)	0%	10.3%	3.2%	23.3%

MATERIAL CONTRACTS

Save as disclosed below, as at 3 June 2020, neither OCR nor any of its subsidiaries are engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, which has or would have a material and adverse effect on the financial position or business of the Group and, to the best of the Board's knowledge and belief, the Board is not aware of any proceedings pending or threatened against the Group or of any facts likely to give rise to any proceedings which might materially and adversely affect the financial position or business of the Group:

Ismail Bin Othman v Duta Skyline Sdn Bhd ("DSSB") and Amazing Symphony Sdn Bhd ("ASSB")

ASSB, a wholly-owned subsidiary of the Company, had entered into a joint venture agreement dated 22 April 2019 with DSSB ("JVA") for the purpose of the development of a parcel of freehold land held under GRN 23940, Lot 613, Mukim Ulu Semenyih, Daerah Ulu Langat, Selangor Darul Ehsan, measuring approximately 501.5 acres owned by DSSB ("Lot 613 Land"). Pursuant thereto, DSSB had also executed an irrevocable limited power of attorney in favour of ASSB **("Power of Attorney")**.

On 28 August 2019, Ismail Bin Othman, one of the Directors of DSSB ("Plaintiff"), filed an originating summons ("OS") against DSSB (being the first defendant) and ASSB (being the second defendant) at the Shah Alam High Court, where the Plaintiff sought, amongst others:-

(i) a declaration that the JVA is null and void ab initio and of no effect whatsoever; and
(ii) an order that the Power of Attorney be revoked and/or cancelled.

The Plaintiff had also filed an application for injunction dated 28 August 2019 to, amongst others, restrain both DSSB and ASSB from acting upon and/or giving effect in any manner to the JVA and the Power of Attorney and dealing with the Lot 613 Land **("Injunction Application")**.

On 11 September 2019, the Plaintiff applied for and was granted an ad interim injunction until 30 September 2019, subject to undertaking as to damages **("Ad Interim Injunction")**.

AASB and DSSB filed an application to strike out the OS on 20 September 2019 and 24 September 2019 respectively **("Striking-out Applications")**.

On 30 September 2019, the Plaintiff applied for and was granted an extension of the Ad Interim Injunction until 14 October 2019.

The Plaintiff was subsequently granted with another extension of the Ad Interim Injunction until the disposal of the Injunction Application and Striking-out Applications, subject to undertaking as to damages. The Injunction Application and the Striking-out Applications are to be heard on 10 January 2020.

On 10 January 2020, the hearing was vacated as the new Judge had to attend a function. The next hearing which was originally fixed on 20 April 2020, has been postponed to 7 July 2020 in view of the court closure during the Movement Control Order of Malaysia from 18 March 2020 to 28 April 2020.

Additional Compliance Information Disclosures (Cont'd)

MATERIAL CONTRACTS (CONT'D)

The hearing which was initially fixed on 7 July 2020 was vacated and the next hearing date will be fixed by the Court later.

The solicitors for AASB are of the view that AASB has a reasonably good chance in resisting the OS.

OPTIONS OR CONVERTIBLE SECURITIES

(I) Share Issuance Scheme

There is no option offered and granted to the eligible employees of the Company for the FY 2019.

The Company's newly established Share Issuance Scheme ("SIS") was approved at the Extraordinary General Meeting held on 7 February 2020. This SIS is for a period 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 the recommendation of the Option Committee.

As at 3 June 2020, no option has yet to be offered and granted to the eligible employees of the Company.

An Option Committee comprising of the following members was established on 21 February 2020 to administer the SIS in accordance with the objectives and regulations thereof and to determine participation eligibility, option offers and share allocations and to attend to such other matters as may be required:

1. Ong Kah Hoe (Chairman/Group Managing Director)
2. Admiral Tan Sri Dato' Seri Panglima Ahmad Kamarulzaman Hj Ahmad Badaruddin *(Retired)* (Member/Independent Non-Executive Director)
3. Wong Jyh Juan (Member/Chief Financial Officer)

(II) Warrants

Warrant C
Pursuant to a Deed Poll dated 1 June 2016, the Company issued 66,141,269 free detachable warrants ("Warrants C") to the entitled shareholders of the Company pursuant to the renounceable rights issue of 661,412,697 new irredeemable convertible preference shares of RM0.05 each in the Company ("ICPS") on the basis of three (3) ICPS for every one (1) existing ordinary share in conjunction with the issue of 661,412,697 renounceable rights issue at a nominal value of RM0.05 (these additional warrants are referred as "OCR-WC" on the Main Market of Bursa Securities).

As at 3 June 2020, 66,141,269 Warrants C have yet to be exercised, as disclosed in the Analysis of Warrant C (OCR-WC) Holdings on pages 190 to 191 of this Annual Report.

Warrant D
Pursuant to a Deed Poll dated 12 February 2019, the Company issued 91,967,721 free detachable warrants ("Warrants D") to the entitled shareholders of the Company pursuant to the bonus issue of warrants on the basis of two (2) Warrant for seven (7 existing ordinary share (these additional warrants are referred as "OCR-WD" on the Main Market of Bursa Securities).

As at 3 June 2020, 90,263,150 Warrants D have yet to be exercised, as disclosed in the Analysis of Warrant D (OCR-WD) Holdings on pages 192 to 193 of this Annual Report.

RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE OR TRADING NATURE

The details of the related party transactions are set out in the notes to the financial statements in which the transactions were carried out on terms and conditions not materially different from those obtainable from transactions with unrelated parties.

Further information on the proposed renewal of shareholders' mandate for the recurrent related party transactions to be tabled at the forthcoming Annual General Meeting are set out in the Circular to Shareholders dated 26 June 2020.

SUSTAINABILITY STATEMENT

Our Sustainability Statement ("Sustainability Statement" or "Statement") for the financial year ended 31 December 2019 ("FY 2019") provides an overview of OCR Group Berhad and its subsidiaries' ("OCR" or "Group") initiatives and practice, highlighting our economic, environmental and social impacts. This Statement has been prepared in accordance with Bursa Malaysia Securities Berhad's ("Bursa Malaysia") Main Market Listing Requirements.

SUSTAINABILITY GOVERNANCE

The sustainability governance structure is headed by the Board of Directors ("Board"), who is responsible to oversee the Group's overall sustainability performance.

The Key Senior Management led by Group MD reports to the Board. The Key Senior Management is responsible to develop comprehensive strategies, implement management programme as well as monitor the Group's progress towards improving sustainability performance.

STAKEHOLDERS

OCR places great importance on the views of each stakeholders across all its business operations. The Group believes that continuous and in-depth engagements with stakeholders is key for the long-term sustainability of the Group's operations. Various methods have been adopted to engage stakeholders as summarised in the table below:

Stakeholder Groups	Areas of Interest/ Expectations	Engagements Methods	Frequency of Engagement
Board	To enhance shareholders value and financial performance.	- Board meetings - Annual General Meetings - General Meetings	- Quarterly - Annually - As and when required
Employees	To create value for our employees by providing career development and work-life balance.	- Introduction trainings - Learning and development programmes - Occupational health and safety - Performance appraisals - Sports activities - Company dinner	- Every new recruit - Ongoing - Ongoing - Two (2) times per year - Weekly - Annually
Shareholders	To create value for shareholders by consistently improving profitability and growth.	- Annual General Meetings - General Meetings - Media releases - Corporate website - Annual and quarterly result announcements - Announcements on Bursa Malaysia - Dialogues and discussions	- Annually - As and when required - Ad hoc - Regular update - Ongoing - Regular update - As and when required

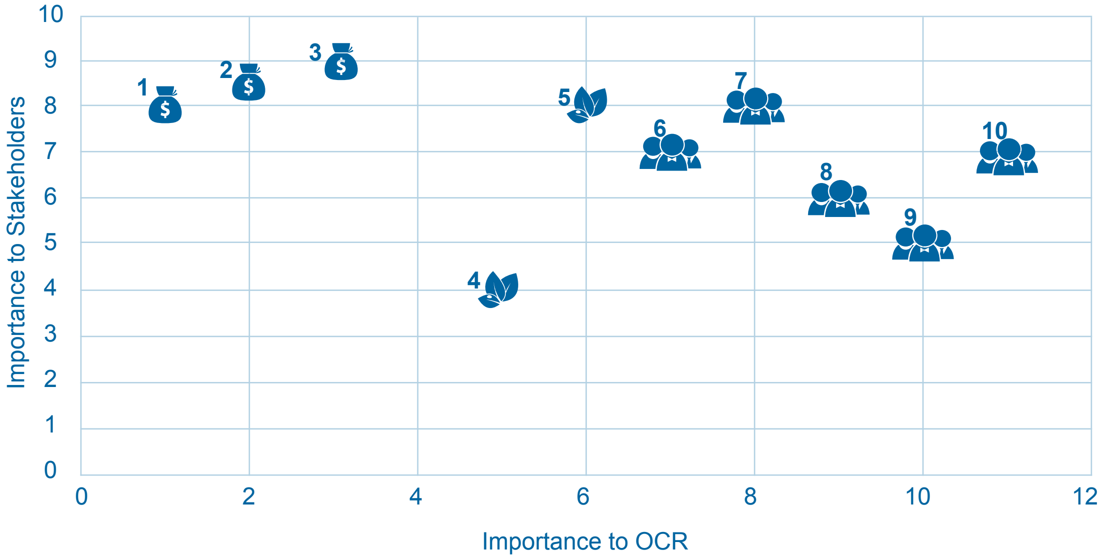
STAKEHOLDERS (CONT'D)

Stakeholder Groups	Areas of Interest/ Expectations	Engagements Methods	Frequency of Engagement
Regulatory	To comply with regulations and guidelines.	- Annual report - Fillings and announcements on Bursa Malaysia - Dialogues with the authorities	- Annually - Regularly - As and when required
Customers	To achieve highest level of customer satisfaction by delivering impressive, innovation and high quality yet affordable home with excellent workmanship.	- Feedback channels such as emails, phone calls - Website and social media - Product launches and roadshows - Personal Data Protection Act ("PDPA") consent	- Ongoing - Ongoing - Ongoing - Ongoing
Suppliers/vendors/ associates	To be the preferred business partner and develop long term sustainable relationships.	- New vendor evaluation and registration - Meetings - Evaluation and performance improvements	- As and when required - Ongoing - Annually
Local community	To create a sustainable future by preserving the environment and actively involved in development of a better society.	- Community engagements - Annual sustainability reporting	- As and when required - Annually

Sustainability Statement (Cont'd)

MATERIALITY MATRIX

The diagram below indicates our Economic, Environment and Social matters for this year's reporting purpose.



Economic 

1 Corporate Governance and Ethics
2 Risk Management
3 Financial Performance

Environment 

4 Green Building Initiatives
5 Waste Management

Social 

6 Customer Satisfaction
7 Occupational Health and Safety
8 Diversity and Inclusiveness
9 Capacity Building
10 Community Engagement

ECONOMIC

Corporate Governance and Ethics

The Group adheres to the Malaysian Code on Corporate Governance to govern its operations. It also strives to be transparent in its business dealings and at the same time adhere to other policies or standard operating procedures that are already put in place.

The Group also adheres to Anti-Bribery and Corruption Policy to preserve its business integrity and accountability. Documents such as the Board Charter, Whistle-blower Policy, Anti-Bribery and Corruption Policy and Terms of Reference are available to employees and the public via the Group's corporate website at www.ocrbhd.com..

Risk Management

The Group recognises the fact that its business operations is not without risks. Therefore, OCR established the Risk Management Committee to review the effectiveness of the Group's risk management processes. The details are set out in the Corporate Governance Overview Statement and Statement on Risk Management and Internal Control in this Annual Report.

Sustainability Statement
(Cont'd)

ECONOMIC (CONT'D)

Financial Performance

A robust financial performance is important to ensure business sustainability, including the availability of capital for investments and new project developments, as well as to meet shareholders' expectations and returns on investment.

As the economic environment has become more challenging in the past two (2) years, the Group has not been able to reward its shareholders via distribution of dividends in order to conserve cash. Nevertheless, the Group will consider various options to reward its shareholders when the timing is right.

ENVIRONMENT

Green Building Initiatives

In the property development sector, there is an increase of eco-friendly development projects where buildings are designed with environmentally friendly features. There are also provisions for increased green spaces that promotes a healthier and more sustainable lifestyle as well as biodiversity. As one of the leading integrated property developers that reflects our commitment towards sustainability.

We incorporate green building elements such as rainwater harvesting, installation of LED lightings and energy-efficient fittings as part of the design of our properties. We also engage green consultants to advise us on integrating certain building materials specification to achieve the Green Building requirements.

Waste Management

The Group is aware that waste management is a major issue in the property development and construction industry. The Group strives to abide by the law to dispose its waste in a responsible and proper manner via the employment of legitimate waste disposal contractors licensed by the authorities.

SOCIAL

Customer Satisfaction

We ensure our customers are being regularly updated on the existing projects' construction progresses as well as any upcoming project launches through our web link and social media.

OCR values feedbacks from our customers as the Group believes that it is essential in improving our deliverable. At the pre-sales level, we receive registration forms from potential customers on their preferred property price range and type of properties. Throughout the construction period, the Group has various systems and processes in place to ensure customers are updated on the construction progress and customers' satisfaction are met. At the end of the project, we will also gather feedbacks from our customers on the overall product quality and workmanship. This is important for long term sustainability of the business.

Moving forward, we will continue to innovate and ensure customers are engaged at a more personal basis and in turn, promotes better brand awareness, customer loyalty and retention.

Occupational Health and Safety

OCR is committed to ensure the health and safety of its employees at the workplace by creating a safe and conducive workplace. In this respect, OCR adheres strictly to Occupational Safety and Health Act, 1994 ("OSHA 1994") and the Occupational Health and Safety Assessment Series ("OHSAS 18001").

A safety and health committee comprising project management personnel, site managers representatives from team of consultants and contractors are established at every project site. The committee is responsible to manage occupational health and safety issues in addition to ensuring environmental compliance.

Site managers are responsible to conduct daily inspections with the site qualified safety and health officer of the project site to ensure all identified safety measures have been properly implemented. Construction site workers are required to attend the safety training on a timely basis. Fogging and pest control measures are also regularly carried out at the construction site.

The appointed health and safety officer will be tasked to prepare monthly reports detailing the status of health and safety issues at the site including manhours lost due to injuries. The officer is also responsible for the coordination of safety programmes to promote a safe and healthy working culture.

During the FY 2019, there are no major accidents occuring at any of the Group's construction sites.

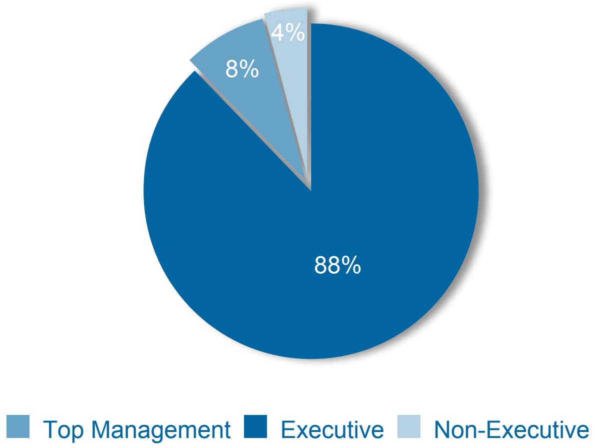
Sustainability Statement (Cont'd)

SOCIAL (CONT'D)

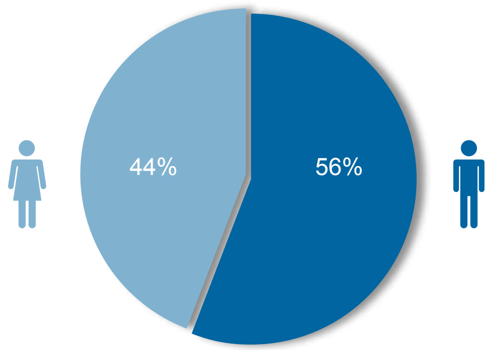
Diversity and Inclusiveness

At OCR, we strongly promote diversity, inclusivity and equality regardless of gender and race to encourage different group of people to interact and build positive relationships at the workplace. Diversity also ensures that the Group has the requisite variety of skillsets and understanding to effectively serve our stakeholders, both internal and external.

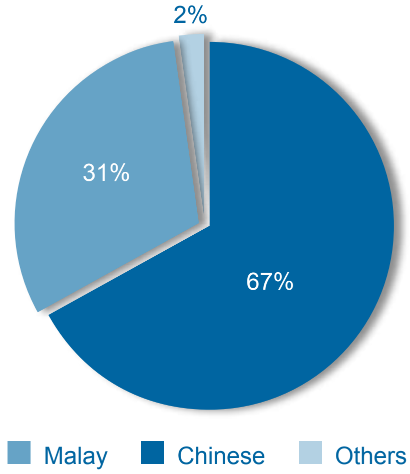
Employment Category



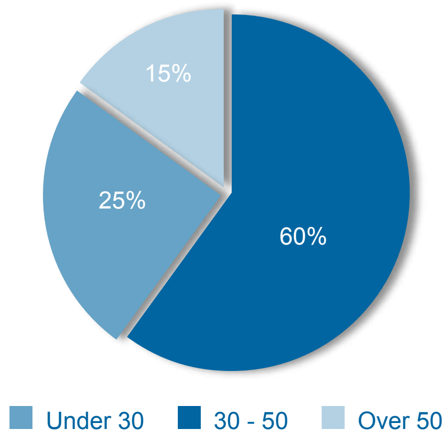
Gender



Race



Age



All employees are entitled to the same benefits with different coverage limits depending on their respective job grades. Benefits include medical, dental, optical, life and personal accident insurance and travelling allowance.

Sustainability Statement
(Cont'd)

SOCIAL (CONT'D)

Capacity Building

Our employees are key assets of the Group who drive business excellence. The Group is committed to create opportunities to grow and develop our people to reach their fullest potential that enable them to perform their roles effectively.

Our Human Capital department encourages each staff to disclose annual training needs in the Staff Appraisal Form. This approach can help Human Capital department to identify the relevant training programmes and solutions for our workforce. Our training methods include internal knowledge sharings and external trainings.

The table below presents our training programmes during the FY 2019.

Training Programmes	Internal Knowledge Sharing	External Consultant
An introduction to Airbnb	√	
An introduction to site inspection	√	
Basic understanding of digital branding and advertising	√	
An introduction to financing fundamentals	√	
Heritage shophouse in Penang	√	
Employee insurance benefits	√	
Introduction to Construction Industry Payment and Adjudication Act 2012 ("CIPPA")	√	
An introduction to Personal Tax	√	
Summary key revision on Pertubuhan Akitek Malaysia ("PAM") in 2018 vs 2006 vs 1998	√	
Answer cold call training		√
Certificate In Construction Delay and Extension of Time Assessment		√
An introduction to IFCA accounting software		√
ISO: training needs analysis		√
Bank loan briefing		√
Security transformation for the digital era		√

Community Engagement

OCR is committed to enrich the lives of communities in regions where we operate. We collaborate with communities to resolve any issues that may arise or areas that could improve with our presence.

Aligning to the Government's plans to promote more affordable housing to the people of Malaysia, OCR worked closely with Yayasan Pahang through a joint venture arrangement to develop PRIYA Scheme Kuantan project. Located in Kuantan, Pahang, the project encompasses nine hundred and seventy-eight (978) units of single-storey terrace houses and one hundred and forty-six (146) units of single-storey semi-detached homes.

CONCLUSION

At OCR, we aspire to be a responsible corporation that contributes towards our nation's agenda for sustainable development. We aim to further improve our sustainability performance by closely monitoring and reviewing our Economic, Environmental and Social performances and aligning our long-term strategies accordingly.

AUDIT COMMITTEE REPORT

The Board of Directors ("Board") of OCR Group Berhad ("OCR" or "the Company") is pleased to present the Audit Committee ("AC") Report for the financial year ended 31 December 2019 ("FY 2019").

A. MEMBERS AND MEETING ATTENDANCE

The AC is comprised of three (3) Independent Non-Executive Directors. Both the existing and previous AC Chairman are members of the Malaysian Institute of Accountants. The current composition complies with the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Malaysia").

Membership of the AC and details of members' attendance at the five (5) meetings held during the FY 2019 are as follows:-

Directors	Attendance
Yap Sing Khon (Chairman/Independent Non-Executive Director) *(Resigned on 31 December 2019)*	5/5
Julian Koh Lu Ern (Chairman/Independent Non-Executive Director) *(Appointed on 18 February 2020)*	-
YAM Tunku Azudinshah Ibni Tunku Annuar (Member/Independent Non-Executive Director)	5/5
Hj. Abdullah Bin Abdul Rahman (Member/Independent Non-Executive Director)	4/5

The Company Secretary acts as the Secretary of the AC. The AC members are provided with notices and agenda about seven (7) days before the meeting. The minutes of each AC meeting were recorded and tabled for confirmation at the next AC meeting. The AC minutes were also tabled at the Board meeting for the Directors' notation and the AC Chairman shall report key issues discussed, if any, in the AC meeting to the Board.

By invitation, the Chief Financial Officer and team members have attended all the meetings held during the financial year, to present their reports on financial results and other matters for the AC's deliberation and approval. If required, other Key Senior Management and representatives of the External and Internal Auditors were also invited to attend these meetings, when necessary, to brief the AC on specific issues.

The External Auditors were invited to brief the AC on key audit issues and audit concerns affecting the Company. Time was also allocated for the External Auditors to have private discussions with the AC in the absence of the Management.

During the financial year ended 31 December 2019, the Internal Auditors have attended two (2) meetings to table the respective internal audit reports and presented their recommendations as to the actions and steps taken by Management in response to any audit findings.

Conversely, the External and Internal Auditors may also respectively request for a meeting with the AC if they consider it necessary.

B. RIGHTS, AUTHORITIES AND TERMS OF REFERENCE

The rights, authorities and Terms of Reference of the AC can be viewed at the Company's website at **www.ocrbhd.com**.

C. SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

A brief summary to provide an overall view of the activities of the AC in discharging its duties and responsibilities during the financial year ended 31 December 2019 is as follows:-

a. Financial Reporting

- 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;

C. SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE (CONT'D)

b. With Internal Auditors

- Reviewed and adopted the risk-based internal audit plan and the scope of work to ensure sufficient scope and coverage of activities of the Company and its subsidiaries ("Group");
- Reviewed the internal audit reports, their findings, recommendations and the Management's response in addressing the issues found to ensure that risk issues were adequately addressed;
- 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; and
- Conducted the annual performance assessment.

c. With External Auditors

- Met with the External Auditors, Crowe Malaysia PLT ("Crowe"), thrice for private sessions, without the presence of the executive Board members and employees of the Company. The first private session with Crowe was on 27 February 2019 to present the "Audit Review Memorandum" in respect of the financial period ended 31 December 2018. The second session was on 11 April 2019 to present the Closing Audit Memorandum and to discuss the outcome of the audit of the Group in respect of the financial year ended 31 December 2018. The third session was on 29 November 2019, in respect of the scope of the statutory audit and to review the "Audit Planning Memorandum" prior to the commencement of Crowe's audit of the Group's financial statements for the FY 2019;
- Reviewed with Crowe, the audit report, issues, reservations and management responses arising from their audit;
- Appraised the performance and evaluated the independence and objectivity of Crowe in providing their services, including areas of audit emphasis for the financial period under review and additional disclosures in the auditors' report in line with the new and amended international standards on auditing, including disclosure on Key Audit Matters; and
- Reviewed the annual performance assessment, including the suitability and independence of Crowe and make recommendations to the Board on their re-appointment and remuneration to the Board for ensuing year.

d. Recurrent Related Party Transactions ("RRPTs")

- Reviewed 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 the estimated value of the RRPT disclosed in the previous year's RRPT Circular to Shareholders, which shareholder has approved, by 10% or more; and
- Reviewed the Circular to shareholders in relation to the renewal of shareholders' mandate for RRPT and new shareholders' mandate for additional RRPTs, prior to its recommendation to the Board for approval.

e. Others

- Reviewed the Statement on Risk Management and Internal Control, Audit Committee Report and Internal Audit Function prior to their inclusion into the Annual Report 2018, prior to its recommendation to the Board for approval.

Audit Committee Report (Cont'd)

D. INTERNAL AUDIT FUNCTION

Having an independent and professional internal audit function is essential in assisting the AC to obtain the assurance it needs regarding the maintenance of a sound system of internal controls. The Group's internal audit function is outsourced to an independent professional firm, Needsbridge Advisory Sdn. Bhd., with the primary function to assist AC in discharging their duties and responsibilities more effectively via independent assessments carried out by them on the adequacy and effectiveness of the Group's internal control systems in anticipation of any potential risk areas within key business processes of the Group. The outsourced internal audit function reports directly to the AC and AC has full access to the outsourced internal audit function and reviews reports from them on all internal audits performed. The audit engagement of the outsourced internal audit function is governed by the engagement letter. The appointment and resignation of the internal audit function as well as the proposed audit fees are subject to review and approval by the AC for its reporting to the Board for ultimate approval.

The scope of review by the outsourced internal audit function, through the internal audit plan, is determined and approved by the AC with feedback from executive management. In addition, the oversight of the internal audit functions by the AC is enhanced by the review of the resources of the outsourced internal audit function in terms of their qualification and experience/exposure and continuous professional development of the employees of the outsourced internal audit function. The performance of the internal audit function is formally evaluated by the AC through prescribed evaluation form adopted from Corporate Governance Guide issued by Bursa Malaysia.

To preserve the independence and objectivity, the outsourced internal audit function is not permitted to act on behalf of Management, decide and implement management action plan, perform on-going internal control monitoring activities (except for follow up on progress of action plan implementation), authorise and execute transactions, prepare source documents on transactions, have custody of assets or act in any capacity equivalent to a member of the Management or the employee.

The outsourced internal audit function is accorded unrestricted access to all functions, records, property, personnel, AC and other specialized services from within or outside the Group and necessary assistance of personnel in units of the Group where they perform audits.

During the FY 2019, the outsourced internal audit function conducted scheduled internal audits based on the approved Internal Audit Plan ("IA Plan") for two (2) financial years which will be reviewed on an annual basis and revised subsequent to the completion of the first year audit, if necessary, to reflect the changes in the Group's operating environment. Any significant changes to the IA Plan will be referred to AC for approval prior to the commencement of the internal audit.

The summary of works that had been undertaken by the outsourced internal audit function during the FY 2019 of this Annual Report included the following:-

a. Claim Processing, Cost Management, Sales and Marketing Management and Treasury Management for O&C Makok Isola Sdn. Bhd.

The internal audit performed achieve their audit objectives of highlighting to the AC on their audit findings which required 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, 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.

The total costs incurred for the internal audit function in respect of the FY 2019 was RM12,000.

The further details on outsourced internal audit function and internal audit activities are disclosed in the Statement on Risk Management and Internal Control available on pages 57 to 61 of this Annual Report.

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"). Preparation of the Statement, which 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, Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers' as required by Bursa Malaysia as well as in compliance with the principles and best practices relating to risk management and internal control as stipulated in the Malaysian Code on Corporate Governance ("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 so as 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 corporate culture, processes and strategies of the Group.

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 tolerance 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 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 has established a formal Enterprise Risk Management ("ERM") framework to proactively identify, evaluate and manage key risks to an optimal level. In line with the Group's commitment to deliver sustainable value, the ERM framework aims to provide an integrated and organised approach entity-wide. The ERM framework approved by the Board adopts the ERM principles, methodology and process which are in line with the International Organisation for Standardisation ("ISO") 31000:2018 – Risk Management Guidelines.

The Board had put in place a structured ERM Framework, as the governance structure and processes for the risk management on enterprise wide, in order to embed the risk management practice into all level of the Group and to manage key business risks faced by the Group adequately and effectively as second line-of-defence. The ERM Framework clearly defines the risk management's objectives and processes, along with clear roles and responsibilities of the Board, Risk Management Committee ("RMC"), Head of Departments, key risk officers and Internal Audit Function.

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

RISK MANAGEMENT (CONT'D)

The RMC is chaired by the Group Managing Director together with two (2) Non-Executive Directors. They develop a risk management information in which new risks are identified, mitigation plans and changes in risk profile (if any). The structured risk management process as defined in the ERM Framework is employed by the RMC for risk identification, risk assessment, control identification, risk treatment and control activities. Risk assessment, at gross and residual level, are 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 RMC, 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 RMC and the Board's immediate attention and risk treatment as well as for future risk monitoring.

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 Audit Committee ("AC").

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 new provision of Section 17A of the Malaysian Anti-Corruption Commission Act 2009 has come into 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.

As at to-date, the Group has conducted one (1) training related to the provisions of corporate liability for its Directors and top and middle level Management. The Group has conducted corruption risk assessment, set up the control measures with updates on our existing Whistle-blower Policy and Code of Conducts and Ethics and implemented Anti-Bribery and Anti-Corruption Policy. 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 audit function and the AC to the Board. The AC reviews internal control matters and update the Board on significant control gaps for the Board's attention and action.

INTERNAL CONTROL (CONT'D)

The key elements of the Group's system of internal controls are described below:-

- **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 AC, Remuneration Committee, Nominating Committee, RMC 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 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.

  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.

- **Policies and Procedures**

  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.

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

INTERNAL CONTROL (CONT'D)

- **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.

