



OCR GROUP BERHAD
[199701025005 (440503-K)]

It's where you'll want to be



ANNUAL REPORT 2021

OUR VISION

IT'S WHERE YOU'LL WANT TO BE

OUR MISSION



PRODUCT

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



INTERNAL

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



SERVICE

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



EXTERNAL

CREATE SUSTAINABLE
VALUES FOR OUR STAKEHOLDERS'
INTEREST.

5 CORE VALUES

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

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

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

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

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

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CORPORATE INFORMATION

BOARD OF DIRECTORS

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

Group Managing Director
Ong Kah Hoe

Independent Non-Executive Directors
Hj. Abdullah Bin Abdul Rahman
Chong Min Shih
Julian Koh Lu Ern

AUDIT AND RISK MANAGEMENT COMMITTEE

Julian Koh Lu Ern (*Chairman*)
YAM Tunku Azudinsyah Ibni Tunku Annuar
Chong Min Shih

NOMINATING COMMITTEE

Julian Koh Lu Ern (*Chairman*)
Hj. Abdullah Bin Abdul Rahman
Chong Min Shih

REMUNERATION COMMITTEE

Chong Min Shih (*Chairwoman*)
Hj. Abdullah Bin Abdul Rahman
Julian Koh Lu Ern

OPTION COMMITTEE

Ong Kah Hoe (*Chairman*)
YAM Tunku Azudinsyah Ibni Tunku Annuar
Wong Jyh Juan

COMPANY SECRETARY

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

REGISTERED OFFICE

Level 5, Block B, Dataran PHB
Saujana Resort, Section U2
40150 Shah Alam
Selangor, Malaysia
Tel : +6 03 7890 0638
Fax : +6 03 7890 1032

CORPORATE OFFICE

A-3A-01, Block Allamanda
10 Boulevard Lebuhraya Sprint, PJU 6A
47400 Petaling Jaya
Selangor, Malaysia
Tel : +6 03 7710 0000
Fax : +6 03 7729 0300

SHARE REGISTRAR

Shareworks Sdn. Bhd.
No. 2-1, Jalan Sri Hartamas 8
Sri Hartamas
50480 Kuala Lumpur
Wilayah Persekutuan, Malaysia
Tel : +6 03 6201 1120
Fax : +6 03 6201 3121

AUDITORS

Baker Tilly Monteiro Heng PLT
Chartered Accountants
Baker Tilly Tower
Level 10, Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur
Malaysia
Tel : +6 03 2297 1000
Fax : +6 03 2282 9980

PRINCIPAL BANKERS

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

STOCK EXCHANGE LISTING

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

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) OCR Commerce Sdn. Bhd. [201101033614 (961749-X)]
 - Trading and provision of construction materials.
- 2) OCR Construction Sdn. Bhd. [201401042973 (1119151-W)]
 - Construction of residential and commercial properties and property development.
- 3) Tristar City Sdn. Bhd. [201501022066 (1147394-P)]
 - Property development and property investment.
- 4) Grand Superland Sdn. Bhd. [201501022856 (1148185-D)]
 - Construction of residential and commercial properties and property development.
- 5) Sunrise Meadow Sdn. Bhd. [201601014228 (1185159-H)]
 - Property development and property investment.
- 6) Kirana Masyhur Sdn. Bhd. [201601037701 (1208642-U)]
 - Investment holding and project management consultation.
- 7) OCR Ventures Sdn. Bhd. (*f.k.a. YP OCR Development Sdn. Bhd.*) [201601038462 (1209403-K)]
 - Property development and property investment.
- 8) OCR (The Mate) Sdn. Bhd. (*f.k.a. 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)]
 - Property development.
- 11) Amazing Symphony Sdn. Bhd. [201801012530 (1274546-D)]
 - Construction of residential properties.
- 12) Wonderland Projects Sdn. Bhd. [201101024913 (953049-T)]
 - Property investment holding.

90% Owned Subsidiary of OCR Group Berhad:

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

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

- 1) Greatway Capital Sdn. Bhd. [201701005629 (1219794-H)]
 - 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.
- 3) OCR Avenue Sdn. Bhd. [202201011606 (1457303-A)]
 - Property development.

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

- 1) Fotopop (M) Sdn. Bhd. [199001000272 (191830-X)]
 - Property Investment.

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) OCR Development (Kuantan) Sdn. Bhd. [201501016754 (1142088-K)]
 - Property development and property investment.
- 2) Pangkal Teguh Sdn. Bhd. [201101012009 (940148-A)]
 - Construction of residential and commercial properties, 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% Owned Subsidiary of OCR Group Berhad:

- 1) Stack Builder Sdn. Bhd. [201801039692 (1301723-X)]
 - Property development.
- 2) OCR Selayang Industrial Park Sdn. Bhd. (*f.k.a. Suong Sdn. Bhd.*) [201101002849 (930987-K)]
 - Property development, investment holding and receiving rental activities.

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

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

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

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

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

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

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

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

▶ ISOLA KLCC

LUXURY LIVING

ISOLA
國齊軒 @ KLCC



TIME TO RISE ABOVE

EXPERIENCE THE FINEST **KUALA LUMPUR** HAS TO OFFER FROM A PLACE THAT PERFECTLY REFLECTS YOUR STANDARD AND AMBITIONS.

BOARD OF DIRECTORS



YAM TUNKU AZUDINSHAH IBNI TUNKU ANNUAR
 Age 53, Male, Malaysian
 Chairman/Independent Non-Executive Director
 Member of Audit and Risk Management Committee
 Member of Option Committee

YAM Tunku Azudinsyah 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 a member of Audit and Risk Management Committee and Option Committee of OCR.

YAM Tunku Azudinsyah started his professional career in advertising with the International Agency AP- Foote, Cone and Belding where he managed numerous multinational accounts. He subsequently co-founded PRS Corporate Images and Orbitel.net, media companies and produced television programmes focusing on the "Halal Industry". Amongst its clients were Nestle, Sime Darby, Menteri Besar Inc (Terengganu), Formis and Inti Group. Premised on his experience with media and communications, YAM Tunku Azudinsyah 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 Azudinsyah Ibni Tunku Annuar does not hold any directorships in other public companies but sits on the board of several private limited companies.

He has no family relationship with any other Director and/or major shareholders of the Company nor any conflict of interest in any business arrangement involving the Company.

He has not been convicted of any offences within the past five (5) years other than traffic offences, if any, and there have not been any public sanctions nor penalties imposed upon him by any relevant regulatory bodies for the financial year ended 31 December 2021.



ONG KAH HOE
 Age 48, Male, Malaysian
 Group Managing Director
 Chairman of Option 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 subsequently appointed as Group Managing Director of the Company on 19 August 2016. Mr. Ong is the Chairman of Option Committee of OCR.

Mr. Ong graduated from University of Coventry, United Kingdom ("U.K.") in 1997 with a Bachelor Degree (Honours) in Business Administration. Mr. Ong has eighteen (18) 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 does not hold any directorships in other public companies but sits on the board of several private limited companies.

His holdings in the Company's securities are set out under page 181 of this Annual Report. He has no family relationship with any other Director and/or major shareholders of the Company nor any conflict of interest in any business arrangement involving the Company.

He has not been convicted of any offences within the past five (5) years other than traffic offences, if any, and there have not been any public sanctions nor penalties imposed upon him by any relevant regulatory bodies for the financial year ended 31 December 2021.

Board Of Directors (Cont'd)



HJ. ABDULLAH BIN ABDUL RAHMAN
Age 65, Male, Malaysian
Independent Non-Executive Director
Member of Remuneration 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 a member of Remuneration Committee and Nominating Committee of OCR.

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

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

Presently, he sits on the board of Lambo Group Berhad as well as several private limited companies.

He has no family relationship with any other Director and/or major shareholders of the Company nor any conflict of interest in any business arrangement involving the Company.

He has not been convicted of any offences within the past five (5) years other than traffic offences, if any, and there have not been any public sanctions nor penalties imposed upon him by any relevant regulatory bodies for the financial year ended 31 December 2021.



CHONG MIN SHIH
Age 47, Female, Malaysian
Independent Non-Executive Director
Chairwoman of Remuneration Committee
Member of Audit and Risk Management Committee
Member of Nominating Committee

Ms. Chong Min Shih was appointed to the Board as an Independent Non-Executive Director on 10 February 2020. She is the Chairwoman of Remuneration Committee, as well as a member of Audit and Risk Management Committee and Nominating Committee of OCR.

Ms. Chong graduated with a Bachelor of Business (Accountancy) Degree with RMIT University. She has twenty (20) years of professional experience in turning around underperforming accounts through strategic implementation and partnership programmes.

Currently, she is managing a few companies which includes Onesoft Solutions Sdn. Bhd., Heyday Creation Sdn. Bhd., 7seeds Solution Sdn. Bhd. and Maths Master Mind Sdn. Bhd.

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

She has no family relationship with any other Director and/or major shareholders of the Company nor any conflict of interest in any business arrangement involving the Company.

She has not been convicted of any offences within the past five (5) years other than traffic offences, if any, and there have not been any public sanctions nor penalties imposed upon her by any relevant regulatory bodies for the financial year ended 31 December 2021.

Board Of Directors (Cont'd)



JULIAN KOH LU ERN

Age 61, Male, Malaysian

Independent Non-Executive Director

Chairman of Audit and Risk Management Committee

Chairman of Nominating Committee

Member of Remuneration Committee

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

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

He has more than thirty-five (35) years of experience in the fields of strategic planning, human resources, financial management, corporate finance, risk management, information systems, taxation and funding in diversified industries including advertising, property development, stockbroking and fund management. He was the Group Finance Director of People'n Rich Holdings Sdn. Bhd. prior to his appointment to the Board of the Company.

Mr Julian Koh also sits on the Board of Seni Jaya Corporation Berhad.

He has no family relationship with any other Director and/or major shareholders of the Company nor any conflict of interest in any business arrangement involving the Company.

He has not been convicted of any offences within the past five (5) years other than traffic offences, if any, and there have not been any public sanctions nor penalties imposed upon him by any relevant regulatory bodies for the financial year ended 31 December 2021.

KEY SENIOR MANAGEMENT

The management team is headed by the Group Managing Director, Mr. Ong Kah Hoe, whose profile is found in 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 43, Male, Malaysian
Chief Financial Officer
Member of Option Committee

Mr. Wong Jyh Juan was appointed as Chief Financial Officer (“CFO”) of OCR on 19 August 2019. He is a member of Option Committee of OCR.

He graduated with a Bachelor of Accounting (Hons) from Universiti Tenaga Nasional and Master of Business Administration (“MBA”) with Distinction from The University of Nottingham. 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 (“M&A”) as well as reporting accountant for Initial Public Offerings (“IPOs”). After that, he joined CIMB Investment Bank Berhad in 2007 for around seven (7) years, in charge of driving key leads, managing and executing equity and debt capital markets transactions, M&A, IPO, banking, treasury as well as a myriad of universal banking products.

Between 2014 to 2019, Mr. Wong joined Country Garden Holdings Co. Ltd. (“CGH”) and rose through the ranks with merit, eventually serving his last held position as the CFO and Assistant Regional President in Malaysia Region. He played an instrumental role in CGH’s fast growth within Iskandar Malaysia and Klang Valley. His major accomplishments include leading CGH to become the first Chinese corporate to establish an award-winning RM1.5 billion Sukuk programme, rated AA3/Stable by RAM Ratings, with issuances of different tenures 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. Currently, he holds 500,000 units of ordinary shares in 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 year ended 31 December 2021.



ONG YEW MING
Age 47, Female, Malaysian
Chief Marketing Officer

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

In 2004, she was appointed as Executive Director of Sales and Marketing in OCR Land Holdings Sdn. Bhd. During her tenure with 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 maximise return on the investments for launched projects.

Throughout her eighteen (18) year career, she has successfully launched more than twenty (20) projects ranging from residential to mixed developments. Today, Ms. Ong is in charge of overseeing the Group’s Corporate Development Division, which includes sales and marketing, credit and leasing, digital marketing, corporate affairs and branding.

Presently, Ms. Ong does not hold any directorship in any public companies but sits on the board of several private

listed companies of OCR. She and Mr. Ong Kah Hoe are siblings. Currently, she holds 3,181,900 units of ordinary shares in the Company. She has not been convicted of any offences within the past five (5) years nor was there any public sanction or penalty imposed on her by any relevant regulatory bodies during the financial year ended 31 December 2021.

Key Senior Management (Cont'd)



ISAAC CHUA AIK KIANG
Age 46, Male, Malaysian
General Manager of Property Development

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

He began his career as a Test Engineer in Geonamic (M) Sdn. Bhd. in 2000. Subsequently, he moved on to PC Geo Management Sdn. Bhd. as a Civil and Structural Design Engineer in 2001. In 2008, he joined Mahajaya Berhad as Project Manager.

In 2010, Mr. Chua joined OCR Land Holdings Sdn. Bhd. as Project Manager. He was promoted to General Manager of Project Development on 16 December 2019 and has held that position since.

He has been panelled with the Asian International Arbitration Center as Adjudicator in 2016. He is also registered with Board of Valuers, Appraisers, Estate Agents and Property Managers as Property Manager in 2019.

Throughout his twenty two (22) year career, he has been involved in land acquisition, feasibility study, project

management and properties management. He successfully completed more than fifteen (15) projects ranging from residential to mixed development.

Presently, Mr. Chua 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 year ended 31 December 2021.



NG CHIN YUNG
Age 49, Male, Malaysian
General Manager of Corporate Development

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

He graduated with a Bachelor's Degree in Technology Management from Universiti Teknologi Malaysia.

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

Mr. Ng took every challenge as an opportunity to improve his skillset and built a solid track record of over sixteen (16) years in the property sector, including projects in Singapore, Hong Kong, China, Dubai, Japan and more.

In 2013, Mr. Ng left PJD and joined Leadmont Group as General Manager where he was involved in sales and marketing, credit administration and leasing business segments.

Presently, Mr. Ng does not hold any 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 with the past five (5) years nor was there any public sanction or penalty imposed on him by any relevant regulatory bodies during the financial year ended 31 December 2021.

Key Senior Management (Cont'd)



PHYLLIS TAY YEN SIN
*Age 38, Female, Malaysian
General Counsel*

Ms. Phyllis Tay Yen Sin joined the Company as General Counsel on 13 December 2019.

She graduated with a Bachelor of Laws (Honours) from University of London, and was called to the Malaysian Bar in 2008.

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

Ms. Tay started her career by practising as a corporate and commercial lawyer in one of the largest and oldest legal firms in Malaysia, SKRINE, where she was involved in matters of mergers and acquisitions, joint venture, foreign investments, corporate advisory and governance matters.

After her time at SKRINE, she moved on to Siemens Malaysia as a Legal Counsel before joining Country Garden Pacific View Sdn. Bhd. ("CGPV") in 2015 with its core business in property development, property

management and hospitality. At CGPV, she established and led the Legal Department as Legal Director for the Malaysia Region.

Presently, Ms. Tay 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 year ended 31 December 2021.

▶ THE MATE

URBAN LIVING

THE MATE

DAMANSARA JAYA



**THE CITY'S ULTIMATE
CO-LIFESTYLE**

**EMBRACE NEW MATES WITH THE
ULTIMATE CO-LIFESTYLE EXPERI-
ENCE THAT DELIVERS THE FINEST
WORK-LIFE.**



CHAIRMAN'S STATEMENT

Dear valued shareholders,

On behalf of the Board of Directors ("Board") of OCR Group Berhad ("OCR" or "the Group"), it is my utmost pleasure to present to you the Annual Report and audited financial statements of the Group for the financial year ended 31 December 2021 ("FY2021").

Chairman's Statement (Cont'd)

ECONOMIC AND INDUSTRY OVERVIEW

While the world grappled with relentless waves of Coronavirus Disease 2019 ("COVID-19") as the pandemic entered its second year, governments worldwide raced to alleviate its impact by aggressively implementing mass vaccination programmes to protect its populations and kickstart the journey towards normalcy. The successful vaccination rollout in most countries precipitated the resumption of economic activities and reopening of international borders, leading to the International Monetary Fund ("IMF") reporting global Gross Domestic Product ("GDP") growth of 5.9% in 2021 – a stark contrast to the 3.5% contraction in 2020.

In Malaysia, the drastic increase in the number of COVID-19 cases prompted the Government to reimpose the Full Movement Control Order ("FMCO") from June to September 2021. The FMCO, being the most stringent set of rules, restricted all non-essential and contact-intensive economic activities including the construction sector, and further exacerbated the disruptions on supply chains.

Nonetheless, the successful rollout of the COVID-19 vaccination programme nationwide played a major role in facilitating Malaysia's entry into the National Recovery Plan ("NRP") phase in the fourth quarter of 2021. Correspondingly, the turnaround in GDP growth in the fourth quarter of 2021 helped national GDP to expand by 3.1% in 2021, compared to a 3.4% contraction in the previous year.

Sentiments within the property sector were similarly challenging, with the National Property Information Centre ("NAPIC") reporting an all-time high of 36,863 unsold completed homes with a value of RM22.8 billion in 2021, compared to RM18.9 billion as at end-2020. NAPIC attributed this to various factors including rising cost of living forcing property buyers to defer acquisition plans, and the FMCO halting the operations of construction activities and sales galleries.

While the NRP allowed the reopening of most economic sectors in the fourth quarter of 2021, the construction industry faced additional pressures of escalated raw material prices, primarily steel and cement, on the back of continued supply chain challenges and sudden surge in demand.

Nonetheless I am heartened to note that OCR Group Berhad ("OCR" or "the Group") clearly adapted our strategies to position the Group favourably in the long term. These are detailed in this Annual Report and audited financial statements of the Group for FY2021, which I hereby present on behalf of the Board of Directors.

FINANCIAL HIGHLIGHTS

While the FMCO disrupted construction site activities for the most part of FY2021, OCR's commitment to accelerating progress billings and sales uptake during the NRP, together with a more robust approach in terms of procurement and contractor management to contain costs, enabled the Group to post a profitable fourth quarter. On a full year basis, Group revenue stood at RM44.8 million. The material effect of FMCO in the earlier quarters, the higher cost environment owing to COVID-19 management as well as industry-wide supply chain pressures affected the Group's bottomline to post a net loss on a whole year basis.

Still, the Group retained a manageable balance sheet, with net gearing of 0.58 time as at 31 December 2021 to weather the future.

CORPORATE DEVELOPMENTS

- **Acquisition of Stack Builder Sdn. Bhd. ("Stack Builder") and Wonderland Projects Sdn. Bhd. ("Wonderland")**

On 9 July 2021, OCR announced that it had signed heads of agreements for the proposed acquisitions of 80% of Stack Builder and 100% of Wonderland from its substantial shareholder Mr. Ong Kah Hoe along with various other owners of the companies. Subsequently, on 5 October 2021, the Group signed a Share Sales Agreement to revise the proposed acquisition of Stack Builder to 50%.

Stack Builder owns a 26.9-acre land in Shah Alam, Selangor, while Wonderland possesses a strategic 0.3-acre land in Jalan Alor, Kuala Lumpur, on which the Group aims to develop in the near future. OCR remains the controlling developer for both the proposed developments.

The total consideration of up to RM7.56 million was entirely satisfied via issuance of 39.8 million OCR shares. The acquisitions were completed on 26 November 2021 following approvals from shareholders and relevant authorities, fulfillment of terms of the share sales agreements, as well as the issuance of consideration shares to the vendors of Stack Builder and Wonderland.

Chairman's Statement (Cont'd)

CORPORATE DEVELOPMENTS (CONT'D)

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

On 8 November 2021, OCR proposed to acquire 50% equity interest in OCR Selayang from Mr. Ong Kah Hoe and Mr. Lee Wei Jack for a purchase consideration of RM14.1 million, to be entirely satisfied by the issuance of 105.0 million OCR shares.

OCR Selayang holds three pieces of freehold industrial lands totalling nearly 600,000 square feet in Selayang, Selangor, of which two pieces will be subdivided into five saleable industrial detached plots with infrastructures in place.

All the five industrial detached plots have been fully sold with a total contracted sales amounting to RM139.1 million. The acquisition was completed on 8 March 2022 after obtaining approvals from shareholders and relevant authorities, as well as the listing and quotation of 105.0 million shares on the Main Market of Bursa Securities.

- **Supplementary Agreement with SSPP Development Sdn. Bhd. ("SSPP")**

The Group's 70% owned subsidiary, OCR Development (Kuantan) Sdn. Bhd. had on 29 October 2021 entered into a Supplementary Agreement with SSPP to vary the Joint Venture Agreement dated 1 June 2015 ("JVA") subject to the terms and conditions contained therein and the Supplementary Agreement is made supplemental to the JVA.

- **Termination of the Memorandum of Understanding ("MOU") with Universiti Sains Islam Malaysia ("USIM")**

On 8 January 2021, the Group announced the MOU between the Group's 80% subsidiary Visi Anggun Properties Sdn. Bhd. with USIM had expired, and both parties had mutually agreed that the MOU would not be renewed. The termination did not have any material effect on the earnings or net assets of OCR in FY2021.

MARKET OUTLOOK

Notwithstanding the resumption of economic activities, the IMF forecasted a weaker 4.4% growth for the year 2022 as the highly-infectious Omicron COVID-19 variant prompted the reimposition of lockdown measures and stoked fears of prolonged supply chain disruptions. Notably, this prognosis had not factored in the effects of Russia-Ukraine tensions, which have already exerted global pressures on broad-based inflation and soaring energy prices.

On the domestic front, Malaysia's economy is projected to grow between 5.3% to 6.3% in 2022 on the back of sustained growth in global demand and increased expenditure in the private sector.

At the same time, Malaysia's property sector is largely anticipated to follow a similar trajectory as the general economy, with resilient demand for affordable housing and industrial properties. Nonetheless, industry players are vigilant of constant supply-side pressures from escalations in raw material prices, which would inevitably result in higher property prices due to cost-push factors and potentially derailing the sector's growth.

Amidst the challenging industry prospects, we at OCR intend to reap the benefits of our strategies and continue managing our business operations as best we can to steer the Group forward.

AWARDS

OCR was honored as the 'Best Lifestyle Developer' by PropertyGuru Asia Property Awards on 25 November 2021, in recognition of innovative concepts, lifestyle elements and customer-experience components in our product offerings. These include being among the early proponents of the co-living and co-working experience in Malaysia through The Mate, and utilizing a fully-automated car park system for its urban Kuala Lumpur city center-based Isola KLCC.

OCR further gathered acclaim from PropertyGuru Asia Property Awards 2021 with the 'Special Recognition for Corporate Social Responsibility ("CSR")', in light of consistent community service initiatives as well as creation of well-being, sustainable and healthy local communities. Since the onset of the COVID-19 outbreak, OCR had also initiated various awareness-raising campaign as part of our CSR initiative.

Chairman's Statement (Cont'd)

AWARDS (CONT'D)

I would like to extend our appreciation to the entire team in OCR who have epitomized, exemplified and expressed our pledge to our buyers. This prestigious industry recognition will surely embody the collective efforts and spur us to become even better over time.



APPRECIATION

On behalf of the Board, I would like to record my thanks to our former Directors: Dato' Haji Mohd Fakrunizam bin Ibrahim and Admiral (R) Tan Sri Dato' Seri Panglima Ahmad Kamarulzaman Hj Ahmad Badaruddin, who resigned from their posts of Independent and Non-Executive Directors on 4 June 2021 and 9 February 2022 respectively due to other personal commitments, as well as Mr. Lee Chin Cheh who retired from his post as Non-Independent and Non-Executive Director on 10 June 2021.

I would like to express my appreciation to the Board, Key Senior Management, and all team members for enabling OCR to navigate the difficult year. I would also like to acknowledge the support of our business partners, associates, suppliers, buyers and shareholders towards OCR, and supporting our efforts to imbue stability and sustainability in the long run.

Sincerely,
YAM Tunku Azudishah Ibni Tunku Annuar
Chairman

FIVE YEARS FINANCIAL HIGHLIGHTS

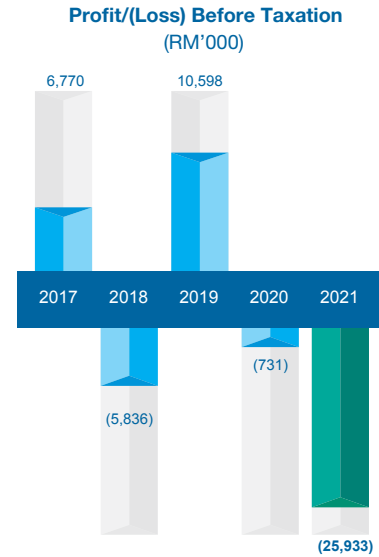
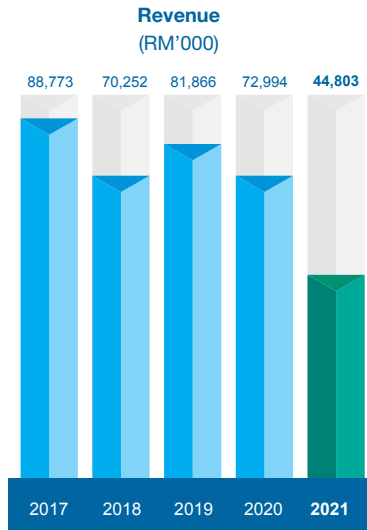
		FY17 1 Aug 2016 to 31 July 2017	FY18 1 Aug 2017 to 31 Dec 2018*	FY19 1 Jan 2019 to 31 Dec 2019	FY20 1 Jan 2020 to 31 Dec 2020 (Restated)**	FY21 1 Jan 2021 to 31 Dec 2021
Revenue	RM'000	88,773	70,252**	81,866	72,994	44,803
Profit/(Loss) before taxation	RM'000	6,770	(5,836)	10,598	(731)	(25,933)
Profit/(Loss) after taxation	RM'000	2,843	(7,330)	8,990	(2,678)	(27,399)
Profit/(Loss) after taxation attributable to owners of the company	RM'000	3,850	(7,037)	8,881	(2,220)	(25,923)
Non-controlling interests	RM'000	(1,007)	(293)	109	(459)	(1,476)
Total assets	RM'000	172,940	267,332	320,372	358,096	438,118
Shareholders' equity	RM'000	102,154	112,243	123,616	142,008	157,125
Net tangible asset per share	RM	0.40	0.38	0.37	0.31	0.23
Net earnings/(loss) per share	RM (sen)	1.50	(2.41)	2.68	(0.49)	(3.81)
Return on total assets		0.02	(0.03)	0.03	(0.01)	(0.06)
Return on equity		0.04	(0.06)	0.07	(0.02)	(0.16)

* Due to the changes in financial year end from 31 July 2018 to 31 December 2018, FY2018 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.