- **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 AC for review and the Board for approval before public release.

  Furthermore, internal audits are carried out by Internal Auditor (which reports directly to the AC) to assess the adequacy of internal controls in relation to specific critical control processes and highlights significant risks impacting the Group to the AC 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 technologically and regulatory changing environment in order to be competent in the industry in line with the Group's business objectives.

INTERNAL AUDIT FUNCTION

The AC 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 AC.

The outsourced internal audit function is reporting to the AC directly and the engagement director, Mr. Pang Nam Ming, is a Certified Internal Auditor ("CIA") accredited by the Institute of Internal Auditors 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 established by the Institute of Internal Auditors Global. The outsourced internal audit function was manned by one (1) engagement director, three (3) senior manager/managers and eight (8) senior consultants/consultants as at the end of the financial year under review.

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 recommend possible improvements to the internal control process. Each internal audit cycles within the internal audit plan are specific with regard to audit objectives, key risks to be assessed and scopes of the internal control review. The results of the audits are presented to the AC at their meeting.

INTERNAL AUDIT FUNCTION (CONT'D)

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 AC at their meetings.

During the FY 2019, the outsourced internal audit function conducted high level control reviews in relation to Claim Processing, Cost Management, Sales and Marketing Management as well as Treasury Management of one of the operating subsidiaries in Malaysia in accordance to the internal Audit Plan in the month of June 2019.

The cost incurred in maintaining the outsourced internal audit function for the FY 2019 amounted to RM12,000.

BOARD ASSURANCE AND LIMITATION

In concluding this Statement, the Board has received assurance from the Group Managing Director, being highest ranking executive in the Company, and Group Chief Financial Officer ("CFO") 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. 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 2019 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 16 June 2020.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

It is a requirement for the Directors to prepare financial statements which give a true and fair view of the state of affairs of the Company and of the Group at the end of each financial year and of their results and their cash flows for the year then ended.

In preparing the financial statements, the Directors have taken steps to ensure that:-

- the Company and the Group have used appropriate accounting policies which have been consistently applied;
- the judgements and estimates made are reasonable and prudent; and
- all approved accounting standards which are applicable in Malaysia have been complied with.

The Directors are responsible for ensuring that proper accounting records, which disclose with a reasonable degree of accuracy the financial position of the Company and the Group, are maintained in compliance with the provisions of the Companies Act, 2016.

The Directors also have general responsibilities for taking steps as are reasonable towards safeguarding the assets of the Group and to prevent and detect fraud and other irregularities.

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FINANCIAL STATEMENTS

DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2019.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	The Group RM	The Company RM
Profit/(Loss) after taxation for the financial year	8,990,149	(1,413,606)
Attributable to:-		
Owners of the Company	8,880,697	(1,413,606)
Non-controlling interests	109,452	-
	8,990,149	(1,413,606)

DIVIDENDS

No dividend was recommended by the directors for the financial year.

RESERVES AND PROVISIONS

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

ISSUES OF SHARES AND DEBENTURES

During the financial year:-

(a) the Company increased its issued and paid-up share capital from RM88,457,091 to RM119,320,547 by way of:-

(i) an issuance of 9,099,840 new ordinary shares from the conversion of Irredeemable Convertible Preference Shares ("ICPS") with the conversion ratio of 10 ICPS to 1 new ordinary share at the exercise price of RM0.50;

(ii) an issuance of 29,239,000 new ordinary shares at an issue price of RM0.28 per ordinary share via a private placement to eligible investors for a total cash consideration of RM8,186,920 for working capital purposes;

(iii) an issuance of 4,571 new ordinary shares from the exercise of Warrants D at the exercise price of RM0.22 per warrant; and

(iv) transfer of the amount standing to the credit of the Company's share premium account as at 31 January 2017 of RM18,125,610 to the share capital upon the expiry of the transitional provisions as allowed pursuant to Section 618(3) of the Companies Act 2016.

ISSUES OF SHARES AND DEBENTURES (CONT'D)

(a) (Cont'd)

The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company; and

(b) there were no issues of debentures by the Company.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up unissued shares in the Company.

WARRANTS 2016/2021

Pursuant to a Deed Poll dated 1 June 2016 ("Deed Poll"), the Company issued 66,141,269 free detachable warrants ("Warrants C") to the entitled shareholders of the Company pursuant to the renounceable rights issue of 661,412,697 new irredeemable convertible preference shares of RM0.05 each in the Company ("ICPS") on the basis in conjunction with the issue of 661,412,697 renounceable rights issue at a nominal value of RM0.05 in 2017.

The salient features of the Warrants C as stated in the Deed Poll are as follows:

(a) Each Warrant C entitles the registered holder to subscribe for one ordinary share at an exercise price of RM0.50 per ordinary share;

(b) The exercise price and the number of Warrants C are subjected to adjustment in accordance with the conditions provided in the Deed Poll;

(c) Where a resolution has been passed for a members' voluntary winding-up of the Company or there is a compromise or arrangement, whether or not for the purpose of or in connection with a scheme for the reconstruction of the Company or the amalgamation of the Company with one or more companies, then;

   (i) for the purpose of such a winding-up, compromise or arrangement (other than a consolidation, amalgamation or merger in which the Company is the continuing corporation) to which the Warrant C holders, or some persons designated by them for such purpose by a special resolution, shall be a party, the terms of such winding-up, compromise or arrangement shall be binding on all the Warrant C holders; and

   (ii) in any other case, every Warrant C holder shall be entitled upon and subject to the conditions at any time within six (6) weeks after the passing of such resolution for a members' voluntary winding-up of our Company or the granting of the court order approving the compromise or arrangement (as the case may be), to exercise their Warrants by submitting the exercise from duly completed authorising the debiting of his Warrants together with payment of the relevant exercise price to elect to be treated as if he had immediately prior to the commencement of such winding-up exercised the exercise rights to the extent specified in the exercise form(s) and had on such date been the holder of the new Shares to which he would have become entitled pursuant to such exercise and the liquidator of our Company shall give effect to such election accordingly.

(d) The exercise period is approximately 5 years from the date of issue expiring on 24 July 2021; and

(e) The Warrants C which are not exercised during the exercise period will thereafter lapse and void.

The Warrants C were granted for listing and quotation with effect from 28 July 2016.

The number of unexercised Warrants C at the end of the reporting period is 66,141,269 (2018 - 66,141,269).

Directors' Report (Cont'd)

WARRANTS 2019/2022

Pursuant to a Deed Poll dated 12 February 2019 ("Deed Poll"), the Company issued 91,967,721 new Warrants ("Warrants D") to the entitled shareholders of the Company pursuant to the Bonus Issue of Warrants.

The salient features of the Warrants D as stated in the Deed Poll are as follows:

(a) Each Warrant D entitles the registered holder to subscribe for one ordinary share at an exercise price of RM0.22 per ordinary share;

(b) The exercise price and the number of Warrants D are subjected to adjustment in accordance with the conditions provided in the Deed Poll;

(c) Where a resolution has been passed for a members' voluntary winding-up of the Company or there is a compromise or arrangement, whether or not for the purpose of or in connection with a scheme for the reconstruction of the Company or the amalgamation of the Company with one or more companies, then;

  (i) for the purpose of such a winding-up, compromise or arrangement (other than a consolidation, amalgamation or merger in which the Company is the continuing corporation) to which the Warrant D holders (or some persons designated by them for such purpose by a special resolution of the holders of Warrants D) shall be a party, the terms of such winding-up, compromise or arrangement shall be binding on all the holders of Warrant D; and

  (ii) in the event a notice is given by the Company to its Shareholders to convene a general meeting for the purpose of considering, and if thought fit, approving a resolution to voluntarily wind up the Company, the Company shall on the same date or soon after it despatches such notice to its Shareholders, give notice thereof to all Warrant D holders. Every Warrant D holder shall thereupon be entitled, subject to the conditions set out in the Deed Poll D, to exercise his Warrants D at any time not more than 21 days prior to the proposed general meeting of the Company by submitting the subscription form (by irrevocable surrender of his Warrants D to the Company) duly completed authorising the debiting of his Warrants D together with payment of the relevant exercise price, whereupon the Company shall as soon as possible but in any event prior to the date of the general meeting, allot the relevant new Shares to the holder of the said Warrants D credited as fully paid subject to the prevailing laws.

(d) The exercise period is approximately 3 years from the date of issue expiring on 18 February 2022; and

(e) Any Warrants D not exercised during the exercise period will thereafter lapse and cease to be valid.

The Warrants D were granted for listing and quotation with effect from 22 February 2019.

The number of unexercised Warrants D at the end of the reporting period is 91,963,150 (2018 - Nil).

WARRANTS 2019/2022 (CONT'D)

The movement of Warrants D during the financial year is as follows:-

	<------------------ Entitlement of Ordinary Shares		------------------>
	At 22.2.2019	**Exercised**	**Lapsed**	**At 31.12.2019**
Number of unexercised Warrants D	91,967,721	(4,571)	-	91,963,150

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, 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 impairment losses on receivables and satisfied themselves that there are no known bad debts and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would require the writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, 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 value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements 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 methods 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:-

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

(b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Group and 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, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

Directors' Report
(Cont'd)

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 AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, 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

The names of directors of the Company who served during the financial year and up to the date of this report are as follows:-

Ong Kah Hoe
Tunku Azudinshah Ibni Tunku Annuar
Abdullah Bin Abdul Rahman
Lee Chin Cheh
Admiral Tan Sri Dato' Seri Panglima Ahmad Kamarulzaman Hj Ahmad Badaruddin *(Retired)* (Appointed on 13.3.2019)
Chong Min Shih (Appointed on 10.2.2020)
Julian Koh Lu Ern (Appointed on 18.2.2020)
Dato' Haji Mohd Fakrunizam Bin Ibrahim (Appointed on 21.2.2020)
Tee Tze Chern, JP (Retired on 29.5.2019)
Yap Sing Khon (Resigned on 31.12.2019)
Lim Teck Seng (Resigned on 13.1.2020)
Dato' Lim Heng Ee (Resigned on 18.2.2020)

The names of directors of the Company's subsidiaries who served during the financial year and up to the date of this report, not including those directors mentioned above, are as follows:-

Abdul Hamid Bin Busu
Arlida Binti Ariff
Azinal Abidin Bin Ali
Badrushah Bin Abdul Rahim
Datuk Azrulnizam Bin Abdul Aziz (Resigned on 22.4.2019)
Loke Wei Feng
Muhammad Suleiman Bin Mohd Amin
Muhammad Yusuf Bin Mohd Amin
Ong Kah Wee
Ong Yew Ming
Shahran Bin Yahya (Deceased on 10.2.2019)
Toh Foo Hing

Directors' Report
(Cont'd)

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares, warrants and/or ICPS of the Company and its related corporations during the financial year are as follows:-

	<-------------------- Number of Ordinary Shares		-------------------->
	At 1.1.2019	**Bought**	**Sold**	**At 31.12.2019**
The Company				
Direct Interest				
Ong Kah Hoe	24,442,600	-	-	24,442,600
Indirect Interest				
Ong Kah Hoe*	41,378,800	-	-	41,378,800

	<------------------------- Number of ICPS		------------------------->
	At 1.1.2019	**Bought**	**Disposed**	**At 31.12.2019**
The Company				
Indirect Interest				
Ong Kah Hoe*	27,691,400	-	(24,691,400)	3,000,000

	<-----------------Number of Warrants 2016/2021		----------------->
	At 1.1.2019	**Entitled**	**Exercised**	**At 31.12.2019**
The Company				
Indirect Interest				
Ong Kah Hoe*	180,000	-	-	180,000

	<---------------- Number Of Warrants 2019/2022		----------------->
	At 1.1.2019	**Entitled**	**Exercised**	**At 31.12.2019**
The Company				
Direct Interest				
Ong Kah Hoe	-	6,983,599	-	6,983,599
Indirect Interest				
Ong Kah Hoe*	-	11,822,510	-	11,822,510

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

By virtue of his shareholding in the Company, Ong Kah Hoe is deemed to have interests in shares in its related corporations during the financial year to the extent of the Company's interests, in accordance with Section 8 of the Companies Act 2016.

The other directors holding office at the end of the financial year had no interest in shares, warrants and/or ICPS of the Company or its related corporations during the financial year.

Directors' Report (Cont'd)

DIRECTORS' BENEFITS

Since the end of the previous financial period, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by directors shown in the financial statements, or the fixed salary of a full-time employee of the Company or related corporations) 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 except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 35(b) to the financial statements.

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

DIRECTORS' REMUNERATION

The details of the directors' remuneration paid or payable to the directors of the Company during the financial year are disclosed in Note 34 to the financial statements.

INDEMNITY AND INSURANCE COST

During the financial year, there was no indemnity given to or professional indemnity insurance effected for directors, officers or auditors of the Company.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 5 to the financial statements.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are disclosed in Note 38 to the financial statements.

SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

The significant events occurring after the reporting period are disclosed in Note 39 to the financial statements.

AUDITORS

The auditors, Crowe Malaysia PLT, will retire at the forthcoming Annual General Meeting and do not seek re-appointment.

The details of the auditors' remuneration are disclosed in Note 27 to the financial statements.

Signed in accordance with a resolution of the directors dated 24 June 2020.

Ong Kah Hoe

Tunku Azudinshah Ibni Tunku Annuar

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, state that, in the opinion of the directors, the financial statements set out on pages 78 to 183 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 of 31 December 2019 and of their financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the directors dated 24 June 2020.

Ong Kah Hoe

Tunku Azudinshah Ibni Tunku Annuar

STATUTORY DECLARATION
pursuant to Section 251(1)(B) 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 the financial statements set out on pages 78 to 183 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned
Ong Kah Hoe,
at Kuala Lumpur
in the Federal Territory
on this 24 June 2020

Ong Kah Hoe

Before me

Datin Hajah Raihela Wanchik
Commissioner for Oaths
No. W-275

INDEPENDENT AUDITORS' REPORT

to the members of OCR Group Berhad
(Incorporated in Malaysia)
Company No: 199701025005 (440503 - K)

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 2019 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 78 to 183.

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 2019, 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' *Code of Ethics for Professional Accountants ("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 (Cont'd)

Key Audit Matters (Cont'd)

We have determined the matters described below to be the audit matters to be communicated in our report.

Recoverability of trade and other receivables Refer to Notes 4.1(a), 4.1(b) and 11 to the financial statements	
Key Audit Matter	**How our audit addressed the Key Audit Matter**
The Group carried significant trade and other receivables amounting to RM50,048,538 and RM42,105,749 respectively as disclosed in Note 11 to the financial statements and are subject to credit risk exposures. The assessment of adequacy of allowance for impairment losses involved judgement and estimation uncertainty in analysing, amongst others, historical bad debts, customer concentration, customer creditworthiness, current trends, and customer payment terms. We determined this to be a key audit matter given the inherent subjectivity that is involved in making judgement in relation to the recoverability of trade and other receivables.	Our audit procedures included, amongst others: (i) Reviewed the ageing analysis of receivables and tested the reliability thereof. (ii) Reviewed the recoverability of major receivables and debts which have been long outstanding including but not limited to, collection subsequent to the end of reporting period. (iii) Assessed on the recoverability of overdue amounts to historical patterns of collections. (iv) Evaluated the reasonableness and adequacy of the allowance for impairment recognised for identified exposures. (v) Examined other evidence including customers' correspondences, proposed or existing settlement plans and repayment schedules.

Independent Auditors' Report (Cont'd)

Key Audit Matters (Cont'd)

Revenue from contracts with customers Refer to Notes 4.1(c), 4.1(d), 4.12, 4.22(b), 4.22(c), 14 and 26 in the financial statements	
Key Audit Matter	**How our audit addressed the Key Audit Matter**
The Group recognises property development and construction revenue using the stage of completion method. The stage of completion is determined by the proportion of property development and construction costs incurred for work performed to date over the estimated total property development and construction costs. Accounting for property development activities and construction contracts are inherently complex and there are judgement involved in the following areas:- (i) assessment of the stage of completion and timing of revenue recognition. (ii) determining cost budgets. (iii) determining project costs to complete. (iv) recognition of variation orders. (v) provision for foreseeable losses and liquidated ascertained damages. We determined this to be a key audit matter given the complexity and judgemental nature of these areas.	Our procedures included, amongst others:- (i) Evaluated and tested the key controls in respect of the review and approval of construction contracts and property development and construction project budgets to assess the reliability of these budgets. (ii) Tested cost incurred to date to supporting documentation such as contractors' claim certificates. (iii) Assessed the reasonableness of the estimated total property development costs/contract costs to supporting documentation such as contracts, quotations and variation orders with contractors. (iv) Checked for any variation orders and checked that changes to contracts and quotations with the contractors, if any, are properly supported, for ongoing projects. (v) Recomputed the stage of completion and checked the journal entries impacting revenue are recognised appropriately with reference to the computation of the stage of completion of the projects. (vi) Tested sales of properties to signed sales and purchase agreements and billings raised to the property buyers for the property development segment.

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.

Independent Auditors' Report (Cont'd)

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Independent Auditors' Report (Cont'd)

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

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

We also 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, related safeguards.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 5 to the financial statements.

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 content of this report.

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

Ooi Song Wan
02901/10/2020 J
Chartered Accountant

Kuala Lumpur

24 June 2020

STATEMENTS OF FINANCIAL POSITION

at 31 December 2019

	Note	The Group 2019 RM	The Group 2018 RM	The Company 2019 RM	The Company 2018 RM
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	5	-	-	10,825,197	10,575,198
Investment in an associate	6	383,112	486,887	-	-
Property, plant and equipment	7	1,655,384	2,463,527	404,679	703,724
Investment property	8	1,812,398	1,853,747	1,812,398	1,853,747
Right-of-use asset	9	582,718	-	481,398	-
Inventories	10	29,763,528	55,335,703	-	-
Trade and other receivables	11	14,456,076	13,322,938	-	-
Deferred tax assets	12	2,522,178	756,727	1,255,513	-
		51,175,394	74,219,529	14,779,185	13,132,669
CURRENT ASSETS					
Inventories	10	90,373,929	62,501,740	-	-
Contract costs	13	34,791,371	28,263,162	-	-
Trade and other receivables	11	98,340,810	82,291,935	100,627,695	97,783,453
Contract assets	14	27,149,273	5,501,094	-	-
Current tax assets		28,341	794,520	-	-
Fixed deposits with licensed banks	15	18,137,415	15,590,344	10,654,857	10,322,011
Cash and bank balances		3,316,814	702,596	771,575	160,257
		272,137,953	195,645,391	112,054,127	108,265,721
TOTAL ASSETS		323,313,347	269,864,920	126,833,312	121,398,390
EQUITY AND LIABILITIES					
EQUITY					
Share capital	16	119,320,547	88,457,091	119,320,547	88,457,091
Irredeemable convertible preference shares ("ICPS")	17	27,637,275	32,187,195	27,637,275	32,187,195
Reserves	18	(22,553,497)	(7,612,645)	(36,548,421)	(15,359,651)
Equity attributable to owners of the Company		124,404,325	113,031,641	110,409,401	105,284,635
Non-controlling interests		(1,342,651)	(1,407,136)	-	-
TOTAL EQUITY		123,061,674	111,624,505	110,409,401	105,284,635

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

Statements of Financial Position (Cont'd)

	Note	The Group 2019 RM	The Group 2018 RM	The Company 2019 RM	The Company 2018 RM
NON-CURRENT LIABILITIES					
Long-term borrowings	19	39,212,900	38,819,087	739,625	462,323
Deferred tax liability	12	179,286	179,286	-	-
Trade and other payables	20	42,180,200	40,502,537	-	-
		81,572,386	79,500,910	739,625	462,323
CURRENT LIABILITIES					
Trade and other payables	20	74,364,834	46,741,864	525,296	529,749
Contract liability	14	-	2,261,958	-	-
Short-term borrowings	21	33,780,591	24,269,233	15,158,990	15,121,683
Current tax liabilities		2,857,284	603,090	-	-
Bank overdrafts	22	7,676,578	4,863,360	-	-
		118,679,287	78,739,505	15,684,286	15,651,432
TOTAL LIABILITIES		200,251,673	158,240,415	16,423,911	16,113,755
TOTAL EQUITY AND LIABILITIES		323,313,347	269,864,920	126,833,312	121,398,390

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the Financial Year Ended 31 December 2019

	Note	The Group 1.1.2019 to 31.12.2019 RM	The Group 1.8.2017 to 31.12.2018 RM	The Company 1.1.2019 to 31.12.2019 RM	The Company 1.8.2017 to 31.12.2018 RM
CONTINUING OPERATIONS					
REVENUE	26	81,866,109	44,468,612	2,933,491	-
COST OF SALES		(62,572,500)	(34,418,681)	-	-
GROSS PROFIT		19,293,609	10,049,931	2,933,491	-
OTHER INCOME		2,701,896	2,151,639	413,520	4,277,125
		21,995,505	12,201,570	3,347,011	4,277,125
ADMINISTRATIVE EXPENSES		(8,596,992)	(18,728,300)	(4,739,609)	(10,006,056)
OTHER EXPENSES		(988,501)	(1,075,510)	(304,764)	(4,308,656)
FINANCE COSTS		(1,708,266)	(2,326,520)	(971,757)	(817,884)
SHARE OF LOSSES OF AN EQUITY ACCOUNTED ASSOCIATE		(103,775)	(305,611)	-	-
PROFIT/(LOSS) BEFORE TAXATION	27	10,597,971	(10,234,371)	(2,669,119)	(10,855,471)
INCOME TAX EXPENSE	28	(1,607,822)	(1,493,877)	1,255,513	-
PROFIT/(LOSS) AFTER TAXATION FROM CONTINUING OPERATIONS		8,990,149	(11,728,248)	(1,413,606)	(10,855,471)

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

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

		The Group		The Company	
	Note	1.1.2019 to 31.12.2019 RM	1.8.2017 to 31.12.2018 RM	1.1.2019 to 31.12.2019 RM	1.8.2017 to 31.12.2018 RM
DISCONTINUED OPERATIONS					
PROFIT AFTER TAXATION FROM DISCONTINUED OPERATIONS	29	-	4,398,605	-	-
PROFIT/(LOSS) AFTER TAXATION		8,990,149	(7,329,643)	(1,413,606)	(10,855,471)
OTHER COMPREHENSIVE EXPENSES					
Items that Will be Reclassified Subsequently to Profit or Loss					
Foreign currency translation differences:					
- changes during the financial year/period		-	(177,211)	-	-
- transfer to profit or loss upon disposal of a subsidiary	30	-	(394,613)	-	-
TOTAL OTHER COMPREHENSIVE EXPENSES		-	(571,824)	-	-
TOTAL COMPREHENSIVE INCOME/(EXPENSES) FOR THE FINANCIAL YEAR/PERIOD		8,990,149	(7,901,467)	(1,413,606)	(10,855,471)

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

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

	Note	The Group		The Company	
		1.1.2019 to 31.12.2019 RM	1.8.2017 to 31.12.2018 RM	1.1.2019 to 31.12.2019 RM	1.8.2017 to 31.12.2018 RM
PROFIT/(LOSS) AFTER TAXATION ATTRIBUTABLE TO:-					
Owners of the Company		8,880,697	(7,036,747)	(1,413,606)	(10,855,471)
Non-controlling interests		109,452	(292,896)	-	-
		8,990,149	(7,329,643)	(1,413,606)	(10,855,471)
TOTAL COMPREHENSIVE INCOME/(EXPENSES) ATTRIBUTABLE TO:-					
Owners of the Company		8,880,697	(7,608,571)	(1,413,606)	(10,855,471)
Non-controlling interests		109,452	(292,896)	-	-
		8,990,149	(7,901,467)	(1,413,606)	(10,855,471)
EARNINGS/(LOSS) PER SHARE (SEN)	31				
Basic:					
- continuing operations		2.73	(3.95)		
- discontinued operations		-	1.52		
Diluted:					
- continuing operations		2.21	(3.23)		
- discontinued operations		-	1.24		

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

STATEMENTS OF CHANGES IN EQUITY

for the Financial Year Ended 31 December 2019

		<---- Non-Distributable					---->	Distributable			
	Note	Share Capital RM	ICPS RM	Warrant Reserve RM	Share Premium RM	Foreign Exchange Translation Reserve RM	Share Issuance Scheme Reserve RM	Accumulated Losses RM	Attributable to Owners of The Company RM	Non-Controlling interests RM	Total Equity RM
The Group											
Balance at 1.8.2017		68,745,171	32,232,195	890,326	18,475,142	571,824	831,300	(19,591,834)	102,154,124	(817,311)	101,336,813
Loss after taxation for the financial period		-	-	-	-	-	-	(7,036,747)	(7,036,747)	(292,896)	(7,329,643)
Other comprehensive expenses for the financial period: - Foreign currency translation differences		-	-	-	-	(571,824)	-	-	(571,824)	-	(571,824)
Total comprehensive expenses for the financial period		-	-	-	-	(571,824)	-	(7,036,747)	(7,608,571)	(292,896)	(7,901,467)
Balance carried forward		68,745,171	32,232,195	890,326	18,475,142	-	831,300	(26,628,581)	94,545,553	(1,110,207)	93,435,346

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

Statements of Changes in Equity (Cont'd)

		<------	------	Non-Distributable	------	------	------>	Distributable			
	Note	Share Capital RM	ICPS RM	Warrant Reserve RM	Share Premium RM	Foreign Exchange Translation Reserve RM	Share Issuance Scheme Reserve RM	Accumulated Losses RM	Attributable to Owners of The Company RM	Non-Controlling interests RM	Total Equity RM
The Group											
Balance brought forward		68,745,171	32,232,195	890,326	18,475,142	-	831,300	(26,628,581)	94,545,553	(1,110,207)	93,435,346
Contributions by and distributions to owners of the Company:											
- Acquisition of subsidiaries	32	-	-	-	-	-	-	-	-	(346,919)	(346,919)
- Conversion of ICPS	16	90,000	-	-	-	-	-	-	90,000	-	90,000
- Private placement	16	15,940,620	-	-	-	-	-	-	15,940,620	-	15,940,620
- SIS exercised	16	2,805,000	-	-	-	-	-	-	2,805,000	-	2,805,000
- Expenses incurred in relation to private placement	18(b)	-	-	-	(349,532)	-	-	-	(349,532)	-	(349,532)
		18,835,620	-	-	(349,532)	-	-	-	18,486,088	(346,919)	18,139,169
Balance carried forward		87,580,791	32,232,195	890,326	18,125,610	-	831,300	(26,628,581)	113,031,641	(1,457,126)	111,574,515

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

Statements of Changes in Equity (Cont'd)

		<---- Non-Distributable				---->	Distributable			
The Group	Note	Share Capital RM	ICPS RM	Warrant Reserve RM	Share Premium RM	Foreign Exchange Translation Reserve RM	Share Issuance Scheme Reserve RM	Accumulated Losses RM	Attributable to Owners of The Company RM	Non-Controlling interests RM	Total Equity RM
Balance brought forward		87,580,791	32,232,195	890,326	18,125,610	-	831,300	(26,628,581)	113,031,641	(1,457,126)	111,574,515
Transfer to share capital upon conversion of ICPS		45,000	(45,000)	-	-	-	-	-	-	-	-
Transfer to share capital upon SIS exercised		831,300	-	-	-	-	(831,300)	-	-	-	-
Changes in a subsidiary's ownership interests that do not result in a loss of control		-	-	-	-	-	-	-	-	49,990	49,990
Balance at 31.12.2018		88,457,091	32,187,195	890,326	18,125,610	-	-	(26,628,581)	113,031,641	(1,407,136)	111,624,505

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

Statements of Changes in Equity (Cont'd)

	Note	Share Capital RM	ICPS RM	Warrant Reserve RM	Share Premium RM	Foreign Exchange Translation Reserve RM	Share Issuance Scheme Reserve RM	Accumulated Losses RM	Attributable to Owners of The Company RM	Non-Controlling interests RM	Total Equity RM
		<---- Non-Distributable					---->	Distributable			
The Group											
Balance at 31.12.2018/1.1.2019		88,457,091	32,187,195	890,326	18,125,610	-	-	(26,628,581)	113,031,641	(1,407,136)	111,624,505
Initial application of MFRS 9		-	-	-	-	-	-	(5,695,939)	(5,695,939)	(44,967)	(5,740,906)
		88,457,091	32,187,195	890,326	18,125,610	-	-	(32,324,520)	107,335,702	(1,452,103)	105,883,599
Profit after taxation/Total comprehensive income for the financial year		-	-	-	-	-	-	8,880,697	8,880,697	109,452	8,990,149
Contributions by and distributions to owners of the Company:											
- Private placement	16	8,186,920	-	-	-	-	-	-	8,186,920	-	8,186,920
- Exercised of Warrants D	16	1,006	-	-	-	-	-	-	1,006	-	1,006
- Transfer to share capital pursuant to Companies Act 2016	18(b)	18,125,610	-	-	(18,125,610)	-	-	-	-	-	-
Total transactions with owners		26,313,536	-	-	(18,125,610)	-	-	-	8,187,926	-	8,187,926
Transfer to share capital upon conversion of ICPS		4,549,920	(4,549,920)	-	-	-	-	-	-	-	-
Balance at 31.12.2019		119,320,547	27,637,275	890,326	-	-	-	(23,443,823)	124,404,325	(1,342,651)	123,061,674

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

Statements of Changes in Equity (Cont'd)

		<---- Non-Distributable				----> Distributable	
	Note	Share Capital RM	ICPS RM	Warrant Reserve RM	Share Premium RM	Share Issuance Scheme Reserve RM	Accumulated Losses RM	Total Equity RM
The Company								
Balance at 1.8.2017		68,745,171	32,232,195	890,326	18,475,142	831,300	(23,520,116)	97,654,018
Loss after taxation/Total comprehensive expenses for the financial period		-	-	-	-	-	(10,855,471)	(10,855,471)
Contributions by and distributions to owners of the Company:								
- Conversion of ICPS	16	90,000	-	-	-	-	-	90,000
- Private placement	16	15,940,620	-	-	-	-	-	15,940,620
- SIS exercised	16	2,805,000	-	-	-	-	-	2,805,000
- Expenses incurred in relation to private placement	18(b)	-	-	-	(349,532)	-	-	(349,532)
		18,835,620	-	-	(349,532)	-	-	18,486,088
Transfer to share capital upon conversion of ICPS		45,000	(45,000)	-	-	-	-	-
Transfer to share capital upon SIS exercised		831,300	-	-	-	(831,300)	-	-
Balance at 31.12.2018		88,457,091	32,187,195	890,326	18,125,610	-	(34,375,587)	105,284,635

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

Statements of Changes in Equity (Cont'd)

	Note	<---------- Non-Distributable				---------->	Distributable	
	Note	Share Capital RM	ICPS RM	Warrant Reserve RM	Share Premium RM	Share Issuance Scheme Reserve RM	Accumulated Losses RM	Total Equity RM
The Company								
Balance at 31.12.2018/1.1.2019		88,457,091	32,187,195	890,326	18,125,610	-	(34,375,587)	105,284,635
Initial application of MFRS 9		-	-	-	-	-	(1,649,554)	(1,649,554)
		88,457,091	32,187,195	890,326	18,125,610	-	(36,025,141)	103,635,081
Loss after taxation/Total comprehensive expenses for the financial year		-	-	-	-	-	(1,413,606)	(1,413,606)
Contributions by and distributions to owners of the Company:								
- Private placement	16	8,186,920	-	-	-	-	-	8,186,920
- Exercised of Warrants D	16	1,006	-	-	-	-	-	1,006
- Transfer to share capital pursuant to Companies Act 2016	18(b)	18,125,610	-	-	(18,125,610)	-	-	-
Total transactions with owners		26,313,536	-	-	(18,125,610)	-	-	8,187,926
Transfer to share capital upon conversion of ICPS		4,549,920	(4,549,920)	-	-	-	-	-
Balance at 31.12.2019		119,320,547	27,637,275	890,326	-	-	(37,438,747)	110,409,401

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

STATEMENTS OF CASH FLOWS
for the Financial Year Ended 31 December 2019

	Note	The Group 1.1.2019 to 31.12.2019 RM	The Group 1.8.2017 to 31.12.2018 RM	The Company 1.1.2019 to 31.12.2019 RM	The Company 1.8.2017 to 31.12.2018 RM
CASH FLOWS FOR OPERATING ACTIVITIES					
Profit/(Loss) before taxation					
- continuing operations		10,597,971	(10,234,371)	(2,669,119)	(10,855,471)
- discontinued operations		-	4,398,605	-	-
		10,597,971	(5,835,766)	(2,669,119)	(10,855,471)
Adjustments for:-					
Bad debts written off		-	79,470	-	-
Depreciation of:					
- investment property		41,349	58,575	41,349	58,575
- property, plant and equipment		692,566	1,815,225	180,477	327,425
- right-of-use asset		119,782	-	82,938	-
Impairment losses on:					
- trade and other receivables		905,060	44,749	-	-
- property, plant and equipment		-	706,392	-	-
Interest expense on lease liabilities		22,199	-	16,047	-
Interest expense		1,290,237	2,148,903	955,710	817,884
Share of net loss of equity accounted associates		103,775	305,611	-	-
Bad debts recovered		-	(2,425)	-	-
Gain on disposal of right-of-use asset		(18,272)	-	(18,272)	-
(Gain)/Loss on disposal of subsidiaries	27	(1,258,818)	(5,486,952)	(1)	3,922,657
Interest income		(1,316,259)	(909,581)	(332,846)	(322,011)
Reversal of impairment loss on trade receivables		-	(44,747)	-	-
Operating profit/(loss) before working capital changes (Balance carried forward)		11,179,590	(7,120,546)	(1,743,717)	(6,050,941)

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

Statements of Cash Flows (Cont'd)

		The Group		The Company	
		1.1.2019 to 31.12.2019	1.8.2017 to 31.12.2018	1.1.2019 to 31.12.2019	1.8.2017 to 31.12.2018
	Note	RM	RM	RM	RM
CASH FLOWS FOR OPERATING ACTIVITIES (CONT'D)					
Balance brought forward		11,179,590	(7,120,546)	(1,743,717)	(6,050,941)
Increase in inventories		(2,300,014)	(31,061,318)	-	-
Increase in contract costs		(6,528,209)	(28,263,162)	-	-
(Increase)/Decrease in contract assets		(21,648,179)	16,955,170	-	-
(Increase)/Decrease in trade and other receivables		(19,135,323)	(33,192,990)	1,692,070	(6,422,945)
Increase in amount owing by subsidiaries		-	-	(4,248,005)	(13,400,972)
Increase in amount owing by an associate		(577,735)	(915,141)	-	-
Increase in amount owing by a related party		(2,982,083)	-	(1,937,861)	-
(Decrease)/Increase in contract liability		(2,261,958)	2,261,958	-	-
Increase/(Decrease) in trade and other payables		30,481,938	45,281,486	(62,453)	(194,178)
Increase/(Decrease) in amount owing to directors		78,000	(539,527)	58,000	(1,000)
Increase in amount owing to a related party		-	114,107	-	-
CASH FOR OPERATIONS		(13,693,973)	(36,479,963)	(6,241,966)	(26,070,036)
Income tax paid		(352,900)	(3,892,936)	-	-
NET CASH FOR OPERATING ACTIVITIES		(14,046,873)	(40,372,899)	(6,241,966)	(26,070,036)

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

Statements of Cash Flows (Cont'd)

	Note	The Group 1.1.2019 to 31.12.2019 RM	The Group 1.8.2017 to 31.12.2018 RM	The Company 1.1.2019 to 31.12.2019 RM	The Company 1.8.2017 to 31.12.2018 RM
CASH FLOWS FOR INVESTING ACTIVITIES					
Acquisition of subsidiaries, net of cash and cash equivalents	32	-	879,559	-	(5)
Additional investment in existing subsidiaries		-	-	(249,999)	(4,699,910)
Advances to a corporate shareholder		(50,000)	(498,999)	-	-
Increase in pledged fixed deposits with licensed banks		(2,547,071)	(10,462,289)	(332,846)	(10,322,011)
Acquisition of land held for development		-	(24,587,651)	-	-
Interest received		556,279	632,179	332,846	322,011
Net cash (outflow)/inflow from disposal of subsidiaries	30	(187)	6,910,396	1	7,896,815
Proceeds from disposal of right-of-use asset		90,002	-	90,002	-
Purchase of property, plant and equipment	33(a)	(153,044)	(1,286,436)	(11,889)	(215,441)
NET CASH FOR INVESTING ACTIVITIES		(2,104,021)	(28,413,241)	(171,885)	(7,018,541)

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

Statements of Cash Flows (Cont'd)

		The Group		The Company	
	Note	1.1.2019 to 31.12.2019 RM	1.8.2017 to 31.12.2018 RM	1.1.2019 to 31.12.2019 RM	1.8.2017 to 31.12.2018 RM
CASH FLOWS FROM FINANCING ACTIVITIES					
Interest paid		(1,635,594)	(3,253,593)	(971,757)	(817,884)
Issuance of shares to non-controlling interests		-	49,990	-	-
Proceeds from issuance of ordinary shares pursuant to:					
- exercise of SIS		-	2,805,000	-	2,805,000
- exercise of Warrants D		1,006	-	1,006	-
- conversion of ICPS		-	90,000	-	90,000
- private placement		8,186,920	15,940,620	8,186,920	15,940,620
Expenses incurred for:					
- private placement	18(b)	-	(349,532)	-	(349,532)
Drawdown of:					
- factoring loan	33(b)	-	444,416	-	-
- revolving credit	33(b)	-	15,000,000	-	15,000,000
- term loans	33(b)	14,709,571	37,148,576	-	-
- trust receipts	33(b)	801,985	3,688,945	-	-
Repayment of:					
- hire purchase obligations	33(b)	-	(49,219)	-	(60,429)
- lease liabilities	33(b)	(148,525)	-	(111,920)	-
- term loans	33(b)	(5,963,469)	(3,583,406)	(79,080)	(103,326)
NET CASH FROM FINANCING ACTIVITIES		15,951,894	67,931,797	7,025,169	32,504,449
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(199,000)	(854,343)	611,318	(584,128)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR/PERIOD		(4,160,764)	(3,306,421)	160,257	744,385
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR/PERIOD	33(c)	(4,359,764)	(4,160,764)	771,575	160,257

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

NOTES TO THE FINANCIAL STATEMENTS
for the Financial Year Ended 31 December 2019

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The registered office and principal place of business are as follows:-

Registered office	:	49-B, Jalan Melaka Raya 8, Taman Melaka Raya, 75000 Melaka.
Principal place of business	:	8.01, 8th Floor, Persoft Tower, 6B Persiaran Tropicana Tropicana Golf & Country Resort 47410 Petaling Jaya, Selangor.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 24 June 2020.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

3.1 During the current financial year, the Group has adopted the following new accounting standards and/ or interpretations (including the consequential amendments, if any):-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)
MFRS 9 Financial Instruments (IFRS 9 as issued by IASB in July 2014)
MFRS 16 Leases
IC Interpretation 22 Foreign Currency Transactions and Advance Consideration
IC Interpretation 23 Uncertainty Over Income Tax Treatments
Amendments to MFRS 2: Classification and Measurement of Share-based Payment Transactions
Amendments to MFRS 4: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts
Amendments to MFRS 9: Prepayment Features with Negative Compensation
Amendments to MFRS 119: Plan Amendment, Curtailment or Settlement
Amendments to MFRS 128: Long-term Interests in Associates and Joint Ventures
Amendments to MFRS 140 – Transfers of Investment Property
Annual Improvements to MFRS Standards 2015 – 2017 Cycles
Annual Improvements to MFRS Standards 2014 – 2016 Cycles:
- Amendments to MFRS 1: Deletion of Short-term Exemptions for First-time Adopters
- Amendments to MFRS 128: Measuring an Associate or Joint Venture at Fair Value

Notes to the Financial Statements (Cont'd)

3. BASIS OF PREPARATION (CONT'D)

3.1 The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the Group's financial statements except as follows:-

MFRS 9 introduces a new classification and measurement requirements for financial assets that reflects the business model in which the financial assets are managed and their cash flow characteristics. MFRS 9 contains 3 principal classification categories for financial assets i.e. measured at amortised cost, fair value through profit or loss, fair value through other comprehensive income and eliminates the previous categories of held to maturity, loans and receivables and available-for-sale financial assets. In addition, MFRS 9 replaces the 'incurred loss' model in MFRS 139 with an 'expected credit loss' model. This new impairment approach is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised. The impacts on the financial statements of the Group upon their initial application of MFRS 9 are disclosed in Note 41 to the financial statements.

MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and replaced the previous guidance on lease accounting. Under MFRS 16, the classification of leases as either finance leases or operating leases is eliminated for lessees. All lessees are required to recognise their lease assets and the related lease obligations in the statement of financial position (with limited exceptions) as right-of-use assets and lease liabilities respectively. The right-of-use assets are subject to depreciation and the interest on lease liabilities are calculated using the effective interest method. The impacts on the financial statements of the Group upon their initial application of MFRS 16 are disclosed in Note 40 to the financial statements.

3.2 The Group has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the current financial year:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	**Effective Date**
MFRS 17 Insurance Contracts	1 January 2021
Amendments to MFRS 3: Definition of a Business	1 January 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform	1 January 2020
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 101 and MFRS 108: Definition of Material	1 January 2020
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2022
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Key Sources of Estimation Uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below:-

(a) Impairment of Trade Receivables and Contract Assets

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables and contract assets. The contract assets are grouped with trade receivables for impairment assessment because they have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying values of trade receivables and contract assets. The carrying amounts of trade receivables and contract assets as at the reporting date are disclosed in Note 11 and Note 14 to the financial statements respectively.

(b) Impairment of Non-Trade Receivables

The loss allowances for non-trade financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions as well as forward-looking estimates at the end of each reporting period. The carrying amounts of other receivables (including amounts owing by subsidiaries and an associate) as at the reporting date are disclosed in Note 11 to the financial statements.

(c) Revenue and Cost Recognition of Property Development Activities

The Group recognises property development revenue as and when the control of the asset is transferred to a customer and it is probable that the Group will collect the consideration to which it will be entitled. The control of the asset may transfer over time or at a point in time depending on the terms of the contract with the customer and the application laws governing the contract.

When the control of the asset is transferred over time, the Group recognises property development revenue and costs by reference to the progress towards complete satisfaction of the performance obligation at the end of the reporting period. This is measured based on the Group's efforts or budgeted inputs to the satisfaction of the performance obligation. Significant judgement is required in determining the completeness and accuracy of the budgets and the extent of the costs incurred. Substantial changes in property development cost estimates in the future can have a significant effect on the Group's results. In making the judgement, the Group evaluates and relies on past experience and works of specialists.

(d) Revenue Recognition for Construction Contracts

The Group recognises construction revenue by reference to the construction progress using the input method, determined based on the proportion of construction costs incurred for work performed to date over the estimated total construction costs. The total estimated costs are based on approved budgets, which require assessment and judgement to be made on changes in, for example, work scope, changes in costs and costs to completion. In making the judgement, management relies on past experience and the work of specialists. The carrying amounts of contract assets and contract liability as at the reporting date are disclosed in Note 14 to the financial statements.

Notes to the Financial Statements (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(e) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the period in which such determination is made. The carrying amounts of current tax assets and current tax liabilities as at the reporting date were RM28,341 (2018 - RM794,520) and RM2,857,284 (2018 - RM603,090) respectively.

(f) Deferred Tax Assets

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unabsorbed capital allowances to the extent that it is probable that future taxable profits would be available against which the deductible temporary differences, unused tax losses and unabsorbed capital allowances could be utilised. Management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the assessment of the probability of the future taxable profits. The carrying amount of deferred tax assets as at the reporting date is disclosed in Note 12 to the financial statements.

Critical Judgements Made in Applying Accounting Policies

Management believes that there are no instances of application of critical judgement in applying the Group's accounting policies which will have a significant effect on the amounts recognised in the financial statements other than as disclosed below:-

(a) Classification between Investment Properties and Owner-occupied Properties

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

4.2 BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of reporting period.

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 BASIS OF CONSOLIDATION (CONT'D)

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

(a) Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

(b) Non-controlling Interests

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(c) Changes in Ownership Interests In Subsidiaries Without Change of Control

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity of the Group.

(d) Loss of Control

Upon loss of control of a subsidiary, the Group recognises any gain or loss on disposal in profit or loss which is calculated as the difference between:-

(i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and

(ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits). The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value of the initial recognition for subsequent accounting under MFRS 9 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Notes to the Financial Statements (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.3 FUNCTIONAL AND FOREIGN CURRENCIES

(a) Functional and Presentation Currency

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

(b) Foreign Currency Transactions and Balances

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the exchange rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

(c) Foreign Operations

Assets and liabilities of foreign operations (including any goodwill and fair value adjustments arising on acquisition) are translated to the Group's presentation currency at the exchange rates at the end of the reporting period. Income, expenses and other comprehensive income of foreign operations are translated at exchange rates at the dates of the transactions. All exchange differences arising from translation are taken directly to other comprehensive income and accumulated in equity; attributed to the owners of the Company and non-controlling interests, as appropriate.

Goodwill and fair value adjustments arising from the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the end of the reporting period.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign subsidiary, or a partial disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that foreign operation attributable to the owners of the Company are reclassified to profit or loss as part of the gain or loss on disposal. The portion that related to non-controlling interests is derecognised but is not reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are reattributed to non-controlling interests and are not recognised in profit or loss. When the Group disposes of only part of its investment in an associate that includes a foreign operation while retaining significant influence, the proportionate share of the accumulative exchange differences is reclassified to profit or loss.

In the consolidated financial statements, when settlement of an intragroup loan is neither planned nor likely to occur in the foreseeable future, the exchange differences arising from translating such monetary item are considered to form part of a net investment in the foreign operation and are recognised in other comprehensive income.

Notes to the Financial Statements (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as financial assets, financial liabilities or equity instruments in accordance with the substance of the contractual arrangement and their definitions in MFRS 132. Interest, dividends, gains and losses relating to a financial instrument classified as a liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value (other than trade receivables without significant financing component which are measured at transaction price as defined in MFRS 15 – Revenue from Contracts with Customers at inception). Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

(a) Financial Assets

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value (through profit or loss, or other comprehensive income), depending on the classification of the financial assets.

Debt Instruments

(i) Amortised Cost

The financial asset is held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset. When the asset has subsequently become credit-impaired, the interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), excluding expected credit losses, through the expected life of the financial asset or a shorter period (where appropriate).

Notes to the Financial Statements (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets (Cont'd)

Debt Instruments (Cont'd)

(ii) Fair Value through Other Comprehensive Income

The financial asset is held for both collecting contractual cash flows and selling the financial asset, where the asset's cash flows represent solely payments of principal and interest. Movements in the carrying amount are taken through other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference which are recognised directly in profit or loss. Interest income is calculated using the effective interest rate method.

(iii) Fair Value through Profit or Loss

All other financial assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss.

The Group reclassifies debt instruments when and only when its business model for managing those assets change.

Equity Instruments

All equity investments are subsequently measured at fair value with gains and losses recognised in profit or loss except where the Group has elected to present the subsequent changes in fair value in other comprehensive income and accumulated in the fair value reserve at initial recognition.

The designation at fair value through other comprehensive income is not permitted if the equity investment is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise.

Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established unless the dividends clearly represent a recovery of part of the cost of the equity investments.

(b) Financial Liabilities

(i) Financial Liabilities at Fair Value through Profit or Loss

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. The changes in fair value of these financial liabilities are recognised in profit or loss.

(ii) Other Financial Liabilities

Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), through the expected life of the financial liability or a shorter period (where appropriate).

Notes to the Financial Statements
(Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 FINANCIAL INSTRUMENTS (CONT'D)

(c) Equity Instruments

Equity instruments classified as equity are measured initially at cost and are not remeasured subsequently.

(i) Ordinary Shares

Ordinary shares are classified as equity and recorded at the proceeds received, net of directly attributable transaction costs.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

(ii) Preference Shares

Preference shares are classified as equity if they are non-redeemable, or are redeemable but only at the Company's option, and any dividends are discretionary.

Preference shares are classified as equity in accordance with the substance of the contractual arrangement of the instruments. Dividends on preference shares are recognised as distributions within equity.

(d) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the carrying amount of the asset and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity to profit or loss. In contrast, there is no subsequent reclassification of the fair value reserve to profit or loss following the derecognition of an equity investment.

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

(e) Warrants

The Group issued Warrants 2016/2021 and Warrants 2019/2022 at no cost and these are not recognised in the financial statements. Each warrant is convertible into one new ordinary share at the adjusted exercise price of RM0.50 and RM0.22 per share respectively during the exercise period and will only be recognised as equity instruments upon conversion.

Notes to the Financial Statements (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 FINANCIAL INSTRUMENTS (CONT'D)

(f) Financial Guarantee Contracts

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

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee or, when there is no specific contractual period, recognised in profit or loss upon discharge of the guarantee. If the debtor fails to make payment relating to a financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the amount of the credit loss determined in accordance with the expected credit loss model and the amount initially recognised less cumulative amortisation.

Accounting Policies Applied Until 31 December 2018

The Group has applied MFRS 9 retrospectively but has elected not to restate comparative information of its financial instruments. As a result, the comparative information of the Company's financial assets continues to be accounted for in accordance with the previous accounting policies as summarised below:-

- Trade receivables and other receivables with fixed or determinable payments were classified as loans and receivables financial assets, measured at amortised cost using the effective interest method, less any impairment loss. Interest income was recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

4.5 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of the investments includes transaction costs.

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

4.6 INVESTMENTS IN ASSOCIATES

An associate is an entity in which the Group has a long-term equity interest and where it exercises significant influence over the financial and operating policies.

The investment in an associate is accounted for in the consolidated financial statements using the equity method based on the financial statements of the associate made up to the end of the reporting period. The Group's share of the post acquisition profits and other comprehensive income of the associate is included in the consolidated statement of profit or loss and other comprehensive income, after adjustment if any, to align the accounting policies with those of the Group, from the date that significant influence commences up to the effective date on which significant influence ceases or when the investment is classified as held for sale. The Group's investment in the associate is carried in the consolidated statement of financial position at cost plus the Group's share of the post acquisition retained profits and reserves. The cost of investment includes transaction costs.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.6 INVESTMENTS IN ASSOCIATES (CONT'D)

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation. The interest in the associate is the carrying amount of the investment in the associate determined using the equity method together with any long-term interests that, in substance, form part of the Group's net investment in the associate.

Unrealised gains or losses on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate. Unrealised losses are eliminated unless cost cannot be recovered.

When the Group ceases to have significant influence over an associate and the retained interest in the former associate is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as the initial carrying amount of the financial asset in accordance with MFRS 9. Furthermore, the Group also reclassifies its share of the gain or loss previously recognised in other comprehensive income of that associate to profit or loss when the equity method is discontinued.

4.7 PROPERTY, PLANT AND EQUIPMENT

All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that are directly attributable to the acquisition of the asset and other costs directly attributable to bringing the asset to working condition for its intended use.

Subsequent to initial recognition, all property, plant and equipment, other than freehold land and buildings, are stated at cost less accumulated depreciation and any impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Freehold land is not depreciated. Depreciation on other property, plant and equipment is charged to profit or loss (unless it is included in the carrying amount of another asset) on a straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Leasehold land	Over the lease period
Buildings	2%
Motor vehicles	10%-20%
Plant and machinery	7.5%-20%
Renovation, furniture and fittings	10%-33%
Software	20%
Tools and equipment	10%-40%

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property, plant and equipment. Any changes are accounted for as a change in estimate.

Notes to the Financial Statements (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset, being the difference between the net disposal proceeds and the carrying amount, is recognised in profit or loss.

4.8 INVESTMENT PROPERTIES

Investment properties are properties which are owned or right-to-use asset held to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties which are owned are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the investment property.

Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and impairment losses, if any.

Depreciation is charged to profit or loss on the straight-line method over the estimated useful lives of the investment properties. The estimated useful life of the investment property is 50 years.

Investment properties are derecognised when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal.

On the derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

Transfers are made to or from investment property only when there is a change in use. All transfers do not change the carrying amount of the property reclassified.

4.9 LEASES

The Group assesses whether a contract is or contains a lease, at the inception of the contract. The Group recognises a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for low-value assets and short-term leases with 12 months or less. For these leases, the Group recognises the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use assets and the associated lease liabilities are presented as a separate line item in the statements of financial position.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.9 LEASES (CONT'D)

The right-of-use asset is initially measured at cost. Cost includes the initial amount of the corresponding lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any incentives received.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses, and adjustment for any remeasurement of the lease liability. The depreciation starts from the commencement date of the lease. If the lease transfers ownership of the underlying asset to the Group or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those property, plant and equipment.

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

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in the future lease payments (other than lease modification that is not accounted for as a separate lease) with the corresponding adjustment is made to the carrying amount of the right-of-use asset or is recognised in profit or loss if the carrying amount has been reduced to zero.

<u>Accounting Policies Applied Until 31 December 2018</u>

(a) Finance Leases

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incidental to ownership. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. The corresponding liability is included in the statement of financial position as hire purchase payables.

Minimum lease payments made under finance leases are apportioned between the finance costs and the reduction of the outstanding liability. The finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised in the profit or loss and allocated over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each accounting period.

Leasehold land which in substance is a finance lease is classified as property, plant and equipment.

(b) Operating Leases

All leases that do not transfer substantially to the Group all the risks and rewards incidental to ownership are classified as operating leases and, the leased assets are not recognised on the statement of financial position of the Group and of the Company.

Payments made under operating leases are recognised as an expense in the profit or loss on a straight-line method over the term of the lease. Lease incentives received are recognised as a reduction of rental expense over the lease term on a straight-line method. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

Notes to the Financial Statements (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.10 INVENTORIES

(a) Land Held for Property Development

Land held for property development represents freehold and leasehold lands on which no significant development work has been undertaken or on which development activities are not expected to be completed within the normal operating cycle.

Land held for property development is stated at the lower of cost and net realisable value.

The cost comprises cost associated with the purchase of freehold land, payment for the leasehold land, conversion fees and other relevant levies, and an appropriate proportion of common infrastructure costs.

Net realisable value represents the estimated selling price of intended properties that to be developed less the estimated costs of completion and the estimated costs necessary in selling the properties. If future development layout plan is not available, the replacement cost of the properties held for property development will be the best available measure of the net realisable value.

Land held for property development is transferred to property development cost category when development activities have commenced and are expected to be completed within the normal operating cycle.

(b) Property Development Costs

Property development costs are stated at the lower of cost and net realisable value.

The cost comprises cost associated with the purchase of freehold land, payment for the right-of-use asset (leasehold land), conversion fees, aggregate cost of development, materials and supplies, wages and other direct expenses, an appropriate proportion of common infrastructure costs, and borrowing costs capitalised.

Net realisable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary in selling the property.

4.11 CONTRACT COSTS

(a) Incremental Costs of Obtaining A Contract

The Group recognises incremental costs of obtaining contracts with customers as an asset when the Group expects to recover these costs. When the amortisation period of the asset is one year or less, such costs are recognised as an expense immediately when incurred.

(b) Costs to Fulfil A Contract

The Group recognises costs that relate directly to a contract (or an anticipated contract) with customer as an asset when the costs generate or enhance resources of the Group, will be used in satisfying performance obligation in the future and are recovered.

The contract costs are initially measured at cost and amortised on a systematic basis that is consistent with the pattern of revenue recognition to which the asset relates.

An impairment loss is recognised in the profit or loss when the carrying amount of the contract cost exceeds the expected revenue less expected cost that will be incurred. Any impairment loss recovered shall be reversed to the extent of the carrying amount of the contract cost does not exceed the amount that would have been recognised had there been no impairment loss recognised previously.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.12 CONTRACT ASSET AND CONTRACT LIABILITY

A contract asset is recognised when the Group's right to consideration is conditional on something other than the passage of time. A contract asset is subject to impairment requirements of MFRS 9 - Financial Instruments.

A contract liability is stated at cost and represents the obligation of the Group to transfer goods or services to a customer for which consideration has been received (or the amount is due) from the customers.

4.13 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts.

4.14 DISCONTINUED OPERATIONS

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of profit or loss and other comprehensive income is restated as if the operation had been discontinued from the start of the comparative period.

4.15 IMPAIRMENT

(a) Impairment of Financial Assets

The Group recognises a loss allowance for expected credit losses on trade receivables and contract assets, as well as on financial guarantee contracts.

The expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognises lifetime expected credit losses for trade receivables and contract assets using the simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience and are adjusted for forward-looking information (including time value of money where appropriate).

For all other financial instruments, the Group recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Notes to the Financial Statements (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.15 IMPAIRMENT (CONT'D)

(a) Impairment of Financial Assets (Cont'd)

Accounting Policy Applied Until 31 December 2018

As disclosed in Note 41 to the financial statements, the Group has applied MFRS 9 retrospectively with cumulative financial impacts recognised in the opening consolidated statement of financial position on 1 January 2019 (date of initial application of MFRS 9) and hence, the comparative information of its financial instruments is not restated. As a result, the comparative information on the impairment of the Group's financial assets has been accounted for in accordance with its previous accounting policy as summarised below:-

- The Group assessed at the end of each reporting period whether there was objective evidence that a financial asset (or group of financial assets) was impaired. Impairment losses were incurred only if there was objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset and that event(s) had an impact on the estimated future cash flows of the financial asset (or group of financial assets) that could be reliably estimated.

(b) Impairment of Non-financial Assets

The carrying values of assets, other than those to which MFRS 136 Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss shall be recognised. The recoverable amount of an asset is the higher of the asset's fair value less costs to sell and its value-in-use, which is measured by reference to discounted future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where it is not possible to estimate the recoverable amount of an individual asset, the Group determines the recoverable amount of the cash-generating unit to which the asset belongs.

An impairment loss is recognised in profit or loss.

When there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately.

4.16 EMPLOYEE BENEFITS

(a) Short-term Benefits

Wages, salaries, paid annual leave and bonuses are measured on an undiscounted basis and are recognised in profit or loss in the period in which the associated services are rendered by employees of the Group.

(b) Defined Contribution Plans

The Group's contributions to defined contribution plans are recognised in profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.17 INCOME TAXES

(a) Current Tax

Current tax assets and liabilities are expected amount of income tax recoverable or payable to the taxation authorities.