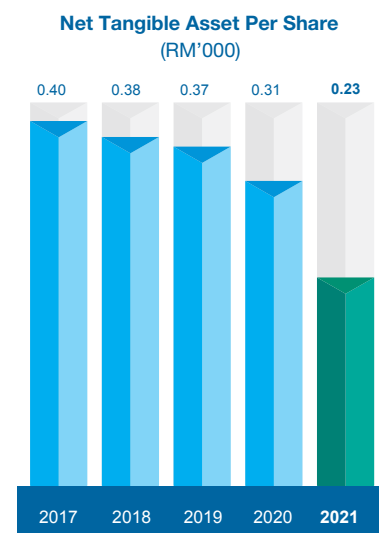
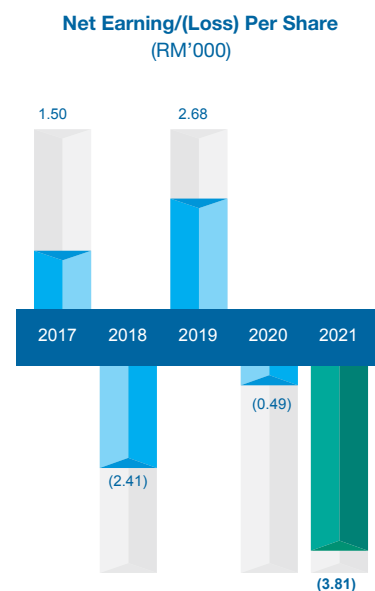
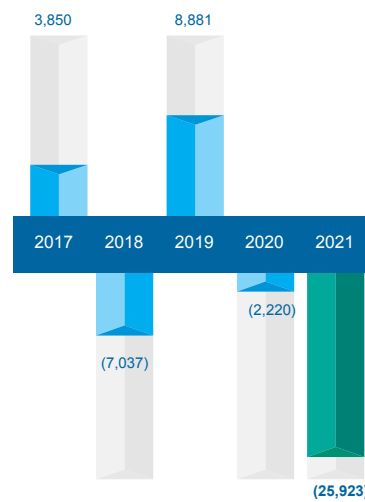
** In FY2018, RM25,783,000 of revenue is generated from discontinued operations which have been disposed.

*** Restated is due to the Group changed its accounting policy with retrospective effect as results of the Agenda Decision on IAS 23 *Borrowing Costs*.

Five Years Financial Highlights (Cont'd)



**Profit/(Loss) After Taxation Attributable
to Owners of the Company**
(RM'000)



► **PRIYA KUANTAN**

ESSENTIAL LIVING

priiya
RUMAH IDAMAN
Penor



Rumah *Idaman* Mampu Milik

PROVIDE A HOME WITH FINEST
QUALITY FOR YOUR FAMILY WITH
PRIYA AFFORDABLE HOUSE.

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”).

The Group is an integrated property developer focused on providing innovative and unique homes in up-and-coming hotspots in Malaysia. The Group has since garnered over 20 years of experience in the property and construction sector. The management of OCR has completed a total of 17 projects with a cumulative GDV of more than RM1 billion to date and hopes to play its role in enabling home ownership a reality for different segments of the market.

FINANCIAL OVERVIEW

The year under review proved to be extremely challenging for the entire economy, including the construction and property development sector. While stringent restrictions under the COVID-induced Full Movement Control Order (“FMCO”) resulted in immediate halt in works at construction sites for many months, the resumption of activities under the National Recovery Plan (“NRP”) was a gradual process that was dependent on the vaccination status of on-site workers, amongst other factors.

On top of that, the construction sector was dealt with higher prices of key raw materials especially steel and cement due to supply chain disruptions, as well as acute labour shortage resulting from international border closures.

Against this backdrop, the Group attained revenue of RM44.8 million for the financial year ended 31 December 2021 (“FY2021”), of which RM37.0 million or 82.6% was contributed by the property development segment, and the balance RM7.8 million or 17.4% was derived from the construction business.

The immense cost pressures from higher input prices led to gross loss of RM1.9 million, compared to gross profit of RM11.8 million previously.

Notwithstanding this, the Group endeavoured to take a longer-term perspective to reinforce its prospects, including by undertaking acquisition exercises to expand its landbank for future development via issuance of new shares. The Group has also prudently made provisions and impairment for its financial instruments considering the impact of COVID pandemic to the Group. These has added to the administrative expenses in the year under review, while the Group also incurred higher finance costs in line with increased borrowings for future plans.

With this, the Group incurred RM27.4 million of loss after taxation and RM25.9 million net loss attributable to shareholders.

Even so, it must be noted that OCR has retained earnings visibility, with a total of RM318.0 million slated for recognition in the next two years. This consists of RM200.9 million in unbilled sales from ongoing property projects and RM117.1 million from construction orderbook as at 31 December 2021. Meanwhile, the existing pipeline projects of the Group has an estimated total GDV of RM1.60 billion. The Group’s details are outlined as follows:

Property Development Projects

Project	Project Type	Site Area (acres)	Estimated GDV (RM'mil)
Ongoing Projects			
Isola KLCC	Residential	0.4	273.0
PRIYA Kuantan	Residential	100.0	166.0
The Mate, Damansara Jaya	Mixed Development	1.0	144.0
OCR Selayang Industrial Park	Industrial	13.8	139.1
Pipeline Projects			
Boulevard Gardens, Damansara	Residential	1.5	166.0
Vertex, Kuantan City Centre	Mixed Development	2.2	268.0
Shah Alam Project	Mixed Development	26.9	750.0
Tiara Bangi Homes	Landed Houses	8.7	90.0
Melaka Project	Mixed Development	1.4	206.0
Jalan Alor Project	Mixed Development	0.3	105.9

Management Discussion and Analysis (Cont'd)

FINANCIAL OVERVIEW (CONT'D)

Construction Project

Project	Project Type	Site Area (acres)	Contract (RM'mil)	Value	Order Book (RM'mil)
Ongoing Project					
YOLO Signature Suites	Mixed Development	1.7	159.6		116.1

Share Performance

Year High	RM0.270
Year Low	RM0.120
Year Close	RM0.145
Trading Volume	1,570.0 million
Market Capitalisation (as at 31 Dec 2021)	RM80.5 million

ASSETS, LIABILITIES AND EQUITY

OCR's future-growth intention through investments in subsidiaries and associate and further expansions in property, plant and equipment contributed to the enlarged total asset base, alongside higher long-term inventories resulting from acquisition exercise, and increased trade and other receivables. Hence, total assets expanded to RM438.1 million as at 31 December 2021 compared to RM358.1 million in the prior year.

On the other hand, total liabilities increased to RM280.9 million as at 31 December 2021 from RM216.8 million in the previous year, primarily due to the acquisition of Stack Builder Sdn. Bhd. ("Stack Builder") and Wonderland Projects Sdn. Bhd. ("Wonderland"), increase in long-term bank borrowings to fund the Group's future plans, as well as higher trade and other payables.

Shareholders' equity rose to RM157.1 million as at 31 December 2021 compared to RM142.0 million in the prior year, as the Group's share capital expanded in accordance with the issuance of new shares for private placement and acquisition exercises.

As at 31 December 2021, the Group's net gearing remained manageable at 0.58 times given the prevailing circumstances, and endeavours to remain vigilant in preserving our financial position.

CAPITAL EXPENDITURE

In line with the Group's prudent stance to invest only on need-to basis, capital expenditure was maintained at a minimal level of RM2.6 million in the year under review. With sufficient asset base, sensible spending approach and increased emphasis on enhancing efficiency in ongoing projects, OCR does not anticipate to incur major capital expenditure in the financial year ending 31 December 2022 ("FY2022").

DIVIDEND POLICY

The Group is mindful of the volatile outlook in the property and construction sector, and the importance of maintaining our commitment to stakeholders. As such, the Group's foremost priority is to deftly adapt our business units to attain meaningful progress, achieve greater efficiency and generate a stable bottomline.

To this end, the Group has yet to determine a dividend policy in favour of allocating adequate capital for growth-centric strategies, including financing ongoing property developments and construction activities, undertaking selling and marketing initiatives, and related aspects. We believe that these would therefore create a virtuous cycle of creating value for OCR's employees and shareholders.

The Board of Directors ("Board") will continue to explore the appropriate time to distribute dividends to reward shareholders.

Management Discussion and Analysis (Cont'd)

KEY HIGHLIGHTS

Isola KLCC

As OCR's flagship *Luxury Living* development in the heart of Kuala Lumpur, Isola KLCC is an iconic development on a 0.4-acre land, which comprises 140 residential units. As at 31 December 2021, Isola KLCC reported a healthy take-up rate of 86.0% with expected delivery in 2023.



Isola KLCC show unit & artist's impression

Management Discussion and Analysis (Cont'd)



PRIYA Kuantan show unit



KEY HIGHLIGHTS (CONT'D)

PRIYA Kuantan

Jointly developed with Yayasan Pahang through a 50:50 joint venture, PRIYA Kuantan is the largest affordable housing scheme in Kuantan on a 100-acre leasehold land. An *Essential Living* collection featuring 978 units of single-storey terrace houses and 146 units of single-storey semi-detached homes, the project is almost sold out and is targeted for completion in phases from mid-2022 onwards.



Management Discussion and Analysis (Cont'd)

KEY HIGHLIGHTS (CONT'D)

The Mate, Damansara Jaya

An apt demonstration of OCR's *Urban Living* proposition, The Mate co-living and co-working space is a unique freehold development which is strategically located in Petaling Jaya. Officially launched in early-2021, the project is highly appealing to its target audience, with 60% take-up of launched units. The 268-unit signature suites high-rise development is expected to be completed by 2023.



The Mate show unit



Management Discussion and Analysis (Cont'd)



OCR Selayang Industrial Park

The completed acquisition of 50% equity interest in OCR Selayang paves the way for OCR's first venture into industrial development. OCR Selayang owns three pieces of freehold industrial lands totalling nearly 600,000 square feet in Selayang, Selangor, of which two pieces will be subdivided into 5 saleable industrial detached plots. The project is fully sold out and is targeted to complete by second half of 2022.



Boulevard Gardens, Damansara

Slated for soft launch in from the second half of 2022, Boulevard Gardens is a joint development on a 1.5-acre land in Damansara Jaya. The development will comprise two blocks with a total of 88 units of Premium residences, equipped with comprehensive facilities including jacuzzi, gym, swimming pool, multipurpose deck and etc.



Vertex, Kuantan City Centre

Sitting on a 2.2-acre land in Kuantan and within walking distance from the renowned East Coast Mall, Stadium Darul Makmur and the five-star Zenith Hotel, Vertex is a 70:30 joint venture with SSPP Development Sdn. Bhd. The mixed development project, comprising 34 retail outlets and 2 blocks of service apartments totalling 978 units, is expected to be launched in 2023 onwards.

Shah Alam Project

Following the acquisition of 50% equity interest in Stack Builder, the Group intends to launch its largest-ever residential property development of at least RM750.0 million in GDV by phases in Shah Alam. The 26.9-acre project will consist of 2,892 affordable units along with retail spaces, as part of the *Essential Living* series. With the anticipated launch from 2022 onwards, the entire project is targeted for completion by 2027.

Tiara Bangi Homes

Encompassing 200 units of four-storey town villas spanning across an 8.7-acre land in Bangi, Tiara Bangi Homes is located within the locality of two 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 expected to be launched in 2023 onwards.

Melaka Project

The Group's Melaka project is located in the Central Melaka District, about 1.5km away from Melaka Chinatown, Jonker Street, Melaka Old Town. The project is a 1.4-acre land and consisting of a hotel and a block of service apartment, is expected to commence in 2023 onwards.

Jalan Alor Project

Through the newly-acquired Wonderland, OCR aims to embark on its next *Urban Living* project on Jalan Alor, strategically located within a gazetted Transit Planning Zone. With this, the project would be accorded similar benefits as a Transit Oriented Development and hence able to command a higher plot ratio and reduced carpark requirements in line with the greater public transport accessibility. The 0.3-acre development will comprise of 120 units of Small Office Home Office ("SOHO") and 8 retail lots.

Management Discussion and Analysis (Cont'd)

ANTICIPATED OR KNOWN RISKS

The Group is mindful of the exposure to numerous risks while undertaking our role as an integrated boutique property developer and construction player. The following are amongst the key potential challenges that may affect the performance of our business units:

- **Low affordability of target buyers**

The prolonged impact of COVID-19 continued to cast a pall on the overall economy and its population. Malaysia's unemployment rate inched upwards to 4.6% in 2021, maintaining its highest level since 1993 and reflecting the reality of some sectors and occupations permanently shrinking, according to the Department of Statistics. This trend does not bode well for consumer purchases of properties due to lower disposable income levels and/or inability to secure loans.

To alleviate this risk, the Group aims to expand our range of affordable- to mid-range offerings to suit the respective income levels of target buyers. It is with this in mind that we are expanding our *Essential Living* and *Urban Living* portfolio to fulfil buyers' ardent desire for home ownership. We are also venturing into industrial development.

Furthermore, the Group would continue to undertake the necessary background and credit reporting reviews on potential buyers to facilitate the loan processing procedure. Not only is our sales team dedicated to advising potential buyers on enhancing their credit scores to gain loan approvals, but are also equipped to source the most suitable development in our portfolio that benefits the buyers' requirements and affordability.

Bank Negara Malaysia's act of maintaining the low overnight policy rate at 1.75% remains accommodative to economic activity, including stimulating property purchases.

- **Availability and price increases of input costs**

The constant uptrend of input costs – primarily key components of steel, cement and labour – is only exacerbated by the shortage across the market, owing to supply chain disruptions that have yet to be fully resolved.

The Group constantly monitors the fluctuations of price and resource availability, with a view to source from multiple vendors in a timely manner. With this, we aim to remain competitive and plan for timely delivery in accordance with project progress.

We would also keep in tune with the market pulse to launch our property developments to establish a range of completion dates throughout the year. This would provide us with order visibility to secure predictable supply of raw material.

- **Delay in handover of property developments**

The Group is heartened by the Government's implementation of the NRP and transition into the endemic phase. At the same time, we are mindful of the potential risk of imposition of additional measures that may curb the continued operations at construction sites and/or have an adverse effect on the supply chain, which may lead to delay in handover of property developments.

To mitigate this risk, OCR remains vigilant in adhering to the requisite Standard Operating Procedures and appropriate measures to maintain progress of construction works on-site.

GROWTH STRATEGIES

OCR is determined to continue charting our course, en route to establishing ourselves as an innovative boutique property developer and construction player. Our forward plans are outlined as follows:

- **Enhancing operational- and cost-efficiency**

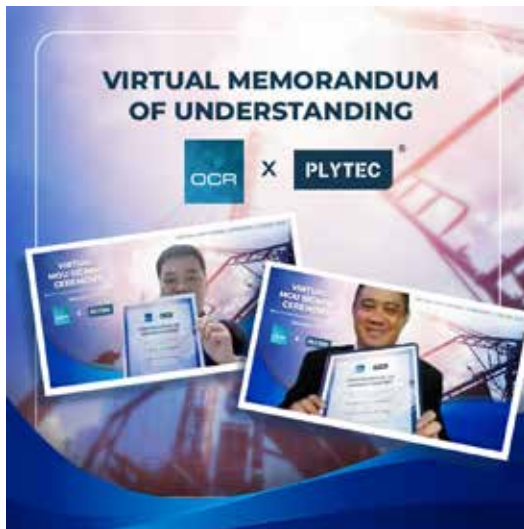
The challenging landscape has spurred the Group to seek for advanced technologies and any other innovative methods to enhance operational- and cost-efficiency towards achieving better delivery outcomes.

Management Discussion and Analysis (Cont'd)

GROWTH STRATEGIES (CONT'D)

- **Enhancing operational- and cost-efficiency (Cont'd)**

In December 2021, the Group signed a Memorandum of Understanding (“MOU”) with PLYTEC Holding Sdn. Bhd. (“PLYTEC”) to utilise its advanced technologies in the Group’s few key projects. As a start, PLYTEC Formwork Sdn. Bhd.’s self-climbing platform (“SCP”) technology has been adopted in the construction of YOLO Signature Suites in Bandar Sunway, Selangor. The SCP is a protective screen with a controlled and synchronized climbing mechanism that prevents workers and objects from falling when working at a height. Requiring only one-time installation at low level, it is a more robust system compared to typical scaffolding and falsework systems.



Furthermore, OCR has collaborated with PLYTEC’s subsidiary BIM Engineering Solution and Technology Sdn. Bhd. to utilise its Building Information Modelling (“BIM”) system in the construction process of The Mate at Damansara Jaya. By bringing architects, engineers and contractors on a single collaborative platform, the 3D architectural modelling service establishes intelligence from concept to construction to reduce project risk, improve timelines and achieve desired project results.

In March 2022, OCR has also formed a strategic collaboration with Acotec Sdn. Bhd. (“Acotec”), a member of OSK Group, to deploy the latter’s Industrialised Building System (“IBS”) technology in the Group’s PRIYA Kuantan affordable homes project as part of its green initiative. As an efficient building method that shortens the construction period and ensures better workmanship and finishing quality, Acotec wall panels are the answer to a lower cost structure, reduced dependency on foreign labour and quality affordable housing.



We will continue to explore various approaches and technologies to improve the effectiveness and efficiency of project management.

- **Strengthening our position as an integrated property solutions provider**

OCR’s unique proposition lies in our credo of being more than a property designer and developer to become an integrated solutions provider actively involved in property management.

Reflecting this, OCR had collaborated with third parties to utilise tenant management platform and insurance fintech in seeking, on-boarding and managing the entire tenancy system. This benefits the landlords and agents in screening their applicants involved in the subletting process. The data-driven insights add another layer of security to the conventional screening procedure, thus minimizing risks of prospective tenants’ non-compliance in the future.

This win-win solution for both landlords and tenants is timely, given the Group’s upcoming delivery of PRIYA Kuantan and Isola KLCC.

Our aim is to bridge the landlord-tenant gap and complete the property loop to maintain the quality and value of the properties in the long run.

Management Discussion and Analysis (Cont'd)

GROWTH STRATEGIES (CONT'D)

- **Increasing landbank**

The Group will adopt a prudent approach in launching new property developments in FY2022, in light of the escalating price environment and cautious economic sentiment.

Even so, our core business as a property developer requires us to regularly replenish our landbank to establish a sustainable pipeline of property developments. The Group's landbank that is owned directly or through joint venture spans are majority located across Klang Valley and Pahang.

We aim to increase our landbank through joint ventures or other means so as to potentially expand our product offerings in the cost-effective manner, thereby increasing the Group's sustenance.

APPRECIATION

I would like to take this opportunity to thank the management team and team in OCR for weathering the storm in the past year, and to our shareholders for supporting our initiatives to build greater sustainability. Your encouragement spurs us to move forward and establish ourselves as a unique, nimble and innovative property player.

Sincerely,

Ong Kah Hoe
Group Managing Director

SUSTAINABILITY STATEMENT

OCR Group Berhad (“OCR”, or the “Group”) is pleased to present our Sustainability Statement for the financial year ended 31 December 2021 (“FY2021”), which discloses information on OCR’s material issues along with its societal and environmental impacts and key sustainability initiatives. Stakeholders will be able to grasp a better understanding of the Group’s strategies, methodology and implementation of its sustainability efforts. This disclosure embodies the Group’s sustainability practices and progress, towards facilitating better communication, awareness and interaction between internal stakeholders and the general public.

SUSTAINABILITY GOVERNANCE

The sustainability governance structure is spearheaded by the Board of Directors (“Board”), who is responsible for overseeing the Group’s overall sustainability performance.

The Key Senior Management, led by the Group Managing Director, reports to the Board and is responsible for the oversight of sustainability practices, policies and procedures in improving sustainability performance.

The Corporate vision and mission motivate the entire OCR team to think bigger and progress further in achieving greater heights.

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

The Sustainable Development Goals (“SDGs”) were adopted by United Nations (“UN”) Member States in 2015, as part of the 2030 Agenda for Sustainable Development. The SDGs, comprising a collection of 17 global goals, was established to be a blueprint to attain a better and more sustainable future for all global citizens.

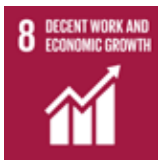


The Group has identified 7 out of 17 UN SDGs deemed relevant to the nature of our businesses, and are supporting the goals through:

- Promoting diversity, equality, and human rights in every layer of the organization, while also fostering a safe and healthy work environment education (SDG 3, 5, 6, 10)



- Creating modern industrial spaces that contribute towards socio-economic growth through the application of construction and engineering technologies (SDG 8, 9, 11)



SUSTAINABILITY STATEMENT (Cont'd)

STAKEHOLDER ENGAGEMENT

The Group recognizes the importance of regularly engaging with stakeholders, especially in a volatile operating environment, in order to foster greater interaction and understanding towards alignment of goals. OCR continued to adopt this approach in FY2021, with greater emphasis on utilizing social media to reach target audiences including existing and potential buyers. At the same time, OCR upheld its high priority on attaining a safe and environmentally-friendly work space to ensure the continued safety of workers.

Altogether, the management has sought to foster a collaborative platform between the Group, stakeholders and community to sustain its business for the long term. The practices to this effect are summarised in the table below:

Stakeholder	Material Issues	Engagement	Frequency
Board	To enhance shareholders' values and financial performances	<ul style="list-style-type: none"> Board meetings Annual General Meeting General Meetings 	<ul style="list-style-type: none"> Quarterly Annually As and when required
Employees	To provide a conducive environment that promotes continuous growth and development for our people	<ul style="list-style-type: none"> Induction programmes Educational programmes Occupational health and safety Safety inspections 	<ul style="list-style-type: none"> Every new recruit Monthly/As needed Yearly/ As needed Monthly
Shareholders	To create sustainable values for our shareholders by consistently improving profitability and growth	<ul style="list-style-type: none"> Annual General Meeting General Meetings Media releases Investor relations website Announcements on Bursa Malaysia 	<ul style="list-style-type: none"> Annually As and when required As needed As needed As needed
Regulators/ Certification Bodies	To comply with regulations and guidelines.	<ul style="list-style-type: none"> Annual report Filings and announcements on Bursa Malaysia Dialogues with authorities 	<ul style="list-style-type: none"> Annually Regularly As and when required
Customers	To achieve highest level of customer satisfaction by delivering high quality services and experiences as the mark of excellence	<ul style="list-style-type: none"> Feedback channels such as emails and phone calls Website and social media Product launches and roadshows Personal Data Protection Act ("PDPA") consent 	<ul style="list-style-type: none"> Ongoing Ongoing Ongoing Ongoing
Vendors/ Suppliers	To be the preferred business partner and develop long term sustainable relationships	<ul style="list-style-type: none"> New vendor evaluation and registration Meetings Evaluation and performance improvements 	<ul style="list-style-type: none"> As and when required Ongoing Annually

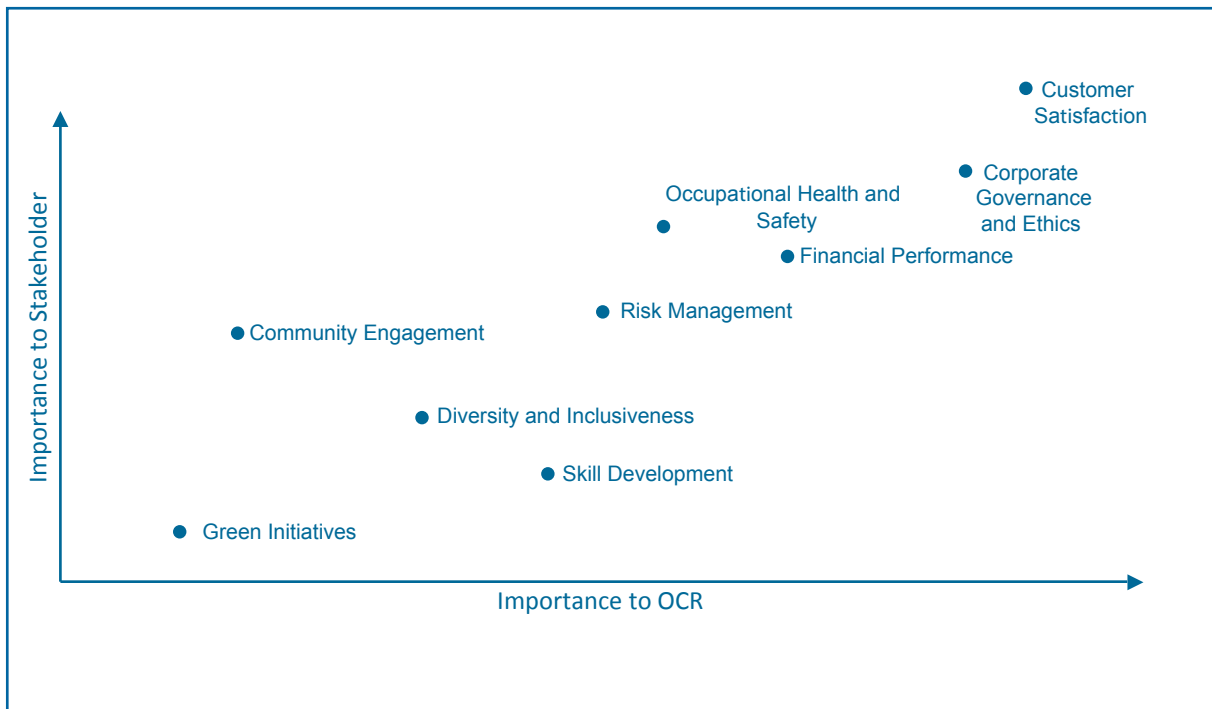
SUSTAINABILITY STATEMENT (Cont'd)

STAKEHOLDER ENGAGEMENT (CONT'D)

Stakeholder	Material Issues	Engagement	Frequency
Local Communities	To create a sustainable future by preserving the environment and being actively involved in development of a better society	<ul style="list-style-type: none"> Community events Annual sustainability reporting 	<ul style="list-style-type: none"> As and when required Annually
Media	To enhance the Group's brand image and reputation; informing all stakeholders of corporate news	<ul style="list-style-type: none"> Interviews Press Releases 	<ul style="list-style-type: none"> As needed Quarterly/ As needed

MATERIALITY ASSESSMENT

The matrix below demonstrates materiality assessment of material sustainability subjects to stakeholders and OCR respectively.



SUSTAINABILITY STATEMENT (Cont'd)

ALIGNMENT TO SDGs

No.	Material Sustainability Matters	Relevant Stakeholders	Relevant SDGs
ECONOMIC			
1	Corporate Governance and Ethics	Board, Regulators, Shareholders	
2	Risk Management	Board, Shareholders	
3	Financial Performance	Board, Shareholders	 
ENVIRONMENT			
4	Green Initiatives	Local Communities, Regulators, Customers	 
SOCIAL			
5	Customer Satisfaction	Customers	 
6	Occupational Health and Safety	Employees, Vendors/Suppliers, Customers	 
7	Diversity and Inclusiveness	Employees, Vendors/Suppliers, Customers	 
8	Skill Development	Employees	
9	Community Engagement	Community	 

SUSTAINABILITY STATEMENT (Cont'd)

ECONOMIC

Corporate Governance and Ethics

The Group complies with the Malaysian Code on Corporate Governance when carrying out its operations. OCR also aims to be as transparent as possible in its business dealings and adhere to other policies or standard operating procedures that have been put in place.

OCR complies with Anti-Bribery and Corruption Policy to preserve its business integrity and accountability. The Group conducted training on anti-bribery and corruption-prevention practices prevention in FY2021 to reiterate to employees on the various forms and consequences of corruption. We are pleased to announce that we recorded zero cases of misconduct in FY2021.

Documents such as the Board Charter, Whistle-blower Policy, Anti-Bribery and Corruption Policy and Terms of References are available to employees and the public via the Group's corporate website at www.ocrbhd.com.

Risk Management

In order to enhance the efficiency of the Board in discharging its duties and responsibilities, the Board had approved the merger of the Audit Committee and Risk Management Committee with effect from 9 February 2022, which is renamed as "Audit and Risk Management Committee" ("ARMC") thereafter.

The Group is cognizant of the fact that running business operations inherently bears some degree of risk. Therefore, OCR established the ARMC to review the effectiveness of the Group's risk management processes.

The ARMC comprises three Independent Non-Executive Directors. They develop risk management information in which new risks are identified, mitigation plans are formulated and changes in risk profile (if any) are noted. Risk assessment, at gross and residual level, is guided by the likelihood and impact ratings, which was established on the risk appetite approved by the Board.

The details are set out in the Corporate Governance Overview Statement and Statement on Risk Management and Internal Control in this Annual Report.

Financial Performance

As part of OCR's goal to develop and construct best valued properties that fulfil customers' needs which will create sustainable earnings, we aim to serve all income classes of Malaysians to own their own homes through three core segments – the *Essential Living*, *Urban Living* and *Luxury Living*, hence enriching the lives of all segments.

Isola KLCC - our *Luxury Living* project in Kuala Lumpur City Centre launched in October 2017 - is well on track to become our iconic development, having reached a commendable take up rate of 86.0% as at 31 December 2021. Our *Urban Living* series of The Mate at Damansara Jaya is also well-received with 60.0% take-up rate as at end-2021. Our *Essential Living* development of PRIYA Kuantan reported outstanding take-up rate of 98.0% as at end-2021 since its launch in October 2019.

Despite of the difficult economic environment, OCR has retained earnings visibility, with a total of RM318.0 million slated for recognition in the next two years. This consists of RM200.9 million in unbilled sales from ongoing property projects and RM117.1 million from construction orderbook as at 31 December 2021.

The intensely-challenging economic environment led to the Board's decision to defer the distribution of dividends to shareholders in favour of sustaining funds for working capital and expansion plans. The Board remains resolute in considering various options to reward its shareholders at the appropriate time, foremost by achieving stable financial performance.

SUSTAINABILITY STATEMENT (Cont'd)

ENVIRONMENT

Green Initiatives

In view of growing awareness of and preference for pro-sustainability practices, we are adopting the necessary measures to meet rising demand for eco-friendly development projects, with purpose-built features in buildings designed to incorporate environmentally-friendly features to conserve resources, eliminate waste and/or promote recycling. There are also increased provisions for adequate green spaces that promote a healthier and more sustainable lifestyle.

Notably as part of the efforts to promote green initiatives, we have formed a strategic collaboration with Acotec Sdn. Bhd. ("Acotec"), a member of OSK Group, to deploy Industrialised Building System ("IBS") technology in the Group's PRIYA Kuantan affordable homes project. Environmental sustainability will be enhanced as IBS promotes circularity by using recyclable materials as one of their constituents without compromising on functionality, safety, and practicality.

We intend to continuously assimilate eco-conscious elements to reflect our commitment to sustainability. These include rainwater harvesting and installation of LED lightings and energy-efficient fittings as part of the design of our properties.

SOCIAL

Customer Satisfaction

As homes are crucial to society's physical safety and emotional wellbeing, we place high priority on ensuring our customers are being regularly updated on progress updates of existing projects. Our websites, social media platforms and advertisements are also effective channels to inform our target markets on upcoming project launches, project-related progress and updates on value-added features.

OCR values customer feedback as it allows the Group to improve its deliverables and rectify problems raised by customers in an efficient manner. At pre-sales level, we receive response from potential customers on their preferred property price range and type. Throughout the construction period, the Group has various systems and processes in place to ensure customers are updated on the construction progress. Any queries are resolved efficiently. At the end of the project, we will also gather feedback from our customers on the overall product quality and workmanship, as a means to build rapport and achieve long term business sustainability.

We have recently deployed an online platform to digitalize the sales process of our projects across vacant possession, data analytics, defect and management. This platform enhances customers' experience in purchasing the properties as its features allow customers to take a virtual tour of the properties, have loan pre-screening process, as well as make online bookings. E-contract and e-signing features are also provided to customers if needed. The platform also allows the delivery of completed projects avoiding queuing up at the management office for keys' collection and unit's defect checking process. Defects are reported and followed up with both project team and contractors allowing a smooth repairing process while avoiding physical contact.

Going forward, we will continue to innovate and bring new designs to our customers, while engaging customers on a more personal basis. Through these, we hope to enhance brand awareness and customer loyalty.

SUSTAINABILITY STATEMENT (Cont'd)

SOCIAL (CONT'D)

Occupational Health and Safety

OCR is committed in prioritizing health and safety of its employees at the workplace by creating a safe and conducive environment for all. 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").

To manage occupational health and safety issues in addition to ensuring environmental compliance at worksites, we establish a safety and health committee in every project site. This committee comprises project management personnel and site managers from a team of consultants and contractors.

Site managers are responsible for conducting daily inspections with the qualified safety and health officer of the project site. This is to ensure all identified safety measures have been properly implemented. Construction site workers are required to attend safety training on a timely basis. Fogging, pest control and sanitization works are also regularly carried out at the construction site to prevent any virus outbreak.

Other than that, to prevent the spread of Coronavirus Disease 2019 ("COVID-19"), we have undertaken to ensure that all employees are fully vaccinated and adhere to the standard operating procedures as stipulated by the Ministry of Health. These include staggered working arrangements in the office, physical distancing at all times, compulsory wearing of face masks, regular health declarations and ready supply of sanitisers.

To ensure safety in the workplace, the Group bore the costs of COVID-19 tests for all construction workers, and established quarantine protocol in adherence to Ministry of Health Malaysia ("MOH") guidelines. We also set up an emergency response team to carry out the necessary protocols in the event an employee is found to be COVID-19 positive.

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

We are pleased to report that there were no major accidents in any of the Group's construction sites in FY2021.

Diversity and Inclusiveness

OCR strongly advocates diversity, equality and inclusivity regardless of gender, race and sexual orientation to encourage different groups of people to build healthy 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.

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.

We also encourage diversity in our property developments, with a clear example being The Mate project that promotes co-living and co-working space. We do not discriminate against any race, religion or sexual orientation when sourcing for potential tenants.

SUSTAINABILITY STATEMENT (Cont'd)

SOCIAL (CONT'D)

Skill Development

Our employees are the foundation of OCR's success. The Group is committed to creating opportunities for our employees to grow and develop their skillsets. We motivate our staff to reach their fullest potential and perform their roles effectively, in order to advance in the next level of their career.

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

The table below presents our training programmes in FY2021:

Training Programmes	Internal Knowledge Sharing	External Consultant
Anti-Bribery & Anti-Corruption ("ABAC") Training	X	
Key Terms under the Prescribed SPA, Schedule H under the Housing Development Regulations	X	
Negotiation Skills	X	
Personal Tax 2021	X	
Financing Fundamentals	X	
Malaysian Financial Reporting Standard ("MFRS") 15	X	
Corporate Tax Estimates	X	
Know Your Rights After the Contractor's Employment is Determined: What is the Architect's Role?		X
Budget 2022 Review (Real Estate, Construction, Property Development)		X
Housing Integrated Management System		X
Project Cost Control		X

Community Engagement

OCR is committed to enhancing the lives of communities in regions where we operate. We frequently collaborate with communities to resolve issues and take note of feedback to improve our future projects.

OCR proactively distributed groceries to vulnerable local communities to alleviate the burden of families who were financially affected during the Movement Control Order. These included few designated donations and awareness campaigns that were held during the year under review. On 11 June 2021, the Group made monetary contributions to the Pahang State Government towards purchasing daily necessities for patients in various Quarantine and Low-Risk Treatment Centres throughout Pahang. Subsequently, on 3 July 2021 and 16 July 2021, OCR contributed daily essentials and food items to Persatuan Kebajikan Chen Ai OKU in Petaling Jaya, Selangor, and a rural area in Raub, Pahang respectively as part of community relief efforts to safeguard the underprivileged during the National Recovery period.

SUSTAINABILITY STATEMENT (Cont'd)

SOCIAL (CONT'D)

Community Engagement (Cont'd)



Since the onset of the COVID-19 outbreak, OCR had also initiated awareness-raising campaign as a part of its CSR initiative. OCR had released a 15-second video of the COVID-19 preventive measures on LED digital billboard at Bukit Bintang, Kuala Lumpur and Sunway Mentari, Petaling Jaya in effort to raise public awareness about COVID-19.

Aligning to the Government's plans to promote more *Essential Living* homes to the people of Malaysia, OCR works closely with Yayasan Pahang through a joint venture arrangement to develop PRIYA Kuantan, the largest affordable housing scheme in Kuantan. The project encompasses 978 units of single-storey terrace houses and 146 units of single-storey semi-detached homes.

OCR intends to continue supporting the affordable housing agenda via our upcoming *Essential Living* development in Shah Alam, Selangor. The 26.9-acre project will feature approximately 2,892 affordably-priced units, together with retail spaces, which would attract new joiners to the vibrant city of Shah Alam and offer the existing population the opportunity to upgrade to a more comfortable lifestyle. The project is slated to be delivered in phases till 2027.

CONCLUSION

While 2021 remained arduous for industry players, the Group was resolute in upholding our responsibilities to stakeholders, by adopting a long-term view towards creating positive brand equity, maintaining operational viability, and yielding favourable results for the Group. We are heartened by the unwavering support of our stakeholders and endeavour to make greater progress towards building a more sustainable future.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“Board”) of OCR Group Berhad (“the Company” or “OCR”) remains committed in maintaining adequate standards of corporate governance (“CG”) within the Company and the subsidiaries (“the Group”), adhering to the principles and best practices of CG, through observing and practising the core values of Malaysian Code on Corporate Governance 2021 (“MCCG”) and the Corporate Governance Guide issued by Bursa Malaysia Securities Berhad (“Bursa Malaysia”). The commitment from the Board paves the way for the management team and all employees to ensure the Company’s businesses and affairs are effectively managed in the best interest of all stakeholders.

The Board is pleased to present an overview on the application of the principles as set out in the MCCG and the extent to which the Group have complied with the following three (3) key principles of the MCCG during the financial year ended 31 December 2021 (“FY2021”):

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 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 FY2021.

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 the Group and to provide leadership and guidance for setting strategic direction of the Group.

The Board has delegated the day-to-day management of the Group to the Group Managing Director (“Group MD”). The Group MD manages the Group in accordance with the strategies and policies approved by the Board. He also leads the management of subsidiary companies in implementing 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 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 highlights the significant operational issues and concerns arising from the normal business operations and the progress of the key initiatives undertaken by them to the Group MD. The Group MD and Key Senior Management meet regularly to review and monitor the performance of the Group’s operations and during Board meetings, the Group MD reports and updates the Board on the Group’s business operations. The Key Senior Management analysed the financial results and discussed various operational issues and factors that affected the operations. Instructions were given by the Board to the Key Senior Management 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 CG and controls of the Group.

Corporate Governance Overview Statement (Cont'd)

1. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1.1 Board Leadership (Cont'd)

b. Board Roles and Responsibilities

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

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

- Maintaining good CG standards;
- Formulating strategic plans 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 and Risk Management Committee (merger of the Audit Committee and Risk Management Committee with effect from 9 February 2022 and was renamed as Audit and Risk Management Committee), Nominating Committee, Option Committee, and Remuneration 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;
- Ensuring no conflict of interest;
- Adherence to no-profit rule; and
- Maintenance of relationships with stakeholders.

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

Whistle-blower Policy

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

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

Corporate Governance Overview Statement (Cont'd)

1. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1.1 Board Leadership (Cont'd)

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 CG.

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

The Chairman's responsibilities include the following:

- Represent the Board to shareholders;
- Provide Board leadership on policy formation and decision-making;
- Oversee and maintain regular dialogue with the Group MD;
- Ensure the integrity and effectiveness of the governance process of the Board;
- Ensure that management proposals are deliberated and examined by the Board, taking into account stakeholders' interests;
- Conduct and facilitate Board meetings 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 to ensure that the Board decisions are carried out by the Key Senior Management.

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

Pursuant to Practice 1.4 of the MCCG, the Chairman of the Board should not be a member of the Audit Committee, Nominating Committee or Remuneration Committee. Our Chairman of the Board, YAM Tunku Azudinshah Ibni Tunku Annuar has since resigned from his position as Chairman of Nominating Committee and Remuneration Committee effective from 9 February 2022. In place thereof, Mr. Julian Koh Lu Ern has been appointed as the Chairman of Nominating Committee and Ms. Chong Min Shih has been re-designated as the Chairwoman of Remuneration Committee.

The Board acknowledges that there is still risk of self-review and may impair the objectivity of the Chairman and the Board when deliberating on the observations and recommendations put forth by the Board Committees and thus, the Board will look for suitable candidate over time.

f. 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 ramp up its 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 28 to 36 of this Annual Report.

Corporate Governance Overview Statement (Cont'd)

1. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1.1 Board Leadership (Cont'd)

g. Qualified and Competent Company Secretary

In compliance with MCCG, the Board is supported by a qualified and competent Company Secretary. The Company Secretary 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 Act").

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 CG, 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 his functions for FY2021.

h. Directors' Trainings

Each member of the Board 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 trainings appropriate to their needs in line with Paragraph 15.08(3) of Bursa Malaysia's MMLR.

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

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

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

Corporate Governance Overview Statement (Cont'd)

1. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1.1 Board Leadership (Cont'd)

h. Directors' Trainings (Cont'd)

During FY2021, 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	<ul style="list-style-type: none"> • SC Updates: The MCGG To Promote Board Leadership and Oversight of Sustainability by Smart Focus • Board Room Workshop For Directors "Inspiring Your Board Performance" by Smart Focus 	<ul style="list-style-type: none"> • 19 August 2021 • 6 September 2021
Ong Kah Hoe	<ul style="list-style-type: none"> • SC Updates: The MCGG To Promote Board Leadership and Oversight of Sustainability by Smart Focus • Board Room Workshop For Directors "Inspiring Your Board Performance" by Smart Focus 	<ul style="list-style-type: none"> • 19 August 2021 • 6 September 2021
Hj. Abdullah Bin Abdul Rahman	<ul style="list-style-type: none"> • Decoding Transactions and RPT Rules • SC Updates: The MCGG To Promote Board Leadership and Oversight of Sustainability by Smart Focus • Board Room Workshop For Directors "Inspiring Your Board Performance" by Smart Focus 	<ul style="list-style-type: none"> • 14 & 15 April 2021 • 19 August 2021 • 6 September 2021
Julian Koh Lu Ern	<ul style="list-style-type: none"> • SC Updates: The MCGG To Promote Board Leadership and Oversight of Sustainability by Smart Focus • Board Room Workshop For Directors "Inspiring Your Board Performance" by Smart Focus 	<ul style="list-style-type: none"> • 19 August 2021 • 6 September 2021
Chong Min Shih	<ul style="list-style-type: none"> • SC Updates: The MCGG To Promote Board Leadership and Oversight of Sustainability by Smart Focus • Board Room Workshop For Directors "Inspiring Your Board Performance" by Smart Focus 	<ul style="list-style-type: none"> • 19 August 2021 • 6 September 2021

i. Board Charter

The objective of the Group's Board Charter is to provide guidance and set 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. The Board Charter is made available on OCR's website at www.ocrbhd.com.

Corporate Governance Overview Statement (Cont'd)

1. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1.2 Board Dynamics

a. Board Composition

The current composition of the Board of 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 five (5) Directors on the Board of the Company where four (4) are Independent Non-Executive Directors (including the Chairman) and a Group Managing Director. A list of the entire OCR Board and their profiles are respectively set out on pages 5 to 7 of this Annual Report.

b. Board Meetings

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

Dates of all Board and Board Committee meetings for FY2021 were unanimously decided prior to the start of the calendar year. This will encourage 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 meetings held during a financial year.

Board meetings are conducted in accordance with a structured formal agenda prepared by the Company Secretary in consultation with the management. The notice and agenda for a Board meeting is transmitted to each Board member at least seven (7) days in advance of the meeting followed with 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.

Meeting agendas while not exhaustive, include review and updates of the Group's latest developments, quarterly financial performances, 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 includes 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 FY2021, a total of five (5) Board meetings were held and the attendance of each Director is set out herein below:

Directors	Attendance
YAM Tunku Azudinshah Ibni Tunku Annuar	5/5
Ong Kah Hoe	5/5
Hj. Abdullah Bin Abdul Rahman	4/5
Chong Min Shih	5/5
Julian Koh Lu Ern	5/5

Corporate Governance Overview Statement (Cont'd)

1. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1.2 Board Dynamics (Cont'd)

b. Board Meetings (Cont'd)

Besides the Company Secretary, the Chief Financial Officer and Manager of Finance Department of the Company attended each Board meeting, as well as every Audit Committee meeting, on the standing invitation of the Board during FY2021. Other Key Senior Management may be invited to attend certain meetings if so required.

c. Independent Directors

The composition of Independent Directors on the Board of the Company complies with the requirement of Bursa Malaysia's MMLR which stipulates that at least two (2) members or one-third (1/3) of the Board of a listed issuer, whichever is 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 of his or her character, integrity and professionalism.

At the annual assessment carried out on 25 February 2022, 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 Nominating Committee to ensure that the Independent Directors are able to exercise independent judgement and act in the best interests of the Group.

d. Tenure of Independent Directors

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

Policy of Tenure of Independent Directors

As at the date of this CG Overview Statement, the Board has yet to adopt a policy at limiting the tenure of Independent Directors. Nevertheless, the Company took note of the recommendation by MCCG, that the tenure of an Independent Director should not exceed a term limit of nine (9) years. Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board as a Non-Independent Director. If the Board intends to retain such a Director as an Independent Director beyond nine (9) years, the Board would need to justify the decision and seek shareholders' approval at a general meeting through a two-tier voting process.

Corporate Governance Overview Statement (Cont'd)

1. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1.3 Nominating Committee

The Nominating Committee of the Company consists of three (3) members, and all of them are Independent Non-Executive Directors. The Committee is chaired by Mr. Julian Koh Lu Ern, an Independent Non-Executive Director, in line with Practice 5.8 of MCCG.

Members

1. Julian Koh Lu Ern (Chairman/Independent Non-Executive Director);
2. Hj. Abdullah Bin Abdul Rahman (Member/Independent Non-Executive Director); and
3. Chong Min Shih (Member/Independent Non-Executive Director)

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

The key role of the Nominating Committee is to ensure:

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

In fulfilling its roles, the Nominating Committee reviews and assesses candidates proposed for appointment to the Board and Board Committees of the Company, the tenure of each Directors to ensure the tenure of an Independent Director does not exceed a term limit of nine (9) years as recommended by the MCCG, as well as the Directors standing for re-election at the Annual General Meeting ("AGM") of the Company 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 self 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 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 FY2021, the following activities were undertaken by the Nominating Committee:

- (i) Reviewed the size and composition of the Board and its balance;
- (ii) Reviewed the required mix of skills and experience and other qualities including core competencies of the Non-Executive Directors and Executive Directors of the Company should have;
- (iii) Reviewed the tenure of the Independent Directors;
- (iv) Reviewed the effectiveness of the Board as a whole, contribution of each individual Director and Board Committees;
- (v) Reviewed the performance of the Chief Financial Officer in discharging his role;
- (vi) Reviewed the re-election of Directors for FY2021;
- (vii) 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
- (viii) 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)

a. Diversity of Board

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 as its first priority.

The Company has not set specific policies on gender diversity in the 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. A variety of approaches and sources to ensure that the most suitable candidates are selected, among others, sourcing from a Directors' registry and open advertisements or the use of independent search firms.

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

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

c. Re-election of Directors

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

The Constitution further provides 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 25 February 2022, the Nominating Committee had reviewed and recommended the re-election of the following Directors who are retiring pursuant to the Company's Constitution, and being eligible, offered themselves for re-election:-

- Julian Koh Lu Ern; and
- Chong Min Shih

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 the Company 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 primary function of the Remuneration Committee of the Company is to set up the policy framework to recommend 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 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. Chong Min Shih (Chairwoman/Independent Non-Executive Director);
2. Hj. Abdullah Bin Abdul Rahman (Member/ Independent Non-Executive Director); and
3. Julian Koh Lu Ern (Member/Independent Non-Executive Director)

Corporate Governance Overview Statement (Cont'd)

1. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1.4 Remuneration Committee (Cont'd)

For FY2021, the fees and remuneration packages of the Executive Director and Non-Executive Directors of the Company are as follows:

Remuneration of Executive Director and Non-Executive Directors

	Directors' Fee (RM'000)	Salaries (RM'000)	Other Emoluments (RM'000)	Total (RM'000)
Executive Director				
Ong Kah Hoe	-	600.0	72.9	672.9
Non-Executive Directors				
Tunku Azudinsyah Ibni Tunku Annuar	36.0	-	-	36.0
Hj. Abdullah Bin Abdul Rahman	36.0	-	-	36.0
Chong Min Shih	36.0	-	-	36.0
Julian Koh Lu Ern	36.0	-	-	36.0
Dato' Haji Mohd Fakrunizam Bin Ibrahim (Resigned w.e.f. 4 June 2021)	15.4	-	-	15.4
Lee Chin Cheh (Retired w.e.f. 10 June 2021)	16.0	-	-	16.0
Admiral Tan Sri Dato' Seri Panglima Ahmad Kamarulzaman Hj Ahmad Badaruddin (Retired) (Resigned w.e.f. 9 February 2022)	36.0	-	-	36.0

The MCCG also recommended the Board to disclose on a 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 are suffice to set out as follows:

	Salaries and bonuses (RM'000)	Other emoluments (RM'000)	Benefits-in-kind (RM'000)	Total (RM'000)
Total top five (5) senior management	1,470.4	179.5	12.0	1,661.9

Corporate Governance Overview Statement (Cont'd)

2. EFFECTIVE AUDIT AND RISK MANAGEMENT

2.1 Establishment and Effectiveness of the Audit and Risk Management Committee

a. Audit and Risk Management Committee

The Company had on 9 February 2022, merged the Audit Committee and Risk Management Committee and was renamed as Audit and Risk Management Committee (“ARMC”).

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

The main purpose of the ARMC is to assist the Board in fulfilling its responsibilities relating to the audit plan, audit report, risk management and internal controls, internal audit function, accounting and reporting practices, and related party transactions of the Group.

The report of the ARMC, its salient Terms of Reference, the list of committee members and its activities during FY2021 are set out on pages 55 to 57 of this Annual Report.

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

2.2 Roles and Responsibilities of the ARMC

a. Oversight of Financial Reporting

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

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

As part of the governance process in reviewing the quarterly and yearly financial statements by the ARMC, the Chief Financial Officer provides assurance to the ARMC 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 FY2021.

Corporate Governance Overview Statement (Cont'd)

2. EFFECTIVE AUDIT AND RISK MANAGEMENT

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

a. Oversight of Financial Reporting (Cont'd)

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, Internal Auditors reported its findings to the ARMC at scheduled interval meetings as per approved internal audit plan. Throughout FY2021, the Internal Auditors had in their internal audit report and follow up report stated the internal audit observations at material times with respect to the respective scope of internal audit coverages approved as per internal audit plan (with the potential risks and implication identified) that required the Management and the ARMC's attention. Therefore, 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 Internal Auditors had sent in their employees to conduct audit reviews and highlight their audit findings to the Management and to ARMC.

For FY2021, two (2) internal audit reports and two (2) follow up reports had been tabled for ARMC's review.

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

The financial statements of the Company and the Group for FY2021 are set out on pages 78 to 179 of this Annual Report and a statement by the Board of its responsibilities in preparing the financial statements is on page 63.

b. 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 58 to 62 of this Annual Report.

c. Internal Audit Control

The Group has outsourced its Internal Audit function to external consultants, which reports directly to the ARMC in respect of the adequacy of the Group's internal control and risk management systems. A summary of activities conducted by the Internal Audit function as well as the costs incurred in carrying out the function in respect of the financial year under review were set out in the ARMC Report on pages 55 to 57 of this Annual Report.

Corporate Governance Overview Statement (Cont'd)

2. EFFECTIVE AUDIT AND RISK MANAGEMENT

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

d. Assessment on Suitability and Independence of External Auditors

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

The ARMC takes the following into consideration:

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

An assessment on the independence of the External Auditors, Messrs. Baker Tilly Monteiro Heng PLT (AF 0117) of Baker Tilly Tower Level 10, Tower 1, Avenue 5, Bangsar South City, 59200 Kuala Lumpur, was carried out on 26 April 2022 and ARMC was satisfied with the results of the aforesaid assessment. The ARMC was unanimous in their decision to recommend to the Board the re-appointment of Messrs. Baker Tilly Monteiro Heng PLT as the auditors of the Company for the financial year ending 31 December 2022 ("FY2022").

The Board having received the recommendation from ARMC, were in consensus to recommend for the shareholders' approval at the Company's forthcoming 24th AGM that Messrs. Baker Tilly Monteiro Heng PLT be hereby re-appointed as External Auditors of the Company for FY2022 at the remuneration and terms to be agreed upon with the Company.

e. 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 ARMC, reviews all material related party transactions involved.

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

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 staff members are present at general meetings of the Company to engage directly with the shareholders and to account for their stewardship of the Company. The External Auditors of the Company were also present to respond to any enquiries from the shareholders.

Corporate Governance Overview Statement (Cont'd)

3. INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP

3.1 Encourage Engagement with Shareholders and other Stakeholders (Cont'd)

In line with good CG practice, the notice of the 23rd AGM was issued 28 days before the AGM held on 10 June 2021.

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 23rd AGM of the Company, all resolutions were voted by poll.

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 28 to 36 of this Annual Report.

COMPLIANCE STATEMENT

The Board is of the view that the Group upholds adequate CG and shall remain committed to attaining the highest possible standards through the continuous adoption of the principles and best practices set out in MCCG and all other applicable laws, where applicable and appropriate. This CG Overview Statement was approved by the Board on 26 April 2022.

ADDITIONAL COMPLIANCE INFORMATION DISCLOSURES

UTILISATION OF PROCEEDS RAISED FROM PRIVATE PLACEMENTS DURING FY2021

On 30 October 2020, the Company proposed to undertake the proposed placement up to 20% of the total number of issued shares of the Company (excluding treasury shares) equivalent to 101,850,000 new ordinary shares.

The private placement was completed on 18 May 2021, following the listing and quotation of 101,850,000 new ordinary shares at an average price of RM0.215 per placement share on the Main Market of Bursa Malaysia and successfully raised RM 21,880,535.

The status of the utilization of proceeds arising from the private placement as at 31 December 2021:-

Utilisation of proceeds	Expected timeframe	Proposed Utilisation RM'000	Actual Utilisation RM'000
(i) Funding for existing and future property development and construction projects	Within 24 months from the receipt of placement proceeds	21,845	⁽¹⁾ 21,845
(ii) Expenses for the Private Placement 20%	Upon completion of the Private Placement 20%	35	35
Total		21,880	21,880

Note:-

⁽¹⁾ The proceeds have been utilised for several projects namely Isola at KLCC, PRIYA Kuantan, The Mate at Damansara Jaya and YOLO Signature Suites.