Current taxes are measured using tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period and are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss (either in other comprehensive income or directly in equity).

(b) Deferred Tax

Deferred tax is recognised using the liability method for all temporary differences other than those that arise from goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

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

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Current and deferred tax items are recognised in correlation to the underlying transactions either in profit or loss, other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill or negative goodwill.

Current tax assets and liabilities or deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity (or on different tax entities but they intend to settle current tax assets and liabilities on a net basis) and the same taxation authority.

4.18 OPERATING SEGMENTS

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

Notes to the Financial Statements (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.19 EARNINGS PER ORDINARY SHARE

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

Diluted earnings per ordinary share is determined by adjusting the consolidated profit or loss attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares.

4.20 BORROWING COSTS

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

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of those assets, until such time as the assets are ready for their intended use or sale. The capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted. The capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation is the weighted average of the borrowing costs applicable to borrowings that are outstanding during the financial year, other than borrowings made specifically for the purpose of financing a specific project-in-progress, in which case the actual borrowing costs incurred on that borrowings less any investment income on temporary investment of that borrowings will be capitalised.

Arising from the Tentative Agenda Decision issued by the IFRS Interpretation Committee relating to the capitalisation of borrowing costs for overtime transfer of constructed good, the Group is required to change its existing accounting policy to cease the capitalisation of borrowing costs on development properties when the assets are ready for their intended sale for reporting period ending 31 December 2021. The Group is currently assessing the potential impact of this change in accounting policy and may opt for early compliance.

4.21 FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. However, this basis does not apply to share-based payment transactions.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;

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

Level 3: Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.22 REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue is recognised by reference to each distinct performance obligation in the contract with customer and is measured at the consideration specified in the contract of which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of sales and service tax, returns, rebates and discounts. Transaction price is allocated to each performance obligation on the basis of the relative standalone selling prices of each distinct good or services promised in the contract.

The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of that asset.

The Group transfers control of a good or service at a point in time unless one of the following overtime criteria is met:-

- The customer simultaneously receives and consumes the benefits provided as the Group performs.
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

(a) Sale of Goods

Revenue from sale of goods is recognised when the Group has transferred control of the goods to the customer, being when the goods have been delivered to the customer and upon its acceptance. Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, and bears the risks of obsolescence and loss in relation to the goods.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(b) Property Development Activities

Revenue from property development is recognised progressively when property development services are rendered and such services do not create an asset with an alternative's use to the Group, and the Group has a present right to payment for services rendered to date. The progress towards complete satisfaction of the performance obligation is measured based on a method that best depicts the Group's performance in satisfying the performance obligation of the contract. This is determined by reference to the property development costs incurred up to the end of the reporting period as a percentage of total estimated costs for complete satisfaction of the contract. Otherwise, revenue is recognised at a point in time upon delivery of property and customer's acceptance, and the Company has a present right to payment for the property sold.

A receivable is recognised when the development activities are carried out as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. When the services rendered exceed the billings to customers, a contract asset is recognised. If the billings exceed the services rendered, a contract liability is recognised.

Notes to the Financial Statements (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.22 REVENUE FROM CONTRACTS WITH CUSTOMERS (CONT'D)

(c) Construction Services

Revenue from construction services is recognised over time in the period in which the services are rendered using the input method, determined based the proportion of construction costs incurred for work performed to date over the estimated total construction costs. Transaction price is computed based on the price specified in the contract and adjusted for any variable consideration such as incentives and penalties. Past experience is used to estimate and provide for the variable consideration, using expected value method and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

A receivable is recognised when the construction services are rendered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. If the construction services rendered exceed the payment received, a contract asset is recognised. If the payments exceed the construction services rendered, a contract liability is recognised.

4.23 OTHER OPERATING INCOME

(a) Interest Income

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

(b) Rental Income

Rental income from investment property is accounted for on a straight-line method over the lease term.

Notes to the Financial Statements (Cont'd)

5. INVESTMENTS IN SUBSIDIARIES

	The Company 2019 RM	2018 RM
Unquoted shares, at cost:-		
At 1 January 2019/1 August 2017	12,575,198	32,959,675
Additions during the financial year/period	249,999	4,699,914
Disposals during the financial year/period	(500,000)	(25,084,391)
At 31 December	12,325,197	12,575,198
Accumulated impairment losses:-		
At 1 January 2019/1 August 2017	(2,000,000)	(17,761,735)
Disposals during the financial year/period	500,000	15,761,735
At 31 December	(1,500,000)	(2,000,000)
	10,825,197	10,575,198

The details of the subsidiaries are as follows:-

Name of Subsidiary	Principal Place of Business/ Country of Incorporation	Percentage of Issued Share Capital Held by Parent 2019 %	2018 %	Principal Activities
Subsidiaries of the Company:-				
Japlo Healthcare Sdn. Bhd. ("JHSB")	Malaysia	-	100	Dormant
O&C Commerce Sdn. Bhd. ("OCSB")	Malaysia	100	100	Dormant
O&C Construction Sdn. Bhd. ("OCCSB")	Malaysia	100	100	Construction of residential and commercial properties and property development
O&C Development (Kuantan) Sdn. Bhd. ("ODKSB")	Malaysia	70	70	Property development and property investment
Tristar City Sdn. Bhd. ("TCSB")	Malaysia	100	100	Construction of residential and commercial properties and property development
Grand Superland Sdn. Bhd. ("GSSB")	Malaysia	100	100	Construction of residential and commercial properties and property development

Notes to the Financial Statements (Cont'd)

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows (Cont'd):-

Name of Subsidiary	Principal Place of Business/ Country of Incorporation	Percentage of Issued Share Capital Held by Parent 2019 %	2018 %	Principal Activities
Subsidiaries of the Company (Cont'd):-				
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 and property investment
Sunrise Meadow Sdn. Bhd. ("SMSB") ^	Malaysia	100	100	Property development and property investment
Kirana Masyhur Sdn. Bhd. ("KMSB")	Malaysia	100	100	Dormant
O&C Properties (Kuantan) . Sdn Bhd. ("OPKSB")	Malaysia	90	90	Property development and property investment
YP O&C Development Sdn. Bhd. ("YPODSB")	Malaysia	100	100	Dormant
Fajar Simfoni Sdn. Bhd. ("FSSB")	Malaysia	100	100	Dormant
Junjung Simfoni Sdn. Bhd. ("JSSB")	Malaysia	100	100	Dormant
Amazing Symphony Sdn. Bhd. ("ASSB")	Malaysia	100	100	Construction of residential and commercial properties and property development
OCR Land Development Sdn. Bhd. ("OLDSB")	Malaysia	100	100	Property development and property investment

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows (Cont'd):-

Name of Subsidiary	Principal Place of Business/ Country of Incorporation	Percentage of Issued Share Capital Held by Parent 2019 %	2018 %	Principal Activities
Subsidiary of KMSB:-				
Mampan Esa (Melaka) Sdn. Bhd. ("MEMSB") ^	Malaysia	50.0005	50.0005	Property and facilities management
Subsidiaries of GSSB:-				
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

^ These subsidiaries were audited by other firms of chartered accountants.

(a) During the financial year,

(i) the Company has subscribed for an additional 249,999 ordinary shares issued by its subsidiary, OLDSB for a total cash consideration of RM249,999; and

(ii) the Company has disposed of its entire equity interest in JHSB. The detail of the disposal is disclosed in Note 30 to the financial statements.

(b) During the previous financial period,

(i) KMSB had entered into Share Sales Agreements to acquire 100,001 ordinary shares representing 50.0005% of the total share capital of MEMSB for a cash consideration of RM100,001. The details of the acquisition are disclosed in Note 32 to the financial statements;

(ii) the Company had subscribed for an additional 4,250,000 ordinary shares issued by its subsidiary, OCCSB for a total cash consideration of RM4,250,000;

(iii) GSSB had acquired the entire share capital of SSSB comprising 1 ordinary share fully paid up for a cash consideration of RM1;

(iv) the Company had acquired the entire share capital of FSSB comprising 1 ordinary share fully paid up for a cash consideration of RM1;

(v) the Company had acquired the entire share capital of JSSB comprising 1 ordinary share fully paid up for a cash consideration of RM1;

(vi) the Company had acquired the entire share capital of ASSB comprising 1 ordinary share fully paid up for a cash consideration of RM1;

(vii) the Company had acquired the entire share capital of OLDSB comprising 1 ordinary share fully paid up for a cash consideration of RM1; and

(viii) the Company had subscribed for an additional 449,910 ordinary shares issued by its subsidiary, OPKSB for a total cash consideration of RM449,910.

Notes to the Financial Statements (Cont'd)

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(c) During the previous financial period, the Company had disposed of its entire equity interest in Takaso Rubber Products Sdn. Bhd. ("TRPSB") and Takaso Industries Pte. Ltd. ("TIPL"). The details of the disposals are disclosed in Note 30 to the financial statements.

(d) Summarised financial information of non-controlling interests has not been presented as the non-controlling interests of the subsidiaries are not individually material to the Group.

6. INVESTMENT IN AN ASSOCIATE

	The Group 2019 RM	The Group 2018 RM
Unquoted shares, at cost	980,000	980,000
Share of post-acquisition reserves	(596,888)	(493,113)
	383,112	486,887

(a) The details of the associate are as follows:-

Name of Associate	Principal Place of Business	Effective Equity Interest 2019 %	Effective Equity Interest 2018 %	Principal Activities
Associate of KMPSB				
AES Builders Sdn. Bhd. ("AES")	Malaysia	49	49	Construction of residential and commercial properties

(b) The Group recognised its share of results of AES based on the unaudited financial statements drawn up to the most recent reporting date, which is 31 December 2019 (2018 - 31 December 2018).

(c) The summarised unaudited financial information of the associate is as follows:-

	AES 2019 RM	AES 2018 RM
At 31 December		
Non-current assets	21,532	29,422
Current assets	3,727,447	2,645,356
Current liabilities	(2,777,760)	(1,491,774)
Net assets	971,219	1,183,004
12-month/17-month Period Ended 31 December		
Revenue	-	-
Loss for the financial year/period/Total comprehensive expenses	(210,746)	(429,989)
(Under)/Overprovision of loss in the previous financial period/year	(1,039)	(193,707)
	(211,785)	(623,696)

6. INVESTMENT IN AN ASSOCIATE (CONT'D)

(c) The summarised unaudited financial information of the associate is as follows (Cont'd):-

	AES	
	2019 RM	2018 RM
Group's share of loss for the financial year/period	(103,775)	(305,611)
<u>Reconciliation of Net Assets to Carrying Amount</u>		
Group's share of net assets above	475,897	579,672
Bargain purchase price on acquisition	(92,785)	(92,785)
Carrying amount of the Group's interests in this associate	383,112	486,887

7. PROPERTY, PLANT AND EQUIPMENT

	<------------------ 1.1.2019 ------------------>					
	As Previously Reported RM	Initial Application of MFRS 16 RM	As Restated RM	Additions (Note 33(a)) RM	Depreciation Charges (Note 27) RM	At 31.12.2019 RM
The Group						
2019						
Carrying Amount						
Motor vehicles	290,428	(268,621)	21,807	-	(21,807)	-
Renovation, furniture and fittings	2,157,976	-	2,157,976	108,764	(658,133)	1,608,607
Software	6,936	-	6,936	1,230	(1,653)	6,513
Tools and equipment	8,187	-	8,187	43,050	(10,973)	40,264
	2,463,527	(268,621)	2,194,906	153,044	(692,566)	1,655,384

Notes to the Financial Statements (Cont'd)

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

The Group	At 1.8.2017 RM	Additions (Note 33(a)) RM	Reclassification RM	Impairment Losses (Note 29) RM	Depreciation Charges (Note 27 & Note 29) RM	Acquisition of A Subsidiary (Note 32) RM	Disposals of Subsidiaries (Note 30) RM	Currency Translation Difference RM	At 31.12.2018 RM
2018									
Carrying Amount									
Freehold land	4,120,000	-	-	-	-	-	(4,120,000)	-	-
Leasehold land	1,143,462	-	-	-	(35,956)	-	(1,107,506)	-	-
Buildings	5,717,849	-	-	-	(124,300)	-	(5,593,549)	-	-
Motor vehicles	1,532,131	473,627	(28,778)	-	(471,444)	-	(1,180,863)	(34,245)	290,428
Plant and machinery	527,415	2,300	-	-	(114,550)	-	(415,165)	-	-
Renovation, furniture and fittings	2,193,547	931,495	-	-	(874,108)	3,736	(90,756)	(5,938)	2,157,976
Software	-	8,160	-	-	(1,224)	-	-	-	6,936
Tools and equipment	1,317,010	55,073	-	(706,392)	(193,643)	560	(464,421)	-	8,187
	16,551,414	1,470,655	(28,778)	(706,392)	(1,815,225)	4,296	(12,972,260)	(40,183)	2,463,527

Notes to the Financial Statements (Cont'd)

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

The Group	At Cost RM	Accumulated Depreciation RM	Accumulated Impairment Losses RM	Carrying Amount RM
2019				
Motor vehicle	155,764	(155,764)	-	-
Renovation, furniture and fittings	3,375,630	(1,767,023)	-	1,608,607
Software	9,390	(2,877)	-	6,513
Tools and equipment	54,348	(14,084)	-	40,264
	3,595,132	(1,939,748)	-	1,655,384
2018				
Motor vehicles	637,920	(347,492)	-	290,428
Renovation, furniture and fittings	3,838,797	(1,418,281)	(262,540)	2,157,976
Software	8,160	(1,224)	-	6,936
Tools and equipment	11,298	(3,111)	-	8,187
	4,496,175	(1,770,108)	(262,540)	2,463,527

The Company	<------------------ 1.1.2019 ------------------>					
	As Previously Reported RM	Initial Application of MFRS 16 RM	As Restated RM	Additions (Note 33(a)) RM	Depreciation Charges (Note 27) RM	At 31.12.2019 RM
2019						
Carrying Amount						
Motor vehicles	152,264	(130,457)	21,807	-	(21,807)	-
Renovation, furniture and fittings	551,460	-	551,460	11,889	(158,670)	404,679
	703,724	(130,457)	573,267	11,889	(180,477)	404,679

Notes to the Financial Statements (Cont'd)

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

The Company	At 1.8.2017 RM	Additions (Note 33(a)) RM	Reclassification RM	Depreciation Charges (Note 27) RM	At 31.12.2018 RM
2018					
Carrying Amount					
Motor vehicles	318,417	-	(28,778)	(137,375)	152,264
Renovation, furniture and fittings	526,069	215,441	-	(190,050)	551,460
	844,486	215,441	(28,778)	(327,425)	703,724

The Company	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
2019			
Motor vehicle	155,764	(155,764)	-
Renovation, furniture and fittings	879,948	(475,269)	404,679
	1,035,712	(631,033)	404,679
2018			
Motor vehicles	453,701	(301,437)	152,264
Renovation, furniture and fittings	868,059	(316,599)	551,460
	1,321,760	(618,036)	703,724

At the end of the previous reporting period, included in the property, plant and equipment of the Group and the Company were motor vehicles with a total carrying amount of RM268,621 and RM130,457, respectively which were acquired under hire purchase terms. These leased assets had been pledged as security for the hire purchase payables of the Group and of the Company as disclosed in Note 24 to the financial statements.

8. INVESTMENT PROPERTY

	The Group/The Company 2019 RM	2018 RM
Carrying Amount		
Cost	2,067,375	2,067,375
Accumulated depreciation:-		
At 1 January 2019/1 August 2017	(213,628)	(155,053)
Depreciation during the financial year/period (Note 27)	(41,349)	(58,575)
At 31 December	(254,977)	(213,628)
	1,812,398	1,853,747
Represented by:-		
Freehold commercial building	1,812,398	1,853,747
Fair value	2,300,000	2,300,000

(a) The investment property has been pledged to a licensed bank as security for banking facilities granted to the Company as disclosed in Note 25 to the financial statements.

(b) The fair value of the investment property is within level 2 of the fair value hierarchy and is arrived at by reference to market evidence of transaction prices for similar properties and recent experience in the locations and category of properties being valued. The most significant input into this valuation approach is the price per square foot of comparable properties.

Notes to the Financial Statements
(Cont'd)

9. RIGHT-OF-USE ASSET

The Group	<------------------- 1.1.2019 As Previously Reported RM	Initial Application of MFRS 16 RM	As Restated RM ------------------->	Additions (Note 33(a)) RM	Depreciation Charges (Note 27) RM	Disposal RM	At 31.12.2019 RM
2019							
Carrying Amount							
Motor vehicles	-	268,621	268,621	505,609	(119,782)	(71,730)	582,718
Analysed by:-							
Cost	782,828						
Accumulated depreciation	(200,110)						
	582,718						
The Company							
2019							
Carrying Amount							
Motor vehicles	-	130,457	130,457	505,609	(82,938)	(71,730)	481,398
Analysed by:-							
Cost	598,609						
Accumulated depreciation	(117,211)						
	481,398						

The comparative information is not presented as the Group has applied MFRS 16 using the modified retrospective approach.

The Group has leases certain motor vehicles under hire purchase arrangement. The leases are secured by the leased assets. The Group has an option to purchase the asset at the expiry of the lease period at an insignificant amount.

Notes to the Financial Statements (Cont'd)

10. INVENTORIES

	Note	The Group 2019 RM	The Group 2018 RM
Non-current			
Lands held for property development	(a)	29,763,528	55,335,703
Current			
Property development costs	(b)	90,373,929	62,501,740
		120,137,457	117,837,443

(a) Lands held for property development

	The Group 2019 RM	The Group 2018 RM
At 1 January 2019/1 August 2017	55,335,703	17,728,339
Additions during the financial year/period	48,678	37,607,364
Transfer to property development costs (Note 10(b))	(25,620,853)	-
At 31 December	29,763,528	55,335,703
Analysed by:		
Land costs	23,631,965	48,219,616
Property development costs	6,131,563	7,116,087
	29,763,528	55,335,703

(i) The lands held for property development with a total carrying amount of RM15,012,965 (2018 - RM24,587,651) have been pledged to a licensed bank as securities for banking facilities granted to the Group as disclosed in Note 25 to the financial statements.

(ii) At the end of the previous reporting period, the borrowing costs capitalised was RM825,136. The capitalisation rate used was 7.95%.

(b) Property development costs

	The Group 2019 RM	The Group 2018 RM
At 1 January 2019/1 August 2017	62,501,740	33,565,422
Additions during the financial year/period	47,310,886	68,284,423
Transfer from property development costs (Note 10(a))	25,620,853	-
Cost transferred to cost to fulfil customer contracts (Note 13)	(45,059,550)	(39,348,105)
At 31 December	90,373,929	62,501,740
Analysed by:-		
Land costs	45,862,347	30,645,270
Property development costs	44,511,582	31,856,470
	90,373,929	62,501,740

Notes to the Financial Statements (Cont'd)

10. INVENTORIES (CONT'D)

(b) Property development costs (Cont'd)

(i) The property development costs with a total carrying amount of RM41,084,906 (2018 - RM21,079,481) have been pledged to licensed banks as securities for banking facility granted to the Group as disclosed in Note 25 to financial statements.

(ii) In accordance with the Joint Venture Agreement ("JVA") with Makok Intl Sdn. Bhd. ("MISB"), OMISB is obliged to pay MISB's entitlement of 50% of the development profit (as defined in the JVA) generated by the development of the parcel of land belonging to MISB progressively. A total entitlement of RM32,226,497 (2018 - RM30,936,748) has been included in the property development costs. As of 31 December 2019, RM32,226,497 (2018 - RM30,936,748) has been recognised as part of land cost payable in Note 20(a) to the financial statements.

(iii) In accordance with the Joint Venture Agreement ("JVA") with Yayasan Pahang, OPKSB is obliged to pay Yayasan Pahang's entitlement a total consideration of RM7,000,000 and a guarantee of RM5,000,000 or 50% of the development profit (as defined in the JVA) whichever is higher generated by the development of the parcel of land belonging to Yayasan Pahang progressively. A total entitlement of RM10,316,703 (2018 - RM9,565,789) has been included in the property development costs. As of 31 December 2019, RM9,953,703 (2018 - RM9,565,789) has been recognised as part of land cost payable in Note 20(a) to the financial statements.

(iv) The borrowing costs capitalised during the financial year was RM3,339,677 (2018 - RM950,368). The capitalisation rate used was ranging from 7.70 to 8.07% (2018 - ranging from 7.96 to 8.07%).

11. TRADE AND OTHER RECEIVABLES

		The Group		The Company	
		2019 RM	2018 RM	2019 RM	2018 RM
Non-current					
Other receivables:-					
Third party	(a)	14,456,076	13,322,938	-	-
Total non-current portion		14,456,076	13,322,938	-	-
Current					
Trade receivables:-					
Third parties		20,641,182	7,363,972	-	-
Related parties		32,307,299	25,030,001	-	-
		52,948,481	32,393,973	-	-
Less: Impairment losses:-					
At 1 January 2019/1 August 2017:					
- As previously reported		(217,682)	(2,378,325)	-	-
- Effects on adoption of MFRS 9		(2,682,261)	-	-	-
- Amount reported under MFRS 9 (2018 - MFRS 139)		(2,899,943)	(2,378,325)	-	-

Notes to the Financial Statements (Cont'd)

11. TRADE AND OTHER RECEIVABLES (CONT'D)

		The Group 2019 RM	The Group 2018 RM	The Company 2019 RM	The Company 2018 RM
Current (Cont'd)					
Addition during the financial year/period		-	(44,749)	-	-
Disposal of subsidiaries		-	2,160,645	-	-
Reversal during the financial year/period		-	44,747	-	-
At 31 December		(2,899,943)	(217,682)	-	-
Total trade receivables	(b)	50,048,538	32,176,291	-	-
Other receivables:-					
Third parties	(c)	25,906,508	15,268,398	10,334,157	4,808,111
Related party	(d)	2,982,083	-	1,937,861	-
Amount owing by subsidiaries	(e)	-	-	90,800,261	86,552,256
Amount owing by an associate	(f)	2,479,466	1,901,731	-	-
Amount owing by a former subsidiary		-	7,199,096	-	7,199,096
		31,368,057	24,369,225	103,072,279	98,559,463
Less: Impairment losses:-					
At 1 January 2019/1 August 2017:					
- As previously reported		(45,798)	(45,798)	(850,000)	(850,000)
- Effects on adoption of MFRS 9		(2,867,526)	-	(1,649,554)	-
- Amount reported under MFRS 9 (2018 - MFRS 139)		(2,913,324)	(45,798)	(2,499,554)	(850,000)
Addition during the financial year/period		(805,060)	-	-	-
		(3,718,384)	(45,798)	(2,499,554)	(850,000)
Total other receivables		27,649,673	24,323,427	100,572,725	97,709,463
Deposits	(g)	20,336,868	22,653,963	27,611	27,611
Less: Impairment losses:-					
At 1 January 2019/1 August 2017:					
- As previously reported		-	-	-	-
- Effects on adoption of MFRS 9		(191,119)	-	-	-
- Amount reported under MFRS 9 (2018 - MFRS 139)		(191,119)	-	-	-
Addition during the financial year/period		(100,000)	-	-	-
		(291,119)	-	-	-
Total deposits		20,045,749	22,653,963	27,611	27,611
Prepayments		596,850	3,138,254	27,359	46,379
Total current portion		98,340,810	82,291,935	100,627,695	97,783,453

Notes to the Financial Statements (Cont'd)

11. TRADE AND OTHER RECEIVABLES (CONT'D)

(a) The amount is receivable from Makok Intl Sdn. Bhd. ("MISB") within 3 years from the date of the Promissory Note or upon completion of the development project under JVA whichever is later or at such other date as may be instructed by OMISB, a subsidiary of the Company. The amount is subject to interest charged proportionately from the interest expense incurred on the basis of the bank loan balance at the end of reporting date.

(b) The Group's normal trade credit terms range from cash term to 30 (2018 - cash term to 21) days. Other credit terms are assessed and approved on a case-by-case basis. Late interest is charged at 10% (2018 - 10%) per annum on the overdue balance.

(c) Included in the other receivables of the Group and of the Company at the end of the reporting period:-

(i) is an amount of RM4,000,000 (2018 - RM4,503,185) being the balance of the disposal consideration in respect of disposal of a subsidiary in the previous financial period;

(ii) is an amount of RM6,119,231 (2018 - Nil) being the balance of the debt novation on the amount owing by a former subsidiary to a third party;

(iii) is an amount of RM8,720,009 (2018 - RM8,720,009) representing unsecured and interest-free advances to a joint venturer for the purpose of a housing development project in Bangi, Selangor Darul Ehsan; and

(iv) is an amount of RM3,805,060 (2018 - Nil) representing amount recoverable from Damansara Realty (Johor) Sdn. Bhd. ("DRJ") in relation to a terminated proposed development of Perumahan Penjawat Awam 1Malaysia ("PPA1M") project located in Putrajaya.

(d) The amount owing by a related party is unsecured, interest-free and repayable on demand. The amount owing is to be settled in cash.

(e) The amount owing by subsidiaries is non-trade in nature, unsecured, interest-free and repayable on demand. The amount owing is to be settled in cash.

(f) The amount owing by an associate is non-trade in nature, unsecured, interest-free and repayable on demand. The amount owing is to be settled in cash.

(g) (i) Included in deposits of the Group at the end of reporting period:-

- is an amount of RM5,000,000 (2018 - RM5,000,000) representing deposit paid by ODKSB upon execution of the Joint Venture Agreement with SSPP Development Sdn. Bhd. in relation to a proposed development on a parcel of land in Bandar Kuantan, Kuantan, Pahang;
- is an amount of RM936,007 (2018 - RM936,007) representing a performance bond made to a company in which a director of the Company has a substantial financial interest for a construction contract awarded to the Group; and
- is an amount of RM10,900,000 (2018 - RM10,900,000) representing refundable earnest deposit paid to a lawyer as a stakeholder sum for the proposed acquisition of a company with landed properties; and
- is an amount of RM3,000,000 (2018 - Nil) representing deposit paid by ASSB upon execution of the Joint Venture Agreeement with Duta Skyline Sdn. Bhd., a wholly-owned subsidiary of Seacera Group Berhad to develop a parcel of freehold land in Semenyih, Daerah Ulu Langat, Selangor Darul Ehsan.

(ii) Included in deposits of the Group at the end of previous reporting period was an amount of RM3,180,000 representing total deposits paid by OCCSB upon execution of Joint Development Agreement ("JDA") with Damansara Realty (Johor) Sdn. Bhd. ("DRJ") in relation to a proposed development of Perumahan Penjawat Awam 1Malaysia ("PPA1M") project located in Putrajaya, the amount has been reclassified to other receivables upon termination of the project.

Notes to the Financial Statements (Cont'd)

12. DEFERRED TAX ASSETS/(LIABILITY)

	The Group		The Company	
	2019 RM	2018 RM	2019 RM	2018 RM
At 1 January 2019/1 August 2017	577,441	162,000	-	-
Acquisition of a subsidiary (Note 32)	-	(179,286)	-	-
Disposals of subsidiaries (Note 30)	-	258,000	-	-
Recognised in profit or loss (Note 28)	1,765,451	336,727	1,255,513	-
At 31 December	2,342,892	577,441	1,255,513	-
Represented by:				
Deferred tax assets	2,522,178	756,727	1,255,513	-
Deferred tax liability	(179,286)	(179,286)	-	-
At 31 December	2,342,892	577,441	1,255,513	-

The deferred tax assets/(liability) are attributable to the following:-

	The Group		The Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Deferred tax assets:				
Unused tax losses	1,255,513	-	1,255,513	-
Property development profits	1,266,665	756,727	-	-
	2,522,178	756,727	1,255,513	-
Deferred tax liability:				
Fair value adjustment on a property through acquisition of a subsidiary	(179,286)	(179,286)	-	-

The deferred tax asset arising from unused tax losses is recognised based on the 5 years financial projection from the financial year ending 31 December 2020 to 31 December 2024, as the directors are of the view that sufficient taxable profit will be available against which the deferred tax asset can be utilised. The unused tax losses are allowed to be utilised for 7 consecutive years of assessment.

No deferred tax assets are recognised in respect of the below items as it is not probable that taxable profits of the subsidiaries will be available against which the deductible temporary differences can be utilised:

	The Group	
	2019 RM	2018 RM
Accelerated capital allowances	(18,012)	(1,304)
Unused tax losses	1,826,471	9,214,296
Unabsorbed capital allowances	284,733	794,617
Other deductible timing differences	-	347,000
	2,093,192	10,354,609

The unused tax losses are allowed to be utilised for 7 consecutive years of assessment while the unabsorbed capital allowances are allowed to be carried forward indefinitely.

Notes to the Financial Statements (Cont'd)

13. CONTRACT COSTS

	The Group 2019 RM	The Group 2018 RM
Incremental costs of obtaining a contract	15,682,595	13,300,676
Costs to fulfil a contract	19,108,776	14,962,486
	34,791,371	28,263,162

(a) Cost to obtain a contract primarily comprises sales commission and other incremental costs paid to secure sales contracts for the Group's property development activities. This contract cost is recoverable and amortised over the period in which the related revenue is expected to be recognised.

(b) Cost to fulfil a contract primarily comprises land and related development costs that are attributable to the properties units sold. These costs are expected to be recoverable and are amortised to profit or loss when the related revenue is recognised.