On 17 November 2021, the Company had obtained shareholders' approval in relation to proposed allotment and issuance of up to 206,352,000 new ordinary shares via private placement.

The first two tranches of private placement were initiated on 19 January 2022 and 20 January 2022 following the listing and quotation for a total of 102,000,000 new ordinary shares at RM0.127 per placement share on the Main Market of Bursa Malaysia. This has successfully raised a total sum of RM 12,984,600.

The status of the utilization of proceeds arising from the private placement as at 31 March 2022:-

Utilisation of proceeds	Expected timeframe	Proposed Utilisation RM'000	Actual Utilisation RM'000
(i) Funding for existing and future property development and construction projects	Within 24 months from the receipt of placement proceeds	12,045	⁽¹⁾ 12,045
(ii) Expenses for the Private Placement 20%	Upon completion of the Private Placement 20%	250	250
(iii) Expenses incurred for the acquisition of Stack Builder Sdn. Bhd. and Wonderland Projects Sdn. Bhd.	Upon completion of the acquisition	690	690
Total		12,985	12,985

Note:-

⁽¹⁾ The proceeds have been utilised for several projects namely Isola at KLCC, PRIYA Kuantan, The Mate at Damansara Jaya and the construction of YOLO Signature Suites.

ADDITIONAL COMPLIANCE INFORMATION DISCLOSURES (Cont'd)

SANCTIONS AND PENALTIES

There were no sanctions and penalties imposed on the Company and its subsidiaries, Board or Key Senior Management during FY2021.

AUDIT FEE AND NON-AUDIT FEES

The amount of audit and non-audit fees paid or payable to the Company's External Auditors and firms affiliated to the External Auditors' firms by the Group and the Company for FY2021 are as follows:-

Type of fees	Group (RM)	Company (RM)
Audit fees	193,700	56,000
Non-audit fees	24,000	24,000
Total	217,700	80,000

MATERIAL CONTRACTS

Save as disclosed below, there were no material contracts involving the Directors' and major shareholders' interests, either subsisting at the end of the financial year ended 31 December 2021 or, if not then subsisting, entered into since the end of the previous financial year:-

- (a) Acquisition of Stack Builder Sdn. Bhd. ("Stack Builder") and Wonderland Projects Sdn. Bhd. ("Wonderland") and Debts Settlement

On 9 July 2021, the Company had signed heads of agreements for the proposed acquisitions of 80% of Stack Builder and 100% of Wonderland from its substantial shareholder Mr. Ong Kah Hoe along with various other owners of the companies. Subsequently, on 5 October 2021, the Company signed a Share Sales Agreement to revise the proposed acquisition in Stack Builder to 50%.

The total purchase consideration of up to RM7.56 million and debt settlement of Wonderland vendors up to RM9.85 million are to be entirely satisfied via issuance and allotment of 91,656,642 new ordinary shares in OCR at the issue price of RM0.19 per Consideration Share.

The acquisition of Stack Builder, acquisition of Wonderland and debt settlement to Wonderland Vendors was completed on 26 November 2021 following the listing and quotation of 91,656,642 Consideration Shares on the Main Market of Bursa Securities.

ADDITIONAL COMPLIANCE INFORMATION DISCLOSURES (Cont'd)

MATERIAL CONTRACTS (CONT'D)

- (b) Acquisition of OCR Selayang Industrial Park Sdn. Bhd. (formerly known as Suong Sdn. Bhd.) ("OCR Selayang")

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

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

- (c) Supplementary Agreement ("SA") with SSPP Development Sdn. Bhd. ("SSPP")

OCR Development (Kuantan) Sdn. Bhd. has entered into a SA with SSPP on 29 October 2021 to vary the Joint Venture Agreement dated 1 June 2015 ("JVA") subject to the terms and conditions contained therein and the SA is made supplemental to the JVA.

OPTIONS OR CONVERTIBLE SECURITIES

Share Issuance Scheme

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

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

Description	Total No of Share Options	Executive Director	Key Senior Management	Other Eligible Employees
Options granted	11,000,000	1,800,000	3,200,000	6,000,000
Options exercised	-	-	-	-
Options forfeited/expired	(3,000,000)	(360,000)	(640,000)	(2,000,000)
Outstanding options unexercised	8,000,000	1,440,000	2,560,000	4,000,000

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 new and renewal of shareholders' mandate for the recurrent related party transactions to be tabled at the forthcoming AGM are set out in the Circular to Shareholders dated 29 April 2022.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Board of Directors (“Board”) of OCR Group Berhad (“OCR” or “the Company”) is pleased to present the Audit and Risk Management Committee Report for the financial year ended 31 December 2021 (“FY2021”).

The Company had on 9 February 2022, merged the Audit Committee and Risk Management Committee and was renamed as Audit and Risk Management Committee (“ARMC”).

A. MEMBERS AND MEETING ATTENDANCE

ARMC comprises three (3) members, all of whom are Independent Non-Executive Directors. The chairman of ARMC is a member of the Malaysian Institute of Accountants. The current composition complies with the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Malaysia”).

The members of the ARMC and members’ attendance at the five (5) meetings held during the FY2021 are as follows:-

Directors	No. of meetings attended
Julian Koh Lu Ern - Independent Non-Executive Director (Chairman)	5/5
YAM Tunku Azudinshah Ibni Tunku Annuar – Independent Non-Executive Director (Member)	5/5
Encik Hj. Abdullah Bin Abdul Rahman – Independent Non-Executive Director (Member) (resigned w.e.f. 9 February 2022)	4/5
Ms. Chong Min Shih (Member) (appointed w.e.f. 9 February 2022)	N/A

The ARMC members were provided with notices and agenda approximately seven (7) days before the meeting. The minutes of each ARMC meeting were recorded and tabled for confirmation at the next ARMC meeting. The ARMC minutes were also tabled at the Board meeting for the Directors’ notation and the ARMC Chairman reported the key issues discussed, if any, in the ARMC 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 ARMC’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 ARMC on specific issues.

The ARMC has established a transparent and appropriate relationship with the Group’s External Auditors. In the course of audit of the Group’s operations, the External Auditors highlighted to the ARMC on the key audit issues and audit concerns that required ARMC attention. External Auditors are also able to have private discussions with the ARMC in the absence of the Management, if needed.

During FY2021, the Internal Auditors 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 ARMC, if deemed necessary.

B. RIGHTS, AUTHORITIES AND TERMS OF REFERENCE

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

Audit And Risk Management Committee Report (Cont'd)

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

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

a) Financial Results

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

b) Risk Management & Internal Audit

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

c) External Audit

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

d) Annual Report

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

e) Related Party Transactions ("RPTs") and Recurrent Related Party Transactions ("RRPTs")

- Reviewed and discussed when a RPT is transacted by the Group and if any conflict of interest situation that may arise within the Group;
- Reviewed 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

Audit And Risk Management Committee Report (Cont'd)

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

e) Related Party Transactions (“RPTs”) and Recurrent Related Party Transactions (“RRPTs”) (Cont'd)

- 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.

f) Others

- Reviewed and recommended the Corporate Governance Overview Statement, ARMC Report and Statement on Risk Management and Internal Control to the Board for approval and inclusion in the 2021 Annual Report.

D. INTERNAL AUDIT FUNCTION

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

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

The scope of review by the outsourced internal audit function, through the internal audit plan, is determined and approved by the ARMC with feedback from executive management. In addition, the oversight of the internal audit functions by the ARMC 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 ARMC through a prescribed evaluation form adopted from Corporate Governance Guide issued by Bursa Malaysia.

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

The summary of works that had been undertaken by the outsourced internal audit function during FY2021 included the following:-

- Governance and Sales and Marketing Management of OCR Construction Sdn. Bhd.
- Governance and Project Management of OCR Construction Sdn. Bhd.

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

The total costs incurred by the Internal Auditor in discharging its functions and responsibilities in respect of FY2021 was RM 24,000.

Further details of the internal audit function and its activities are provided in the Statement on Risk Management and Internal Control, set out in page 58 to 62 of this Annual Report.

This ARMC report was approved by the ARMC on 26 April 2022.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

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

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

BOARD’S RESPONSIBILITY

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

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

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

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

RISK MANAGEMENT

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

The Group incorporated an Enterprise Risk Management (“ERM”) framework to proactively identify, evaluate and manage key risks and assess their likelihood and magnitude of impact. In which, we are able to protect and create value for our stakeholders, including owners, employees, customers, regulators, and society overall.

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

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

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

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

ADEQUATE PROCEDURES (“APS”) MITIGATING CORPORATE LIABILITY

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

The Group has conducted training related to the provisions of corporate liability for its Directors and employees. 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 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 ARMC to the Board. The ARMC reviews internal control matters and updates the Board on significant control gaps for the Board’s attention and action.

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

- **Board of Directors/Board Committees**

The roles, 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 that are established are the ARMC, Remuneration Committee, Nominating Committee, and Option Committee.

- **Board Meetings**

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

- **Integrity and Ethical Values**

The tone from the top on integrity and ethical values 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 values 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 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.

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

INTERNAL CONTROL (CONT'D)

- **Organisation Structure, Accountability and Authorisation**

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

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

- **Risk Assessment and Control Activities**

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

- **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 flows for key business processes employed with relevant authorisation requirements, if applicable.

- **Human Resource Management**

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

- **Information and Communication**

The Group has implemented various initiatives to ensure effective communication across the Group including but not limited to establishing clear reporting lines to ensure correct information are generated for decision making, operational and management reports are prepared on a consistent basis to ensure critical information are disseminated to the relevant stakeholders as well as putting in place various infrastructures and channels i.e. computerised information system, secured intranet, electronic mail system and modern telecommunications.

Key matters that require Board and Key Senior Management's attention are specifically highlighted for review and deliberation in a timely manner. Meanwhile, Board and Key Senior Management meetings are held for effective two-way communications of information.

- **Monitoring and Review**

Periodical Key Senior Management meetings are held to discuss and review financial and operational performances of key divisions/departments of the Group. At operational level, monitoring activities are embedded into the policies and procedures established by the Management with incidents of non-compliance and exceptions are noted and escalated to appropriate level of management.

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

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

INTERNAL CONTROL (CONT'D)

- **Monitoring and Review (Cont'd)**

Furthermore, internal audits are carried out by Internal Auditor (which reports directly to the ARMC) to assess the adequacy of internal controls in relation to specific critical control processes and highlights significant risks impacting the Group to the ARMC as well as recommending improvements to various processes to minimise 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 members are kept abreast with the ongoing changes in the technological and regulatory landscape. In-line with the Group's objectives, this would ensure that they remain competent and relevant in the industry.

The audit engagement of the outsourced internal audit function is governed by the engagement letter and Internal Audit Charter with key terms including purpose and scope of works, accountability, independence, the outsourced internal audit function's responsibilities, the management's responsibilities, the authority accorded to the outsourced internal audit function, limitation of scopes of works, confidentiality, proposed fees and engagement team. The appointment and resignation of the internal audit function as well as the proposed audit fees are subject to review by the ARMC and for its reporting to the Board for the ultimate approval. During the financial year under review, the manpower allocated to the fieldworks of the internal audit function was one (1) manager, who will be assisted by at least one (1) senior consultant and one (1) consultant per one (1) engagement with oversight is then performed by the director.

The internal control review procedures performed by the outsourced internal audit function are designed to understand, document and evaluate risks and related controls in order to determine the adequacy and effectiveness of governance, risk structures, control structures and control processes. The outsourced internal audit function shall provide recommendations formulated based on the root cause(s) of the internal audit observations. The internal audit procedures applied principally consist of process evaluations through interviews with relevant personnel involved in the process under review, review of the standard operating procedures and/or process flows provided and observations of the functioning of processes against the results of interviews, documented standard operating procedures and/or process flows. Thereafter, testing of controls for the respective audit areas through the review of the samples selected based on sample sizes calculated in accordance to predetermined formulation, subject to the nature of testing and verification of the samples.

INTERNAL AUDIT FUNCTION

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

The outsourced internal audit function reports to the ARMC directly and the engagement director, Mr. Pang Nam Ming, who is a Certified Internal Auditor with a Certification in Risk Management Assurance accredited by the Institute of Internal Auditors Global and a professional member of the Institute of Internal Auditors Malaysia. The internal audits are carried out, in material aspects, in accordance with the International Professional Practices Framework ("IPPF"), i.e. Mission, Core Principles for the Professional Practice of Internal Auditing, Code of Ethics and the International Standards for the Professional Practice of Internal Auditing established by the Institute of Internal Auditors Global.

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

INTERNAL AUDIT FUNCTION (CONT'D)

The outsourced internal audit function adopts the risk-based internal audit approach to develop its audit plan which addresses the critical business processes, internal control gaps, effectiveness, and adequacy of the existing state of internal control and recommends possible improvements to the internal control process. Each internal audit cycle within the internal audit plan is specific with regard to audit objectives, key risks assessed and scopes of the internal control review. The results of the audits are presented to the ARMC at their meeting. During the presentation, the internal audit findings, priority level, risk/potential implication, internal audit recommendations, management responses/action plans, person-in-charge and date of implementation were presented and deliberated with the members of the ARMC. This is to enable the ARMC to form an opinion on the adequacy and/or effectiveness of the governance, risk and control of the business process under review. Progress follow ups were performed by the outsourced internal audit function on the management action plans that were not implemented in the previous internal audit fieldworks by way of verification via physical observation or through verification of sample provided by person-in-charge to substantiate the implementation of the management action plan. The updates on the status of action plans were presented via the Action Plan Progress Follow Up Report tabled at ARMC meeting for review and deliberation.

During FY2021, the outsourced internal audit function conducted high level control reviews in relation to Governance and Sales and Marketing Management, as well as Governance and Project Management on one of operating subsidiaries of the Group in Malaysia in accordance with the Internal Audit Plan in the month of April 2021 and November 2021 respectively.

In addition, during the ARMC meeting, the outsourced internal audit function reported its staff strength, qualification and experience as well as continuous professional education for the ARMC to review.

The cost incurred in maintaining the outsourced internal audit function for the FY2021 amounted to RM 24,000.

BOARD ASSURANCE AND LIMITATION

In concluding this Statement, the Board has received assurance from the Group MD, being highest ranking executive in the Company, and Group Chief Financial Officer 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, the Board is of the opinion that there was no material losses resulting from significant control weaknesses that that would require disclosure in the Group's Annual Report.

The Board is also satisfied that the existing levels 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 towards 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 and internal control systems could only manage rather than eliminate risks of failure to achieve business objectives. Therefore, these systems of risk management and internal controls 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 2021 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 26 April 2022.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

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

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

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

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

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

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

The Directors are satisfied that in preparing the financial statements of the Group and the Company for FY2021, the Group and the Company have used the appropriate accounting policies and applied them consistently and supported by reasonable and prudent judgments and estimates. The Directors also consider that all applicable approved accounting standards have been complied with and further confirm that the financial statements have been prepared on a going concern basis.

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DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2021.

PRINCIPAL ACTIVITIES

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

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

RESULTS

	Group RM	Company RM
Loss for the financial year, net of tax	(27,398,927)	(3,732,073)
Attributable to:		
Owners of the Company	(25,923,268)	(3,732,073)
Non-controlling interests	(1,475,659)	-
	(27,398,927)	(3,732,073)

DIVIDENDS

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

The directors do not recommend the payment of any dividends in respect of the financial year ended 31 December 2021.

RESERVES OR PROVISIONS

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

BAD AND DOUBTFUL DEBTS

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

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

Directors' Report (Cont'd)

CURRENT ASSETS

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

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

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

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

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

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

CHANGE OF CIRCUMSTANCES

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

ITEMS OF MATERIAL AND UNUSUAL NATURE

In the opinion of the directors,

- (i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature other than as disclosed in Note 32 to the financial statements; and
- (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

Directors' Report (Cont'd)

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company:

- (i) issued 101,850,000 new ordinary shares at an average price of RM0.215 per ordinary share pursuant to private placement exercises to eligible investors for working capital purpose;
- (ii) issued 31,603,837 new ordinary shares at an exercise price of RM0.50 per ordinary share from the conversion of ICPS with the conversion ratio of 10 ICPS to 1 ordinary share at the exercise price of RM0.50 per share;
- (iii) issued 11,804,084 new ordinary shares at a price of RM0.19 per ordinary share as the purchase consideration for the acquisition of the 50% equity interest in Stack Builder Sdn. Bhd. pursuant to a revised share sale agreement dated 5 October 2021; and
- (iv) issued 79,852,558 new ordinary shares at a price of RM0.19 per ordinary share, where 27,990,911 ordinary shares as the purchase consideration for the acquisition of the 100% equity interest in Wonderland Projects Sdn. Bhd. ("Wonderland") and 51,861,647 ordinary shares as the settlement shares of shareholders advances owing by Wonderland to Wonderland's Vendors, pursuant to a share sale agreement dated 2 August 2021.

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

There was no new issue of debentures were made by the Company.

OPTIONS GRANTED OVER UNISSUED SHARES

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

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

The salient features and other details of the ESOS are disclosed in Note 19(b) to the financial statements.

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

Grant date	Exercise price	Number of option over ordinary shares			At 31.12.2021
		At 1.1.2021	Granted	Expired/ Forfeited	
6 August 2020	0.249	11,000,000	-	(3,000,000)	8,000,000

WARRANTS 2016/2021 AND IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES ("ICPS")

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 ICPS in conjunction with the issue of 661,412,697 renounceable rights issue at a nominal value of RM0.05 in 2017.

The salient features and other details of the ICPS are disclosed in Note 18 to the financial statements.

Directors' Report (Cont'd)

WARRANTS 2016/2021 AND IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES ("ICPS") (CONT'D)

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 the 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 form 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 Warrants C expired on 24 July 2021, the balances in the warrant reserve are fully transferred to retained earnings.

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;

Directors' Report (Cont'd)

WARRANTS 2019/2022 (CONT'D)

The salient features of the Warrants D as stated in the Deed Poll are as follows: (cont'd)

- (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 date is 89,109,722 (31.12.2020: 89,109,722).

DIRECTORS

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

Ong Kah Hoe *
 Tunku Azudinshah Ibni Tunku Annuar
 Abdullah Bin Abdul Rahman
 Chong Min Shih
 Julian Koh Lu Ern
 Admiral Tan Sri Dato' Seri Panglima Ahmad
 Kamarulzaman Hj Ahmad Badaruddin
 Dato' Haji Mohd Fakrunizam Bin Ibrahim
 Lee Chin Cheh

(Resigned on 9 February 2022)
 (Resigned on 4 June 2021)
 (Retired on 10 June 2021)

* Directors of the Company and certain subsidiaries

Directors' Report (Cont'd)

DIRECTORS (CONT'D)

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

Abdul Hamid Bin Busu

Arlida Binti Ariff

Azinal Abidin Bin Ali

Badrushah Bin Abdul Rahim

Muhammad Suleiman Bin Mohd Amin

Muhammad Yusuf Bin Mohd Amin

Ong Kah Wee

Ong Yew Ming

Tan Chin Hoong

Toh Foo Hing

Syed Muzaffar Bin Syed Mohsin

Chong Tze-Ban

Low Kin Kok

(Appointed on 2 July 2021)
(Resigned on 28 December 2021)
(Resigned on 28 December 2021)

DIRECTORS' INTERESTS

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

	-----Number of Ordinary Shares-----			
	At 1.1.2021	Bought/ Converted	Sold	At 31.12.2021
The Company				
<u>Direct interests:</u>				
Ong Kah Hoe	24,442,600	56,895,666	-	81,338,266
<u>Indirect interests:</u>				
Ong Kah Hoe *	41,378,800	300,000	-	41,678,800

	-----Number of ICPS-----			
	At 1.1.2021	Bought	Converted	At 31.12.2021
The Company				
<u>Indirect interests:</u>				
Ong Kah Hoe *	3,000,000	-	(3,000,000)	-

	-----Number of Warrants 2016/2021-----			
	At 1.1.2021	Entitled	Lapsed	At 31.12.2021
The Company				
<u>Indirect interests:</u>				
Ong Kah Hoe *	180,000	-	(180,000)	-

Directors' Report (Cont'd)

DIRECTORS' INTERESTS (CONT'D)

	←----- Number Of Warrants 2019/2022 ----->			At 31.12.2021
	At 1.1.2021	Entitled	Exercised	
The Company				
<u>Direct interests:</u>				
Ong Kah Hoe	6,983,599	-	-	6,983,599
<u>Indirect interests:</u>				
Ong Kah Hoe *	11,822,510	-	-	11,822,510

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

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

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

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors as disclosed in Note 24 to the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest other than any deemed benefit which may arise from transactions as disclosed in Note 29 to the financial statements.

Neither during, nor at the end of the financial year, was the Company a party to any arrangements where the object was to enable the directors to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate, other than those arising from the share options granted under ESOS.

INDEMNITY TO DIRECTORS AND OFFICERS

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

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 9 to the financial statements.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Details of significant events during the financial year are disclosed in Note 32 to the financial statements.

Directors' Report (Cont'd)

SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Details of significant events subsequent to the end of the financial year are disclosed in Note 33 to the financial statements.

AUDITORS

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

The details of the auditors' remuneration are disclosed in Note 24 to the financial statements.

The Company has agreed to indemnify the auditors of the Company as permitted under Section 289 of the Companies Act 2016 in Malaysia. No payment has been made to indemnify the auditors during the financial year.

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

.....
ONG KAH HOE
Director

.....
TUNKU AZUDINSHAH IBNI TUNKU ANNUAR
Director

Date: 26 April 2022

STATEMENT BY DIRECTORS

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

We, **ONG KAH HOE** and **TUNKU AZUDINSHAH IBNI TUNKU ANNUAR**, being two of the directors of OCR GROUP BERHAD, do hereby state that in the opinion of the directors, the accompanying financial statements set out on pages 78 to 179 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021 and of their financial performance and cash flows for the financial year then ended.

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

.....
ONG KAH HOE
Director

.....
TUNKU AZUDINSHAH IBNI TUNKU ANNUAR
Director

Date: 26 April 2022

STATUTORY DECLARATION

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

I, **ONG KAH HOE**, being the director primarily responsible for the financial management of OCR GROUP BERHAD, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements set out on pages 78 to 179 are correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

.....
ONG KAH HOE
Director

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 26 April 2022.

Before me,

Commissioner for Oaths
HADINUR MOHD SYARIF W761

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 2021 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 78 to 179.

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 2021, and of their financial performance and cash flows for the financial year then ended in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

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

Key Audit Matters (Cont'd)

Group and Company

Trade and other receivables (Note 4(a) and 12 to the financial statements)

The Group and the Company have significant trade and other receivables as at 31 December 2021. We focused on this area because the Group and the Company made significant judgements over assumptions about risk of default and impairment losses provided. In making the assumptions, the directors are to select inputs to the impairment calculation, based on the Group's and the Company's past history, existing market conditions as well as forward-looking estimates at the end of the reporting period.

Our response:

Our audit procedures included, among others:

- discussing with the Group's and the Company's management on the recoverability of the trade and other receivables;
- obtaining confirmation of balances from selected receivables;
- reviewing subsequent receipts, customer correspondence and considering the level of activity with the customer and directors' explanation on recoverability with significantly past due balances on selected receivables; and
- understanding and discussing the reasonableness and calculation of impairment losses provided as at the end of the reporting period.

Group

Revenue recognition for property development and construction activities (Note 4(b), 8 and 14 to the financial statements)

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

We focused on this area because significant directors' judgement is required, in particular with regards to determining the progress towards satisfaction of a performance obligation, the extent of the property development and construction costs incurred, the estimated total property development and construction revenue and costs, as well as the recoverability of the projects. The estimated total revenue and costs are affected by a variety of uncertainties that depend on the outcome of future events.

Our audit response:

Our audit procedures included, among others:

- reading the terms and conditions of sample of agreements with customers;
- understanding the Group's process in preparing or updating project budgets and the calculation of the progress towards complete satisfaction of performance obligation;
- comparing the Group's major assumptions to contractual terms, understanding the analysis of changes in the assumptions from previous financial year and discussing with project managers; and
- checking the mathematical computation of recognised revenue for the projects during the financial year.

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

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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: (cont'd)

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

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

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

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

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 9 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 contents of this report.