14. CONTRACT ASSETS/(LIABILITY)

		The Group 2019 RM	The Group 2018 RM
Property development activities			
At 1 January 2019/1 August 2017		1,519,808	-
Property development revenue recognised in profit or loss during the financial year/period		49,264,891	30,503,592
Billings to customers during the financial year/period		(27,686,895)	(28,983,784)
At 31 December	(a)	23,097,804	1,519,808
Construction activities			
At 1 January 2019/1 August 2017		1,719,328	22,456,264
Construction revenue recognised in profit or loss during the financial year/period		32,601,218	11,836,520
Billings to customers during the financial year/period		(30,269,077)	(32,573,456)
At 31 December	(b)	4,051,469	1,719,328
		27,149,273	3,239,136
Represented by:-			
Contract assets		27,149,273	5,501,094
Contract liability		-	(2,261,958)
		27,149,273	3,239,136

14. CONTRACT ASSETS/(LIABILITY) (CONT'D)

(a) Property development activities

(i) The contract assets primarily relate to the Group's rights to consideration for property development work completed on contracts but not yet billed at the reporting date.

(ii) The transaction price allocated to the remaining performance obligations that are unsatisfied or partially unsatisfied as at the end of the reporting period is RM157,209,454 (2018 - RM103,817,948) and the Group will recognise this revenue when the property development works are completed, which is expected to occur over the next 2 years (2018 - 3 years).

(b) Construction activities

(i) The contract assets and liability represent the timing differences in revenue recognition and the milestone billings in respect of the construction activities.

(ii) The transaction price allocated to the unsatisfied or partially unsatisfied performance obligations of long-term contracts as at the end of the reporting period is RM132,045,035 (2018 - RM93,385,708) and the Group will recognise this revenue when the construction works are completed, which is expected to occur over the next 3 years (2018 - 4 years).

15. FIXED DEPOSITS WITH LICENSED BANKS

(a) The fixed deposits with licensed banks of the Group and of the Company at the end of the reporting period bore effective interest rates ranging from 2.90% to 3.25 % (2018 - 3.15% to 3.25%) per annum and 3.25% (2018 - 3.25%) per annum respectively. The fixed deposits have maturity periods ranging from 1 to 12 (2018 - 12) months and 12 (2018 - 12) months for the Group and the Company respectively.

(b) The fixed deposits with licensed banks of the Group and of the Company at the end of the reporting period have been pledged to the licensed banks as security for banking facilities granted to the Group and the Company as disclosed in Note 21(a), Note 21(b) and Note 22.

16. SHARE CAPITAL

	The Group/The Company			
	2019	2018	2019	2018
	Number Of Shares		RM	RM
Issued And Fully Paid-Up				
Ordinary Shares				
At 1 January 2019/1 August 2017	292,465,219	257,127,519	88,457,091	68,745,171
Issuance of shares pursuant to:-				
- SIS	-	8,500,000	-	2,805,000
- Warrants D	4,571	-	1,006	-
- ICPS	-	270,000	-	90,000
- Private placement	29,239,000	26,567,700	8,186,920	15,940,620
Conversion of ICPS	9,099,840	-	4,549,920	45,000
Transfer from SIS reserve upon SIS exercised	-	-	-	831,300
Transfer from share premium account (Note 18(b))	-	-	18,125,610	-
At 31 December	330,808,630	292,465,219	119,320,547	88,457,091

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.

Notes to the Financial Statements (Cont'd)

17. IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES ("ICPS")

	The Group/The Company			
	2019	2018	2019	2018
	Number Of Shares		RM	RM
Issued And Fully Paid-Up				
ICPS				
At 1 January 2019/1 August 2017	643,743,897	644,643,897	32,187,195	32,232,195
Conversion to ordinary share capital	(90,998,400)	(900,000)	(4,549,920)	(45,000)
At 31 December	552,745,497	643,743,897	27,637,275	32,187,195

The salient terms of ICPS are as follows:-

(a) Dividend rate — No dividend shall be paid during the tenure of the ICPS, unless otherwise declared by the Company.

The Company shall have the discretion to decide whether to declare any dividend. Dividend, if declared, shall be in priority over all ordinary shares of our Company, where the dividend rate is a non-cumulative preference dividend rate of 5% per annum calculated based on the nominal value of the ICPS, to be declared and payable annually in arrears.

(b) Tenure — Five (5) years commencing from and inclusive of the date of issue of the ICPS.

(c) Maturity date — The day immediately preceding the fifth (5th) anniversary from the date of issue of the ICPS. If such a day falls on a non-market day, then the maturity date would be the preceding market day.

(d) Conversion rights
- (i) Each ICPS carries the entitlement to be converted into new OCR Shares at the Conversion Ratio through the surrender of the ICPS.
- (ii) No adjustment to the Conversion Price shall be made for any declared and unpaid dividends on the ICPS surrendered for conversion.
- (iii) If the conversion results in a fractional entitlement to ordinary shares of our Company, such fractional entitlement shall be disregarded and no refund or credit, whether in the form of the ICPS, cash or otherwise, shall be given in respect of the disregarded fractional entitlement.

(e) Conversion period
- (i) The ICPS may be converted at any time within five (5) years commencing on and including the date of issue of the ICPS up to and including the maturity date, as determined by the Conversion Ratio and Conversion Price.
- (ii) Any remaining ICPS that are not converted by the maturity date shall be automatically converted into new ordinary share of the Company ("OCR Share") at the conversion ratio of ten (10) ICPS to be converted into one (1) new OCR Share.

(f) Conversion ratio and conversion price — The Conversion Ratio and Conversion Price have been fixed at either ten (10) ICPS to be converted into one (1) new OCR Share or a combination of one (1) ICPS and RM0.45 in cash for one (1) new OCR Share.

18. RESERVES

		The Group		The Company	
		2019 RM	2018 RM	2019 RM	2018 RM
Warrant reserve	(a)	890,326	890,326	890,326	890,326
Share premium	(b)	-	18,125,610	-	18,125,610
Accumulated losses		(23,443,823)	(26,628,581)	(37,438,747)	(34,375,587)
		(22,553,497)	(7,612,645)	(36,548,421)	(15,359,651)

(a) Warrant Reserve

The warrant reserve relates to the portion of proceeds from the rights shares issue ascribed to the attached warrants. As and when the warrants are exercised, the related balance in the warrant reserve will be transferred to the share capital account. Each warrant carries the right to subscribe for one (1) new ordinary share in the capital of the Company at an exercise price of RM0.50. The warrants will expire on 24 July 2021. At the expiry of the warrants, the balance in the warrant reserve will be transferred to retained profits.

(b) Share Premium

The movement of the share premium of the Group and of the Company is as follows:

	The Group/The Company	
	2019 RM	2018 RM
At 1 January 2019/1 August 2017	18,125,610	18,475,142
Transfer to share capital (Note 16)	(18,125,610)	-
Expenses incurred for private placement	-	(349,532)
At 31 December	-	18,125,610

During the current financial year, the credit balance in the share premium account was transferred to the Company's share capital upon the expiry of the transitional provisions as allowed for under Section 618(3) of the Companies Act 2016. The Company did not utilise the share premium during the transitional period.

19. LONG-TERM BORROWINGS

		The Group		The Company	
	Note	2019 RM	2018 RM	2019 RM	2018 RM
Lease liabilities	23	531,102	-	459,307	-
Hire purchase payables	24	-	208,855	-	98,587
Term loans	25	38,681,798	38,610,232	280,318	363,736
		39,212,900	38,819,087	739,625	462,323

Notes to the Financial Statements (Cont'd)

20. TRADE AND OTHER PAYABLES

	Note	The Group 2019 RM	The Group 2018 RM	The Company 2019 RM	The Company 2018 RM
Non-current					
Other payables:-					
Land cost payables	(a)	42,180,200	40,502,537	-	-
Total non-current portion		42,180,200	40,502,537	-	-
Current					
Trade payables:-					
Third parties	(b)	42,950,958	23,344,799	-	-
Retention sum		4,980,036	2,203,432	-	-
		47,930,994	25,548,231	-	-
Other payables:-					
Third parties	(c)	11,263,134	9,312,193	205,720	236,830
Amount owing to related parties	(d)	2,582,482	114,107	-	-
Amount owing to directors	(e)	96,539	18,539	76,000	18,000
Deposits		4,586,658	4,441,017	-	15,600
Accruals	(f)	7,905,027	7,307,777	243,576	259,319
		26,433,840	21,193,633	525,296	529,749
Total current portion		74,364,834	46,741,864	525,296	529,749
		116,545,034	87,244,401	525,296	529,749

(a) The land cost payables represented land proprietary entitlement of 50% on the development profits as disclosed in Notes 10(b)(ii) and 10(b)(iii).

(b) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from cash term to 5 (2018 - cash term to 5) months.

(c) Included in other payables of the Group at the end of the financial period is an amount of approximately RM2,941,000 (2018 - RM2,500,000) representing advance payments from house buyers.

(d) The amount owing to related parties is non-trade in nature, unsecured, interest-free and repayable on demand. The amount owing is to be settled in cash.

(e) The amount owing to directors is non-trade in nature, unsecured, interest-free and repayable on demand. The amount owing is to be settled in cash.

(f) Included in accruals of the Group at the end of the reporting period:-

(i) is an amount of RM3,054,448 (2018 - RM806,010) incurred for construction work in relation to a mixed development comprising commercial development and an affordable housing scheme known as "PRIYA Scheme".

(ii) is an amount of RM811,168 (2018 - RM2,375,100) incurred for construction work in relation to a housing and commercial development known as "Isola KLCC".

Notes to the Financial Statements (Cont'd)

21. SHORT-TERM BORROWINGS

	Note	The Group 2019 RM	The Group 2018 RM	The Company 2019 RM	The Company 2018 RM
Lease liabilities	23	117,485	-	79,012	-
Hire purchase payables	24	-	82,648	-	46,043
Term loans	25	14,172,176	5,497,640	79,978	75,640
Revolving credit	(a)	15,000,000	15,000,000	15,000,000	15,000,000
Trust receipts	(b)	4,490,930	3,688,945	-	-
		33,780,591	24,269,233	15,158,990	15,121,683

(a) The revolving credit of the Group and of the Company at the end of the reporting period bore floating interest rate of 5.82% (2018 - 6.11%) per annum and is secured by a personal guarantee of a director of the Company and fixed deposits with licensed banks as disclosed in Note 15 to the financial statements.

(b) The trust receipts of the Group at the end of the reporting period bore floating interest rate of 8.20% (2018 - 8.40%) per annum and 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.

22. BANK OVERDRAFTS

(a) The bank overdrafts of the Group at the end of reporting period bore floating interest rates ranging from 7.70% to 8.45% (2018 - 8.20%) per annum.

(b) 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 commercial lands in Daerah Melaka Tengah, Negeri Melaka;

(iii) a first party deed of assignment and charge over the surplus sales proceeds in respect of the proposed development as well as all monies available in the designated account;

(iv) fixed deposits with licensed banks as disclosed in Note 15 to the financial statements; and

(v) a corporate guarantee of the Company.

Notes to the Financial Statements (Cont'd)

23. LEASE LIABILITIES

	The Group 2019 RM	The Company 2019 RM
At 1 January		
- As previously reported	-	-
- Initial application of MFRS 16	291,503	144,630
- As restated	291,503	144,630
Addition during the financial year	520,000	520,000
Interest expense recognised in profit or loss (Note 27)	22,199	16,047
Repayment of principal	(162,916)	(126,311)
Repayment of interest expense	(22,199)	(16,047)
At 31 December	648,587	538,319
Analysed by:-		
Current liabilities (Note 21)	117,485	79,012
Non-current liabilities (Note 19)	531,102	459,307
	648,587	538,319

The comparative information is not presented as the Group has applied MFRS 16 using the modified retrospective approach.

The lease liabilities of the Group are secured by the Group's motor vehicles under the hire purchase arrangements as disclosed in Note 9 to the financial statements, with lease terms ranging from 3 to 7 years and bear effective interest rates ranging from 4.55% to 7.12%.

Notes to the Financial Statements (Cont'd)

24. HIRE PURCHASE PAYABLES

	The Group 2019 RM	The Company 2019 RM
Minimum hire purchase payments:		
- not later than 1 year	96,156	53,400
- later than 1 year and not later than 5 years	223,934	106,385
	320,090	159,785
Less: Future finance charges	(28,587)	(15,155)
Present value of hire purchase payables	291,503	144,630
Analysed by:-		
Current liabilities (Note 21)	82,648	46,043
Non-current liabilities (Note 19)	208,855	98,587
	291,503	144,630

(a) The hire purchase payables have been represented as 'lease liabilities' as shown in Note 23 to the financial statements following the application of MFRS 16 by the Group using the modified retrospective approach.

(b) At the end of the previous reporting period, the hire purchase payables of the Group and of the Company were secured by the Group's and the Company's motor vehicles under finance leases as disclosed in Note 7 to the financial statements. The hire purchase arrangements were expiring from 3 to 5 years.

(c) At the end of the previous reporting period, the hire purchase payables of the Group and the Company bore effective interest rates ranging from 4.73% to 7.14% and 5.26% to 7.14% per annum, respectively. The interest rates were fixed at the inception of the hire purchase arrangements.

25. TERM LOANS

	The Group		The Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Current liabilities (Note 21)	14,172,176	5,497,640	79,978	75,640
Non-current liabilities (Note 19)	38,681,798	38,610,232	280,318	363,736
	52,853,974	44,107,872	360,296	439,376

Notes to the Financial Statements (Cont'd)

25. TERM LOANS (CONT'D)

The repayment terms of the term loans are as follows:-

Term loan	Effective interest rate	Number of monthly instalment	Monthly instalment amount RM	Date of commencement of repayment	The Group Amount outstanding 2019 RM	The Group Amount outstanding 2018 RM	The Company Amount outstanding 2019 RM	The Company Amount outstanding 2018 RM
1	4.70% (2018 - 4.65%)	120	8,330	1 October 2013	360,296	439,376	360,296	439,376
2	7.82% (2018 - 8.07%)	24	417,000 or repayment via redemption sum per unit	5 May 2018	1,064,116	6,519,920	-	-
3	7.82% (2018 - 8.07%)	50	209,000 or repayment via redemption sum per unit	1 October 2017	4,822,202	5,240,202	-	-
4	7.82% (2018 - 8.07%)	34	1,500,000 or repayment via redemption sum per unit	5 May 2018	28,217,945	13,608,374	-	-
5	7.70% (2018 - 7.95%)	48	446,328	June 2021	18,300,000	18,300,000	-	-
6	7.20%	60	1,996	1 April 2019	89,415	-	-	-
					52,853,974	44,107,872	360,296	439,376

25. TERM LOANS (CONT'D)

Term loan 1 is secured by:-

(a) a fixed charge over the investment property as disclosed in Note 8 to the financial statements; and

(b) a corporate guarantee of the Company.

Term loans 2, 3 and 4 are secured by:-

(a) a legal charge over a freehold land located in Mukim of Kuala Lumpur as disclosed in Note 10(b) to the financial statements; and

(b) a personal guarantee of a director of the Company and a third party; and

(c) a corporate guarantee of the Company.

Term loan 5 is secured by:-

(a) a legal charge over a freehold land located in Mukim Bandar Petaling Jaya, Daerah Petaling, Negeri Selangor as disclosed in Note 10(b) to the financial statements;

(b) a personal guarantee of a director of the Company; and

(c) a corporate guarantee of the Company.

Term loan 6 is secured by:-

(a) a third party specific debenture by way of fixed and floating charge over two pieces of leasehold commercial lands located in Mukim Kawasan Bandar XXXIX, Daerah Melaka Tengah, Negeri Melaka as disclosed in Note 10(a) to the financial statements;

(b) a first party deed of assignment and charge over the surplus sales proceeds in respect of the proposed development as well as all monies available in the designated account; and

(c) a corporate guarantee of the Company.

26. REVENUE

	The Group		The Company	
	1.1.2019 to 31.12.2019 RM	1.8.2017 to 31.12.2018 RM	1.1.2019 to 31.12.2019 RM	1.8.2017 to 31.12.2018 RM
Revenue from Contracts with Customers				
Construction contracts	32,601,218	11,836,520	-	-
Project management services	-	2,128,500	-	-
Property development activities	49,264,891	30,503,592	-	-
	81,866,109	44,468,612	-	-
Revenue from Other Sources				
Management fee	-	-	2,933,491	-
	81,866,109	44,468,612	2,933,491	-

The other information on the disaggregation of revenue is disclosed in Note 36 to the financial statements.

Notes to the Financial Statements (Cont'd)

27. PROFIT/(LOSS) BEFORE TAXATION

	The Group		The Company	
	1.1.2019 to 31.12.2019 RM	1.8.2017 to 31.12.2018 RM	1.1.2019 to 31.12.2019 RM	1.8.2017 to 31.12.2018 RM
Profit/(Loss) before taxation is arrived at after charging/(crediting):-				
Auditors' remuneration:				
- audit fees:				
- auditors of the Company	171,500	152,688	50,000	45,000
- other auditors	6,700	11,150	-	-
- (over)/underprovision in the previous financial period/year	(1,000)	39,000	-	5,000
- non-statutory audit	12,000	40,800	12,000	-
Depreciation of:				
- property, plant and equipment (Note 7)	692,566	1,016,934	180,477	327,425
- investment property (Note 8)	41,349	58,575	41,349	58,575
- right-of-use asset (Note 9)	119,782	-	82,938	-
Directors' remuneration (Note 34)	902,524	1,132,174	902,524	1,132,174
Impairment losses on trade and other receivables	905,060	-	-	-
Interest expense on financial liabilities that are not at fair value through profit or loss:				
- bank overdrafts	395,830	555,985	-	-
- hire purchase	-	25,539	-	15,222
- term loans	25,149	1,137,582	19,754	32,892
- others	1,265,088	886,968	935,956	769,770
Interest expense on lease liabilities (Note 23)	22,199	-	16,047	-
Rental expenses of:				
- short-term leases	420,000	-	-	-
- equipment	22,440	30,480	19,800	26,400
- premises	102,100	769,580	100	-
Staff costs (including other key management personnel as disclosed in Note 34):				
- short term employee benefits	3,733,252	9,769,903	2,508,931	6,620,067
- defined contribution benefits	428,538	1,133,566	290,330	762,284
(Gain)/Loss on disposal of subsidiaries (Note 30)	(1,258,818)	(5,486,952)	(1)	3,922,657
Gain on disposal of right-of-use asset	(18,272)	-	(18,272)	-
Interest income	(1,316,259)	(909,563)	(332,846)	(322,011)
Rental income	(119,000)	(137,000)	(52,000)	(52,000)

28. INCOME TAX EXPENSE

	The Group		The Company	
	1.1.2019 to 31.12.2019 RM	1.8.2017 to 31.12.2018 RM	1.1.2019 to 31.12.2019 RM	1.8.2017 to 31.12.2018 RM
Current tax:				
- in the current financial year/period	2,861,542	1,708,400	-	-
- underprovision in the previous financial period/year	511,731	122,204	-	-
	3,373,273	1,830,604	-	-
Deferred tax (Note 12):				
- origination and reversal of temporary differences	(1,765,451)	(369,000)	(1,255,513)	-
- underprovision in the previous financial period/year	-	32,273	-	-
	(1,765,451)	(336,727)	(1,255,513)	-
	1,607,822	1,493,877	(1,255,513)	-

Notes to the Financial Statements (Cont'd)

28. INCOME TAX EXPENSE (CONT'D)

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

	The Group		The Company	
	1.1.2019 to 31.12.2019 RM	1.8.2017 to 31.12.2018 RM	1.1.2019 to 31.12.2019 RM	1.8.2017 to 31.12.2018 RM
Profit/(Loss) before taxation	10,597,971	(10,234,371)	(2,669,119)	(10,855,471)
Tax at the statutory tax rate of 24% (2018 - 24%)	2,543,513	(2,456,249)	(640,589)	(2,605,313)
Tax effects of:-				
Non-taxable income	(293,719)	-	-	-
Non-deductible expenses	1,027,997	2,859,279	363,200	2,605,313
Deferred tax assets not recognised during the financial year/period	-	949,281	-	-
Utilisation of deferred tax assets previously not recognised	(693,638)	(12,911)	-	-
Recognition of previously unrecognised tax losses	(1,488,062)	-	(978,124)	-
Underprovision of income tax in the previous financial period/year	511,731	122,204	-	-
Underprovision of deferred taxation in the previous financial period/year	-	32,273	-	-
Income tax expense for the financial year/period	1,607,822	1,493,877	(1,255,513)	-

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2018 - 24%) of the estimated assessable profit for the financial year/period.

29. PROFIT AFTER TAXATION FROM DISCONTINUED OPERATIONS

During the previous financial period, the Group had disposed of its wholly-owned subsidiaries as disclosed in Note 5 to the financial statements. The decision was consistent with the Group's strategy to focus on its existing business of property development and construction business.

An analysis of the results of the discontinued operations was as follows:-

	The Group 1.8.2017 to 31.12.2018 RM
Revenue	25,783,031
Cost of sales	(19,572,476)
Gross profit	6,210,555
Other income	382,763
	6,593,318
Distribution costs	(800,680)
Administrative expenses	(5,714,902)
Other expenses	(987,689)
Finance costs	(178,394)
Results from operating activities	(1,088,347)
Income tax expense	-
Results from operating activities, net of tax	(1,088,347)
Gain on disposal of discontinued operations	5,486,952
Profit after taxation from discontinued operations	4,398,605
Attributable to:-	
Owners of the Company	4,398,605

Notes to the Financial Statements (Cont'd)

29. PROFIT AFTER TAXATION FROM DISCONTINUED OPERATIONS (CONT'D)

(a) Included in loss before taxation from the discontinued operations were the following:-

	The Group 1.8.2017 to 31.12.2018 RM
Auditors' remuneration	
- other auditors	6,416
Bad debts written off	79,470
Depreciation of property, plant and equipment (Note 7)	798,291
Directors' remuneration (Note 34)	162,400
Impairment losses on:	
- property, plant and equipment (Note 7)	706,392
- trade receivables (Note 11)	44,749
Realised loss on foreign exchange	8,347
Rental of:	
- equipment	204,538
- motor vehicles	13,088
- premises	327,512
Staff costs:	
- defined contribution benefits	602,970
- short term employee benefits	5,218,238
Interest expense on financial liabilities not at fair value through profit or loss:	
- bank overdrafts	79,580
- hire purchase	50,206
- factoring loan	48,608
Bad debts recovered	(2,425)
Interest income	(18)
Reversal of impairment loss on trade receivables	(44,747)
Rental income	(22,000)

(b) The cash flows attributable to the discontinued operations are the following:-

	The Group 1.8.2017 to 31.12.2018 RM
Net cash from operation activities	168,424
Net cash for investing activities	(359,155)
Net cash from financing activities	333,693
Net cash from discontinued operations	142,962

Notes to the Financial Statements
(Cont'd)

30. DISPOSALS OF SUBSIDIARIES

(a) On 24 October 2019, the Company disposed its entire shareholding of 500,000 ordinary shares in its wholly-owned subsidiary, Japlo Healthcare Sdn. Bhd. ("JHSB") to Takaso Rubber Products Sdn. Bhd. for a total cash consideration of RM1 and consequently, JHSB ceased to be subsidiary of the Company.

(b) On 26 April 2018, the Company entered into a Shares Sale Agreement with Choo Peng Hung to dispose of its entire shareholding of 100,000 ordinary shares in its wholly-owned subsidiary, Takaso Industries Pte. Ltd. ("TIPL") for a total cash consideration of RM4,400,000 and consequently, TIPL and its subsidiary, P.T. Takaso Indonesia Global Manufacturing ceased to be subsidiaries of the Company.

(c) On 12 June 2018, the Company entered into a Shares Sale Agreement with Ooi Joul Sion to dispose of its entire shareholding of 8,000,000 ordinary shares in its wholly-owned subsidiary, Takaso Rubber Products Sdn. Bhd. ("TRPSB") for a total cash consideration of RM8,000,000 and consequently, TRPSB and its subsidiary, Takaso Marketing Sdn. Bhd. ceased to be subsidiaries of the Company.

The financial effects of the disposals at the date of disposal are summarised as below:-

	The Group		The Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Investments in subsidiaries	-	-	-	9,322,657
Property, plant and equipment	-	12,972,260	-	-
Inventories	-	5,028,468	-	-
Trade and other receivables	300	6,337,711	-	-
Amount owing by a subsidiary	-	-	-	7,000,000
Cash and bank balances	188	2,088,200	-	-
Current tax assets	-	24,545	-	-
Trade and other payables	(1,259,305)	(14,666,114)	-	-
Deferred tax liabilities	-	(258,000)	-	-
Factoring loan	-	(2,074,246)	-	-
Hire purchase payables	-	(1,043,382)	-	-
Bank overdraft	-	(1,101,781)	-	-
Carrying amount of net assets disposed of	(1,258,817)	7,307,661	-	16,322,657
Foreign exchange translation reserve	-	(394,613)	-	-
Gain/(Loss) on disposal of subsidiaries (Note 27)	1,258,818	5,486,952	1	(3,922,657)
Consideration	1	12,400,000	1	12,400,000
Less: Cash and cash equivalents of subsidiaries disposed of	(188)	(986,419)	-	-
Less: Balance disposal consideration, to be settled by cash	-	(4,503,185)	-	(4,503,185)
Net cash (outflow)/inflow on disposal of subsidiaries	(187)	6,910,396	1	7,896,815

Notes to the Financial Statements (Cont'd)

31. EARNINGS/(LOSS) PER SHARE

(a) Basic

	The Group 1.1.2019 to 31.12.2019	The Group 1.8.2017 to 31.12.2018
Continuing operations		
Profit/(Loss) attributable to owners of the Company (RM)	8,880,697	(11,435,352)
Weighted average number of ordinary shares in issue:-		
Ordinary shares at 1 January 2019/1 August 2017	292,465,219	257,127,519
Effect of SIS	-	8,499,997
Effect of Warrants D	1,528	-
Effect of ICPS	3,886,542	187,490
Effect of private placement	29,238,996	23,439,073
Weighted average number of ordinary shares at 31 December	325,592,285	289,254,079
Basic earnings/(loss) per share (Sen)	2.73	(3.95)
Discontinued operations		
Profit attributable to owners of the Company (RM)	-	4,398,605
Weighted average number of ordinary shares in issue:-		
Ordinary shares at 1 January 2019/1 August 2017	-	257,127,519
Effect of SIS	-	8,499,997
Effect of ICPS	-	187,490
Effect of private placement	-	23,439,073
Weighted average number of ordinary shares at 31 December	-	289,254,079
Basic earnings per share (Sen)	-	1.52

31. EARNINGS/(LOSS) PER SHARE (CONT'D)

(b) Diluted

	The Group 1.1.2019 to 31.12.2019	The Group 1.8.2017 to 31.12.2018
Continuing operations		
Profit/(Loss) attributable to owners of the Company (RM)	8,880,697	(11,435,352)
Weighted average number of ordinary shares for basic of earnings/(loss) per share	325,592,285	289,254,079
Effect of potential conversion of ICPS	60,487,849	64,438,222
Effect of potential conversion of Warrant D	14,888,332	-
Weighted average number of ordinary shares at 31 December	400,968,466	353,692,301
Diluted earnings/(loss) per share (Sen)	2.21	(3.23)
Discontinued operations		
Profit attributable to owners of the Company (RM)	-	4,398,605
Weighted average number of ordinary shares for basic of loss per share	-	289,254,079
Effect of potential conversion of ICPS	-	64,438,222
Weighted average number of ordinary shares at 31 December	-	353,692,301
Diluted earnings per share (Sen)	-	1.24

Notes to the Financial Statements (Cont'd)

32. ACQUISITION OF A SUBSIDIARY

On 28 September 2017, KMSB acquired 50.0005% equity interests in Mampan Esa (Melaka) Sdn. Bhd.. The acquisition of this subsidiary is to enable the Group to expand its business operations.

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

	The Group 2018 RM
Property, plant and equipment	4,296
Inventories	10,712,649
Other receivables	20,000
Cash and bank balances	979,560
Other payables	(12,231,064)
Deferred tax liability	(179,286)
Net identifiable liabilities	(693,845)
Add: Non-controlling interest, measured at the proportionate share of fair value of the net identifiable net assets	346,919
Add: Goodwill on acquisition	446,927
Purchase consideration - to be settled by cash	100,001
Less: Cash and cash equivalents of a subsidiary acquired	(979,560)
Net cash inflow of acquisition of a subsidiary	(879,559)

(a) At the end of previous reporting period, the subsidiary had contributed loss after taxation of RM63,533 to the Group since the date of acquisition.

If the acquisition was effective at the beginning of the previous financial period, the Group's loss after taxation for the previous financial period would have been RM128,587.

(b) During the previous financial period, the Company has acquired five subsidiaries with an issued and paid up share capital of RM1 for cash consideration of RM1 each subsidiary.

(c) There are no acquisitions of new subsidiaries during the current financial year.

33. CASH FLOW INFORMATION

(a) The cash disbursed for the purchase of property, plant and equipment and the addition of right-of-use asset is as follows:-

	The Group		The Company	
	1.1.2019 to 31.12.2019 RM	1.8.2017 to 31.12.2018 RM	1.1.2019 to 31.12.2019 RM	1.8.2017 to 31.12.2018 RM
Property, plant and equipment				
Cost of property, plant and equipment purchased (Note 7)	153,044	1,470,655	11,889	215,441
Less: Amount financed through hire purchase (Note (b) below)	-	(184,219)	-	-
	153,044	1,286,436	11,889	215,441
Right-of-use asset				
Cost of right-of-use asset acquired (Note 9)	505,609	-	505,609	-
Less: Addition of new lease liabilities (Note (b) below)	(505,609)	-	(505,609)	-
	-	-	-	-

33. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows:-

The Group	Term Loans RM	Hire Purchase RM	Lease Liabilities RM	Revolving Credit RM	Trust Receipts RM	Total RM
2019						
At 1 January, as previously reported	44,107,872	291,503	-	15,000,000	3,688,945	63,088,320
Effects on adoption of MFRS 16	-	(291,503)	291,503	-	-	-
At 1 January, as restated	44,107,872	-	291,503	15,000,000	3,688,945	63,088,320
Changes in Financing Cash Flows						
Proceeds from drawdown	14,709,571	-	-	-	801,985	15,511,556
Repayment of principal	(5,963,469)	-	(148,525)	-	-	(6,111,994)
Repayment of interests	(3,210,461)	-	(22,199)	(935,956)	(329,132)	(4,497,748)
	5,535,641	-	(170,724)	(935,956)	472,853	4,901,814
Non-cash Changes						
Acquisition of new leases	-	-	505,609	-	-	505,609
Interest expense recognised in profit or loss (Note 27)	25,149	-	22,199	935,956	329,132	1,312,436
Interest expense capitalised under property development costs	3,185,312	-	-	-	-	3,185,312
	3,210,461	-	527,808	935,956	329,132	5,003,357
At 31 December	52,853,974	-	648,587	15,000,000	4,490,930	72,993,491

33. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows (Cont'd):-

The Group	Term Loans RM	Hire Purchase RM	Revolving Credit RM	Factoring Loan RM	Trust Receipts RM	Total RM
2018						
At 1 August 2017	10,542,702	1,241,639	-	1,736,295	-	13,520,636
Changes in Financing Cash Flows						
Proceeds from drawdown	37,148,576	184,219	15,000,000	444,416	3,688,945	56,466,156
Repayment of principal	(3,583,406)	(49,219)	-	-	-	(3,632,625)
Repayment of interests	(2,913,086)	(75,745)	(769,770)	(48,608)	(117,198)	(3,924,407)
	30,652,084	59,255	14,230,230	395,808	3,571,747	48,909,124
Non-cash Changes						
Interest expense recognised in profit or loss (Note 27 & Note 29(a))	1,137,582	75,745	769,770	48,608	117,198	2,148,903
Interest expense capitalised under property development costs	1,775,504	-	-	-	-	1,775,504
Disposal of subsidiaries	-	(1,043,382)	-	(2,074,246)	-	(3,117,628)
Foreign exchange adjustments	-	(41,754)	-	(106,465)	-	(148,219)
	2,913,086	(1,009,391)	769,770	(2,132,103)	117,198	658,560
At 31 December	44,107,872	291,503	15,000,000	-	3,688,945	63,088,320

Notes to the Financial Statements (Cont'd)

33. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows (Cont'd):-

The Company	Term Loans RM	Hire Purchase RM	Lease Liabilities RM	Revolving Credit RM	Total RM
2019					
At 1 January, as previously reported	439,376	144,630	-	15,000,000	15,584,006
Effects on adoption of MFRS 16	-	(144,630)	144,630	-	-
	439,376	-	144,630	15,000,000	15,584,006
Changes in Financing Cash Flows					
Repayment of principal	(79,080)	-	(111,920)	-	(191,000)
Repayment of interests	(19,754)	-	(16,047)	(935,956)	(971,757)
	(98,834)	-	(127,967)	(935,956)	(1,162,757)
Non-cash Changes					
Acquisition of new leases	-	-	505,609	-	505,609
Interest expense recognised in profit or loss (Note 27)	19,754	-	16,047	935,956	971,757
	19,754	-	521,656	935,956	1,477,366
At 31 December	360,296	-	538,319	15,000,000	15,898,615

33. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows (Cont'd):-

The Company	Term Loans RM	Hire Purchase RM	Revolving Credit RM	Total RM
2018				
At 1 August 2017	542,702	205,059	-	747,761
Changes in Financing Cash Flows				
Proceeds from drawdown	-	-	15,000,000	15,000,000
Repayment of principal	(103,326)	(60,429)	-	(163,755)
Repayment of interests	(32,892)	(15,222)	(769,770)	(817,884)
	(136,218)	(75,651)	14,230,230	14,018,361
Non-cash Changes				
Interest expense recognised in profit or loss (Note 27)	32,892	15,222	769,770	817,884
At 31 December	439,376	144,630	15,000,000	15,584,006

(c) The cash and cash equivalents comprise the following:-

	The Group 2019 RM	The Group 2018 RM	The Company 2019 RM	The Company 2018 RM
Fixed deposits with licensed banks	18,137,415	15,590,344	10,654,857	10,322,011
Cash and bank balances	3,316,814	702,596	771,575	160,257
Bank overdrafts (Note 22)	(7,676,578)	(4,863,360)	-	-
	13,777,651	11,429,580	11,426,432	10,482,268
Less: Fixed deposits pledged to licensed banks (Note 15)	(18,137,415)	(15,590,344)	(10,654,857)	(10,322,011)
	(4,359,764)	(4,160,764)	771,575	160,257

Notes to the Financial Statements (Cont'd)

34. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel of the Group and of the Company include executive directors and non-executive directors of the Company and certain members of senior management of the Group and of the Company.

The key management personnel compensation during the financial year/period are as follows:-

	The Group		The Company	
	1.1.2019 to 31.12.2019 RM	1.8.2017 to 31.12.2018 RM	1.1.2019 to 31.12.2019 RM	1.8.2017 to 31.12.2018 RM
Directors				
Directors of the Company				
Executive Directors				
Short-term employee benefits:				
- fees	10,000	104,000	10,000	104,000
- salaries, bonuses and other benefits	601,524	732,774	601,524	732,774
	611,524	836,774	611,524	836,774
Defined contribution benefits	72,000	87,600	72,000	87,600
	683,524	924,374	683,524	924,374
Non-executive Directors				
Short-term employee benefits:				
- fees	216,000	204,000	216,000	204,000
- other benefits	3,000	3,800	3,000	3,800
	219,000	207,800	219,000	207,800
	902,524	1,132,174	902,524	1,132,174

34. KEY MANAGEMENT PERSONNEL COMPENSATION (CONT'D)

The key management personnel compensation during the financial year/period are as follows (Cont'd):-

	The Group		The Company	
	1.1.2019 to 31.12.2019 RM	1.8.2017 to 31.12.2018 RM	1.1.2019 to 31.12.2019 RM	1.8.2017 to 31.12.2018 RM
Directors (Cont'd)				
Directors of the Subsidiaries				
Executive Directors				
Short-term employee benefits:				
- salaries, bonuses and other benefits	-	145,000	-	-
Defined contribution benefits	-	17,400	-	-
	-	162,400	-	-
Total directors' remuneration (Note 27 & Note 29(a))	902,524	1,294,574	902,524	1,132,174
Other Key Management Personnel				
Short-term employee benefits	1,165,850	2,305,745	-	-
Defined contribution benefits	139,848	253,984	-	-
Total compensation for other key management personnel (Note 27 & Note 29(a))	1,305,698	2,559,729	-	-

35. RELATED PARTY DISCLOSURES

(a) Identities of Related Parties

Parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control.

In addition to the information detailed elsewhere in the financial statements, the Group has related party relationships with its directors, associate, key management personnel and entities within the same group of companies.

Notes to the Financial Statements (Cont'd)

35. RELATED PARTY DISCLOSURES (CONT'D)

(b) Significant Related Party Transactions and Balances

Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following significant transactions with the related parties during the financial year/period:-

	The Group		The Company	
	1.1.2019 to 31.12.2019 RM	1.8.2017 to 31.12.2018 RM	1.1.2019 to 31.12.2019 RM	1.8.2017 to 31.12.2018 RM
A company which is connected to a director of the Company:				
- Sales	-	395,086	-	-
- Progress billing	26,287,790	16,760,687	-	-
A company in which a director has a substantial financial interest:				
- Subcontractor fee	3,000,000	-	-	-
- Marketing fees	3,784,026	4,009,188	-	-
- Purchases	-	1,432,482	-	-
Subsidiaries:				
- Management fees	-	-	(2,933,491)	-
- Project management fees	-	-	-	(3,900,000)

The significant outstanding balances of the related parties (including the allowance for impairment loss made) together with their terms and conditions are disclosed in the respective notes to the financial statements.

The related party transactions described above were entered into in the normal course of business carried out based on negotiated terms and conditions and are mutually agreed with respective parties.

Notes to the Financial Statements (Cont'd)

36. OPERATING SEGMENTS

Operating segments are prepared in a manner consistent with the internal reporting provided to the management as its chief operating decision maker in order to allocate resources to segments and to assess their performance. For management purposes, the Group is organised into business units based on their products and services provided.

The Group is organised into 3 main reportable segments as follows:-

Construction	:	Construction of residential and commercial properties.
Property development	:	Property development.
Others	:	Investment holding company and subsidiaries not reported in above segments.

In the previous financial period, the Group was engaged in five major business segments, which were Manufacturing, Trading, Construction, Property Development and Others. The Group had disposed its loss-making manufacturing and trading business so to focus on its construction and property segment in the previous financial period. Their Manufacturing segment included manufacturing of condoms and baby products, as well as moulds. Their Trading segment included the trading and retailing of rubber products, baby apparels, toiletries, as well as electrical and mechanical products.

(a) The management assesses the performance of the reportable segments based on their profit or loss before interest expense and taxation. The accounting policies of reportable segments are the same as the Group's accounting policies.

(b) Each reportable segment assets is measured based on all assets of the segment other than investments in associates and tax-related assets.

(c) Each reportable segment liabilities is measured based on all liabilities of the segment other than borrowings and tax-related liabilities.

Transactions between reportable segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation.

Notes to the Financial Statements (Cont'd)

36. OPERATING SEGMENTS (CONT'D)

36.1 BUSINESS SEGMENTS

2019	Construction RM	Property Development RM	Others RM	The Group RM
Revenue				
External revenue	32,601,218	49,264,891	-	81,866,109
Inter-segment revenue	2,946,150	-	2,933,491	5,879,641
	35,547,368	49,264,891	2,933,491	87,745,750
Consolidation adjustments				(5,879,641)
Consolidation revenue				81,866,109
Represented by:-				
<u>Revenue recognised over time</u>				
- Construction contracts	35,547,368	-	-	35,547,368
- Sales of development properties	-	49,264,891	-	49,264,891
<u>Revenue from other sources</u>				
- Management fees	-	-	2,933,491	2,933,491
	35,547,368	49,264,891	2,933,491	87,745,750
Consolidation adjustments				(5,879,641)
Consolidation revenue				81,866,109

Notes to the Financial Statements (Cont'd)

36. OPERATING SEGMENTS (CONT'D)

36.1 BUSINESS SEGMENTS (CONT'D)

2019	Construction RM	Property Development RM	Others RM	The Group RM
Results				
Results before the following adjustments	9,642,684	7,342,649	(1,451,488)	15,533,845
Consolidation adjustments and eliminations	759,202	492,123	(3,893,491)	(2,642,166)
Depreciation of investment property	-	-	(41,349)	(41,349)
Depreciation of property, plant and equipment	(25,420)	(486,669)	(180,477)	(692,566)
Depreciation of right-of-use asset	(36,844)	-	(82,938)	(119,782)
Other material items of income (Note a)	-	-	1,277,090	1,277,090
Other material items of expenses (Note b)	(805,060)	(100,000)	-	(905,060)
	9,534,562	7,248,103	(4,372,653)	12,410,012
Finance costs				(1,708,266)
Share of losses of an equity accounted associate				(103,775)
Income tax expense				(1,607,822)
Consolidation profit after taxation				8,990,149

Notes to the Financial Statements (Cont'd)

36. OPERATING SEGMENTS (CONT'D)

36.1 BUSINESS SEGMENTS (CONT'D)

2019	Construction RM	Property Development RM	Others RM	The Group RM
Assets				
Segment assets	58,978,715	217,369,499	44,414,614	320,762,828
Deferred tax assets	-	1,266,665	1,255,513	2,522,178
Current tax assets	28,341	-	-	28,341
Consolidation total assets	59,007,056	218,636,164	45,670,127	323,313,347
Liabilities				
Segment liabilities	36,564,473	145,510,070	15,140,560	197,215,103
Deferred tax liability	-	179,286	-	179,286
Current tax liabilities	112,967	2,744,317	-	2,857,284
Consolidation total liabilities	36,677,440	148,433,673	15,140,560	200,251,673
Other segment items				
Additions to non-current assets other than financial instruments:-				
- property, plant and equipment	98,105	86,100	11,889	196,094
- right-of-use asset	-	-	505,609	505,609

36. OPERATING SEGMENTS (CONT'D)

36.1 BUSINESS SEGMENTS (CONT'D)

2018	Manufacturing (Discontinued) RM	Trading (Discontinued) RM	Construction (Continuing) RM	Property Development (Continuing) RM	Others (Continuing) RM	The Group RM
Revenue						
External revenue	8,265,060	17,517,971	13,965,020	30,503,592	-	70,251,643
Inter-segment revenue	2,082,834	6,544	-	-	-	2,089,378
	10,347,894	17,524,515	13,965,020	30,503,592	-	72,341,021
Consolidation adjustments and eliminations						(2,089,378)
Consolidated revenue						70,251,643
Represented by:-						
<u>Revenue recognised at a point in time</u>						
- Sale of goods	10,347,894	17,524,515	-	-	-	27,872,409
<u>Revenue recognised over time</u>						
- Construction contracts	-	-	13,965,020	-	-	13,965,020
- Sale of development properties	-	-	-	30,503,592	-	30,503,592
	10,347,894	17,524,515	13,965,020	30,503,592	-	72,341,021
Consolidation adjustments and elimination						(2,089,378)
Consolidated revenue						70,251,643

Notes to the Financial Statements (Cont'd)

36. OPERATING SEGMENTS (CONT'D)

36.1 BUSINESS SEGMENTS (CONT'D)

2018	Manufacturing (Discontinued) RM	Trading (Discontinued) RM	Construction (Continuing) RM	Property Development (Continuing) RM	Others (Continuing) RM	The Group RM
Results						
Results before the following adjustments	719,050	(47,398)	(3,436,842)	5,636,154	(5,777,571)	(2,906,607)
Consolidation adjustments and eliminations	-	-	-	-	(2,940,000)	(2,940,000)
Depreciation of investment property	-	-	-	-	(58,575)	(58,575)
Depreciation of property, plant and equipment	(562,768)	(235,523)	(57,117)	(632,392)	(327,425)	(1,815,225)
Other material items of income (Note a)	-	47,172	-	-	5,486,952	5,534,124
Other material items of expenses (Note b)	(714,810)	(124,148)	-	-	-	(838,958)
Segment results	(558,528)	(359,897)	(3,493,959)	5,003,762	(3,616,619)	(3,025,241)
Finance costs						(2,504,914)
Share of losses of an equity accounted associate						(305,611)
Income tax expense						(1,493,877)
Consolidated loss after taxation						(7,329,643)

Notes to the Financial Statements (Cont'd)

36. OPERATING SEGMENTS (CONT'D)

36.1 BUSINESS SEGMENTS (CONT'D)

2018	Manufacturing (Discontinued) RM	Trading (Discontinued) RM	Construction (Continuing) RM	Property Development (Continuing) RM	Others (Continuing) RM	The Group RM
Assets						
Segment assets	-	22,148	91,748,810	133,975,055	42,567,660	268,313,673
Current tax assets	-	-	793,186	1,334	-	794,520
Deferred tax asset	-	-	-	756,727	-	756,727
Consolidated total assets	-	22,148	92,541,996	134,733,116	42,567,660	269,864,920
Liabilities						
Segment liabilities	-	1,294,791	54,922,115	85,096,642	16,144,491	157,458,039
Deferred tax liability	-	-	179,286	-	-	179,286
Current tax liabilities	-	-	-	603,090	-	603,090
Consolidated total liabilities	-	1,294,791	55,101,401	85,699,732	16,144,491	158,240,415
Other segment items						
Additions to non-current assets other than financial instruments:-						
- property, plant and equipment	46,874	312,299	184,988	711,053	215,441	1,470,655

Notes to the Financial Statements (Cont'd)

36. OPERATING SEGMENTS (CONT'D)

36.1 BUSINESS SEGMENTS (CONT'D)

(a) Other material items of income consist of the following:-

	The Group 2019 RM	The Group 2018 RM
Gain on disposal of right-of-use asset	18,272	-
Gain on disposal of subsidiaries	1,258,818	5,486,952
Bad debts recovered	-	2,425
Reversal of impairment losses on trade receivables	-	44,747
	1,277,090	5,534,124

(b) Other material items of expenses consist of the following:-

	The Group 2019 RM	The Group 2018 RM
Impairment losses on trade and other receivables	905,060	44,749
Bad debts written off	-	79,470
Impairment loss on property, plant and equipment	-	706,392
Realised loss on foreign exchange	-	8,347
	905,060	838,958

36.2 GEOGRAPHICAL INFORMATION

The Group operates predominantly in one business segment in Malaysia. Accordingly, the information by business and geographical segments is not presented.

36.3 MAJOR CUSTOMERS

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

	Revenue 1.1.2019 to 31.12.2019 RM	Revenue 1.8.2017 to 31.12.2018 RM	Segment
Customer#1	24,546,218	-	Construction

37. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

37.1 FINANCIAL RISK MANAGEMENT POLICIES

The Group's policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk

(i) Foreign Currency Risk

The Group does not have any transactions or balances denominated in foreign currencies and hence, is not exposed to foreign currency risk.

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from long-term borrowings with variable rates. The Group's policy is to obtain the most favourable interest rates available and by maintaining a balanced portfolio mix of fixed and floating rate borrowings.

The Group's fixed rate borrowings and fixed deposits with licensed banks are carried at amortised cost. Therefore, they are not subject to interest rate risk as defined in MFRS 7 since neither the carrying amounts nor the future cash flows will fluctuate because of a change in market interest rates.

The Group's exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period is disclosed in Note 21, Note 22 and Note 25 to the financial statements respectively.

Interest Rate Risk Sensitivity Analysis

Any reasonably possible change in the interest rates of floating rate term loans at the end of the reporting period does not have material impact on the profit/(loss) after taxation and other comprehensive income/(expenses) of the Group and of the Company and hence, no sensitivity analysis is presented.

(iii) Equity Price Risk

The Group does not have any quoted investments and hence, is not exposed to equity price risk.

Notes to the Financial Statements (Cont'd)

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Company's exposure to credit risk arises principally from loans and advances to subsidiaries and corporate guarantee given to financial institutions for credit facilities granted to certain subsidiaries. The Company monitors the results of these subsidiaries regularly and repayments made by the subsidiaries.

(i) Credit Risk Concentration Profile

The Group's major concentration of credit risk relates to the amounts owing by 4 customers which constituted approximately 84% of its trade receivables (including related parties) at the end of the reporting period.

(ii) Exposure to Credit Risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position of the Group and of the Company after deducting any allowance for impairment losses (where applicable).

In addition, the Company's maximum exposure to credit risk also includes corporate guarantees provided to its subsidiaries as disclosed under the "Maturity Analysis" of item (c) below, representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period.

(iii) Assessment of Impairment Losses

At each reporting date, the Group assesses whether any of the financial assets at amortised cost and contract assets are credit impaired.

The gross carrying amounts of financial assets are written off when there is no reasonable expectation of recovery (i.e. the debtor does not have assets or sources of income to generate sufficient cash flows to repay the debt) despite the fact that they are still subject to enforcement activities.

Trade Receivables and Contract Assets

The Group applies the simplified approach to measure expected credit losses using a lifetime expected credit loss allowance for trade receivables and contract assets.

To measure the expected credit losses, trade receivables (including related parties) and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. Therefore, the Group concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables and Contract Assets (Cont'd)

For certain large customers or customers with a high risk of default, the Group assesses the risk of loss of each customer individually based on their financial information, past trends of payments and external credit rating, where applicable.

Also, the Group considers any receivables having financial difficulty or in default with significant balances outstanding for more than a year, are deemed credit impaired and assesses for their risk of loss individually.

The expected loss rates are based on the payment profiles of sales over a period of 1 year from the measurement date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle their debts.

For construction contracts, the Group assessed the expected credit loss of each customer individually based on their financial information and past trends of payments as there are only a few customers. All of these customers have a low risk of default as they have a strong capacity to meet their debts.

For property developments, purchasers are generally financed by loan facilities from reputable financiers. In addition, the credit risk is limited as the ownership and rights to the properties sold will revert to the Group in the event of default, and the products do not suffer from physical, technological and fashion obsolescence. Therefore, there is minimal exposure to credit risk from its property development activities.

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables and Contract Assets (Cont'd)

The information about the exposure to credit risk and the loss allowances calculated under MFRS 9 for both trade receivables (including related parties) and contract assets are summarised below:-

The Group	Gross Amount RM	Individual Impairment RM	Collective Impairment RM	Carrying Amount RM
2019				
Current (not past due)	11,970,734	-	-	11,970,734
1 to 30 days past due	4,171,492	-	-	4,171,492
31 to 60 days past due	3,970,081	-	-	3,970,081
61 to 90 days past due	1,892,182	-	-	1,892,182
more than 90 days past due	30,726,310	(2,682,261)	-	28,044,049
Credit impaired	217,682	(217,682)	-	-
Trade receivables	52,948,481	(2,899,943)	-	50,048,538
Contract assets	27,149,273	-	-	27,149,273
	80,097,754	(2,899,943)	-	77,197,811

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables and Contract Assets (Cont'd)

At the end of previous reporting period, the loss allowance on trade receivables (including related parties) was calculated under MFRS 139. The ageing analysis of trade receivables is as follows:-

The Group	Gross Amount RM	Individual Impairment RM	Collective Impairment RM	Carrying Amount RM
2018				
Not past due	2,260,410	-	-	2,260,410
Past due:				
- less than 3 months	3,929,098	-	-	3,929,098
- more than 1 year	26,204,465	(217,682)	-	25,986,783
	32,393,973	(217,682)	-	32,176,291

The movement in the loss allowances in respect of trade receivables is disclosed in Note 11 to the financial statements.

Other Receivables

The Group applies the 3-stage general approach to measuring expected credit losses for its other receivables. Under this approach, the Group assesses whether there is a significant increase in credit risk on the receivables by comparing their risk of default as at the reporting date with the risk of default as at the date of initial recognition based on available reasonable and supportable forward-looking information. Regardless of the assessment, a significant increase in credit risk is presumed if a receivable is more than 30 days past due in making a contractual payment.

Notes to the Financial Statements (Cont'd)

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Other Receivables (Cont'd)

The Group considers a receivable is credit impaired when the receivable is in significant financial difficulty, for instances, the receivable is in breach of financial covenants or insolvent. Receivables that are credit impaired are assessed individually while other receivables are assessed on a collective basis.

The information about the exposure to credit risk and the loss allowances calculated for the other receivables (including a related party and an associate) are summarised below:-

The Group	Gross Amount RM	12-month Loss Allowance RM	Lifetime Loss Allowance RM	Carrying Value RM
2019				
Low credit risk	32,922,887	-	-	32,922,887
Significant increase in credit risk	32,287,256	-	(3,058,645)	29,228,611
Credit impaired	950,858	-	(950,858)	-
	66,161,001	-	(4,009,503)	62,151,498
The Company				
2019				
Low credit risk	27,611	-	-	27,611
Significant increase in credit risk	12,272,018	-	(1,649,554)	10,622,464
	12,299,629	-	(1,649,554)	10,650,075

The movement in the loss allowances in respect of other receivables is disclosed in Note 11 to the financial statements.

At the end of the previous reporting period, the loss allowance on other receivables was calculated under MFRS 139.

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Fixed Deposits with Licensed Banks, Cash and Bank Balances

The Group considers these banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group is of the view that the loss allowance is immaterial and hence, it is not provided for.

Amount Owing By Subsidiaries (Non-trade Balances)

The Company applies the 3-stage general approach to measuring expected credit losses for all inter-company balances. Generally, the Company considers loans and advances to subsidiaries have low credit risks. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the subsidiaries' loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiaries are not able to pay when demanded. The Company considers a subsidiary's loan or advance to be credit impaired when the subsidiary is unlikely to repay its loan or advance in full or the subsidiary is continuously loss making or the subsidiary is having a deficit in its total equity.

The Company determines the probability of default for these loans and advances individually using internal information available.

The information about the exposure to credit risk and the loss allowances calculated under MFRS 9 for amount owing by subsidiaries are summarised below:-

The Company	Gross Amount RM	12-month Loss Allowance RM	Lifetime Loss Allowance RM	Carrying Value RM
2019				
Low credit risk	89,950,261	-	-	89,950,261
Credit impaired	850,000	-	(850,000)	-
	90,800,261	-	(850,000)	89,950,261

The movement in the loss allowances is disclosed in Note 11 to the financial statements.

Notes to the Financial Statements (Cont'd)

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Amount Owing By Subsidiaries (Non-trade Balances) (Cont'd)

At the end of the previous reporting period, the loss allowance on amount owing by subsidiaries was calculated under MFRS 139.

Finance Guarantee Contracts

All of the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to. Accordingly, no loss allowances were identified based on 12-month expected credit losses.

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

The Group	Effective Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 - 5 Years RM	Over 5 Years RM
2019						
Non-derivative Financial Liabilities						
Term loans	4.70 - 7.82	52,853,974	59,004,218	16,507,759	40,449,030	2,047,429
Trust receipts	8.20	4,490,930	4,490,930	4,490,930	-	-
Revolving credit	5.82	15,000,000	15,000,000	15,000,000	-	-
Trade and other payables	7.85	116,545,034	120,758,776	74,364,834	46,393,942	-
Bank overdrafts	7.70 - 8.45	7,676,578	7,676,578	7,676,578	-	-
		196,566,516	206,930,502	118,040,101	86,842,972	2,047,429
Other Liability						
Lease liabilities	4.55 - 7.12	648,587	739,978	146,568	463,162	130,248
		197,215,103	207,670,480	118,186,669	87,306,134	2,177,677

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities as at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period) (Cont'd):-

The Group	Effective Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 - 5 Years RM	Over 5 Years RM
2018						
Non-derivative Financial Liabilities						
Hire purchase payables	4.73 - 7.14	291,503	320,090	96,156	223,934	-
Term loans	4.65 - 8.07	44,107,872	47,703,241	7,429,672	21,949,912	18,323,657
Trust receipts	8.40	3,688,945	3,688,945	3,688,945	-	-
Revolving credit	6.11	15,000,000	15,000,000	15,000,000	-	-
Trade and other payables	7.85	87,244,401	92,290,622	56,307,653	35,982,969	-
Bank overdrafts	8.20	4,863,360	4,863,360	4,863,360	-	-
		155,196,081	163,866,258	87,385,786	58,156,815	18,323,657

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities as at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period) (Cont'd):-

The Company	Effective Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 - 5 Years RM	Over 5 Years RM
2019						
Non-derivative Financial Liabilities						
Term loan	4.70	360,296	415,369	99,960	315,409	-
Revolving credit	5.82	15,000,000	15,000,000	15,000,000	-	-
Trade and other payables	-	525,296	525,296	525,296	-	-
Financial guarantee contracts in relation to corporate guarantee given to subsidiaries	-	-	66,863,126	66,863,126	-	-
		15,885,592	82,803,791	82,488,382	315,409	-
Other Liability						
Lease liabilities	4.55 - 7.12	538,319	622,429	103,812	388,369	130,248
		16,423,911	83,426,220	82,592,194	703,778	130,248

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities as at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period) (Cont'd):-

The Company	Effective Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 - 5 Years RM	Over 5 Years RM
2018						
Non-derivative Financial Liabilities						
Hire purchase payable	5.26 - 7.14	144,630	159,785	53,400	106,385	-
Term loan	4.65	439,376	514,203	77,475	436,728	-
Revolving credit	5.87 - 6.12	15,000,000	15,000,000	15,000,000	-	-
Trade and other payables	-	529,749	529,749	529,749	-	-
Financial guarantee contracts in relation to corporate guarantee given to:						
- subsidiaries	-	-	52,497,100	52,497,100	-	-
- a former subsidiary	-	-	941,054	941,054	-	-
		16,113,755	69,641,891	69,098,778	543,113	-

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The contractual undiscounted cash flows represent the outstanding credit facilities of the subsidiaries at the end of the reporting period. The financial guarantees have not been recognised in the financial statements since their fair value on initial recognition were not material.