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

Ong Teng Yan
No. 03076/07/2023 J
Chartered Accountant

Kuala Lumpur

Date: 26 April 2022

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2021

	Note	31.12.2021 RM	Group 31.12.2020 RM (Restated)	1.1.2020 RM (Restated)
ASSETS				
Non-current assets				
Property, plant and equipment	5	2,993,094	1,311,744	1,655,384
Right-of-use assets	6(a)	11,070,142	11,533,857	582,718
Investment properties	7	22,528,408	1,771,051	1,812,398
Inventories	8	27,694,122	29,609,114	29,584,242
Investment in associates	10	344,230	391,631	383,112
Deferred tax assets	11	-	1,250,375	2,522,178
Trade and other receivables	12	19,436,259	15,709,074	14,456,076
Other investments	13	5,227,200	-	-
Total non-current assets		89,293,455	61,576,846	50,996,108
Current assets				
Inventories	8	161,216,349	90,959,727	99,610,695
Current tax assets		106,464	15,877	28,341
Trade and other receivables	12	112,335,473	101,664,014	97,743,960
Prepayments		1,299,217	1,002,187	596,850
Contract assets	14	35,324,772	58,630,609	36,642,129
Contract costs	15	7,609,956	8,653,812	10,122,087
Cash and short-term deposits	16	30,931,930	35,593,267	21,454,229
Total current assets		348,824,161	296,519,493	266,198,291
TOTAL ASSETS		438,117,616	358,096,339	317,194,399
EQUITY AND LIABILITIES				
Equity attributable to owners of the Company				
Share capital	17	211,099,773	156,002,556	119,320,547
Irredeemable convertible preference shares("ICPS")	18	-	15,801,920	27,637,275
Other reserves	19	739,279	1,333,885	890,326
Accumulated losses		(54,713,792)	(31,130,072)	(28,910,423)
Non-controlling interests		157,125,260	142,008,289	118,937,725
		140,034	(675,932)	(217,219)
TOTAL EQUITY		157,265,294	141,332,357	118,720,506

Consolidated Statement of Financial Position (Cont'd)

	Note	31.12.2021 RM	Group 31.12.2020 RM (Restated)	1.1.2020 RM (Restated)
Non-current liabilities				
Lease liabilities	6(b)	478,463	538,285	531,102
Loans and borrowings	20	67,573,101	44,849,304	38,681,798
Trade payables	21	26,598,149	28,148,771	42,180,200
Total non-current liabilities		94,649,713	73,536,360	81,393,100
Current liabilities				
Lease liabilities	6(b)	126,835	144,380	117,485
Loans and borrowings	20	54,274,881	42,459,980	41,339,684
Current tax liabilities		1,389,842	3,088,660	2,857,284
Trade and other payables	21	127,551,884	96,266,103	72,766,340
Contract liabilities	14	2,859,167	1,268,499	-
Total current liabilities		186,202,609	143,227,622	117,080,793
TOTAL LIABILITIES		280,852,322	216,763,982	198,473,893
TOTAL EQUITY AND LIABILITIES		438,117,616	358,096,339	317,194,399

STATEMENT OF FINANCIAL POSITION

as at 31 December 2021

	Note	31.12.2021 RM	Company 31.12.2020 RM	1.1.2020 RM
ASSETS				
Non-current assets				
Property, plant and equipment	5	250,670	266,551	404,679
Right-of-use assets	6(a)	252,804	574,476	481,398
Investment property	7	1,729,704	1,771,051	1,812,398
Investment in subsidiaries	9	161,028,414	10,917,941	10,825,197
Deferred tax assets	11	-	-	1,255,513
Other investments	13	5,227,200	-	-
Total non-current assets		168,488,792	13,530,019	14,779,185
Current assets				
Trade and other receivables	12	6,352,102	115,244,881	100,600,336
Prepayments		21,199	21,199	27,359
Cash and short-term deposits	16	11,530,911	19,169,530	11,426,432
Total current assets		17,904,212	134,435,610	112,054,127
TOTAL ASSETS		186,393,004	147,965,629	126,833,312
EQUITY AND LIABILITIES				
Equity attributable to owners of the Company				
Share capital	17	211,099,773	156,002,556	119,320,547
Irredeemable convertible preference shares ("ICPS")	18	-	15,801,920	27,637,275
Other reserves	19	739,279	1,333,885	890,326
Accumulated losses		(44,083,242)	(42,690,717)	(37,438,747)
TOTAL EQUITY		167,755,810	130,447,644	110,409,401
Non-current liabilities				
Lease liabilities	6(b)	287,906	506,831	459,307
Loans and borrowings	20	158,790	234,500	280,318
Total non-current liabilities		446,696	741,331	739,625
Current liabilities				
Lease liabilities	6(b)	64,983	101,040	79,012
Loans and borrowings	20	15,085,308	15,085,308	15,079,978
Trade and other payables	21	3,040,207	1,590,306	525,296
Total current liabilities		18,190,498	16,776,654	15,684,286
TOTAL LIABILITIES		18,637,194	17,517,985	16,423,911
TOTAL EQUITY AND LIABILITIES		186,393,004	147,965,629	126,833,312

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

STATEMENTS OF COMPREHENSIVE INCOME

for the Financial Year Ended 31 December 2021

	Note	Group		Company	
		31.12.2021 RM	31.12.2020 RM (Restated)	31.12.2021 RM	31.12.2020 RM
Revenue	22	44,803,341	72,994,346	3,265,997	3,763,035
Cost of sales		(46,707,156)	(61,208,923)	-	-
Gross(loss)/profit		(1,903,815)	11,785,423	3,265,997	3,763,035
Other income		811,632	1,209,806	314,741	334,406
Administrative expenses		(12,472,889)	(10,190,520)	(5,792,586)	(6,236,726)
Net impairment(losses)/gain on financial instruments		(3,828,253)	3,676,883	(549,437)	(775,227)
Other expenses		(3,145,438)	(1,132,246)	(271,342)	(310,397)
Operating(loss)/profit		(20,538,763)	5,349,346	(3,032,627)	(3,224,909)
Finance costs	23	(5,391,927)	(5,695,862)	(699,446)	(771,548)
Share of results of associates, net of tax	10	(2,616)	(384,458)	-	-
Loss before tax	24	(25,933,306)	(730,974)	(3,732,073)	(3,996,457)
Tax expenses	25	(1,465,621)	(1,947,388)	-	(1,255,513)
Loss for the financial year		(27,398,927)	(2,678,362)	(3,732,073)	(5,251,970)
Other comprehensive income, net of tax					
<i>Items that may be reclassified subsequently to profit or loss</i>					
Fair value gain of equity instruments designated at fair value through other comprehensive income		1,223,098	-	1,223,098	-
Other comprehensive income for the financial year		1,223,098	-	1,223,098	-
Total comprehensive loss for the financial year		(26,175,829)	(2,678,362)	(2,508,975)	(5,251,970)

Statements of Comprehensive Income (Cont'd)

	Note	31.12.2021 RM	Group 31.12.2020 RM (Restated)	Company 31.12.2021 RM	31.12.2020 RM
Loss attributable to:					
Owners of the Company		(25,923,268)	(2,219,649)	(3,732,073)	(5,251,970)
Non-controlling interests		(1,475,659)	(458,713)	-	-
		(27,398,927)	(2,678,362)	(3,732,073)	(5,251,970)
Total comprehensive loss attributable to:					
Owners of the Company		(24,700,170)	(2,219,649)	(2,508,975)	(5,251,970)
Non-controlling interests		(1,475,659)	(458,713)	-	-
		(26,175,829)	(2,678,362)	(2,508,975)	(5,251,970)
Losses per share attributable to owners of the Company (sen per share):					
Basic	26(a)	(4.71)	(0.60)		
Diluted	26(b)	(4.68)	(0.51)		

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

STATEMENTS OF CHANGES IN EQUITY

for the Financial Year Ended 31 December 2021

Group	Note	Attributable to the owners of the Company							Total equity RM
		Share capital RM	ICPS RM	Warrant reserve RM	Share option reserve RM	Accumulated losses RM	Sub-total RM	Non-controlling interests RM	
At 1 January 2021 (restated)		156,002,556	15,801,920	890,326	443,559	(31,130,072)	142,008,289	(675,932)	141,332,357
Total comprehensive loss for the financial year		-	-	-	-	(25,923,268)	(25,923,268)	(1,475,659)	(27,398,927)
Loss for the financial year		-	-	-	-	-	-	-	-
Other comprehensive income for the financial year		-	-	-	-	1,223,098	1,223,098	-	1,223,098
Total comprehensive loss		-	-	-	-	(24,700,170)	(24,700,170)	(1,475,659)	(26,175,829)
Transactions with owners									
Issuance of ordinary shares via:		21,880,535	-	-	-	-	21,880,535	-	21,880,535
- Private placement	17								
- Transfer to share capital upon conversion of ICPS	17, 18	15,801,920	(15,801,920)	-	-	-	-	-	-
- Acquisition of subsidiaries	17	17,414,762	-	-	-	-	17,414,762	-	17,414,762
Warrants C expired	19	-	-	(890,326)	-	890,326	-	-	-
Share option issued	19	-	-	-	521,844	-	521,844	-	521,844
Share option lapsed	19	-	-	-	(226,124)	226,124	-	-	-
Non-controlling interests arising from acquisition of a new subsidiary	9	-	-	-	-	-	-	2,291,625	2,291,625
Total transaction with owners		55,097,217	(15,801,920)	(890,326)	295,720	1,116,450	39,817,141	2,291,625	42,108,766
At 31 December 2021		211,099,773	-	-	739,279	(54,713,792)	157,125,260	140,034	157,265,294

Statements of Changes in Equity (Cont'd)

Group	Attributable to the owners of the Company							Total equity RM
	Share capital RM	ICPS RM	Warrant reserve RM	Share option reserve RM	Accumulated losses RM	Sub-total RM	Non-controlling interests RM	
At 31 December 2019	119,320,547	27,637,275	890,326	-	(24,232,181)	123,615,967	(554,293)	123,061,674
- As previously reported								
- Change in comparative figures	-	-	-	-	(4,678,242)	(4,678,242)	337,074	(4,341,168)
Restated balance at 1 January 2020	119,320,547	27,637,275	890,326	-	(28,910,423)	118,937,725	(217,219)	118,720,506
Total comprehensive income/(loss) for the financial year								
Profit/(Loss) for the financial year	-	-	-	-	814,612	814,612	(447,443)	367,169
- As previously reported								
- Change in accounting policy	-	-	-	-	(3,034,261)	(3,034,261)	(11,270)	(3,045,531)
Restated loss for the financial year	-	-	-	-	(2,219,649)	(2,219,649)	(458,713)	(2,678,362)
Restated total comprehensive loss	-	-	-	-	(2,219,649)	(2,219,649)	(458,713)	(2,678,362)
Transactions with owners								
Issuance of ordinary shares via:								
- Private placement	24,218,900	-	-	-	-	24,218,900	-	24,218,900
- Exercised of Warrants D	627,754	-	-	-	-	627,754	-	627,754
- Transfer to share capital upon conversion of ICPS	11,835,355	(11,835,355)	-	-	-	-	-	-
Share option issued	-	-	-	443,559	-	443,559	-	443,559
Total transaction with owners	36,682,009	(11,835,355)	-	443,559	-	25,290,213	-	25,290,213
At 31 December 2020	156,002,556	15,801,920	890,326	443,559	(31,130,072)	142,008,289	(675,932)	141,332,357

Statements of Changes in Equity (Cont'd)

Company	Share capital RM	ICPS RM	Warrant reserve RM	Share option reserve RM	Accumulated losses RM	Total equity RM
At 1 January 2021	156,002,556	15,801,920	890,326	443,559	(42,690,717)	130,447,644
Total comprehensive loss for the financial year					(3,732,073)	(3,732,073)
Loss for the financial year						
Other comprehensive income for the financial year					1,223,098	1,223,098
Total comprehensive loss					(2,508,975)	(2,508,975)
Transactions with owners						
Issuance of ordinary shares via:						
- Private placement	21,880,535					21,880,535
- Transfer to share capital upon conversion of ICPS	15,801,920	(15,801,920)				
- Acquisition of subsidiaries	17,414,762					17,414,762
Warrants C expired			(890,326)		890,326	
Share option issued				521,844		521,844
Share option lapsed				(226,124)	226,124	
Transaction with owners	55,097,217	(15,801,920)	(890,326)	295,720	1,116,450	39,817,141
At 31 December 2021	211,099,773			739,279	(44,083,242)	167,755,810

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

Statements of Changes in Equity (Cont'd)

Company	Note	Attributable to the owners of the Company						Total equity RM
		Share capital RM	ICPS RM	Warrant reserve RM	Share option reserve RM	Accumulated losses RM		
At 1 January 2020		119,320,547	27,637,275	890,326	-	(37,438,747)	110,409,401	
Total comprehensive loss for the financial year		-	-	-	-	(5,251,970)	(5,251,970)	
Loss for the financial year		-	-	-	-	(5,251,970)	(5,251,970)	
Total comprehensive loss		-	-	-	-	(5,251,970)	(5,251,970)	
Transactions with owners								
Issuance of ordinary shares via:								
- Private placement	17	24,218,900	-	-	-	-	24,218,900	
- Exercised of Warrants D	17	627,754	-	-	-	-	627,754	
- Transfer to share capital upon conversion of ICPS	17, 18	11,835,355	(11,835,355)	-	-	-	-	
Share option issued	19	-	-	-	443,559	-	443,559	
Transaction with owners		36,682,009	(11,835,355)	-	443,559	-	25,290,213	
At 31 December 2020		156,002,556	15,801,920	890,326	443,559	(42,690,717)	130,447,644	

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

STATEMENTS OF CASH FLOWS

for the Financial Year Ended 31 December 2021

Note	Group		Company	
	31.12.2021 RM	31.12.2020 RM (Restated)	31.12.2021 RM	31.12.2020 RM
Cash flows from operating activities				
Loss before tax	(25,933,306)	(730,974)	(3,732,073)	(3,996,457)
Adjustments for:				
Depreciation of:				
- investment properties	44,460	41,347	41,347	41,347
- property, plant and equipment	644,054	677,158	83,790	138,128
- right-of-use assets	521,248	326,336	146,205	130,922
Gain on disposal of right-of-use assets	(67,533)	-	(67,533)	-
Impairment loss on investment in an associate	44,785	7,023	-	-
Interest expense on lease liabilities	35,553	33,853	27,264	26,383
Interest expenses	5,356,374	5,662,009	672,182	745,165
Interest income	(353,214)	(743,658)	(193,275)	(309,872)
Net impairment losses/(gain) on trade and other receivables	3,828,253	(3,676,883)	549,437	775,227
Share of results of associates	2,616	384,458	-	-
Share-based payments	521,844	443,559	412,257	350,815
Waiver of debts	-	(19,027)	-	-
	(15,354,866)	2,405,201	(2,060,399)	(2,098,342)
Changes in working capital:				
Inventories	10,382,750	8,626,096	-	-
Contract assets/(liabilities)	22,974,644	(20,719,981)	-	-
Contract costs	1,043,856	1,468,275	-	-
Trade and other payables	(13,573,081)	9,231,099	632,973	87,159
Trade and other receivables	(16,856,236)	3,780,031	3,222,231	6,977,500
Prepayments	(297,030)	(405,337)	-	6,160
Amount owing by/(to) subsidiaries	-	-	(24,885,435)	(21,018,611)
Amount owing by an associate	(3,699)	(21,479)	-	-
Amount owing by/(to) related parties	1,580,919	(5,141,879)	(1,699,650)	(387,810)
Amount owing to directors	(236,166)	(10,079)	(63,000)	(13,000)
Net cash used in operations	(10,338,909)	(788,053)	(24,853,280)	(16,446,944)
Interest paid	(5,356,374)	(5,662,009)	(672,182)	(745,165)
Interest received	353,214	743,658	193,275	309,872
Income tax paid	(2,004,651)	(431,745)	-	-
Net cash used in operating activities	(17,346,720)	(6,138,149)	(25,332,187)	(16,882,237)

Statements of Cash Flows (Cont'd)

	Note	Group		Company	
		31.12.2021 RM	31.12.2020 RM (Restated)	31.12.2021 RM	31.12.2020 RM
Cash flows from investing activities					
Addition in investment in an associate		-	(400,000)	-	-
Addition in investment in quoted shares		(4,004,102)	-	(4,004,102)	-
Net cash flows from acquisition of subsidiaries		(870,293)	(10,899,976)	-	-
Pledged fixed deposits with licenced banks		(295,167)	(477,305)	(191,709)	(309,873)
Proceeds from disposal of right-of-use assets		243,000	-	243,000	-
Purchase of property, plant and equipment		(2,325,404)	(333,518)	(67,909)	-
Net cash used in investing activities		(7,251,966)	(12,110,799)	(4,020,720)	(309,873)
Cash flows from financing activities					
Proceeds from issuance of ordinary shares		21,880,535	24,846,654	21,880,535	24,846,654
Drawdown of:					
- bridging loan	(a)	5,325,877	6,786,643	-	-
- term loans	(a)	9,085,547	1,183,212	-	-
- trust receipts	(a)	14,668,178	-	-	-
Repayment of:					
- bridging loan	(a)	(14,164,184)	(1,078,386)	-	-
- lease liabilities	(a)	(345,920)	(223,775)	(282,246)	(180,831)
- trust receipts	(a)	(13,513,664)	(653,762)	-	-
- term loans	(a)	(5,328,456)	(3,639,995)	(75,710)	(40,488)
Net cash from financing activities		17,607,913	27,220,591	21,522,579	24,625,335
Net(decrease)/increase in cash and cash equivalents		(6,990,773)	8,971,643	(7,830,328)	7,433,225
Cash and cash equivalents at the beginning of the financial year		4,611,879	(4,359,764)	8,204,800	771,575
Cash and cash equivalents at the end of the financial year	16(a)	(2,378,894)	4,611,879	374,472	8,204,800

Statements of Cash Flows (Cont'd)

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

	At 1.1.2021 RM	Cash flows RM	----- Non-cash ----- Acquisition of assets RM	Interest expenses RM	Acquisition of subsidiaries RM	At 31.12.2021 RM
Group						
Bridging loan	33,926,202	(8,838,307)	-	-	-	25,087,895
Term loans	22,179,246	3,757,091	-	-	36,431,131	62,367,468
Trust receipts	3,837,168	1,154,514	-	-	-	4,991,682
Revolving credit	15,000,000	-	-	-	-	15,000,000
Lease liabilities	682,665	(345,920)	233,000	35,553	-	605,298
	75,625,281	(4,272,622)	233,000	35,553	36,431,131	108,052,343
Company						
Term loans	319,808	(75,710)	-	-	-	244,098
Revolving credit	15,000,000	-	-	-	-	15,000,000
Lease liabilities	607,871	(282,246)	-	27,264	-	352,889
	15,927,679	(357,956)	-	27,264	-	15,596,987

	At 1.1.2020 RM	Cash flows RM	----- Non-cash ----- Acquisition of assets RM	Interest expenses RM	At 31.12.2020 RM
Group					
Bridging loan	28,217,945	5,708,257	-	-	33,926,202
Term loans	24,636,029	(2,456,783)	-	-	22,179,246
Trust receipts	4,490,930	(653,762)	-	-	3,837,168
Revolving credit	15,000,000	-	-	-	15,000,000
Lease liabilities	648,587	(223,775)	224,000	33,853	682,665
	72,993,491	2,373,937	224,000	33,853	75,625,281
Company					
Term loans	360,296	(40,488)	-	-	319,808
Revolving credit	15,000,000	-	-	-	15,000,000
Lease liabilities	538,319	(180,831)	224,000	26,383	607,871
	15,898,615	(221,319)	224,000	26,383	15,927,679

(b) Total cash outflows for leases as a lessee

During the financial year, the Group and the Company had total cash outflows for leases of RM728,929 and RM309,816 (31.12.2020: RM731,708 and RM203,671) respectively.

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

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

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

The registered office of the Company is located at Level 5, Block B, Dataran PHB, Saujana Resort, Section U2, 40150 Shah Alam, Selangor Darul Ehsan. The principal place of business of the Company is located at A-3A-01, Block Allamanda, 10 Boulevard Lebuhraya Sprint, PJU 6A, 47400 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

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

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 26 April 2022.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

2.2 Adoption of amendments/improvements to MFRSs and explanation of change in accounting policy

(a) Adoption of amendments/improvement to MFRSs

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

Amendments/Improvements to MFRSs

MFRS 4	Insurance Contracts
MFRS 7	Financial Instruments: Disclosures
MFRS 9	Financial Instruments
MFRS 16	Leases *
MFRS 139	Financial Instruments: Recognition and Measurement

* Early adopted the amendment to MFRS 16 *Leases* issued by Malaysian Accounting Standards Board (“MASB”) on 6 April 2021.

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

Notes to the Financial Statements (Cont'd)

2. BASIS OF PREPARATION (CONT'D)

2.2 Adoption of amendments/improvements to MFRSs and explanation of change in accounting policy (cont'd)

(b) Accounting policy for borrowing costs (cont'd)

In March 2019, the IFRS Interpretations Committee ("IFRIC") has issued an agenda decision and concluded that receivable, contract asset and inventory (work-in-progress) for unsold units under construction are not qualifying assets.

The MASB announced that non-private entities in the real estate industry might need to change their accounting policy as results of the IFRIC Agenda Decision. In ensuring consistent application of the MFRS, which are word-for-word the IFRS Standards, the MASB decided that an entity shall apply the change in accounting policy as results of the Agenda Decision to financial statements of annual periods beginning on or after 1 July 2020 ("Mandatory Date").

The Group adopted the change in accounting policy on borrowing cost and the effect of the change in accounting policy has been disclosed in Note 35 to the financial statements.

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

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

		Effective for financial periods beginning on or after
<u>New MFRS</u>		
MFRS 17	Insurance Contracts	1 January 2023
<u>Amendments/Improvements to MFRSs</u>		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2022 [^] / 1 January 2023 [#]
MFRS 3	Business Combinations	1 January 2022/ 1 January 2023 [#]
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2023 [#]
MFRS 7	Financial Instruments: Disclosures	1 January 2023 [#]
MFRS 9	Financial Instruments	1 January 2022 [^] / 1 January 2023 [#]
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 15	Revenue from Contracts with Customers	1 January 2023 [#]
MFRS 16	Leases	1 January 2022 [^]
MFRS 17	Insurance Contracts	1 January 2023
MFRS 101	Presentation of Financial Statements	1 January 2023/ 1 January 2023 [#]
MFRS 107	Statement of Cash Flows	1 January 2023 [#]
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2023
MFRS 112	Income Taxes	1 January 2023

Notes to the Financial Statements (Cont'd)

2. BASIS OF PREPARATION (CONT'D)

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

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

		Effective for financial periods beginning on or after
<u>Amendments/Improvements to MFRSs (cont'd)</u>		
MFRS 116	Property, Plant and Equipment	1 January 2022/ 1 January 2023 [#]
MFRS 119	Employee Benefits	1 January 2023 [#]
MFRS 128	Investments in Associates and Joint Ventures	Deferred/ 1 January 2023 [#]
MFRS 132	Financial Instruments: Presentation	1 January 2023 [#]
MFRS 136	Impairment of Assets	1 January 2023 [#]
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2022/ 1 January 2023 [#]
MFRS 138	Intangible Assets	1 January 2023 [#]
MFRS 140	Investment Property	1 January 2023 [#]
MFRS 141	Agriculture	1 January 2022 [^]

[^] *The Annual Improvements to MFRS Standards 2018 - 2020*

[#] *Amendments as to the consequence of effective of MFRS 17 Insurance Contracts*

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

Annual Improvements to MFRS Standards 2018 – 2020

Annual Improvements to MFRS Standards 2018 – 2020 covers amendments to:

- MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards* – simplifies the application of MFRS 1 by a subsidiary that becomes a first-time adopter after its parent in relation to the measurement of cumulative translation differences.
- MFRS 9 *Financial Instruments* – clarifies the fees an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability.
- Illustrative Examples accompanying MFRS 16 *Leases* – deletes from Illustrative Example 13 the reimbursement relating to leasehold improvements to remove any potential confusion regarding the treatment of lease incentives.
- MFRS 141 *Agriculture* – removes a requirement to exclude cash flows from taxation when measuring fair value thereby aligning the fair value measurement requirements in MFRS 141 with those in other MFRS Standards.

Notes to the Financial Statements (Cont'd)

2. BASIS OF PREPARATION (CONT'D)

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

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

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

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

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

Amendments to MFRS 101 Presentation of Financial Statements

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

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

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

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

Notes to the Financial Statements (Cont'd)

2. BASIS OF PREPARATION (cont'd)

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

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

Amendments to MFRS 112 Income Taxes

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

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

Amendments to MFRS 116 Property, Plant and Equipment

The amendments prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the entity is preparing the asset for its intended use. Instead, an entity shall recognise such sales proceeds and related cost in profit or loss.

Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets

The amendments specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous.

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

2.4 Functional and presentation currency

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

2.5 Basis of measurement

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

Notes to the Financial Statements (Cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Basis of consolidation and economic entities

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

(a) Subsidiaries and business combination

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

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

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

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

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

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

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

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

Notes to the Financial Statements (Cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation and economic entities (cont'd)

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

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

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

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

(b) Non-controlling interests

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

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

(c) Associates

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

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

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

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investments is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

Notes to the Financial Statements (Cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation and economic entities (cont'd)

(c) Associates (cont'd)

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When the Group's interest in an associate decrease but does not result in a loss of significant influence, any retained interest is not remeasured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to the profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

(d) Transactions eliminated on consolidation

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

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

3.2 Separate financial statements

In the Company's statement of financial position, investment in subsidiaries and associates are measured at cost less any accumulated impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs. The policy for the recognition and measurement of impairment losses shall be applied on the same basis as would be required for impairment of non-financial assets as disclosed in Note 3.9(b) to the financial statements.

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

3.3 Financial instruments

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

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

Notes to the Financial Statements (Cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Financial instruments (cont'd)

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract; it is a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured as fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with the policy applicable to the nature of the host contract.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

(a) Subsequent measurement

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

(i) Financial assets

For the purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost
- Financial assets at fair value through other comprehensive income with recycling of cumulative gains and losses upon derecognition
- Financial assets designated at fair value through other comprehensive income with no recycling of cumulative gains and losses upon derecognition
- Financial assets at fair value through profit or loss

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

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

Debt instruments

Subsequent measurement of debt instruments depends on the Group's and the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group and the Company classify their debt instruments:

- **Amortised cost**

Financial assets that are held for collection of contractual cash flows and those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. The policy for the recognition and measurement of impairment is in accordance with Note 3.9(a) to the financial statements. Gains and losses are recognised in profit or loss when the financial asset is derecognised, modified or impaired.

Notes to the Financial Statements (Cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Financial instruments (cont'd)

(a) Subsequent measurement (cont'd)

The Group and the Company categorise the financial instruments as follows (cont'd):

(i) Financial assets (cont'd)

Debt instruments (cont'd)

- Fair value through other comprehensive income ("FVOCI")

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, and the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. For debt instruments at FVOCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. The policy for the recognition and measurement of impairment is in accordance with Note 3.9(a) to the financial statements. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

- Fair value through profit or loss ("FVPL")

Financial assets at FVPL include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at FVOCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statements of financial position at fair value with net changes in fair value recognised in the profit or loss.

Equity instruments

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

Notes to the Financial Statements (Cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Financial instruments (cont'd)

(a) Subsequent measurement (cont'd)

The Group and the Company categorise the financial instruments as follows (cont'd):

(i) Financial assets (cont'd)

Equity instruments (cont'd)

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

(ii) Financial liabilities

The Group and the Company classify their financial liabilities in the following measurement categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading, including derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial liabilities designated into this category upon initial recognition.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value with the gain or loss recognised in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in MFRS 9 *Financial Instruments* are satisfied. The Group and the Company have not designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortised cost

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

(b) Financial guarantee contracts

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

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

Notes to the Financial Statements (Cont'd)

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

3.3 Financial instruments (cont'd)

(c) Regular way purchase or sale of financial assets

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

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

Trade date accounting refers to:

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

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

(d) Derecognition

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

- (i) the contractual rights to receive the cash flows from the financial asset expire, or
- (ii) the Group and the Company have transferred their rights to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full without material delay to a third party; and either (a) the Group and the Company have transferred substantially all the risks and rewards of the asset, or (b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

The Group and the Company evaluate if, and to what extent, they have retained the risks and rewards of ownership. When they have neither transferred nor retained substantially all the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continue to recognise the transferred asset to the extent of their continuing involvement. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company could be required to repay.

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

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

Notes to the Financial Statements (Cont'd)

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

3.3 Financial instruments (cont'd)

(e) Offsetting of financial instruments

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

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

3.4 Property, plant and equipment

(a) Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.9(b) to the financial statements.

Cost of assets includes expenditures that are directly attributable to the acquisition of the asset and any other costs that are directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

(b) Subsequent cost

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

(c) Depreciation

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

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

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

Notes to the Financial Statements (Cont'd)

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

3.4 Property, plant and equipment (cont'd)

(d) Derecognition

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

3.5 Leases

(a) Definition of lease

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

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

(b) Lessee accounting

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

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

Right-of-use asset

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

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any accumulated impairment losses and adjust for any remeasurement of the lease liabilities. The right-of-use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. If the Group and the Company expect to exercise a purchase option, the right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts from the commencement date of the underlying asset. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.9(b) to the financial statements.

Notes to the Financial Statements (Cont'd)

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

3.5 Leases (cont'd)

(b) Lessee accounting (cont'd)

Lease liability

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

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

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

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

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

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

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

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

Short-term leases and leases of low value assets

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

Notes to the Financial Statements (Cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Leases (cont'd)

(c) Lessor accounting

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

When the Group and the Company are intermediate lessors, they account for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. If a head lease is a short-term lease to which the Group applies the exemption described in Note 3.5(b) to the financial statements, then it classifies the sub-lease as an operating lease.