37.2 CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholders value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as net debt divided by total equity. The Group includes within net debt, loans and borrowings from financial institutions less cash and cash equivalents. Capital includes equity attributable to the owners of the parent and non-controlling interest. The debt-to-equity ratio of the Group at the end of the reporting period was as follows:-

	The Group	
	2019 RM	**2018 RM**
Lease liabilities (Note 23)	648,587	-
Hire purchase payables (Note 24)	-	291,503
Term loans (Note 25)	52,853,974	44,107,872
Revolving credit (Note 21)	15,000,000	15,000,000
Trust receipts (Note 21)	4,490,930	3,688,945
Bank overdrafts (Note 22)	7,676,578	4,863,360
	80,670,069	67,951,680
Less: Fixed deposits with licensed banks (Note 15)	(18,137,415)	(15,590,344)
Less: Cash and bank balances	(3,316,814)	(702,596)
Net debt	59,215,840	51,658,740
Total equity	123,061,674	111,624,505
Debt-to-equity ratio	0.48	0.46

There was no change in the Group's approach to capital management during the financial year.

Notes to the Financial Statements (Cont'd)

37. FINANCIAL INSTRUMENTS (CONT'D)

37.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group 2019 RM	The Company 2019 RM
Financial Asset		
Amortised Cost		
Trade and other receivables	112,200,036	100,600,336
Fixed deposits with licensed banks	18,137,415	10,654,857
Cash and bank balances	3,316,814	771,575
	133,654,265	112,026,768
Financial Liability		
Amortised Cost		
Term loans	52,853,974	360,296
Trust receipts	4,490,930	-
Revolving credit	15,000,000	15,000,000
Trade and other payables	116,545,034	525,296
Bank overdrafts	7,676,578	-
	196,566,516	15,885,592
Financial Asset		
Loans and Receivables Financial Assets		
Trade and other receivables	92,476,619	97,737,074
Fixed deposits with licensed banks	15,590,344	10,322,011
Cash and bank balances	702,596	160,257
	108,769,559	108,219,342
Financial Liability		
Other Financial Liabilities		
Hire purchase payables	291,503	144,630
Term loans	44,107,872	439,376
Trust receipts	3,688,945	-
Revolving credit	15,000,000	15,000,000
Trade payables and other payables	87,244,401	529,749
Bank overdrafts	4,863,360	-
	155,196,081	16,113,755

Notes to the Financial Statements (Cont'd)

37. FINANCIAL INSTRUMENTS (CONT'D)

37.4 FAIR VALUE INFORMATION

The fair values of the financial assets and financial liabilities of the Group and of the Company which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

As the Group does not have any financial instruments carried at fair value, the following table sets out only the fair value profile of financial instruments that are not carried at fair value at the end of the reporting period:-

The Group	Fair Value of Financial Instruments not Carried at Fair Value Level 1 RM	Level 2 RM	Level 3 RM	Total Fair Value RM	Carrying Amount RM
2019					
Financial Asset					
Other receivable	-	14,456,076	-	14,456,076	14,456,076
Financial Liabilities					
Other payables	-	42,180,200	-	42,180,200	42,180,200
Term loans	-	52,853,974	-	52,853,974	52,853,974
2018					
Financial Asset					
Other receivable	-	13,322,938	-	13,322,938	13,322,938
Financial Liabilities					
Other payables	-	40,502,537	-	40,502,537	40,502,537
Hire purchase payables	-	291,503	-	291,503	291,503
Term loans	-	44,107,872	-	44,107,872	44,107,872

Notes to the Financial Statements (Cont'd)

37. FINANCIAL INSTRUMENTS (CONT'D)

37.4 FAIR VALUE INFORMATION (CONT'D)

As the Company does not have any financial instruments carried at fair value, the following table sets out only the fair value profile of financial instruments that are not carried at fair value at the end of the reporting period:-

The Company	Fair Value of Financial Instruments not Carried at Fair Value Level 1 RM	Level 2 RM	Level 3 RM	Total Fair Value RM	Carrying Amount RM
2019					
Financial Liability					
Term loan	-	360,296	-	360,296	360,296
2018					
Financial Liabilities					
Hire purchase payable	-	144,630	-	144,630	144,630
Term loan	-	439,376	-	439,376	439,376

(a) Fair Value of Financial Instruments Not Carried at Fair Value

The fair values, which are for disclosure purposes, have been determined using the following basis:-

(i) The fair value of the Group's and the Company's term loans that carry floating interest rates approximated their carrying amounts as they are repriced to market interest rates on or near the reporting date.

(ii) The fair value of the Group's other receivable (non-current) is calculated based on the present value of the projected repayment of loans.

(iii) The fair value of the Group's other payables (non-current) is calculated based on the present value of the other payables' entitlement of 50% on development profit generated by the development of the parcel of land belonging to other payables as disclosed in Note 20(a) to the financial statements.

(iv) At the end of the previous financial period, the fair value of hire purchase payables that carried fixed interest rates approximated their carrying amount as the impact of discounting is not material. The fair values are determined by discounting the relevant cash flows using current market interest rates for similar instruments of 4.20% to 4.73% and the fair values were within level 2 of the fair value hierarchy.

38. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(a) On 1 March 2019, Letter of Award dated 17 July 2017 entered between Damansara Realty (Johor) Sdn. Bhd. ("DRJ") and OCCSB for the appointment as the Turnkey Contractor for Pembangunan Perumahan Penjawat Awam 1Malaysia ("PPA1M") Project had been terminated due to Perbadanan Putrajaya ("PJC") issuance of Notice of Termination dated 22 February 2019, received by DRJ on 25 February 2019 with a reason of national and public interests. The 3 months' notice for the said termination shall be effective from 25 February 2019.

Upon the execution of the LOA, OCCSB had paid approximately RM3.18 million (including 6% GST) as deposit to DRJ and the said sum is refundable by DRJ to OCCSB.

(b) On 25 March 2019, OCCSB has signed a Memorandum of Understanding with Hardie Development Sdn. Bhd. ("HDSB") for a joint development of Stage 2 and Stage 3 of the Princess Heights Projects situated in Menggatal Kota Kinabalu, Sabah.

(c) On 22 April 2019, ASSB has entered into a Joint Venture Agreement with Duta Skyline Sdn. Bhd. ("DSSB"), a wholly-owned subsidiary of Seacera Group Berhad ("SGB") to develop a parcel of freehold land held under GRN 23940, Lot 613, Mukim Ulu Semenyih, Daerah Ulu Langat, Selangor Darul Ehsan measuring approximately 501.5 acres into a mixed development comprising landed residential components, landed commercial shop units, high-rise strata developments and other development components.

(d) On 17 May 2019, FSSB has entered into a Joint Venture Agreement with D'nonce Properties Sdn. Bhd. ("DNP"), a wholly-owned subsidiary of D'nonce Technology Bhd ("D'nonce") to jointly develop the Land belonging to Mr. Tan Than Kau and Mr. Tan Tiang Yang being the registered and beneficial owners of that piece of vacant land held under Lot No. 10320, GM No. 1496 (formerly PT471, HSM1598), Mukim 10, Seberang Perai Tengah, Pulau Pinang measuring in area 6774 square metre ("Land"), who had granted an exclusive right to DNP to develop the said Land into one block of 19-storey affordable apartment with 281 units and 7-Storey car park podium.

(e) On 28 August 2019, Ismail bin Othman ("Ismail"), one of the director of Duta Skyline Sdn. Bhd. ("DSSB"), filed an Originating Summons ("OS") against DSSB (1st Defendant) and ASSB.

DSSB entered into a JVA stated in (c) above and executed an irrevocable limited power of attorney ("POA") in favour of ASSB.

Ismail filed the OS seeking for, among others, the following relief:

(i) A declaration that the JVA is null and void ab initio and of no effect whatsoever; and
(ii) An order that the POA be revoked and/or cancelled.

Ismail also filed an application for injunction dated 28 August 2019, among others, to restrain DSSB and ASSB from acting upon and/or giving effect in any manner to the JVA and POA, and from dealing with the Land in any manner ("Injuction Application").

On 11 September 2019, Ismail applied for and was granted with an ad interim injunction until 30 September 2019, subject to undertaking as to damages ("Ad Interim Injunction").

ASSB filed an application to strike out the OS on 20 September 2019 ("striking-out Applications").

On 30 September 2019, Ismail applied for and was granted an extension of the Ad Interim Injunction until 14 October 2019.

Notes to the Financial Statements (Cont'd)

38. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

(e) (Cont'd)

Ismail was subsequently granted with another extension of the Ad Interim Injunction until the disposal of the Injunction Application and striking-out Applications, subject to undertaking as to damages.

The Injunction Application and the striking-out Applications are to be heard on 10 January 2020.

On 10 January 2020, the hearing was vacated as the new Judge had to attend a function. The next hearing which was originally fixed on 20 April 2020, has been postponed to 7 July 2020 in view of the court closure during the Movement Control Order of Malaysia which is enforce from 18 March 2020 to 12 May 2020.

The hearing which was initially fixed on 7 July 2020 has been vacated and a next hearing date will be fixed by court later.

(f) On 17 December 2019, the Company entered a conditional subscription agreement with Macquarie Bank Limited in relation to the proposed allotment and issuance of up to 98,600,000 new ordinary shares of the Company to Macquarie Bank Limited ("Share Issuance").

In addition to the above, the Company proposed to undertake the proposed establishment of an employees' share option scheme ("ESOS") involving up to 15% of the total number of issued shares of the Company.

The proposed Share Issuance and establishment of ESOS have been approved by the shareholders at an Extraordinary General Meeting held on 7 February 2020.

On 19 May 2020, the Company received subscription Notices and a total of subscription payment for 3,500,000 subscription shares from Macquarie Bank.

The Company allotted and issued 2,500,000 and 1,500,000 subscription shares respectively at an issue price of RM0.2450 to Macquarie Bank on 19 May 2020 and 20 May 2020.

39. SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

(a) On 2 January 2020, 10 January 2020, 28 January 2020 and 6 February 2020, 20 February 2020, 26 February 2020, 5 March 2020, 12 March 2020, 19 March 2020, 31 March 2020, 7 April 2020, 15 April 2020, 24 April 2020, 21 May 2020, 4 June 2020, 16 June 2020 and 18 June 2020, there are total of 14,705,970 ordinary shares of RM0.50 each have been issued pursuant to the conversion of 147,059,700 ICPS to 14,705,970 new ordinary shares by the conversion ratio of 10 units ICPS to 1 new ordinary share.

(b) On 4 June 2020 and 16 June 2020, there are total of 2,632,000 ordinary shares of RM0.22 each have been issued pursuant to the exercise of Warrants D.

(c) On 2 January 2020, ODKSB had at the request of SSPP Development Sdn. Bhd. ("SSPP") vide SSPP solicitors' letter dated 31 December 2019 agreed to extend the time frame for Conditions Precedent under Section 3 of the Joint Venture Agreement dated 1 June 2015 to be extended for another one (1) year from 30 May 2019 and to be expiring on 30 May 2020 as SSPP's application to the State Authorities for the conversion of the said land is still in progress.

39. SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD (CONT'D)

(d) On 10 March 2020, FSSB has terminated the Joint Venture Agreement dated 17 May 2019 entered with D'nonce Properties Sdn. Bhd. ("DNP"), a wholly-owned subsidiary of D'nonce Technology Bhd ("D'nonce") and reserve the rights to claim against DNP under the Joint Venture Agreement and the laws.

Upon the execution of the Joint Venture Agreement, FSSB had paid RM100,000 as deposit to DNP.

(e) On 17 March 2020, KMSB acquired 40% equity interest in Landasan Surimas Sdn Bhd ("LSSB") for a cash consideration of RM40. Subsequently on 23 April 2020, KMSB has increased the paid-up capital in LSSB to RM400,000, however, there are no changes to the shareholders' interest of LSSB.

(f) On 6 May 2020, SSSB has entered into a Share Sales Agreements ("SSA") to acquire 900,000 ordinary shares representing 100% of the total issued and paid-up share capital of Fotopop (M) Sdn. Bhd. ("FMSB") from Ms. Low Hui Hun and Ms. Low Wei Eng for a cash consideration of RM10,900,000.

Upon completion of the SSA, FMSB will become a wholly-owned subsidiary of SSSB.

(g) On 1 June 2020, OLDSB has entered into a Joint Development Agreement ("JDA") with OCR Development Sdn. Bhd., a related party of the Company, to jointly develop a piece of leasehold land located in Mukim Sungai Buloh, District of Petaling, Negeri Selangor.

(h) On 4 June 2020, ODKSB had granted SSPP Development Sdn. Bhd. ("SSPP") an extension of time frame for the Condition Precedent under Section 3 of the Joint Venture Agreement dated 1 June 2015 to be extended for another six (6) months from 1 June 2020 and to be expiring on 30 November 2020 as SSPP's application to the State Authorities for the conversion of the said land is still in progress.

(i) On 18 June 2020, LSSB entered into a Joint Venture and Shareholder's Agreement ("JVSA") with Perbadanan Kemajuan Negeri Pahang for the purpose of investment into a joint venture company known as Taraf Raya Sdn. Bhd. to provide the mechanical and civil work relating to East Coast Rail Link Project ("Project"). LSSB is currently at negotiation stage with Malaysia Rail Link Sdn. Bhd. and China Communications Construction (ECRL) Sdn. Bhd. in regards to this Project.

(j) The impact of the COVID-19 outbreak on public life and the industry in Malaysia and the broader region has significantly disrupted the Group's business activities. While this is expected to have a negative impact on the Group's performance for the coming reporting period, the Group is unable to quantify the magnitude and duration of such impact at this juncture as the outbreak continues to progress and the conditions are unpredictable.

40. INITIAL APPLICATION OF MFRS 16

The Group adopted MFRS 16 retrospectively from 1 January 2019 and has not restated the comparative information as permitted under the specific transition provisions in the standard. The Group has applied MFRS 16 only to contracts that were previously identified as leases under MFRS 117 'Leases' and IC Interpretation 4 'Determining Whether an Arrangement Contains a Lease'. Therefore, MFRS 16 has been applied only to contracts entered into or changed on or after 1 January 2019.

At 1 January 2019, for leases that were classified as finance leases, the Group has recognised the carrying amount of the leased asset and lease liability immediately before 1 January 2019 as the carrying amount of the right-of-use asset and the lease liability as at the date of initial application.

As a result, the Group did not make any adjustments to its retained profits upon the transition to MFRS 16 at 1 January 2019 other than the reclassification of certain balances in the Group's statement of financial position on that date.

Notes to the Financial Statements (Cont'd)

41. CHANGES IN ACCOUNTING POLICIES

As mentioned in Note 3.1 to the financial statements, the Group has adopted MFRS 9 during the financial year. The financial impacts upon the adoption of this accounting standard are summarised below:-

Statement of Financial Position

	<---------------- At 1 January 2019	----------------	---------------->
	As Previously Reported RM	MFRS 9 Adjustments RM	As Restated RM
The Group			
Asset			
Trade and other receivables	82,291,935	(5,740,906)	76,551,029
Equity			
Accumulated losses	(26,628,581)	(5,695,939)	(32,324,520)
Non-controlling interests	(1,407,136)	(44,967)	(1,452,103)
The Company			
Asset			
Trade and other receivables	97,783,453	(1,649,554)	96,133,899
Equity			
Accumulated losses	(34,375,587)	(1,649,554)	(36,025,141)

Initial Application of MFRS 9

The Group has adopted MFRS 9 without restating any comparative information (transitional exemption). Therefore, the financial impacts arising from the new classification and measurement of financial instruments, and the new impairment requirements are not reflected in the its consolidated statements of financial position as at 31 December 2018; but are recognised in the opening consolidated statements of financial position on 1 January 2019 (date of initial application of MFRS 9).

The Group has changed its impairment loss methodology from the "incurred loss" approach to the "expected credit loss" approach upon the adoption of MFRS 9. Under this new approach, the Group has accounted for the expected credit losses of its financial assets measured at amortised cost and contract assets to reflect their changes in credit risk since initial recognition.

Notes to the Financial Statements (Cont'd)

42. COMPARATIVE FIGURES

(a) The following figures have been reclassified to conform with the presentation of the current financial year:-

	As Previously Reported RM	As Restated RM
The Group		
Consolidated Statement of Financial Position (Extract):-		
Current assets		
Inventories	80,167,520	62,501,740
Contract costs	-	28,263,162
Contract assets	16,098,476	5,501,094
Non-current liabilities		
Long-term borrowings	38,997,601	38,819,087
Current liabilities		
Trade and other payables	46,563,350	46,741,864
Consolidated Statement of Cash Flows (Extract):-		
Net cash for operating activities	(40,194,942)	(40,372,899)
Net cash for investing activities	(29,515,022)	(28,413,241)
Net cash from financing activities	68,855,621	67,931,797
The Company		
Statement of Cash Flows (Extract):-		
Net cash for operating activities	(12,668,065)	(26,070,037)
Net cash for investing activities	(20,419,512)	(7,018,540)
Net cash from financing activities	32,503,449	32,504,449

(b) The Group had changed its financial year end from 31 July to 31 December effective from the previous reporting period. Consequently, the comparative figures are for the previous 17 months period from 1 August 2017 to 31 December 2018. The current financial statements are for a period of 12 months from 1 January 2019. Due to the change in the financial year end, the amounts presented in the financial statements are not entirely comparable.

LIST OF PROPERTY

as at 31 December 2019

Location	Description	Tenure	Existing use, Age of Building and Building up Area	Net Book Value as at 31-12-2019 RM	Date of Revaluation
Lot No. 5619 Mukim Pekan Kinrara District of Petaling Selangor Darul Ehsan.	3 1/2 storey shop-offices	Freehold	A unit of 5 years 3 ½ shop-offices with total built-up area 5,652 sq. ft.	1,812,398	24th October 2016

ANALYSIS OF SHAREHOLDINGS
as at 3 June 2020

Class of securities	:	Ordinary shares
Number of Shareholders	:	1,700
Voting rights	:	Each member of the Company, present in person or by proxy, shall have one (1) vote on a show of hands and in the case of a poll, shall have one (1) vote for every ordinary share held. A proxy may but need not be a member

DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	No. of Holders	%	No. of Shares	%
Less than 100	115	6.76	4,844	0.00
100 – 1,000	129	7.59	65.466	0.02
1,001 - 10,000	724	42.59	3,731,997	1.09
10,001 - 100,000	557	32.76	19,513,404	5.68
100,001 to less than 5% of issued shares	170	10.00	180,683,889	52.63
5% and above of issued shares	5	0.29	139,284,300	40.57
Total	**1,700**	**100.00**	**343,283,900**	**100.00**

SUBSTANTIAL SHAREHOLDERS AS AT 3 JUNE 2020

Substantial shareholders (holding 5% or more of the capital) based on the Register of Substantial Shareholdings of the Company as at 3 June 2020 are as follows:

	Direct Interest		Indirect Interest	
Substantial Shareholders	No of shares held	% held	No of shares held	% held
Ace Credit (M) Sdn. Bhd.	39,424,700	11.48	-	-
OCR Land Holdings Sdn. Bhd.	31,215,000	9.09	-	-
Dato' Koon Poh Tat	29,239,000	8.52	-	-
Ong Kah Hoe	24,442,600	7.12	41,378,800[(1)]	12.05
CIMB Commerce Trustee Berhad - Kenanga Growth Fund	21,451,900	6.25	-	-
Kumpulan Wang Persaraan (Diperbadankan)	-	-	17,953,700	5.23

Analysis of Shareholdings as at 3 June 2020 (Cont'd)

DIRECTORS' SHAREHOLDINGS AS AT 3 JUNE 2020

The respective Shares, Irredeemable Convertible Preference Shares ("ICPS") and Warrants holdings of the Directors of OCR Group Berhad in the Company are as follows:-

	SHARE HOLDINGS				ICPS HOLDINGS			
	Direct Interest		Indirect Interest		Direct Interest		Indirect Interest	
Directors	No. of shares held	%	No. of shares held	%	No. of ICPS held	%	No. of ICPS held	%
YAM Tunku Azudinshah Ibni Tunku Annuar	-	-	-	-	-	-	-	-
Ong Kah Hoe	24,442,600	7.12	(1)41,378,800	12.05	-	-	(2)3,000,000	0.65
Lee Chin Cheh	-	-	-	-	-	-	-	-
Hj. Abdullah Bin Abdul Rahman	-	-	-	-	-	-	-	-
Admiral Tan Seri Dato' Sri Panglima Ahmad Kamarulzaman Hj Ahmad Badaruddin *(Retired)*	-	-	-	-	-	-	-	-
Chong Min Shih	-	-	-	-	-	-	-	-
Julian Koh Lu Ern	-	-	-	-	-	-	-	-
Dato' Haji Mohd Fakrunizam Bin Ibrahim	-	-	-	-	-	-	-	-

	WARRANT C HOLDINGS				WARRANT D HOLDINGS			
	Direct Interest		Indirect Interest		Direct Interest		Indirect Interest	
Directors	No. of Warrant C held	%	No. of Warrant C held	%	No. of Warrant D held	%	No. of Warrant D held	%
YAM Tunku Azudinshah Ibni Tunku Annuar	-	-	-	-	-	-	-	-
Ong Kah Hoe	-	-	(3)180,000	0.27	6,983,599	7.74	(3)11,822,510	13.10
Lee Chin Cheh	-	-		-	-	-	-	-
Hj. Abdullah Bin Abdul Rahman	-	-		-	-	-	-	-
Admiral Tan Seri Dato' Sri Panglima Ahmad Kamarulzaman Hj Ahmad Badaruddin *(Retired)*	-	-	-	-	-	-	-	-
Chong Min Shih	-	-	-	-	-	-	-	-
Julian Koh Lu Ern	-	-	-	-	-	-	-	-
Dato' Haji Mohd Fakrunizam Bin Ibrahim	-	-	-	-	-	-	-	-

Notes:-

(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.

(2) 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 ICPS holdings.

(3) 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 warrant holdings.

Analysis of Shareholdings as at 3 June 2020 (Cont'd)

THIRTY LARGEST SHAREHOLDERS AS AT 3 JUNE 2020

No.	Shareholders	No. of Shares	%
1	MERCSEC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ACE CREDIT (M) SDN. BHD.	39,424,700	11.48
2	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR OCR LAND HOLDINGS SDN. BHD.	31,215,000	9.09
3	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR KOON POH TAT	29,239,000	8.52
4	CIMB GROUP NOMINEES (TEMPATAN) SDN. BHD. CIMB COMMERCE TRUSTEE BERHAD – KENANGA GROWTH FUND	21,451,900	6.25
5	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (KENANGA)	17,953,700	5.23
6	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN YEE BOON	10,081,000	2.94
7	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ONG KAH HOE (020) (THIRD PARTY)	9,405,400	2.74
8	AMSEC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHIA YOONG YOONG	8,555,000	2.49
9	YAYASAN GURU TUN HUSSEIN ONN	8,000,000	2.33
10	JF APEX NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ONG KAH HOE (MARGIN)	6,873,700	2.00
11	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN CHIN HOONG	6,542,000	1.91
12	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR STRONGLEAP SDN. BHD.	6,375,600	1.86
13	CARTABAN NOMINEES (TEMPATAN) SDN. BHD. TMF TRUSTEES MALAYSIA BERHAD FOR AFFIN HWANG DANA MALAYSIA	6,184,800	1.80
14	M & A NOMINEE (ASING) SDN. BHD. EXEMPT AN FOR SANSTON FINANCIAL GROUP LIMITED (ACCOUNT CLIENT)	6,000,000	1.75
15	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAY BEN SENG, BENSON	5,966,800	1.74
16	LEE HOCK SENG	5,440,000	1.58
17	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ONG KAH HOE (6000713)	4,981,600	1.45
18	CIMB GROUP NOMINEES (TEMPATAN) SDN. BHD. PEMBANGUNAN SUMBER MANUSIA BERHAD	4,314,900	1.26
19	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. MAYBANK TRUSTEES BERHAD FOR BIMB I GROWTH FUND (940160)	3,800,000	1.11
20	CARTABAN NOMINEES (TEMPATAN) SDN. BHD. CN CIMB COMMERCE TRUSTEE BERHAD FOR KENANGA GROWTH FUND SERIES 2	3,720,500	1.08
21	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ONG KAH WEE	3,181,900	0.93
22	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ONG KAH HOE	3,181,900	0.93
23	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ONG YEW MING	3,181,900	0.93
24	LIANG CHEE FONG	2,805,200	0.82
25	NG CHOR KUAN	2,800,000	0.82
26	AMANAHRAYA TRUSTEES BERHAD AFFIN HWANG AIIMAN EQUITY FUND	2,785,800	0.81
27	JF APEX NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN POO YOT (MARGIN)	2,600,000	0.76
28	JAG CAPITAL EQUITY SDN. BHD.	2,000,000	0.58
29	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN BAN TATT	1,942,300	0.57
30	CHIA YOONG YOONG	1,900,000	0.55
	TOTAL	**261,904,600**	**76.31**

ANALYSIS OF IRREDEEMABLE CONVERTIBLE PREFERENCE SHAREHOLDINGS
as at 3 June 2020

Class of securities	:	Irredeemable Convertible Preference Shares ("ICPS")
Number of ICPS Holders	:	1,246
Voting rights	:	ICPS holders are not entitled to any voting right or participation in any rights, allotments and/or other distribution in the Company except where when the dividend or part of the dividend on the ICPS is in arrears for more than six (6) months, or there is a proposal to reduce the Company's share capital or a proposal for sanctioning the sale of the whole of the Company's property, business and undertaking, or a proposal that directly affects their rights and privileges attached to the ICPS, or a proposal for winding-up the Company or during the winding up of the Company until and unless such holders convert their ICPS into new shares

DISTRIBUTION OF ICPS HOLDINGS

Size of Holdings	No. of ICPS Holders	%	No. of ICPS	%
Less than 100	4	0.32	65	0.00
100 – 1,000	16	1.28	8,700	0.00
1,001 - 10,000	129	10.35	1,006,982	0.22
10,001 - 100,000	614	49.28	32,490,750	6.99
100,001 to less than 5% of issued shares	481	38.60	319,486,300	68.71
5% and above of issued shares	2	0.16	112,000,000	24.09
Total	**1,246**	**100.00**	**464,992,797**	**100.00**

THIRTY LARGEST ICPS HOLDERS AS AT 3 JUNE 2020

No.	ICPS Holders	No. of Shares	%
1	ACE PRIVATE EQUITY SDN. BHD.	60,000,000	12.90
2	M & A NOMINEE (ASING) SDN. BHD. EXEMPT AN FOR SANSTON FINANCIAL GROUP LIMITED (ACCOUNT CLIENT)	52,000,000	11.18
3	I.S.E.T ENGINEERING SDN. BHD.	12,000,000	2.58
4	NG CHIN SOON	8,500,000	1.83
5	KAN YOON KEONG	8,301,000	1.79
6	CHONG TOH WEE	7,700,000	1.66
7	NG CHOR KUAN	6,000,000	1.29
8	FOONG WEI KUONG	5,857,100	1.26
9	LIM CHEE LIANG	4,687,800	1.01
10	ONG KIAN HUAT	4,000,000	0.86
11	CHEAH SUN CHUANG	3,800,000	0.82
12	WONG SAU BING	3,733,000	0.80
13	PUBLIC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHAN WEN CHAU (E-TCS)	3,700,000	0.80
14	JF APEX NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR WONG SAU BING (MARGIN)	3,351,000	0.72
15	NG SEH HAN @ NG TEK LAI	3,260,000	0.70
16	KONG KOK KEONG	3,208,400	0.69
17	LAI SUEN SENG	3,200,000	0.69
18	TAN YEAP HONG	3,100,000	0.67
19	GLOBAL ASSET TRUSTEE (M) BERHAD RONFIELD LIMITED	3,000,000	0.65

Analysis of Irredeemable Convertible Preference Shareholdings as at 3 June 2020 (Cont'd)

THIRTY LARGEST ICPS HOLDERS AS AT 3 JUNE 2020

No.	ICPS Holders	No. of Shares	%
20	ONG KAH WEE	3,000,000	0.65
21	LIM SHAVE HUAT	2,900,000	0.62
22	SEIK THYE KONG	2,890,000	0.62
23	TENG SWEE HIN	2,677,100	0.58
24	NG SENG HOONG	2,640,000	0.57
25	LEE KAI MENG	2,466,700	0.53
26	NG MAN LEONG	2,241,200	0.48
27	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR WONG THIEW WAH	2,237,400	0.48
28	KENNETH LEE KOK MENG	2,140,000	0.46
29	KOH SOON KIAT	2,100,000	0.45
30	CGS-CIMB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR BOH TEIK HWA (THE CURVE-CL)	2,069,500	0.45
	TOTAL	**226,760,220**	**48.79**

ANALYSIS OF WARRANT C (OCR-WC) HOLDINGS

as at 3 June 2020

Number of outstanding Warrant C	:	66,141,269 OCR-WC
Exercise period	:	The exercise period is five (5) years from the date issue on 25 July 2016 and maturing on 24 July 2021.
Exercise price	:	RM0.50 and subject to adjustment in accordance with the conditions provided in the Deed Poll dated 1 June 2016.
Warrant C Entitlement	:	Each Warrant C entitles the registered holder during the Exercise Period to subscribe for one (1) new ordinary share at the Exercise Price.
Number of Warrant C Holders	:	472

DISTRIBUTION OF WARRANT C HOLDINGS

Size of Holdings	No. of Warrant C Holders	%	No. of Warrants C	%
Less than 100	9	1.91	370	0.00
100 – 1,000	36	7.63	18,943	0.03
1,001 – 10,000	137	29.03	723,356	1.09
10,001 – 100,000	208	44.07	9,455,700	14.30
100,001 to less than 5% of issued shares	78	16.53	28,035,100	42.39
5% and above of issued shares	4	0.85	27,907,800	42.19
Total	**472**	**100.00**	**66,141,269**	**100.00**