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

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

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

3.6 Inventories

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

Property under development

Cost includes:

- freehold and leasehold rights for land;
- amounts paid to contractors for construction; and
- borrowing costs, planning and design costs, costs for site preparation, professional fees for legal and other services, property transfer taxes, construction overheads and other related costs.

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

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

Notes to the Financial Statements (Cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Investment properties

Investment properties are properties held to earn rental income or for capital appreciation or both.

Investment properties are initially measured at cost, including transaction costs. Cost includes purchase price and any directly attributable costs incurred to bring the property to its present location and condition intended for use as an investment property.

The Group and the Company use the cost model to measure their investment properties after initial recognition. Accordingly, investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses. The policy for recognition and measurement of impairment losses is in accordance with Note 3.9(b) to the financial statements.

Freehold land has an unlimited useful life and therefore is not depreciated. All other investment properties are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives.

	Useful lives (years)
Buildings	50 years
Commercial building	50 years

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

An investment property is derecognised on its disposal or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gains and losses arising from derecognition of the asset is recognised in the profit or loss.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property carried at fair value to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner-occupied property to investment property, any difference arising on the date of change in use between the carrying amount of the item immediately prior to the transfer and its fair value is recognised directly in equity as a revaluation of property, plant and equipment.

3.8 Cash and cash equivalents

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

3.9 Impairment of assets

(a) Impairment of financial assets and contract assets

Financial assets measured at amortised cost, financial assets measured at fair value through other comprehensive income ("FVOCI"), lease receivables, contract assets, a loan commitment and financial guarantee contracts will be subject to the impairment requirement in MFRS 9 *Financial Instruments* which is related to the accounting for expected credit losses on the financial assets. Expected credit losses are the weighted average of credit losses with the respective risks of a default occurring as the weights.

Notes to the Financial Statements (Cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.9 Impairment of assets (cont'd)

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

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

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

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

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and the Company's historical experience and informed credit assessment and including forward-looking information.

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

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

- the counterparty is unable to pay its credit obligations to the Group and the Company in full, without taking into accounts any credit enhancements held by the Group and the Company; or
- the contractual payment of the financial asset is more than 90 days past due unless the Group and the Company have reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

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

12-month expected credit losses are the portion of lifetime expected credit losses that represent the expected credit losses that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

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

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

Notes to the Financial Statements (Cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.9 Impairment of assets (cont'd)

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

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

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

The amount of impairment losses (or reversal) shall be recognised in profit or loss, as an impairment gain or loss. For financial assets measured at FVOCI, the loss allowance shall be recognised in other comprehensive income and shall not reduce the carrying amount of the financial asset in the statements of financial position.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or source of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in orders to comply with the Group's and the Company's procedure for recovery of amounts due.

(b) Impairment of non-financial assets

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

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

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

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

Notes to the Financial Statements (Cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.9 Impairment of assets (cont'd)

(b) Impairment of non-financial assets (cont'd)

Impairment losses are recognised in profit or loss.

Impairment losses in respect of goodwill are not reversed. For other assets, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. An impairment loss is reversed only if there has been a change in the estimates used to determine the assets recoverable amount since the last impairment loss was recognised. Reversal of impairment loss is restricted by the asset's carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

3.10 Share capital

(a) Ordinary shares

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

(b) Preference shares

Preference shares are classified as equity if it is non-redeemable, or is redeemable but only at the Company's option, and any dividend payments are discretionary. Dividends thereon are recognised as distributions within equity.

Preference shares are classified as financial liability if it is redeemable on a specific date or at the option of the equity holders, or if dividend payments are not discretionary. Dividends thereon are recognised as interest expense in profit or loss as accrued.

3.11 Employee benefits

(a) Short-term employee benefits

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

(b) Defined contribution plans

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

Notes to the Financial Statements (Cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.12 Share-based payments

Equity-settled share-based payment

The cost of equity-settled share-based payment is determined by the fair value at the date when the grant is made using an appropriate valuation model. Details regarding the determination of the fair value of equity-settled share-based payments are set out in Note 19(b) to the financial statements.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share option reserve.

Equity-settled share-based payments with parties other than employees are measured at the fair value of the goods and services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted at the date the Group and the Company obtain the goods or the counterparty renders the service.

3.13 Revenue and other income

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

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

The Group and the Company measure revenue at its transaction price, being the amount of consideration to which the Group and the Company expect to be entitled in exchange for transferring promised good or service to a customer, excluding amounts collected on behalf of third parties, adjusted for the effects of any variable consideration, constraining estimates of variable consideration, significant financing components, non-cash consideration and consideration payable to customer. If the transaction price includes variable consideration, the Group and the Company use the expected value method by estimating the sum of probability-weighted amounts in a range or possible consideration amounts, or the most likely outcome method, depending on which method the Group and the Company expect to better predict the amount of consideration to which it is entitled.

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

Notes to the Financial Statements (Cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.13 Revenue and other income (cont'd)

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

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

Financing components

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

(a) Property development

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

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

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

The Group collects deposit from customers for sale of properties. A contract liability is recognised for the customer deposits as the Group has obligations to transfer the goods or services to the customer in respect of deposits received. Customer deposits would be recognised as revenue upon transfer of goods or services to the customer.

Notes to the Financial Statements (Cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.13 Revenue and other income (cont'd)

(a) Property development (cont'd)

Based on the Group's customary business practice, the customers' legal fees are borne by the Group. Revenue is recognised based on the transaction price agreed in the contracts, net of the customers' legal fees. The Group uses its experience in estimating the legal fees to be incurred. The Group uses the expected value method because it is the method that the Group expects to better predict the amount of consideration to which they will be entitled. The amount of revenue recognised does not include any customers' legal fees which is constrained.

For residential and commercial properties, as part of the statutory requirements, the Group's obligations to repair and made good of any defect, shrinkage or other faults in the building or in the common property which have become apparent within a period of 24 months after the customer takes vacant possession of the building.

(b) Construction contracts

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

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

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

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

Defect liability period is 6 to 24 months from the date of Certificate of Practical Completion as provided in the contracts with customers.

(c) Management fees

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

(d) Interest income

Interest income is recognised using the effective interest method.

(e) Rental income

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

Notes to the Financial Statements (Cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.14 Borrowing costs

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

Borrowing costs that are not directly attributable to the acquisition, construction or production of 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 qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

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

3.15 Taxes

Income tax expense in profit or loss comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

(a) Current tax

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

(b) Deferred tax

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

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

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

Notes to the Financial Statements (Cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.15 Taxes (cont'd)

(b) Deferred tax (cont'd)

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

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

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

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

(c) Sales and services tax

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

- where the sales and services tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the sales and services tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of sales tax included.

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

3.16 Operating segments

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

3.17 Fair value measurements

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

Notes to the Financial Statements (Cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.17 Fair value measurements (cont'd)

For a non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group and the Company can access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Unobservable inputs for the asset or liability.

There were no transfers between levels of the fair value hierarchy during the financial year.

3.18 Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

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

3.19 Contingencies

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

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

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

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

3.20 Contract assets/(liabilities)

Contract asset is the right to consideration in exchange for goods or services transferred to the customers when that right is conditioned on something other than the passage of time (for example, the Group's future performance). The policy for the recognition and measurement of impairment losses is in accordance with Note 3.9(a) to the financial statements.

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

Notes to the Financial Statements (Cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.21 Contract costs

(a) Recognition and measurement

Contract costs include costs of obtaining and fulfilling a contract.

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

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

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

(b) Amortisation

The costs of obtaining and fulfilling a contract are amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. The amortisation shall be updated subsequently to reflect any significant change to the expected timing of transfer to the customer of the goods or services to which the asset relates in accordance with MFRS 108 *Accounting Policies, Changes in Accounting Estimate and Errors*.

(c) Impairment

Impairment loss are recognised in profit or loss to the extent that the carrying amount of the contract cost exceeds:

- (i) the remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the asset relates; less
- (ii) the costs that relate directly to providing those goods or services and that have not been recognised as expenses.

Before an impairment loss is recognised for contract costs, the Group shall recognise any impairment loss for assets related to the contract that are recognised in accordance with another MFRSs, such as MFRS 102, MFRS 116 and MFRS 138. The Group shall include the resulting carrying amount of the contract costs in the carrying amount of the cash-generating unit to which it belongs for the purpose of applying MFRS 136 *Impairment of Assets* to that cash-generating unit.

An impairment loss is reversed when the impairment conditions no longer exist or have improved. Such reversal is recognised in profit or loss.

Notes to the Financial Statements (Cont'd)

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

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

(a) Impairment of trade and other receivables

The impairment provisions for trade and other receivables are based on assumptions about risk of default and their expected loss. The Group and the Company use judgement in making these assumptions and selecting inputs to the impairment calculation, based on the Group's and the Company's history, existing market conditions as well as forward-looking estimates including the impact of COVID-19 pandemic at the end of each reporting period.

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

The information about the impairment losses on the Group's and the Company's trade and other receivables are disclosed in Note 27(b)(i) to the financial statements.

(b) Revenue recognition for construction and property development

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

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

The economic uncertainties resulting from COVID-19 pandemic have resulted in an even higher level of estimation uncertainty to the inputs and assumptions used in the estimation of total property development and construction revenue and costs.

The carrying amounts of property development costs, contract assets and contract liabilities are disclosed in Notes 8 and 14 to the financial statements.

Notes to the Financial Statements (Cont'd)

5. PROPERTY, PLANT AND EQUIPMENT

	Renovation, furniture and fittings RM	Software RM	Tools and equipment RM	Motor vehicles RM	Total RM
Group					
2021					
Cost					
At 1 January 2021	3,709,148	9,390	54,348	155,764	3,928,650
Additions	82,149	36,019	2,207,236	-	2,325,404
At 31 December 2021	3,791,297	45,409	2,261,584	155,764	6,254,054
Accumulated depreciation					
At 1 January 2021	2,431,513	4,755	24,874	155,764	2,616,906
Depreciation charge for the financial year	627,662	5,602	10,790	-	644,054
At 31 December 2021	3,059,175	10,357	35,664	155,764	3,260,960
Carrying amounts					
At 31 December 2021	732,122	35,052	2,225,920	-	2,993,094
2020					
Cost					
At 1 January 2020	3,375,630	9,390	54,348	155,764	3,595,132
Additions	333,518	-	-	-	333,518
At 31 December 2020	3,709,148	9,390	54,348	155,764	3,928,650
Accumulated depreciation					
At 1 January 2020	1,767,023	2,877	14,084	155,764	1,939,748
Depreciation charge for the financial year	664,490	1,878	10,790	-	677,158
At 31 December 2020	2,431,513	4,755	24,874	155,764	2,616,906
Carrying amounts					
At 31 December 2020	1,277,635	4,635	29,474	-	1,311,744

Notes to the Financial Statements (Cont'd)

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

	Renovation, furniture and fittings RM	Motor vehicles RM	Total RM
Company			
2021			
Cost			
At 1 January 2021	879,948	155,764	1,035,712
Additions	67,909	-	67,909
At 31 December 2021	947,857	155,764	1,103,621
Accumulated depreciation			
At 1 January 2021	613,397	155,764	769,161
Depreciation charge for the financial year	83,790	-	83,790
At 31 December 2021	697,187	155,764	852,951
Carrying amounts			
At 31 December 2021	250,670	-	250,670
2020			
Cost			
At 1 January 2020/ At 31 December 2020	879,948	155,764	1,035,712
Accumulated depreciation			
At 1 January 2020	475,269	155,764	631,033
Depreciation charge for the financial year	138,128	-	138,128
At 31 December 2020	613,397	155,764	769,161
Carrying amounts			
At 31 December 2020	266,551	-	266,551

Notes to the Financial Statements (Cont'd)

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

(a) Right-of-use assets

The Group and the Company lease several assets including leasehold land and motor vehicles.

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

	Leasehold land RM	Motor vehicles RM	Total RM
Group			
2021			
Cost			
At 1 January 2021	11,285,603	1,006,828	12,292,431
Additions	-	233,000	233,000
Disposals	-	(317,000)	(317,000)
At 31 December 2021	11,285,603	922,828	12,208,431
Accumulated depreciation			
At 1 January 2021	390,699	367,875	758,574
Disposals	-	(141,533)	(141,533)
Depreciation charge for the financial year	307,133	214,115	521,248
At 31 December 2021	697,832	440,457	1,138,289
Carrying amounts			
At 31 December 2021	10,587,771	482,371	11,070,142
2020			
Cost			
At 1 January 2020	-	782,828	782,828
Acquisition of a subsidiary	11,285,603	-	11,285,603
Additions	-	224,000	224,000
At 31 December 2020	11,285,603	1,006,828	12,292,431
Accumulated depreciation			
At 1 January 2020	-	200,110	200,110
Acquisition of a subsidiary	232,128	-	232,128
Depreciation charge for the financial year	158,571	167,765	326,336
At 31 December 2020	390,699	367,875	758,574
Carrying amounts			
At 31 December 2020	10,894,904	638,953	11,533,857

Notes to the Financial Statements (Cont'd)

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

(a) Right-of-use assets (cont'd)

	Company	
	31.12.2021 RM	31.12.2020 RM
Motor vehicles		
Cost		
At 1 January	822,609	598,609
Additions	-	224,000
Disposals	(317,000)	-
At 31 December	505,609	822,609
Accumulated depreciation		
At 1 January	248,133	117,211
Depreciation charge for the financial year	146,205	130,922
Disposals	(141,533)	-
At 31 December	252,805	248,133
Carrying amounts		
At 31 December	252,804	574,476

Leasehold land generally has lease terms between 33 to 38 years (31.12.2020: 34 to 39 years).

The Group and the Company also lease motor vehicles with lease terms of 5 to 7 years and have options to purchase the assets at the end of the contract term. Leased assets are pledged as security for the related lease liabilities as disclosed in Note 6(b) to the financial statements.

(b) Lease liabilities

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

	Group		Company	
	31.12.2021 RM	31.12.2020 RM	31.12.2021 RM	31.12.2020 RM
Minimum lease payments:				
- Not later than one year	150,965	175,392	79,640	129,638
- Later than one year and not later than five years	468,400	541,726	311,248	509,688
- Later than five years	55,627	50,608	-	50,608
Less: Future finance charges	674,992 (69,694)	767,726 (85,061)	390,888 (37,999)	689,934 (82,063)
Present value of minimum lease payments	605,298	682,665	352,889	607,871

Notes to the Financial Statements (Cont'd)

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

(b) Lease liabilities (cont'd)

Future minimum lease payments together with the present value of net minimum lease payments are as follows (cont'd):

	Group		Company	
	31.12.2021 RM	31.12.2020 RM	31.12.2021 RM	31.12.2020 RM
Represented by:				
Current				
- Not later than one year	126,835	144,380	64,983	101,040
Non-current				
- Later than one year and not later than five years	424,421	488,368	287,906	456,914
- Later than five years	54,042	49,917	-	49,917
	478,463	538,285	287,906	506,831
	605,298	682,665	352,889	607,871

The lease liabilities bear interest rates ranging from 2.22% to 2.50% (31.12.2020: 2.42% to 3.91%) per annum.

7. INVESTMENT PROPERTIES

Group	Freehold land RM	Freehold buildings RM	Freehold commercial building RM	Total RM
2021 Cost				
At 1 January 2021	-	-	2,067,375	2,067,375
Acquisition of a subsidiary	18,486,830	2,500,183	-	20,987,013
At 31 December 2021	18,486,830	2,500,183	2,067,375	23,054,388
Accumulated depreciation				
At 1 January 2021	-	-	296,324	296,324
Acquisition of a subsidiary	-	185,196	-	185,196
Depreciation charge for the financial year	-	3,113	41,347	44,460
At 31 December 2021	-	188,309	337,671	525,980
Carrying amounts				
At 31 December 2021	18,486,830	2,311,874	1,729,704	22,528,408

Notes to the Financial Statements (Cont'd)

7. INVESTMENT PROPERTIES (CONT'D)

Group	Freehold land RM	Freehold buildings RM	Freehold commercial building RM	Total RM
2020				
Cost				
At 1 January 2020/				
At 31 December 2020	-	-	2,067,375	2,067,375
Accumulated depreciation				
At 1 January 2020	-	-	254,977	254,977
Depreciation charge for the financial year	-	-	41,347	41,347
At 31 December 2020	-	-	296,324	296,324
Carrying amounts				
At 31 December 2020	-	-	1,771,051	1,771,051

	Company 31.12.2021 RM	Company 31.12.2020 RM
Freehold commercial building		
Cost		
At 1 January/ 31 December	2,067,375	2,067,375
Accumulated depreciation		
At 1 January	296,324	254,977
Depreciation charge for the financial year	41,347	41,347
At 31 December	337,671	296,324
Carrying amounts		
At 31 December	1,729,704	1,771,051

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

	Group		Company	
	31.12.2021 RM	31.12.2020 RM	31.12.2021 RM	31.12.2020 RM
Rental income	11,000	-	-	-

Notes to the Financial Statements (Cont'd)

7. INVESTMENT PROPERTIES (CONT'D)

- (b) All the investment properties have been pledged to licensed banks as securities for banking facilities granted to the Group and the Company as disclosed in Note 20 to the financial statements.
- (c) Fair value of investment properties is categorised as follows:

	Group		Company	
	31.12.2021 RM	31.12.2020 RM	31.12.2021 RM	31.12.2020 RM
Level 2				
Freehold land and buildings	26,000,000	-	-	-
Freehold commercial building	1,800,000	1,800,000	1,800,000	1,800,000
	27,800,000	1,800,000	1,800,000	1,800,000

There is no transfer between the levels of fair value hierarchy during the financial year ended 31 December 2021 and 31 December 2020.

Level 2 fair value

Level 2 fair values of freehold land and buildings and freehold commercial building have been derived using the sales comparison approach. Sales prices of comparable buildings in close proximities are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable buildings.

Valuation processes applied by the Group and the Company

The fair value of freehold commercial building is determined based on a Sale and Purchase Agreement entered with a vendor on 24 September 2020.

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

Highest and best use

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

8. INVENTORIES

	Note	31.12.2021	Group	1.1.2020
		RM	31.12.2020 RM (Restated)	RM (Restated)
Non-current				
Land held for development				
- Land costs		23,631,965	23,631,965	23,631,965
- Development costs		4,062,157	5,977,149	5,952,277
	(a)	27,694,122	29,609,114	29,584,242

Notes to the Financial Statements (Cont'd)

8. INVENTORIES (CONT'D)

	31.12.2021 RM	Group 31.12.2020 RM (Restated)	1.1.2020 RM (Restated)
Note			
Current			
Property under development			
- Land costs	103,281,508	46,400,659	55,252,338
- Development costs	57,934,841	44,559,068	44,358,357
	(b)	90,959,727	99,610,695
	188,910,471	120,568,841	129,194,937

(a) Land held for development

Land held for property development with a total carrying amount of RM15,012,965 (31.12.2020: RM15,012,965) have been pledged to a licensed bank as securities for banking facilities granted to the Group as disclosed in Note 20 to the financial statements.

(b) Property under development

Property development costs with a total carrying amount of RM132,346,707 (31.12.2020: RM73,648,389) have been pledged to licensed banks as securities for banking facilities granted to the Group as disclosed in Note 20 to financial statements.

(c) The cost of inventories of the Group recognised as an expense in cost of sales during the financial year was RM39,014,447 (31.12.2020: RM40,237,181).

(d) The cost of inventories of the Group recognised as an expense in cost of sales during the financial year in respect of write-down of inventories to net realisable value is RM1,837,737 (31.12.2020: Nil).

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

	31.12.2021 RM	Group 31.12.2020 RM (Restated)
Borrowing costs capitalised	115,000	-

Notes to the Financial Statements (Cont'd)

9. INVESTMENT IN SUBSIDIARIES

	Company	
	31.12.2021 RM	31.12.2020 RM
At cost		
Unquoted shares		
At the beginning of the financial year	12,325,197	12,325,197
Add: Additions during the financial year	7,561,049	-
	19,886,246	12,325,197
Deemed capital contribution:		
- Share option granted	202,331	92,744
Loans that are part of net investments	142,439,837	-
At the end of the financial year	162,528,414	12,417,941
Less: Accumulated impairment losses		
At the beginning/end of the financial year	1,500,000	1,500,000
Carrying amounts		
At the end of the financial year	161,028,414	10,917,941

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

(a) Details of the subsidiaries are as follows:

Name of company	Principal place of business/ country of incorporation	Ownership interest		Principal activities
		31.12.2021 %	31.12.2020 %	
OCR Commerce Sdn. Bhd. ("OCSB")	Malaysia	100	100	Dormant
OCR Construction Sdn. Bhd. ("OCCSB")	Malaysia	100	100	Construction of residential and commercial properties and property development
OCR Development (Kuantan) Sdn. Bhd. ("ODKSB")	Malaysia	70	70	Property development and property investment

Notes to the Financial Statements (Cont'd)

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

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

Name of company	Principal place of business/ country of incorporation	Ownership interest		Principal activities
		31.12.2021 %	31.12.2020 %	
Tristar City Sdn. Bhd. ("TCSB")	Malaysia	100	100	Property development and property investment
Grand Superland Sdn. Bhd. ("GSSB")	Malaysia	100	100	Construction of residential and commercial properties and property development
Pangkal Teguh Sdn. Bhd. ("PTSB")	Malaysia	70	70	Construction of residential and commercial properties, property management and real estate
Kita Mampan Sdn. Bhd. ("KMPSB")	Malaysia	70	70	Construction of residential and commercial properties
O&C Makok Isola Sdn. Bhd. ("OMISB") #	Malaysia	50.01	50.01	Property development
Sunrise Meadow Sdn. Bhd. ("SMSB") ^	Malaysia	100	100	Property development and property investment
Kirana Masyhur Sdn. Bhd. ("KMSB")	Malaysia	100	100	Dormant
OCR Properties Kuantan) Sdn. Bhd. ("OPKSB")	Malaysia	90	90	Property development and property investment
OCR Ventures Sdn. Bhd. ("OVSB") (formerly known as YP OCR Development Sdn. Bhd.)	Malaysia	100	100	Dormant

Notes to the Financial Statements (Cont'd)

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

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

Name of company	Principal place of business/ country of incorporation	Ownership interest		Principal activities
		31.12.2021 %	31.12.2020 %	
OCR (The Mate) Sdn. Bhd. ("OTMSB") <i>(formerly known as Fajar Simfoni Sdn. Bhd.)</i>	Malaysia	100	100	Dormant
Junjung Simfoni Sdn. Bhd. ("JSSB")	Malaysia	100	100	Dormant
Amazing Symphony Sdn. Bhd. ("ASSB")	Malaysia	100	100	Construction of residential properties
OCR Land Development Sdn. Bhd. ("OLDSB")	Malaysia	100	100	Property development
Wonderland Projects Sdn. Bhd. ("WPSB")	Malaysia	100	-	Property investment holding
Stack Builder Sdn. Bhd. ("SBSB")	Malaysia	50	-	Property development
Subsidiary of Kirana Masyhur Sdn. Bhd.				
Mampan Esa (Melaka) Sdn. Bhd. ("MEMSB") ^	Malaysia	50.0005	50.0005	Real estate management
Subsidiaries of Grand Superland Sdn. Bhd.				
Visi Anggun Properties Sdn. Bhd. ("VAPSB")	Malaysia	80	80	Dormant
Greatway Capital Sdn. Bhd. ("GCSB")	Malaysia	100	100	Dormant
Serba Simfoni Sdn. Bhd. ("SSSB")	Malaysia	100	100	Dormant
Subsidiary of Serba Simfoni Sdn. Bhd.				
Fotopop (M) Sdn. Bhd. ("FMSB") ^	Malaysia	100	100	Dormant

^ Audited by auditors other than Baker Tilly Monteiro Heng PLT.

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

Notes to the Financial Statements (Cont'd)

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

(b) Acquisition of subsidiaries

For the financial year ended 31 December 2021

On 26 November 2021, the Group had acquired 100% and 50% controlling interests in the equity share of WPSB and SBSB for a total consideration of RM5,318,273 and RM2,242,776 respectively.

(i) Fair value consideration transferred:

	WPSB RM	31.12.2021 SBSB RM	Total RM
Ordinary shares of the Company	5,318,273	2,242,776	7,561,049

(a) The fair value of the 27,990,911 ordinary shares issued as the consideration paid for WPSB was determined based on the revised net asset value of WPSB at the issue price of RM0.19 per share of the Company on the acquisition date.

(b) The fair value of the 11,804,084 ordinary shares issued as the consideration paid for SBSB was determined based on the revised net asset value of SBSB at the issue price of RM0.19 per share of the Company on the acquisition date.

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

	WPSB RM	31.12.2021 SBSB RM	Total RM
Assets			
Cash and bank balances	143,780	920,132	1,063,912
Investment properties	20,801,817	-	20,801,817
Inventories	-	78,724,380	78,724,380
Trade and other receivables	149,397	1,650,588	1,799,985
Total assets	21,094,994	81,295,100	102,390,094
Liabilities			
Term loans	(5,431,131)	(31,000,000)	(36,431,131)
Bank overdraft	-	(1,934,205)	(1,934,205)
Trade and other payables	(10,345,590)	(43,826,494)	(54,172,084)
Total liabilities	(15,776,721)	(76,760,699)	(92,537,420)
Total identified net assets acquired	5,318,273	4,534,401	9,852,674
Non-controlling interests at fair value	-	(2,291,625)	(2,291,625)
Fair value of consideration transferred	5,318,273	2,242,776	7,561,049

Notes to the Financial Statements (Cont'd)

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

(b) Acquisition of subsidiaries (cont'd)

For the financial year ended 31 December 2021 (cont'd)

(iii) Effects of acquisition on cash flows:

	WPSB RM	31.12.2021 SBSB RM	Total RM
Fair value of consideration transferred	5,318,273	2,242,776	7,561,049
Less: Non-cash consideration	(5,318,273)	(2,242,776)	(7,561,049)
Consideration paid in cash	-	-	-
Less: Cash and cash equivalents of subsidiaries acquired	143,780	(1,014,073)	(870,293)
Net cash inflows/(outflows) on acquisition	143,780	(1,014,073)	(870,293)

(iv) Effects of acquisition in statements of comprehensive loss:

From the date of acquisition, the subsidiaries' contributed revenue and profit net of tax are as follows:

	WPSB RM	31.12.2021 SBSB RM	Total RM
Revenue	11,000	-	11,000
Loss for the financial year	(24,580)	(15,240)	(39,820)

If the acquisition had occurred on 1 January 2021, the consolidated results for the financial year ended 31 December 2021 would have been as follows:

	WPSB RM	31.12.2021 SBSB RM	Total RM
Revenue	55,400	-	55,400
Loss for the financial year	(614,676)	(13,227)	(627,903)

Notes to the Financial Statements (Cont'd)

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

(b) Acquisition of subsidiaries (cont'd)

For the financial year ended 31 December 2020

On 6 May 2020, a wholly owned subsidiary of the Group, Serba Simfoni Sdn. Bhd. had acquired 100% controlling interest in the equity share of FMSB for a total consideration of RM10,900,000.

(i) Fair value consideration transferred

	31.12.2020 RM
Cash consideration	10,900,000

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

	31.12.2020 RM
Assets	
Right-of-use assets (Leasehold land)	11,053,475
Cash and cash equivalents	24
Total assets	11,053,499
Liabilities	
Trade and other payables	(153,499)
Total liabilities	(153,499)
Total identified net assets acquired	10,900,000
Fair value of consideration transferred	10,900,000

(iii) Effects of acquisition of cash flows:

	31.12.2020 RM
Consideration paid in cash	10,900,000
Less: cash and cash equivalent of a subsidiary acquired	(24)
Net cash outflows on acquisition	10,899,976

Notes to the Financial Statements (Cont'd)

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

(b) Acquisition of subsidiaries (cont'd)

For the financial year ended 31 December 2020 (cont'd)

(iv) Effects of acquisition in statements of comprehensive income:

From the date of acquisition, the subsidiary's contributed revenue and profit net of tax are as follows:

	31.12.2020 RM
Revenue	-
Loss for the financial year	(16,254)

If the acquisition had occurred on 1 January 2020, the consolidated results for the financial year ended 31 December 2020 would have been as follows:

	31.12.2020 RM
Revenue	-
Loss for the financial year	(54,112)

(c) Non-controlling interests in subsidiaries

Equity interest held by non-controlling interests are as follows:

Name of company	Principal place of business/ country of incorporation	Ownership interest	
		31.12.2021 %	31.12.2020 %
OCR Development (Kuantan) Sdn. Bhd.	Malaysia	30	30
Pangkal Teguh Sdn. Bhd.	Malaysia	30	30
Kita Mampan Sdn. Bhd.	Malaysia	30	30
OCR Properties (Kuantan) Sdn. Bhd.	Malaysia	10	10
Mampan Esa (Melaka) Sdn. Bhd.	Malaysia	49.9995	49.9995
Visi Anggun Properties Sdn. Bhd.	Malaysia	20	20
Stack Builder Sdn. Bhd.	Malaysia	50	-

Carrying amount of material non-controlling interests:

Name of company	31.12.2021 RM	Group 31.12.2020 RM (Restated)	1.1.2020 RM (Restated)
Stack Builder Sdn. Bhd.	2,291,625	-	-
Other subsidiaries	(2,151,591)	(675,932)	(217,219)
	140,034	(675,932)	(217,219)

Notes to the Financial Statements (Cont'd)

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

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

Loss allocated to material non-controlling interests:

Name of company	Group	
	31.12.2021 RM	31.12.2020 RM (Restated)
Stack Builder Sdn. Bhd.	(7,620)	-
Other subsidiaries	(1,468,039)	(458,713)
	(1,475,659)	(458,713)

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

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

	Stack Builder Sdn. Bhd. RM
Summarised statement of financial position	
As at 31 December 2021	
Current assets	82,023,533
Non-current liabilities	(31,000,000)
Current liabilities	(46,504,372)
Net assets	4,519,161
Summarised statement of comprehensive loss	
Financial year ended 31 December 2021	
Revenue	-
Loss for the financial year	(15,240)
Total comprehensive loss	(15,240)
Summarised statement of cash flows information	
Financial year ended 31 December 2021	
Net cash used in operating activities	(1,326,356)
Net decrease in cash and cash equivalents	(1,326,356)

Notes to the Financial Statements (Cont'd)

10. INVESTMENT IN ASSOCIATES

	31.12.2021 RM	Group 31.12.2020 RM
At cost		
Unquoted shares	1,380,000	980,000
Add: Addition during the year	-	400,000
	1,380,000	1,380,000
Share of post-acquisition reserves	(983,962)	(981,346)
Less: Impairment losses	(51,808)	(7,023)
	344,230	391,631

Details of associates are as follows:

Name of company	Principal place of business/ country of incorporation	Ownership interest		Principal activities/nature of relationship
		31.12.2021 %	31.12.2020 %	
Associate of Kita Mampan Sdn. Bhd.				
AES Builders Sdn. Bhd. ("AES") ^	Malaysia	49	49	Construction of residential and commercial properties. The activities contribute to the Group's construction segment.
Associate of Kirana Masyhur Sdn. Bhd.				
Landasan Surimas Sdn. Bhd. ("LSSB")	Malaysia	40	40	Investment holding, project management consultation and construction. The activities contribute to the Group's construction segment.

^ Audited by auditors other than Baker Tilly Monteiro Heng PLT.

(a) Acquisition of Landasan Surimas Sdn. Bhd. ("LSSB")

For the financial year ended 31 December 2020

On 17 March 2020, a wholly owned subsidiary of the Company, Kirana Masyhur Sdn. Bhd. ("KMSB") subscribed for 40 ordinary shares, representing 40% controlling interest in the equity shares of LSSB at an issue price of RM1 each for a total cash consideration of RM40.

On 23 April 2020, KMSB subscribed for additional 399,960 ordinary shares at an issue price of RM1 each for a total cash consideration of RM399,960. There was no change in the Group's effective ownership in LSSB as results of the additional shares purchased.

Notes to the Financial Statements (Cont'd)

10. INVESTMENT IN ASSOCIATES (CONT'D)

(b) Summarised financial information of material associates

Summarised financial information of the associates has not been presented as the associates and the shares of results of associates are not individually material to the Group.

The Group has not recognised its share of profits/(losses) of AES Builders Sdn. Bhd. amounting to RM18,694 (31.12.2020: (RM314,782)) because the Group's cumulative shares of loss has exceeded its interest in that associate and the Group has no obligation in respect of these losses. The Group's cumulative accumulated losses not recognised were RM296,088 (31.12.2020: RM314,782).

11. DEFERRED TAX ASSETS

Deferred tax relates to the following:

Group	At 1.1.2021 RM	Recognised in profit or loss RM	At 31.12.2021 RM
Deferred tax assets:			
Property development profits	1,250,375	(1,250,375)	-

Group	At 1.1.2020 RM	Recognised in profit or loss RM	At 31.12.2020 RM
Deferred tax assets:			
Unutilised tax losses	1,255,513	(1,255,513)	-
Property development profits	1,266,665	(16,290)	1,250,375
	2,522,178	(1,271,803)	1,250,375

Company	At 1.1.2020 RM	Recognised in profit or loss RM	At 31.12.2020 RM
Deferred tax assets:			
Unutilised tax losses	1,255,513	(1,255,513)	-

Notes to the Financial Statements (Cont'd)

11. DEFERRED TAX ASSETS (cont'd)

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

	Group		Company	
	31.12.2021 RM	31.12.2020 RM	31.12.2021 RM	31.12.2020 RM
Unabsorbed capital allowances	778,409	644,890	504,243	379,380
Unutilised tax losses	24,370,225	9,347,833	8,017,117	7,043,983
Other taxable timing differences	(361,850)	(3,445,423)	(82,422)	(73,447)
	24,786,784	6,547,300	8,438,938	7,349,916
Potential deferred tax assets not recognised at 24% (31.12.2020: 24%)	5,948,828	1,571,352	2,025,345	1,763,980

Unutilised tax losses which are available for offset against future taxable income will expire in the following years:

	Group		Company	
	31.12.2021 RM	31.12.2020 RM	31.12.2021 RM	31.12.2020 RM
Year of assessment				
2028	5,644,433	6,802,820	4,571,188	4,571,188
2029	1,476,014	1,476,014	1,457,622	1,457,622
2030	1,068,999	1,068,999	1,015,173	1,015,173
2031	16,180,779	-	973,134	-
	24,370,225	9,347,833	8,017,117	7,043,983

12. TRADE AND OTHER RECEIVABLES

	Note	Group		Company	
		31.12.2021 RM	31.12.2020 RM (Restated)	31.12.2021 RM	31.12.2020 RM
Non-current:					
Trade					
Trade receivables	(a)	897,307	-	-	-
Non-trade					
Other receivables	(b)	18,538,952	15,709,074	-	-
Total trade and other receivables (non-current)		19,436,259	15,709,074	-	-

Notes to the Financial Statements (Cont'd)

12. TRADE AND OTHER RECEIVABLES (CONT'D)

	Note	Group		Company	
		31.12.2021 RM	31.12.2020 RM (Restated)	31.12.2021 RM	31.12.2020 RM
Current:					
Trade					
Trade receivables		15,222,609	10,364,744	-	-
Retention sum		3,786,736	2,937,368	-	-
Related parties		55,408,590	46,479,185	-	-
		74,417,935	59,781,297	-	-
Less: Accumulated impairment losses		(1,359,609)	(217,682)	-	-
Total trade receivables (current)	(a)	73,058,326	59,563,615	-	-
Non-trade					
Other receivables	(c)	15,803,590	17,888,489	134,926	3,357,157
Deposits	(d)	20,788,201	16,489,041	27,111	27,111
Amount owing by:					
- subsidiaries	(e)	-	-	4,995,347	111,818,872
- an associate	(e)	2,504,644	2,500,945	-	-
- related parties	(e)	5,881,919	8,236,805	5,018,936	3,316,522
		44,978,354	45,115,280	10,176,320	118,519,662
Less: Accumulated impairment losses					
- other receivables		(3,765,858)	(1,515,858)	-	-
- deposits		(213,111)	(213,111)	(13,111)	(13,111)
- Amount owing by:					
- subsidiaries		-	-	(3,811,107)	(3,261,670)
- an associate		(1,722,238)	(1,285,912)	-	-
	(c)	(5,701,207)	(3,014,881)	(3,824,218)	(3,274,781)
Total other receivables (current)		39,277,147	42,100,399	6,352,102	115,244,881
Total trade and other receivables(current)		112,335,473	101,664,014	6,352,102	115,244,881
Total trade and other receivables (non-current and current)		131,771,732	117,373,088	6,352,102	115,244,881

Notes to the Financial Statements (Cont'd)

12. TRADE AND OTHER RECEIVABLES (CONT'D)

(a) Trade receivables

Trade receivables are non-interest bearing and the normal credit term offered by the Group ranging from cash term to 30 days (31.12.2020: cash term to 30 days) from the date of invoices. Other credit terms are assessed and approved on a case-by-case basis. Late interest is charged at 10% (31.12.2020: 10%) per annum on the overdue balance to house buyers.

The retention sum is receivables upon the expiry of defect liabilities period as provided in the contracts with customers.

Receivables that are impaired

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

	31.12.2021 RM	Group 31.12.2020 RM
At 1 January	217,682	2,899,943
Charge for the financial year		
- Individually assessed	1,141,927	-
Reversal of impairment losses		
- Individually assessed	-	(2,682,261)
At 31 December	1,359,609	217,682

The information about the credit exposures is disclosed in Note 27(b)(i) to the financial statements.

Included in trade receivables of the Group are amounts totalling of RM59,195,326 (31.12.2020: RM49,416,553) due from 4 (31.12.2020: 4) of its significant receivables.

(b) Other receivables (non-current)

Included in other receivables is amount receivable from Makok Intl Sdn. Bhd. ("MISB"), a corporate shareholder of a subsidiary of the Group, O&C Makok Isola Sdn. Bhd. ("OMISB") within 3 years from the date of the Promissory Note or upon completion of a development project under a Joint Venture Agreement ("JVA") whichever is later or at such other date as may be instructed by OMISB, amounted to RM14,709,074 (31.12.2020: RM14,709,074). The amount is subject to interest charged proportionately from the interest expense incurred based on the bank loan balance at the end of reporting date.

Notes to the Financial Statements (Cont'd)

12. TRADE AND OTHER RECEIVABLES (CONT'D)

(c) Other receivables (current)

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

	Group		Company	
	31.12.2021 RM	31.12.2020 RM	31.12.2021 RM	31.12.2020 RM
At 1 January	3,014,881	4,009,503	3,274,781	2,499,554
Charge for the financial year				
- Individually assessed	2,686,326	2,423,629	549,437	2,424,781
Reversal of impairment losses				
- Individually assessed	-	(3,418,251)	-	(1,649,554)
At 31 December	5,701,207	3,014,881	3,824,218	3,274,781

Included in the other receivables of the Group and of the Company at the end of the reporting period:

- (i) is an amount of RM8,720,009 (31.12.2020: 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
- (ii) is an amount of RM2,305,060 (31.12.2020: RM2,305,060) 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) Deposits

Included in deposits of the Group at the end of reporting period:

- (i) is an amount of RM5,000,000 (31.12.2020: RM5,000,000) representing deposit paid by a subsidiary of the Group, OCR Development (Kuantan) Sdn. Bhd. ("ODKSB") upon execution of a Joint Venture Agreement with SSPP Development Sdn. Bhd. in relation to a proposed development on a parcel of land in Bandar Kuantan, Kuantan, Pahang;
- (ii) is an amount of RM3,000,000 (31.12.2020: RM3,000,000) representing deposit paid by a subsidiary of the Group, Amazing Symphony Sdn. Bhd. upon execution of a Joint Venture Agreement 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; and
- (iii) is an amount of RM12,000,000 (31.12.2020: RM8,000,000) representing deposit paid by a subsidiary of the Group, OCR Land Development Sdn. Bhd. in relation to a Joint Development Agreement entered between the Company and a related party on 1 June 2020 for a proposed development project on a parcel of land in Kampung Kayu Ara, Mukim Sungai Buloh, District of Petaling, Selangor Darul Ehsan.

(e) Amount owing by subsidiaries, an associate and related parties

The non-trade amounts owing by subsidiaries, an associate and related parties are unsecured, interest-free, repayable on demand and are expected to be settled in cash.

Notes to the Financial Statements (Cont'd)

13. OTHER INVESTMENTS

	Group and Company	
	31.12.2021 RM	31.12.2020 RM
Financial assets at fair value through other comprehensive income ("FVOCI")		
- Quoted equity investments in Malaysia	5,227,200	-

14. CONTRACT ASSETS/(CONTRACT LIABILITIES)

	Group	
	31.12.2021 RM	31.12.2020 RM
Contract assets relating to property development contracts	30,389,961	49,273,425
Contract assets relating to construction service contracts	4,934,811	9,357,184
Total contract assets	35,324,772	58,630,609
Contract liabilities relating to property development contracts	(2,859,167)	(478,687)
Contract liabilities relating to construction service contracts	-	(789,812)
Total contract liabilities	(2,859,167)	(1,268,499)
Net amount	32,465,605	57,362,110

(a) Property development activities

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.

(b) Construction activities

The contract assets and liabilities represent timing differences in revenue recognition and the milestone billings in respect of the construction activities.

(c) Significant changes in contract balances

	Group	
	31.12.2021 RM	31.12.2020 RM
Property development contracts		
Contract assets		
At the beginning of the financial year	48,794,738	32,590,660
Revenue recognised during the financial year	38,673,183	45,458,247
Progress billings issued during the financial year	(53,318,946)	(30,121,365)
Consideration received from customers, but revenue not recognised	(4,070,751)	996,659
Changes in transaction price	(2,547,430)	(129,463)
At the end of the financial year	27,530,794	48,794,738

Notes to the Financial Statements (Cont'd)

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

(c) Significant changes in contract balances (cont'd)

	31.12.2021 RM	Group 31.12.2020 RM
Construction contracts		
Contract assets		
At the beginning of the financial year	8,567,372	4,051,469
Revenue recognised during the financial year	7,749,504	24,119,905
Progress billings issued during the financial year	(11,382,065)	(19,604,002)
At the end of the financial year	4,934,811	8,567,372
Net amount	32,465,605	57,362,110

15. CONTRACT COSTS

	31.12.2021 RM	Group 31.12.2020 RM
Current		
Costs to obtain contracts	7,609,956	8,653,812

Costs to obtain contracts relate to incremental commission fees paid to intermediaries as results of obtaining contracts with customers.

The costs to obtain contracts are amortised in accordance with the pattern of transfer of goods or services to which the asset relates. During the financial year, the amortisation of contract costs of the Group recognised were RM3,884,626 (31.12.2020: RM3,308,592).

16. CASH AND SHORT-TERM DEPOSITS

	Group		Company	
	31.12.2021 RM	31.12.2020 RM	31.12.2021 RM	31.12.2020 RM
Cash and bank balances	12,022,043	16,978,547	374,472	8,204,800
Short-term deposits placed with licensed banks	18,909,887	18,614,720	11,156,439	10,964,730
	30,931,930	35,593,267	11,530,911	19,169,530

Notes to the Financial Statements (Cont'd)

16. CASH AND SHORT-TERM DEPOSITS (CONT'D)

- (a) For the purpose of the statements of cash flows, cash and cash equivalents comprise of the following:

	Group		Company	
	31.12.2021 RM	31.12.2020 RM	31.12.2021 RM	31.12.2020 RM
Short-term deposits placed with licensed banks	18,909,887	18,614,720	11,156,439	10,964,730
Less: Pledged deposits	(18,909,887)	(18,614,720)	(11,156,439)	(10,964,730)
	-	-	-	-
Cash and bank balances	12,022,043	16,978,547	374,472	8,204,800
Bank overdrafts	(14,400,937)	(12,366,668)	-	-
	(2,378,894)	4,611,879	374,472	8,204,800

- (b) The short-term deposits placed with licensed banks of the Group and of the Company are pledged to licensed banks as security for credit facilities granted to the Group and the Company as disclosed in Note 20 to the financial statements.
- (c) The short-term deposits of the Group and the Company bore interest rates ranging from 1.60% to 1.75% (31.12.2020: 1.60% to 1.75%) and 1.75% (31.12.2020: 1.75%) per annum respectively at the end of the reporting date. The fixed deposits of the Group and the Company have maturity periods ranging from 1 to 12 months (31.12.2020: 1 to 12 months).
- (d) Included in cash and bank balances of the Group is amount of RM8,702,764 (31.12.2020: RM4,776,645) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966 and therefore restricted from use in other operations.

17. SHARE CAPITAL

	Group and Company			
	Number of shares		Amount	
	31.12.2021 Unit	31.12.2020 Unit	31.12.2021 RM	31.12.2020 RM
Ordinary shares				
Issued and fully paid up:				
At 1 January	455,932,768	330,808,630	156,002,556	119,320,547
Issuance of shares during the financial year through:				
- Exercised of Warrants D	-	2,853,428	-	627,754
- Private placement	101,850,000	98,600,000	21,880,535	24,218,900
- Conversion of ICPS	31,603,837	23,670,710	15,801,920	11,835,355
- Acquisition of subsidiaries	91,656,642	-	17,414,762	-
At 31 December	681,043,247	455,932,768	211,099,773	156,002,556

Effective from 31 January 2017, the Companies Act 2016 abolished the concept of authorised share capital and par value of share capital.

Notes to the Financial Statements (Cont'd)

17. SHARE CAPITAL (CONT'D)

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

During the financial year, the Company:

- (a) issued 101,850,000 new ordinary shares at an average price of RM0.215 per ordinary share pursuant to private placement exercises to eligible investors for working capital purposes;
- (b) issued of 31,603,837 new ordinary shares at an exercise price of RM0.50 per ordinary share from the conversion of ICPS with the conversion ratio of 10 ICPS to 1 ordinary share at the exercise price of RM0.50 per share;
- (c) issued 11,804,084 new ordinary shares at a price of RM0.19 per ordinary share as the purchase consideration for the acquisition of the 50% equity interest of a new subsidiary, Stack Builder Sdn. Bhd. pursuant to a revised share sale agreement dated 5 October 2021; and
- (d) issued 79,852,558 new ordinary shares at a price of RM0.19 per ordinary share, where 27,990,911 ordinary shares as the purchase consideration for the acquisition of the 100% equity interest in Wonderland Projects Sdn. Bhd. ("Wonderland") and 51,861,647 ordinary shares as the settlement shares of shareholders advances owing by Wonderland to Wonderland's Vendors, pursuant to a share sale agreement dated 2 August 2021.

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

18. IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES ("ICPS")

	Group and Company			
	Number of shares		Amount	
	31.12.2021 Unit	31.12.2020 Unit	31.12.2021 RM	31.12.2020 RM
ICPS				
Issued and fully paid up:				
At 1 January	316,038,397	552,745,497	15,801,920	27,637,275
Conversion to ordinary shares	(316,038,397)	(236,707,100)	(15,801,920)	(11,835,355)
At 31 December	-	316,038,397	-	15,801,920

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 the 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.

Notes to the Financial Statements (Cont'd)

18. IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES ("ICPS") (CONT'D)

The salient terms of ICPS are as follows (cont'd):

- (b) Tenure: Five (5) years commencing from and inclusive of the date of issue of the ICPS on 16 May 2016.
- (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 the 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.

19. OTHER RESERVES

	Note	Group		Company	
		31.12.2021 RM	31.12.2020 RM	31.12.2021 RM	31.12.2020 RM
Warrant reserve	(a)	-	890,326	-	890,326
Share option reserve	(b)	739,279	443,559	739,279	443,559
		739,279	1,333,885	739,279	1,333,885

Notes to the Financial Statements (Cont'd)

19. OTHER RESERVES (CONT'D)

(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 expired on 24 July 2021, the balance in the warrant reserve is fully transferred to retained earnings.

(b) Share option reserve

The share option reserve comprises the cumulative value of eligible Executive Director and employees' services received for the issue of share options. The reserve is recorded over the vesting period commencing from the grant date and is reduced by the expiry or exercise of the share options. When the option is exercised, the amount from the share option reserve is transferred to share capital. When the share options expire, the amount from the share option reserve is transferred to retained earnings.

Share options are granted to eligible Executive Director and employees based on the conditions as specified on the date of offer of the scheme. The options granted are vesting immediately and settlement is by issuance of fully paid ordinary shares. The exercise price in each grant is set 10% below the weighted average of the market prices of the Company's ordinary shares in the last five trading days before the grant date. The contractual term of each option granted is one to three years. There are no cash settlement alternatives. The options carry neither right to dividends nor voting rights. Options may be exercised any time from the date of vesting to the date of expiry.

Movement of share options during the financial year

The following table illustrates the number and weighted average exercise price ("WAEP") of, and movement in, share options:

	31.12.2021		31.12.2020	
	Number Unit	WAEP RM	Number Unit	WAEP RM
At 1 January	11,000,000	0.249	-	-
Granted on 6 August 2020	-	-	11,000,000	0.249
Lapsed during the year	(2,000,000)	0.249	-	-
Forfeited during the year	(1,000,000)	0.249	-	-
At 31 December	8,000,000	0.249	11,000,000	0.249
Exercisable at 31 December	8,000,000	0.249	11,000,000	0.249

The options outstanding as at 31 December 2021 have exercise price of RM0.249 (31.12.2020: RM0.249) and the weighted average remaining contractual life for the share options outstanding as at 31 December 2021 was 3.6 years (31.12.2020: 4.4 years).

Notes to the Financial Statements (Cont'd)

19. OTHER RESERVES (CONT'D)

(b) Share option reserve (cont'd)

Movement of share options during the financial year (cont'd)

The fair values of the share options granted were determined using a trinomial option pricing model, and the inputs were:

	31.12.2021		
	Tranche 1	Tranche 2	Tranche 3
Fair value of share options and assumptions			
Weighted average fair value of share option at grant date (RM)	0.093	0.116	0.134
Weighted average share price (RM)	0.2756	0.2756	0.2756
Option life (years)	5	5	5
Risk-free rate (%)	1.851%	1.851%	1.899%
Expected dividends (%)	-	-	-

When determine the fair value, the management has also taken into consideration of the exercise restrictions and exercise behaviour. It was assumed that the Executive Director and employees would exercise the options after the vesting date when the share price is above the exercise price.

20. LOANS AND BORROWINGS

	Note	Group		Company	
		31.12.2021 RM	31.12.2020 RM	31.12.2021 RM	31.12.2020 RM
Non-current:					
Secured					
Bridging loan	(a)	7,087,895	21,926,202	-	-
Term loans	(a)	56,641,424	17,022,663	158,790	234,500
Bank overdrafts (non-checking account)	(b)	3,843,782	5,900,439	-	-
		67,573,101	44,849,304	158,790	234,500

Notes to the Financial Statements (Cont'd)

20. LOANS AND BORROWINGS (CONT'D)

	Note	Group		Company	
		31.12.2021 RM	31.12.2020 RM	31.12.2021 RM	31.12.2020 RM
Current:					
Secured					
Bridging loan	(a)	18,000,000	12,000,000	-	-
Term loans	(a)	5,726,044	5,156,583	85,308	85,308
Trust receipts	(c)	4,991,682	3,837,168	-	-
Revolving credit	(d)	15,000,000	15,000,000	15,000,000	15,000,000
Bank overdrafts	(b)	10,557,155	6,466,229	-	-
		54,274,881	42,459,980	15,085,308	15,085,308
		121,847,982	87,309,284	15,244,098	15,319,808
Total loans and borrowings:					
Bridging loan	(a)	25,087,895	33,926,202	-	-
Term loans	(a)	62,367,468	22,179,246	244,098	319,808
Bank overdrafts	(b)	14,400,937	12,366,668	-	-
Trust receipts	(c)	4,991,682	3,837,168	-	-
Revolving credit	(d)	15,000,000	15,000,000	15,000,000	15,000,000
		121,847,982	87,309,284	15,244,098	15,319,808

The loans and borrowings bore interest rates at the end of the reporting period as follows:

	Group		Company	
	31.12.2021 %	31.12.2020 %	31.12.2021 %	31.12.2020 %
Bridging loan	6.57	6.57	-	-
Term loans	3.45 to 6.89	3.45 to 6.57	3.45	3.45
Trust receipts	6.95	6.95	-	-
Revolving credit	4.45	4.44	4.45	4.44
Bank overdrafts	5.45 to 6.95	5.95 to 6.95	-	-

Notes to the Financial Statements (Cont'd)

20. LOANS AND BORROWINGS (CONT'D)

(a) Bridging loan and term loans

Term loan 1 of the Company of RM244,098 (31.12.2020: RM319,808) is repayable by monthly instalment of RM7,550 over ten years commencing from the day of first drawdown and is secured and supported as follows:

- (i) fixed charges over the investment property as disclosed in Note 7 to the financial statements.

Term loans 2 and bridging loan 3 of a subsidiary of RM608,781 (31.12.2020: RM2,377,016) and RM25,087,895 (31.12.2020: RM33,926,202) are secured and supported as follows:

- (i) legal charge over a piece of freehold land together with the project located in Mukim Kuala Lumpur as disclosed in Note 8(b) to the financial statements;
- (ii) personal guarantee of a director of the Company and a third party; and
- (iii) corporate guarantee of the Company.

Term loans 4, 6 and 7 of a subsidiary of RM16,519,988 (31.12.2020: RM18,300,000), RM716,661 (31.12.2020: RM916,665) and RM883,718 (31.12.2020: RM183,212) are secured and supported as follows:

- (i) legal charges over a freehold land with the building erected thereon located in Mukim Bandar Petaling Jaya, Daerah Petaling, Negeri Selangor as disclosed in Note 8(b) to the financial statements;
- (ii) first party deed of assignment and charge over all sales proceeds in respect of the proposed development as well as monies available in the Property Development Account ("PDA");
- (iii) personal guarantee of a director of the Company; and
- (iv) corporate guarantee of the Company.