THIRTY LARGEST WARRANT C (OCR-WC) HOLDERS AS AT 3 JUNE 2020

No.	Warrant C Holders	No. of Warrant C	%
1	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR KWONG MING KWEI (08KW032ZQ-008)	10,799,400	16.33
2	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR GAN BOON GUAT (028)	7,250,800	10.96
3	CGS-CIMB NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD. (HOUSE ACCOUNT)	6,048,600	9.14
4	SEIK THYE KONG	3,809,000	5.76
5	WONG CHOU HUI	2,453,400	3.71
6	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ZULKARNIN BIN ARIFFIN	2,403,100	3.63
7	ONG TICK GEE	1,550,000	2.34
8	WONG SAU BING	832,400	1.26
9	YOONG WOEI YEH	753,500	1.14
10	BONG MAU MOI	752,800	1.14
11	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR WILLIAM THONG TUCK WENG	671,000	1.01
12	LEE KOK SEE	660,000	1.00
13	INTER-PACIFIC EQUITY NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHEAH TUCK HING (AC0048)	590,000	0.89
14	PUBLIC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR MOK SWEE YEE (E-TSA)	550,000	0.83

Analysis of Warrant C (OCR-WC) Holders as at 3 June 2020 (Cont'd)

THIRTY LARGEST WARRANT C (OCR-WC) HOLDERS AS AT 3 JUNE 2020

No.	Warrant C Holders	No. of Warrant C	%
15	PUBLIC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LAU SEN KEONG (E-TSA)	533,000	0.81
16	CGS-CIMB NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD. (RETAIL CLIENTS)	500,000	0.76
17	LEK PEI SZE	500,000	0.76
18	MOHAMED SUFIAN BIN MOHAMED ZAIN	500,000	0.76
19	KWONG MING MEAN	499,000	0.75
20	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR GAN KONG HIOK (001)	467,200	0.71
21	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LANG AH CHOI (033)	453,600	0.69
22	LEE LIH CHOO	435,000	0.66
23	ANG KHANG WEI	425,000	0.64
24	LEONG KHAI THYE	400,000	0.60
25	LOKE PAK JOEN	400,000	0.60
26	LEE LA LIAN	360,000	0.54
27	KOK CHIN HENG	351,400	0.53
28	TAN YANG BOOI	350,000	0.53
29	LAU YUET MING	349,900	0.53
30	EOW CHEE SENG	349,000	0.53
	TOTAL	**45,997,100**	**69.54**

ANALYSIS OF WARRANT D (OCR-WC) HOLDINGS
as at 3 June 2020

ANALYSIS OF WARRANT D (OCR-WD) HOLDINGS
AS AT 3 JUNE 2020

Number of outstanding Warrant d	:	90,263,150 OCR-WD
Exercise period	:	The exercise period is three (3) years from the date issue on 22 February 2019 and maturing on 18 February 2022.
Exercise price	:	RM0.22 and subject to adjustment in accordance with the conditions provided in the Deed Poll dated 12 February 2019.
Warrant D Entitlement	:	Each Warrant D entitles the registered holder during the Exercise Period to subscribe for one (1) new ordinary share at the Exercise Price.
Number of Warrant D Holders	:	1,522

DISTRIBUTION OF WARRANT D HOLDINGS

Size of Holdings	No. of Warrant D Holders	%	No. of Warrants D	%
Less than 100	300	19.71	9,767	0.01
100 – 1,000	348	22.86	183,438	0.20
1,001 – 10,000	569	37.39	2,141,693	2.37
10,001 – 100,000	206	13.53	7,394,447	8.19
100,001 to less than 5% of issued shares	97	6.37	63,261,234	70.09
5% and above of issued shares	2	0.13	17,272,571	19.14
Total	1,522	100.00	90,263,150	100.00

THIRTY LARGEST WARRANT D (OCR-WD) HOLDERS AS AT 3 JUNE 2020

No.	Warrant D Holders	No. of Warrant D	%
1	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR OCR LAND HOLDINGS SDN. BHD.	8,918,571	9.88
2	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR KOON POH TAT	8,354,000	9.26
3	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHAN YIN PENG	4,500,000	4.99
4	SEIK THYE KONG	3,232,300	3.58
5	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ONG KAH HOE (020) (THIRD PARTY)	2,687,257	2.98
6	YAYASAN GURU TUN HUSSEIN ONN	2,285,714	2.53
7	JF APEX NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ACE CREDIT (M) SDN. BHD. (STA 1)	2,272,500	2.52
8	JF APEX NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ONG KAH HOE (MARGIN)	1,963,914	2.18
9	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR VINCENT PHUA CHEE EE	1,952,400	2.16
10	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHONG MEE FAH @ FEDERICK CHONG	1,818,600	2.01
11	THAM KIN FOONG (JOHN)	1,715,400	1.90

Analysis of Warrant D (OCR-WC) Holders as at 3 June 2020 (Cont'd)

THIRTY LARGEST WARRANT D (OCR-WD) HOLDERS AS AT 3 JUNE 2020

No.	Warrant D Holders	No. of Warrant D	%
12	M & A NOMINEE (ASING) SDN. BHD. EXEMPT AN FOR SANSTON FINANCIAL GROUP LIMITED (ACCOUNT CLIENT)	1,714,285	1.90
13	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ONG KAH HOE (6000713)	1,423,314	1.58
14	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN YEE BOON	1,400,000	1.55
15	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR GOH YOON SEN	1,380,000	1.53
16	PHANG POOI LING	1,141,100	1.26
17	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR KHOR GUO SHENG	1,100,000	1.22
18	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR JASON CHING CHOU-YI	1,000,000	1.11
19	LIM HOON MENG	1,000,000	1.11
20	SOH ENG SOENG	1,000,000	1.11
21	USHARANI MAHINDA TILAKA	1,000,000	1.11
22	LEE AH BENG	932,042	1.03
23	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ONG KAH WEE	909,114	1.01
24	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ONG KAH HOE	909,114	1.01
25	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ONG YEW MING	909,114	1.01
26	CHUAH CHAI SIANG	824,457	0.91
27	LING MIAN KHOON	800,000	0.89
28	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LIAN CHOY PENG	795,000	0.88
29	JF APEX NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN POO YOT (MARGIN)	742,857	0.82
30	NOOR FAZLI BIN AZMAN	700,000	0.78
	TOTAL	**59,381,053**	**65.81**

ADMINISTRATIVE GUIDE

IN RESPECT OF THE TWENTY-SECOND ANNUAL GENERAL MEETING ("22ND AGM") TO BE HELD VIA AN ONLINE PLATFORM

DATE:	TIME:	BROADCAST VENUE:
Monday, 27th July 2020	2.00 p.m.	10th Floor, Tower 1, Avenue 5, Bangsar South City, 59200 Kuala Lumpur

General Meeting Record of Depositors

1. In respect of deposited securities, only members whose names appear on the Record of Depositors on 21st July 2020 (General Meeting Record of Depositors) shall be eligible to attend, speak and vote at the or appoint proxy(ies) to attend and/or vote on his/her behalf.

Proxy

2. A member entitled to participate and vote remotely at the 22nd AGM using the Virtual Meeting Facilities is entitled to appoint proxy/proxies, to participate and vote instead of him/her. If you are unable to attend the meeting and wish to appoint a proxy to vote on your behalf, please submit your Proxy Form in accordance with the notes and instructions set out hereunder.

3. Alternatively, if a shareholder is unable to attend the Annual General Meeting via Virtual Meeting Facilities on 21st July 2020, he/she can appoint the Chairman of the meeting as his/her proxy and indicate the voting instructions in the Proxy Form.

4. The instrument appointing a proxy must be deposited at the Company's Share Registrar Office, Boardroom Share Registrars Sdn. Bhd, 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote.

Poll Voting

5. The voting at the 22nd AGM will be conducted by poll in accordance with the Company's Constitution. The Company has appointed HMC CORPORATE SERVICES SDN BHD as Poll Administrator to conduct the poll by way of online voting and USearch Management Services as Scrutineers to verify the poll results.

6. Shareholders can proceed to vote on the resolutions and submit your votes at any time from the commencement of the 22nd AGM at 2.00 p.m. and before the end of the voting session which will be announced by the Chairman of the meeting. The QR Code will be displayed upon the declaration of poll voting by the Chairman. Upon completion of the voting session for the 22nd AGM, the Scrutineers will verify and announce the poll results followed by the Chairman's declaration whether the resolutions are duly passed.

Virtual Meeting Facilities

7. We would like to invite the Shareholders to participate and vote remotely at the 22nd AGM using the Virtual Meeting Facilities. Please refer to item 10 on the registration link.

8. For Corporate Shareholders, please provide the following documents to HMC Corporate Services Sdn Bhd no later than **Friday, 24 July 2020 at 9:00 a.m.**:

   (a) Original certificate of appointment of its Corporate Representative under the seal of the corporation; and

   (b) Corporate Representative's e-mail address and hand-phone number.

   Upon receipt of such documents, HMC Corporate Services Sdn Bhd will liaise with you on the participation link.

9. For the beneficiary of the shares under a Nominee Company's CDS account who wishes to use the Virtual Meeting Facility at the 22nd AGM may request its Nominee Company to appoint him/her as proxy to participate and vote remotely at the 22nd AGM via the Virtual Meeting Facilities, please submit the duly executed proxy form to Company's Share Registrar Office, Boardroom Share Registrars Sdn. Bhd, 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan no later than Saturday, 25 July 2020 at 2:00 p.m. and register your proxy via the Registration Link below.

Administrative Guide (Cont'd)

10. Please follow the following steps to be taken for participating and voting via the Virtual Meeting facilities:

BEFORE THE AGM			
(a)	REGISTRATION	•	Please click on the following link to register yourself as Shareholder for verification of attendance purpose. Registration Link: https://bit.ly/3ej1AYE
		•	Corporate Representative and Beneficiary Owner of an Exempt Nominee who have forwarded their documents in accordance with the manners stipulated in items 8 and 9 above may register yourself using the link above for verification of attendance purpose.
(b)	CONFIRMATION ATTENTANCE	•	Upon verification, the participation link will be sent to your goodself before the commencement of the meeting.
(c)	SUBMISSION OF QUESTIONS	•	You may submit any questions online by scanning the QR Code below and to submit your questions accordingly:
ON THE AGM DAY			
(d)	PARTICIPATION	•	Click on the participation link which was provided to you via e-mail. Sharing of participation is strictly prohibited.
		•	If you have any question to be raised during the meeting, you may submit by using the Q and A box. The Chairman/Board will try to address the questions submitted prior or during the accordingly
(e)	ONLINE VOTING	•	The QR Code for the Online will be displayed in the Chat Box and Q&A Box of the Virtual Meeting Room upon the Commencement of the AGM. Voting shall commence upon the declaration of poll voting by the Chairman until a time when the Chairman announces the closing of the voting session at the 22nd AGM venue.
(f)	CLOSURE	The 22nd AGM will be closed upon the announcement by the Chairman, the Virtual Meeting will end.	

ENQUIRY

If you have any enquiry or require any assistance before or during the 22nd AGM, please do not hesitate to contact the following officers during office hours from 9.00 a.m. to 5.00 p.m. (Monday to Friday):

HMC CORPORATE SERVICES SDN BHD
Registration No. 199601006647 (378993-D)
Level 2, Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur
Tel : 603-2241 5800
Mobile/WhatsApp: 017 388 3989
Fax : 603-2282 5022
Email : office365support@hmc.my
Contact Person: HMC Virtual Meeting Administrator

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 22nd Annual General Meeting of the Company will be conducted via an online portal from the Broadcast Venue at 10th Floor, Tower 1, Avenue 5, Bangsar South City, 59200 Kuala Lumpur ("Broadcast Venue") on Monday, 27 July 2020, at 2:00 pm 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 2019 together with the Directors' and Auditors' Reports thereon. ***(Please refer Explanatory Note 1)***

2. To approve the payment of Directors' fees and benefits of not exceeding RM500,000 for the period from 27 July 2020 until the conclusion of the next Annual General Meeting to be held in year 2021. ***(Ordinary Resolution 1)***

3. To re-elect the following Directors who retire in accordance with Clause 77(2) and Clause 79 of the Constitution of the Company, and being eligible, have offered themselves for re-election:-

   (i) Tunku Azudinshah Ibni Tunku Annuar ***(Ordinary Resolution 2)***
   (ii) Mr. Ong Kah Hoe ***(Ordinary Resolution 3)***
   (iii) Ms. Chong Min Shih ***(Ordinary Resolution 4)***
   (iv) Mr. Julian Koh Lu Ern ***(Ordinary Resolution 5)***
   (v) Dato' Haji Mohd Fakrunizam Bin Ibrahim ***(Ordinary Resolution 6)***

4. To appoint Messrs. Baker Tilly Monteiro Heng PLT as Auditors of the Company in place of the retiring Auditors, Messrs. Crowe Malaysia PLT, and to authorise the Directors to fix their remuneration.

   To consider and if thought fit, with or without any modification, to pass the following ordinary resolution:-

   "THAT Messrs. Baker Tilly Monteiro Heng PLT, having consented to act, be and are hereby appointed as the Auditors of the Company in place of the retiring Auditors, Messrs. Crowe Malaysia PLT, to hold office until the conclusion of the next Annual General Meeting at a remuneration to be agreed between the Directors and the Auditors." ***(Ordinary Resolution 7)***

AS SPECIAL BUSINESS: -

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

5. **As Ordinary Resolution**
   Proposed Authority to Directors to Allot and Issue New Ordinary Shares Pursuant to Sections 75 and 76 of the Companies Act, 2016

   "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 20% of the total number of issued shares of the Company for the time being AND THAT such authority shall continue to be inforce until the conclusion of the next Annual General Meeting of the Company." ***(Ordinary Resolution 8)***

Notice of Annual General Meeting (Cont'd)

6. **As Ordinary Resolution**
PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

"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(i) of the Circular to Shareholders dated 26 June 2020, 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 Renewal of Shareholders' Mandate"):-

THAT the Proposed Renewal of Shareholders' Mandate shall only continue to be in full force until:-

(a) the conclusion of the next Annual General Meeting ("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 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or

(c) revoked or varied by 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 Renewal of Shareholders' Mandate." ***(Ordinary Resolution 9)***

7. **As Ordinary Resolution**
PROPOSED NEW SHAREHOLDERS' MANDATE FOR ADDITIONAL RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

"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 additional recurrent related party transactions of a revenue or trading nature with the related parties as specified in Section 5(ii) of the Circular to Shareholders dated 26 June 2020, 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 Shareholders' Mandate"):-

Notice of Annual General Meeting (Cont'd)

THAT the Proposed New Shareholders' Mandate shall only continue to be in full force until:-

(a) the conclusion of the next Annual General Meeting ("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 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or

(c) revoked or varied by 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 Shareholders' Mandate." ***(Ordinary Resolution 10)***

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,
OCR GROUP BERHAD
NG BEE LIAN (MAICSA 7041392)
Practicing Certificate: 201908003459

Company Secretary

Melaka
26 June 2020

NOTES:

1. IMPORTANT NOTICE

For preventing further propagation of Covid-19, the 22nd 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.

The Broadcast Venue of the AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the meeting to be physically present at the main venue in Malaysia. No shareholders/proxies from the public shall be physically present at the Broadcast Venue on the meeting day.

Please read these Notes carefully and follow the procedures in the Administrative Guide for the AGM in order to participate remotely via an online portal.

2. APPOINTMENT OF PROXY

(i) For the purpose of determining who shall be entitled to participate in this AGM remotely via an online portal, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 21 July 2020. Only a member whose name appears on this Record of Depositors shall be entitled to participate in this AGM remotely via an online portal .

(ii) A member entitled to participate in this AGM remotely via an online portal is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate in his/her place. A proxy may but need not be a member of the Company.

(iii) A member of the Company who is entitled to attend and vote at a General Meeting of the Company may appoint not more than two (2) proxies to participate instead of the member at the General Meeting.

(iv) If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the listing requirements of the stock exchange.

(v) Where a member of the Company is an authorised nominee as defined in the Central Depositories Act, it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.

(vi) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act") which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.

(vii) Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

(viii) A member who has appointed a proxy or attorney or authorised representative to participate at AGM remotely via an online portal ***must request his/her proxy or attorney or authorised representative to register himself/herself for the Virtual AGM****. Procedures of registration can be found in the Administrative Guide for the AGM.*

(ix) The appointment of a proxy made in a hard copy form, duly completed must be deposited at the Company's Share Registrar Office, Boardroom Share Registrars Sdn. Bhd, 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time appointed for holding the meeting.

(x) Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.

(xi) Last date and time for lodging the proxy form is ***Saturday, 25 July 2020 at 2:00 p.m.***

(xii) Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the with HMC Corporate Services Sdn. Bhd, Level 2, Tower 1, Avenue 5, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.

(xiii) For a corporate member who has appointed an authorised representative, please deposit the ***ORIGINAL*** *certificate of appointment of authorised representative with HMC Corporate Services Sdn. Bhd, Level 2, Tower 1, Avenue 5, 59200 Kuala Lumpur. The certificate of appointment of authorised representative should be executed in the following manner:*

(i) If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.

(ii) If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:

(a) at least two (2) authorised officers, of whom one shall be a director; or

(b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

Notice of Annual General Meeting (Cont'd)

EXPANATORY NOTES ON ORDINARY BUSINESS

Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR of Bursa Securities"), all resolutions set out in the Notice of 22nd AGM will be put to vote on a poll.

1. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

The audited financial statements are laid in accordance with Section 340(1)(a) of the Companies Act 2016 ("CA2016") for discussion only under Agenda 1. They do not require shareholders' approval and hence, will not be put for voting.

2. RESOLUTION 1 : PAYMENT OF DIRECTORS' FEES AND BENEFITS

Section 230(1) of the CA2016 provides that the fees of the Directors and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting. Pursuant thereto, shareholders' approval will be sought at this AGM on the Directors' fees and Directors' benefits for the period from 27 July 2020 until the conclusion of the next Annual General Meeting to be held in year 2021.

3. RESOLUTIONS 2 TO 6 : RE-ELECTION OF DIRECTORS

Clause 77(2) of the Constitution of the Company provides that one-third of the Directors of the Company for the time being shall retire by rotation at an AGM of the Company and Clause 79 of the Constitution stated that a Director so appointed shall hold office only until the next following AGM shall then be eligible for re-election.

The Directors standing for re-election pursuant to the Constitution of the Company are:-

(i) Tunku Azudinshah Ibni Tunku Annuar [Clause 77(2)]
(ii) Mr. Ong Kah Hoe [Clause 77(2)]
(iii) Ms. Chong Min Shih (Clause 79)
(iv) Mr. Julian Koh Lu Ern (Clause 79)
(v) Dato' Haji Mohd Fakrunizam Bin Ibrahim (Clause 79)

The Board has through the Nominating Committee, considered the assessment of the Directors and agreed that they meet the criteria as prescribed by Paragraph 2.20A of the MMLR of Bursa Securities on character, experience, integrity, competence and time to effectively discharge their roles as Directors.

4. RESOLUTION 7: APPOINTMENT OF AUDITORS IN PLACE OF RESIGNING AUDITORS

The Audit Committee had at its meeting held on 4 June 2020 assessed the suitability and independence of Messrs. Baker Tilly Monteiro Heng PLT and recommended the appointment of Messrs. Baker Tilly Monteiro Heng PLT as External Auditors of the Company in place of the retiring Auditors, Messrs. Crowe Malaysia PLT for the financial year ending 31 December 2020.

The Board of Directors has in turn reviewed the recommendation of the Audit Committee and recommended the same be tabled to the shareholders for approval at the forthcoming 22nd AGM of the Company.

The Board of Directors would like to thank Messrs. Crowe Malaysia PLT for their diligence and dedications to the Company over the past years.

Notice of Annual General Meeting (Cont'd)

EXPANATORY NOTES ON SPECIAL BUSINESS

5. ORDINARY RESOLUTION 8 : PROPOSED AUTHORITY TO DIRECTORS TO ALLOT AND ISSUE NEW ORDINARY SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016

The proposed Ordinary Resolution 8, 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.

As at the date of the Notice, the Company had allotted and issued 4,000,000 shares in relation to Private Placement pursuant to the mandate granted to the Directors at the Extraordinary General Meeting of the Company held on 7 February 2020.

Bursa Malaysia Securities Berhad had via a letter dated 16 April 2020 allowed listed issuers to seek a higher general mandate under Paragraph 6.03 of the Main Market Listing Requirements of not more than 20% of the total number of issued shares (excluding treasury shares) for issue of securities ("20% General Mandate"), which may be utilised to issue new securities until 31 December 2021. In light of the economic challenges brought about by the global Coronavirus Disease (Covid-19) pandemic, the Board of Directors is of the opinion that the 20% General Mandate is useful for the Company to meet its financial needs during the period covered and therefore, it is in the best interest of the Company and its shareholders. Should the 20% General Mandate be exercised, the Directors will utilise the proceeds raised for working capital or such other applications they may in their absolute discretion deem fit.

6. ORDINARY RESOLUTION 9 : PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

The proposed Ordinary Resolution 9, if passed, will renew the authority given to the Company and its subsidiaries (the "OCR Group") to enter into recurrent related party transactions of a revenue or trading nature which are necessary for the OCR Group's day-to-day operations with the respective related parties, subject that the transactions are transacted in the ordinary course of business and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company.

7. ORDINARY RESOLUTION 10 : PROPOSED NEW SHAREHOLDERS' MANDATE FOR ADDITIONAL RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

The proposed Ordinary Resolution 10, if passed, will authorise the OCR Group to enter into new recurrent related party transactions of a revenue or trading nature which are necessary for the OCR Group's day-to-day operations with the respective related parties, subject that the transactions are transacted in the ordinary course of business and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company.

ANNUAL REPORT 2019 OF THE COMPANY

A printed copy of the Annual Report 2019 and Circular to Shareholders shall be provided to the shareholders within four (4) market days from the date of receipt of their written request.

Shareholders who wish to receive the printed copy of the Annual Report 2019 and Circular to Shareholders, kindly contact Encik Mohammad Helmi Nuri or Encik Mohamed Sophiee Bin Ahmad Nawawi (Tel. Number +6 03 -7890 4700) or email to Mohammad.Helmi@boardroomlimited.com or you may send the completed request form to the Company's Share Registrar Office, Boardroom Share Registrars Sdn. Bhd, 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan.

STATEMENT ACCOMPANYING THE NOTICE OF TWENTY-SECOND ANNUAL GENERAL MEETING

1. Directors Standing for Re-election Pursuant to the Constitution of the Company are:-

(i) Tunku Azudinshah Ibni Tunku Annuar
(ii) Mr. Ong Kah Hoe
(iii) Ms. Chong Min Shih
(iv) Mr. Julian Koh Lu Ern
(v) Dato' Haji Mohd Fakrunizam Bin Ibrahim

Details of the above Directors who are standing for re-election at the 22nd AGM of the Company are set out in the Directors' profile appearing on pages 5 to 9 of this Annual Report while their securities holdings are listed in the Analysis of Shareholdings – Directors' Shareholdings on page 186 of this Annual Report.

2. Details of Attendance of Directors at Board Meetings

A total of five (5) Board of Directors' Meetings were held during the financial year ended 31 December 2019, details of the Directors' attendances at Board meetings are found on page 33 of this Annual Report.

3. Date, Time and Broadcast Venue of the Annual General Meeting

Date	:	27 July 2020
Time	:	2:00 pm
Broadcast Venue	:	10th Floor, Tower 1, Avenue 5, Bangsar South City, 59200 Kuala Lumpur

FORM OF PROXY

OCR GROUP BERHAD
[Company No. 199701025005 (440503-K)]
(Incorporated in Malaysia)

CDS Account No.
No. of Shares held

I/We, …………………………………………………………………………………….. Tel. No.: …………………………….
[Full name in block, NRIC No./Passport/Company No.]

of ………
[Address]
being member(s) 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* (*delete as appropriate)

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address:			
Email Address:			
Mobile number:			

or failing him, the Chairperson of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Twenty-Second Annual General Meeting of the Company will be conducted via an online portal from the Broadcast Venue at 10th Floor, Tower 1, Avenue 5, Bangsar South City, 59200 Kuala Lumpur on Monday, 27 July 2020, at 2:00 pm or any adjournment thereof, and to vote as indicated below:-

Item	Agenda				
1.	To receive the Audited Financial Statements for the financial year ended 31 December 2019 together with the Directors' and Auditors' Reports thereon.				
Item	**Description of Resolution**		**Resolution**	**FOR**	**AGAINST**
2.	To approve the payment of Directors' fees and benefits of not exceeding RM500,000 for the period from 27 July 2020 until the conclusion of the next Annual General Meeting to be held in year 2021.		1		
3.	To re-elect the following Directors who retire in accordance with Clause 77(2) and Clause 79 of the Company's Constitution, and being eligible, have offered themselves for re-election:-				
	(i)	Tunku Azudinshah Ibni Tunku Annuar [Clause 77(2)]	2		
	(ii)	Mr. Ong Kah Hoe [Clause 77(2)]	3		
	(iii)	Ms. Chong Min Shih (Clause 79)	4		
	(iv)	Mr. Julian Koh Lu Ern (Clause 79)	5		
	(v)	Dato' Haji Mohd Fakrunizam Bin Ibrahim (Clause 79)	6		
4.	To appoint Messrs. Baker Tilly Monteiro Heng PLT as Auditors of the Company for the financial year ending 31 December 2020 and to authorise the Board of Directors to determine their remuneration.		7		
5.	To approve the Proposed Authority to Directors to Allot and Issue New Ordinary Shares pursuant to Section 75 and Section 76 of the Companies Act, 2016.		8		
6.	To approve the Proposal Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		9		
7.	To approve the Proposed New Shareholders' Mandate for Additional Recurrent Related Party Transactions of a Revenue or Trading Nature		10		

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……………………………………………………

……………………………………………………………………
Signature of Shareholder(s)/Common Seal

** Manner of execution:*

(a) If you are an individual member, please sign where indicated.

(b) If you are a corporate member which has a common seal, this proxy form should be executed under seal in accordance with the constitution of your corporation.

(c) If you are a corporate member which does not have a common seal, this proxy form should be affixed with the rubber stamp of your company (if any) and executed by:

(i) at least two (2) authorised officers, of whom one shall be a director; or

(ii) any director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.

Notes:

1. IMPORTANT NOTICE

For preventing further propagation of Covid-19, the 22nd 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.

The Broadcast Venue of the AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the meeting to be physically present at the main venue in Malaysia. No shareholders/proxies from the public shall be physically present at the Broadcast Venue on the meeting day.

Please read these Notes carefully and follow the procedures in the Administrative Guide for the AGM in order to participate remotely via an online portal.

2. APPOINTMENT OF PROXY

(i) For the purpose of determining who shall be entitled to participate in this AGM remotely via an online portal the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 21 July 2020. Only a member whose name appears on this Record of Depositors shall be entitled to participate in this AGM remotely via an online portal.

(ii) A member entitled to participate in this AGM remotely via an online portal is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate in his/her place. A proxy may but need not be a member of the Company.

(iii) A member of the Company who is entitled to attend and vote at a General Meeting of the Company may appoint not more than two (2) proxies to participate instead of the member at the General Meeting.

(iv) If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the listing requirements of the stock exchange.

(v) Where a member of the Company is an authorised nominee as defined in the Central Depositories Act, it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.

(vi) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act") which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.

(vii) Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

(viii) A member who has appointed a proxy or attorney or authorised representative to participate at AGM remotely via an online portal must request his/her proxy or attorney or authorised representative to register himself/herself for the Virtual AGM. Procedures of registration can be found in the Administrative Guide for the AGM.

(ix) The appointment of a proxy made in a hard copy form, duly completed must be deposited at the Company's Share Registrar Office, Boardroom Share Registrars Sdn. Bhd, 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time appointed for holding the meeting.

(x) Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.

(xi) Last date and time for lodging the proxy form is Saturday, 25 July 2020 at 2:00 p.m.

(xii) Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the with HMC Corporate Services Sdn. Bhd, Level 2, Tower 1, Avenue 5, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.

(xiii) For a corporate member who has appointed an authorised representative, please deposit the ORIGINAL certificate of appointment of authorised representative with HMC Corporate Services Sdn. Bhd, Level 2, Tower 1, Avenue 5, 59200 Kuala Lumpur. The certificate of appointment of authorised representative should be executed in the following manner:

(i) If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.

(ii) If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:

(a) at least two (2) authorised officers, of whom one shall be a director; or

(b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

Fold this flap for sealing

Then fold here

AFFIX
STAMP

THE SHARE REGISTRAR

OCR GROUP BERHAD [199701025005 (440503-K)]

Boardroom Share Registrars Sdn. Bhd.
11th. Floor, Menara Symphony,
No. 5 Jalan Prof. Khoo Kay Kim,
Seksyen 13
46200 Petaling Jaya,
Selangor Darul Ehsan

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OCR GROUP BERHAD [199701025005 (440503-K)]

8.01, 8th Floor, Persoft Tower, 6B Persiaran Tropicana,
Tropicana Golf & Country Resort, 47410, Petaling Jaya, Selangor
Tel : +603 7806 3003 Fax : +603 7880 4003

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