Term loan 5 of a subsidiary of RM67,493 (31.12.2020: RM82,545) is repayable by monthly instalment of RM1,946 over five years commencing from the day of first drawdown and is secured and supported as follows:

- (i) third party specific debenture by way of fixed and floating charge over two pieces of leasehold commercial land located in Mukim Kawasan Bandar XXXIX, Daerah Melaka Tengah, Negeri Melaka belong to two subsidiaries as disclosed in Note 8(a) to the financial statements;
- (ii) first party deed of assignment and charge over the surplus sales proceeds in respect of the proposed development as well as monies available in the designated account; and
- (iii) corporate guarantee of the Company.

Term loan 8 of a subsidiary of RM31,000,000 (31.12.2020: Nil) is repayable by monthly instalment of RM520,000 over five years commencing from twenty-four months after the first drawdown and is secured and supported as follows:

- (i) against first party, first legal charge over a property also known PN 114156, Lot 96079, Petaling, Mukim of Bukit Raja, Selangor as disclosed in Note 8(b) to the financial statements;
- (ii) debenture over fixed and floating assets, both present and future; and
- (iii) joint and several guarantee by a director.

Notes to the Financial Statements (Cont'd)

20. LOANS AND BORROWINGS (CONT'D)

(a) Bridging loan and term loans (cont'd)

Term loan 9 of a subsidiary of RM5,326,729 (31.12.2020: Nil) is repayable by monthly instalment of RM50,000 and is secured and supported as follows:

- (i) legal charge over freehold land held under GRN35394, Lot No. 442 Seksyen 19, Mukim of Kuala Lumpur, Daerah of Kuala Lumpur, Negeri of Wilayah Persekutuan as disclosed in Note 7 to the financial statements;
- (ii) joint and several guarantee by the directors; and
- (iii) corporate guarantee of the Company.

Term loan 10 and 11 of a subsidiary of RM4,000,000 (31.12.2020: Nil) and RM3,000,000 (31.12.2020: Nil) are repayable by monthly instalment of RM667,000 and RM125,000 over eighteen months commencing from twenty-four month after the first drawdown and are secured and supported as follows:

- (i) an all-monies third party first legal charge over residential land held under Title No. Hak Milik 454, Lot 13844 Daerah Petaling, Mukim Sungai Buloh, Kampong Sungai Karu Ara, 47400 Negeri Selangor ("Project Land") of a director's related company;
- (ii) a personal guarantee by a director of the Company;
- (iii) a corporate guarantee by the Company;
- (iv) an all-monies debenture and power of attorney created over all present and future assets and properties;
- (v) an assignment of Housing Development Account ("HDA") or Project Account on all sales proceeds inclusive of profit from sales of designated project;
- (vi) power of Attorney by the Company in favour of the Bank to appoint a contractor at the Bank's absolute discretion to complete the entire designated project upon the occurrence of an event of default and non-completion or suspension in the designated project for any reasons; and
- (vii) undertakings from all the Company's guarantors to cover any cost overrun and to complete the designated project.

(b) Bank overdrafts

The bank overdrafts of the Group are secured by:

- (i) a personal guarantee of a director of the Company;
- (ii) a third-party specific debenture by way of fixed and floating charge over two pieces of leasehold land in Daerah Melaka Tengah, Negeri Melaka belong to two subsidiaries as disclosed in Note 8(a) to the financial statements;
- (iii) a first party deed of assignment and charge over the surplus sales proceeds in respect of proposed development as well as all monies available in the designated account;
- (iv) a corporate guarantee of the Company;
- (v) fixed deposits with licensed banks as disclosed in Note 16 to the financial statements;
- (vi) against first party, first legal charge over a property also known PN 114156, Lot 96079, Petaling, Mukim of Bukit Raja, Selangor as disclosed in Note 8(b) to the financial statements; and
- (vii) debenture over fixed and floating assets, both present and future.

(c) Trust receipts

The trust receipts of the Group are secured by a personal guarantee of a director of the Company, fixed deposits with licensed banks as disclosed in Note 16 to the financial statements and a corporate guarantee of the Company.

(d) Revolving credit

The revolving credit of the Group and of the Company is secured and supported as follows:

- (i) personal guarantee of a director of the Company; and
- (ii) fixed deposits placed with licensed banks as disclosed in Note 16 to the financial statements.

Notes to the Financial Statements (Cont'd)

21. TRADE AND OTHER PAYABLES

		31.12.2021 RM	Group 31.12.2020 RM (Restated)	1.1.2020 RM (Restated)	Company 31.12.2021 RM	31.12.2020 RM
	Note					
Non-current:						
Trade						
Land cost payables	(a)	26,598,149	28,148,771	42,180,200	-	-
Total trade payables (non-current)		26,598,149	28,148,771	42,180,200	-	-
Current:						
Trade						
Land cost payable	(a)	3,229,400	3,704,865	-	-	-
Trade payables	(b)	40,719,438	45,416,440	42,950,958	-	-
Retention sum		9,999,748	11,138,392	4,980,036	-	-
Total trade payables (current)		53,948,586	60,259,697	47,930,994	-	-
Non-trade						
Other payables		8,516,906	8,236,138	9,664,640	439,904	185,996
Deposits		4,977,993	4,590,800	4,586,658	180,000	126,000
Accruals		2,324,476	968,608	845,452	549,524	224,459
Accrued costs for completion of projects	(c)	12,289,234	19,429,075	7,059,575	-	-
Amount owing to a subsidiary	(d)	-	-	-	877,164	-
Amount owing to related parties	(d)	1,921,358	2,695,325	2,582,482	993,615	990,851
Amount owing to directors	(d)	43,573,331	86,460	96,539	-	63,000
Total other payables (current)		73,603,298	36,006,406	24,835,346	3,040,207	1,590,306
Total trade and other payables (current)		127,551,884	96,266,103	72,766,340	3,040,207	1,590,306
Total trade and other payables (non-current and current)		154,150,033	124,414,874	114,946,540	3,040,207	1,590,306

Notes to the Financial Statements (Cont'd)

21. TRADE AND OTHER PAYABLES (CONT'D)

- (a) The non-current land cost payables represent land proprietary entitlements of 50% on development profits of two development projects.
- (b) Trade payables are non-interest bearing and the normal credit terms granted to the Group and the Company ranging from cash term to 150 days (31.12.2020: cash term to 150 days). The retention sum is payable upon the expiry of defect liability period.
- (c) Included in accrued costs for completion of projects of the Group at the end of the reporting period:
- (i) is an amount of RM7,748,800 (31.12.2020: RM8,465,346) incurred for development works in relation to a mixed development comprising commercial development and an affordable housing scheme known as "PRIYA Kuantan";
 - (ii) is an amount of RM610,901 (31.12.2020: RM5,071,089) incurred for development works in relation to a housing and commercial development known as "Isola at KLCC"; and
 - (iii) is an amount of RM3,929,533 (31.12.2020: RM5,892,640) incurred for construction works in relation to housing and commercial development projects known as "YOLO Signature Suites" and for development works in relation a commercial development known as "The Mate at Damansara Jaya".
- (d) The amounts owing to a subsidiary, related parties and directors are unsecured, non-interest bearing, repayable on demand and are expected to be settled in cash.

22. REVENUE

	Group		Company	
	31.12.2021 RM	31.12.2020 RM	31.12.2021 RM	31.12.2020 RM
Revenue from contract customers:				
Construction contracts	7,749,503	24,119,905	-	-
Property development	37,042,838	48,874,441	-	-
	44,792,341	72,994,346	-	-
Revenue from other sources:				
Management fees	-	-	3,265,997	3,763,035
Rental income from investment property	11,000	-	-	-
	11,000	-	3,265,997	3,763,035
Total	44,803,341	72,994,346	3,265,997	3,763,035
Timing of revenue recognition:				
Over time	44,792,341	72,994,346	-	-

Notes to the Financial Statements (Cont'd)

22. REVENUE (CONT'D)

(a) Disaggregation of revenue

The Group and the Company report the following major segments: construction services, property development and others in accordance with MFRS 8 *Operating Segments*. For the purpose of disclosure of disaggregation of revenue, it disaggregates revenue into major goods or services as disclosed in Note 31 to the financial statements and timing of revenue recognition (i.e. goods transferred at a point in time or services transferred over time).

The Group operates its businesses predominantly in Malaysia. Accordingly, the information by geographical segments is not presented.

(b) Transaction price allocated to the remaining performance obligation

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially satisfied) at the reporting date:

	31.12.2021 RM	Group 31.12.2020 RM
Aggregate amount of the transaction price allocated to contracts that are partially or fully unsatisfied		
- Construction contracts	161,125,049	119,941,012
- Property development contracts	112,191,509	159,887,036
	273,316,558	279,828,048

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

23. FINANCE COSTS

	Group		Company	
	31.12.2021 RM	31.12.2020 RM (Restated)	31.12.2021 RM	31.12.2020 RM
Interest expenses on:				
- bank overdrafts	757,493	397,449	-	-
- lease liabilities	35,553	33,853	27,264	26,383
- revolving credit	655,789	738,369	655,789	738,369
- trust receipt	342,898	380,256	-	-
- term and bridging loans	3,600,194	4,145,935	16,393	6,796
	5,391,927	5,695,862	699,446	771,548

Notes to the Financial Statements (Cont'd)

24. LOSS BEFORE TAX

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

	Group		Company	
	31.12.2021 RM	31.12.2020 RM	31.12.2021 RM	31.12.2020 RM
Auditors' remuneration:				
- statutory audit:				
- current year	193,700	186,700	56,000	56,000
- prior year	2,800	4,400	-	-
- non-statutory audit fees	24,000	28,500	24,000	28,500
Depreciation of:				
- investment properties	44,460	41,347	41,347	41,347
- property, plant and equipment	644,054	677,158	83,790	138,128
- right-of-use assets	521,248	326,336	146,205	130,922
Directors' fees	211,400	236,991	211,400	236,991
Directors' remuneration:				
- salaries and other remuneration	600,000	587,500	600,000	587,500
- defined contribution plans	72,923	71,423	72,923	71,423
- others	-	1,300	-	1,300
- share-based payments	133,070	72,582	133,070	72,582
Expenses relating to:				
- short-term leases	352,559	388,500	27,570	22,840
- leases of low value assets	30,450	119,433	-	-
Gain on disposal				
of right-of-use assets	(67,533)	-	(67,533)	-
Net impairment losses/(gain) on				
trade and other receivables	3,828,253	(3,676,883)	549,437	775,227
Impairment loss on investment				
in an associate	44,785	7,023	-	-
Interest income	(353,214)	(743,658)	(193,275)	(309,872)
Rental income	(55,700)	(53,700)	-	-
Staff costs:				
- salaries and other remuneration	2,759,214	3,286,748	1,907,539	2,774,009
- defined contribution plans	330,549	368,298	236,988	320,618
- others	108,763	-	61,452	-
- share-based payments	388,774	370,977	279,187	278,233
Waiver of debt	-	(19,027)	-	-

Notes to the Financial Statements (Cont'd)

25. TAX EXPENSES

The major components of income tax expense for the financial years ended 31 December 2021 and 31 December 2020 are as follows:

	Group		Company	
	31.12.2021 RM	31.12.2020 RM	31.12.2021 RM	31.12.2020 RM
Statements of comprehensive income				
Current income tax:				
- current income tax charge	71,530	722,532	-	-
- adjustments in respect of prior years	143,716	(46,947)	-	-
	215,246	675,585	-	-
Deferred tax:				
- reversal of temporary differences	161,530	1,460,927	-	1,480,535
- adjustments in respect of prior years	1,088,845	(189,124)	-	(225,022)
	1,250,375	1,271,803	-	1,255,513
Income tax expense recognised in profit or loss	1,465,621	1,947,388	-	1,255,513

Income tax is calculated at the Malaysian statutory income tax rate of 24% (31.12.2020: 24%) of the estimated assessable profit for the financial year.

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

	Group		Company	
	31.12.2021 RM	31.12.2020 RM (Restated)	31.12.2021 RM	31.12.2020 RM
Loss before tax	(25,933,306)	(730,974)	(3,732,073)	(3,996,457)
Tax at Malaysian statutory income tax rate of 24% (31.12.2020: 24%)	(6,223,993)	(175,434)	(895,698)	(959,150)
Adjustments:				
Adjustment in respect prior years:				
- income tax	143,716	(46,947)	-	-
- deferred tax	1,088,845	(189,124)	-	(225,022)
Income not subject to tax	(241,765)	(2,228,044)	(22,535)	(395,893)
Non-deductible expenses	2,320,714	2,343,668	656,868	621,415
Share of results of associates	628	92,270	-	-
Utilisation of deferred tax assets previously not recognised	4,377,476	2,150,999	261,365	2,214,163
Income tax expense	1,465,621	1,947,388	-	1,255,513

Notes to the Financial Statements (Cont'd)

26. LOSS PER SHARE

(a) Basic loss per ordinary share

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

	31.12.2021 RM	Group 31.12.2020 RM (Restated)
Loss attributable to owners of the Company	(25,923,268)	(2,219,649)
	Unit	Unit
Weighted average number of ordinary shares in issue:		
Ordinary shares at 1 January	455,932,768	330,808,630
Movement during the financial year:		
- effect of exercised of Warrants D	-	1,593,951
- effect of conversion of ICPS	15,263,665	12,544,204
- effect of private placement	70,059,726	27,892,623
- effect of issuance of shares on acquisition of subsidiaries	9,040,107	-
Weighted average number of ordinary shares for basic loss per share	550,296,266	372,839,408
	RM	RM
Basic loss per ordinary share (sen)	(4.71)	(0.60)

Notes to the Financial Statements (Cont'd)

26. LOSS PER SHARE (CONT'D)

(b) Diluted loss per ordinary share

Diluted loss per share is based on the loss for the financial year attributable to owners of the Company and the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The basic and diluted loss per ordinary shares is the same as the Company has no dilutive potential ordinary shares. The outstanding ESOS and warrants are anti-dilutive as the average market price of the Company's shares is lower than the exercise price of the ESOS and warrants.

27. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

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

- (i) Amortised cost ("AC"); and
- (ii) Designated fair value through other comprehensive income ("DFVOCI").

	Carrying amount RM	AC RM	DFVOCI RM
As 31 December 2021			
Financial assets			
Group			
Other investments	5,227,200	-	5,227,200
Trade and other receivables	131,771,732	131,771,732	-
Cash and short-term deposits	30,931,930	30,931,930	-
	167,930,862	162,703,662	5,227,200
Company			
Other investments	5,227,200	-	5,227,200
Trade and other receivables	6,352,102	6,352,102	-
Cash and short-term deposits	11,530,911	11,530,911	-
	23,110,213	17,883,013	5,227,200
As 31 December 2021			
Financial liabilities			
Group			
Trade and other payables	(154,150,033)	(154,150,033)	-
Loans and borrowings	(121,847,982)	(121,847,982)	-
	(275,998,015)	(275,998,015)	-
Company			
Trade and other payables	(3,040,207)	(3,040,207)	-
Loans and borrowings	(15,244,098)	(15,244,098)	-
	(18,284,305)	(18,284,305)	-

Notes to the Financial Statements (Cont'd)

27. FINANCIAL INSTRUMENTS (CONT'D)

(a) Categories of financial instruments (cont'd)

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned (cont'd):

	Carrying amount RM	AC RM
As 31 December 2020		
Financial assets		
Group		
Trade and other receivables	117,373,088	117,373,088
Cash and short-term deposits	35,593,267	35,593,267
	152,966,355	152,966,355
Company		
Trade and other receivables	115,244,881	115,244,881
Cash and short-term deposits	19,169,530	19,169,530
	134,414,411	134,414,411
As 31 December 2020		
Financial liabilities		
Group		
Trade and other payables	(124,414,874)	(124,414,874)
Loans and borrowings	(87,309,284)	(87,309,284)
	(211,724,158)	(211,724,158)
Company		
Trade and other payables	(1,590,306)	(1,590,306)
Loans and borrowings	(15,319,808)	(15,319,808)
	(16,910,114)	(16,910,114)

(b) Financial risk management

The Group's and the Company's activities are exposed to a variety of financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and interest rate risk. The Group's and the Company's overall financial risk management objective is to optimise value for their shareholders. The Group and the Company do not use derivative financial instruments to hedge certain exposures and do not trade in financial instruments.

The Board of Directors reviews and agrees to policies and procedures for the management of these risks, which are executed by the Group's senior management. The audit committee provides independent oversight to the effectiveness of the risk management process.

Notes to the Financial Statements (Cont'd)

27. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (cont'd)

(i) Credit risk

Credit risk is the risk of financial loss to the Group and the Company that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group and the Company are exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments. The Group and the Company have a credit policy in place and the exposure to credit risk is managed through the application of credit approvals, credit limits and monitoring procedures.

Trade receivables and contract assets

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables and contract assets are represented by their carrying amounts in the statements of financial position.

The carrying amount of trade receivables and contract assets are not secured by any collateral or supported by any other credit enhancements. In determining the recoverability of these receivables, the Group considers any change in the credit quality of the receivables from the date the credit was initially granted up to the reporting date. The Group has adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

Credit risk concentration profile

The Group determines the credit risk concentration of its trade receivables and contract assets by industry sector profile on an ongoing basis. The credit risk concentration profile of the Group's trade receivables and contract assets at the reporting date are as follows:

	31.12.2021		Group		31.12.2020	
	RM	%	RM	%	RM	%
Trade receivables						
Property development	14,760,309	14	10,147,062	9		
Construction services	59,195,324	54	49,416,553	42		
	73,955,633	68	59,563,615	51		
Contract assets						
Property development	30,389,961	27	49,273,425	41		
Construction services	4,934,811	5	9,357,184	8		
	35,324,772	32	58,630,609	49		
	109,280,405	100	118,194,224	100		

The Company does not have trade receivables as at reporting date.

The Group applies the simplified approach to providing for impairment losses prescribed by MFRS 9 *Financial Instruments*, which permits the use of the lifetime expected credit loss provision for all trade receivables and contract assets. To measure the impairment losses, trade receivables have been grouped based on shared credit characteristics and the days past due. The impairment losses also incorporate forward-looking information.

The Group's major concentration of credit risk relates to the amounts owing by 4 (31.12.2020: 4) customers who constituted approximately 80% (31.12.2020: 83%) of its trade receivables (including related parties) at the end of the reporting period.

Notes to the Financial Statements (Cont'd)

27. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (cont'd)

(i) Credit risk (cont'd)

Trade receivables and contract assets (cont'd)

The information about the credit risk exposure on the Group's trade receivables and contract assets are as follows:

Group	Gross carrying amount RM	Impairment loss RM	Net balance RM
At 31 December 2021			
Contract assets	35,324,772	-	35,324,772
Trade receivables			
Current (not past due)	9,087,241	-	9,087,241
1 - 30 days past due	2,907,937	-	2,907,937
31 - 60 days past due	3,338,525	-	3,338,525
61 - 90 days past due	1,527,236	-	1,527,236
More than 90 days past due	54,285,243	-	54,285,243
Credit impaired (individually assessed)	4,169,060	(1,359,609)	2,809,451
	75,315,242	(1,359,609)	73,955,633
Total	110,640,014	(1,359,609)	109,280,405
At 31 December 2020			
Group			
Contract assets	58,630,609	-	58,630,609
Trade receivables			
Current (not past due)	8,847,209	-	8,847,209
1 - 30 days past due	846,415	-	846,415
31 - 60 days past due	1,380,970	-	1,380,970
61 - 90 days past due	5,791,996	-	5,791,996
More than 90 days past due	42,697,025	-	42,697,025
Credit impaired (individually assessed)	217,682	(217,682)	-
	59,781,297	(217,682)	59,563,615
Total	118,411,906	(217,682)	118,194,224

Credit risk arising from construction contracts

For construction contracts, as there are only a few customers, the Group accessed the risk of loss of each customer individually based on their financial information, past trend of payments and external credit ratings, where applicable.

Notes to the Financial Statements (Cont'd)

27. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (cont'd)

(i) Credit risk (cont'd)

Trade receivables and contract assets (cont'd)

Credit risk arising from property development

The Group does not have any significant credit risk as its services and products are predominantly rendered and sold to large number of customers comprise substantially property purchasers with financing facilities from reputable end-financiers. Credit risks with respect to property purchasers with no end financing facilities are limited as the ownership and rights to the properties revert to the Group in the event of default. The Group does not have any significant exposure to any individual or counterparty nor any major concentration of credit risk related to any financial instruments.

Other receivables and other financial assets

For other receivables and other financial assets (including investment securities and cash and cash equivalents), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Group's and the Company's maximum exposure to credit risk arising from other receivables and other financial assets are represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

Some intercompany loans between entities within the Group are repayable on demand. For loans that are repayable on demand, impairment losses are assessed based on the assumption that repayment of the loan is demanded at the reporting date. If the counterparty does not have sufficient highly liquid resources when the loan is demanded, the Group and the Company will consider the expected manner of recovery and recovery period of the intercompany loan.

Other than the credit-impaired other receivables, the Group and the Company consider these financial assets to have low credit risk.

As at the reporting date, the Group and the Company did not recognised any loss allowance for impairment for other receivables and other financial assets other than those as disclosed in Note 12 to the financial statements.

Refer to Note 3.9(a) to the financial statements for the Group's and the Company's other accounting policies for impairment of financial assets.

Notes to the Financial Statements (Cont'd)

27. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (cont'd)

(i) Credit risk (cont'd)

Financial guarantee contracts

The Company is exposed to credit risk in relation to financial guarantees given to banks in respect of banking facilities granted to certain subsidiaries. The Company monitors the results of the subsidiaries and their repayment on an on-going basis. The maximum exposure to credit risks amounts to RM72,607,055 (31.12.2020: RM71,989,476) representing the maximum amount the Company could pay if the guarantee is called on as disclosed in Note 27(b)(ii) to the financial statements. As at the reporting date, there was no loss allowance for impairment as determined by the Company for the financial guarantee.

The financial guarantees have not been recognised since the fair value on initial recognition was not material as the guarantee is provided as credit enhancement to subsidiaries' secured borrowings.

(ii) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations when they fall due. The Group's and the Company's exposure to liquidity risk arise primarily from mismatches of the maturities between financial assets and liabilities. The Group's and the Company's exposure to liquidity risk arise principally from trade and other payables, loans and borrowings.

The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through use of stand-by facilities. The Group and the Company maintain sufficient liquidity and available funds from operational collections to meet daily cash needs, while maintaining controls and security over cash movements. The Group and the Company use a series of processes to obtain maximum benefits from its flow of funds, such that they are efficiently managed to maximise income from investment and minimise cost on borrowed funds. The Group's and the Company's treasury department also ensure that there are sufficient unutilised stand-by facilities, funding and liquid assets available to meet both short-term and long-term funding requirements.

Notes to the Financial Statements (Cont'd)

27. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (cont'd)

(ii) Liquidity risk (cont'd)

Maturity analysis

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

	Carrying amount RM	Contractual cash flows			Total RM
		On demand or within 1 year RM	Between 1 and 5 years RM	More than 5 years RM	
Group					
At 31 December 2021					
Financial liabilities					
Trade and other payables	154,150,033	128,425,338	28,244,602	-	156,669,940
Term and bridging loans	87,455,363	28,194,400	54,859,364	18,602,348	101,656,112
Trust receipts	4,991,682	5,338,604	-	-	5,338,604
Revolving credit	15,000,000	15,667,500	-	-	15,667,500
Bank overdrafts	14,400,937	11,697,361	3,818,586	-	15,515,947
	275,998,015	189,323,203	86,922,552	18,602,348	294,848,103
At 31 December 2020					
Financial liabilities (Restated)					
Trade and other payables	124,414,874	97,139,556	30,551,222	-	127,690,778
Term and bridging loans	56,105,448	18,125,310	24,349,042	16,988,482	59,462,834
Trust receipts	3,837,168	4,103,851	-	-	4,103,851
Revolving credit	15,000,000	15,666,000	-	-	15,666,000
Bank overdrafts	12,366,668	7,295,130	6,449,885	-	13,745,015
	211,724,158	142,329,847	61,350,149	16,988,482	220,668,478

Notes to the Financial Statements (Cont'd)

27. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (cont'd)

(ii) Liquidity risk (cont'd)

Maturity analysis (cont'd)

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

	Contractual cash flows				Total RM
	Carrying amount RM	On demand or within 1 year RM	Between 1 and 5 years RM	More than 5 years RM	
Company					
At 31 December 2021					
Financial liabilities					
Other payables	3,040,207	3,040,207	-	-	3,040,207
Term loans	244,098	93,000	161,011	-	254,011
Revolving credit	15,000,000	15,667,500	-	-	15,667,500
Financial guarantee contracts	-	72,607,055	-	-	72,607,055
	18,284,305	91,407,762	161,011	-	91,568,773
At 31 December 2020					
Financial liabilities					
Other payables	1,590,306	1,590,306	-	-	1,590,306
Term loans	319,808	93,000	248,651	-	341,651
Revolving credit	15,000,000	15,666,000	-	-	15,666,000
Financial guarantee contracts	-	71,989,476	-	-	71,989,476
	16,910,114	89,338,782	248,651	-	89,587,433

(iii) Interest rate risk

Interest rate risk is the risk of fluctuation in fair value or future cash flows of the Group's and the Company's financial instruments as results of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from their long-term loans and borrowings with floating interest rates. The Group's and the Company's do not hedge their interest rate risk.

Notes to the Financial Statements (Cont'd)

27. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (cont'd)

(iii) Interest rate risk (cont'd)

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant on the Group's and the Company's total equity and profit for the financial year.

	Change in rate %	Effect on profit for the financial year RM	Effect on equity RM
Group			
31 December 2021	+ 10%	(12,184,798)	(12,184,798)
	- 10%	12,184,798	12,184,798
31 December 2020	+ 10%	(8,730,928)	(8,730,928)
	- 10%	8,730,928	8,730,928
Company			
31 December 2021	+ 10%	(1,524,410)	(1,524,410)
	- 10%	1,524,410	1,524,410
31 December 2020	+ 10%	(1,531,981)	(1,531,981)
	- 10%	1,531,981	1,531,981

Notes to the Financial Statements (Cont'd)

27. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (cont'd)

(iv) Market price risk

Market price risk is the risk of fluctuation in fair value or future cash flows of the Group's and the Company's financial instruments as results of changes in market price (other than interest or exchange rates).

The Group's and the Company's investments in quoted equity instruments are subject to market price risk. Such exposures are not hedged as the investment is stable where the risks accepted are commensurate with the expected returns.

	Change in rate %	Effect on profit for the financial year RM	Effect on equity RM
Group and Company			
31 December 2021	+ 10%	522,720	522,720
	- 10%	(522,720)	(522,720)
31 December 2020	+ 10%	-	-
	- 10%	-	-

(c) Fair value measurement

The carrying amounts of cash and cash equivalents, short-term receivables and payables and short-term borrowings reasonably approximate to their fair values due to the relatively short-term nature of these financial instruments.

There have been no transfers between Level 1 and Level 2 during the financial year (31.12.2020: no transfer in either direction).

Notes to the Financial Statements (Cont'd)

27. FINANCIAL INSTRUMENTS (CONT'D)

(c) Fair value measurement (cont'd)

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

Group	Carrying amount	Fair value of financial instruments carried at fair value				Total	Fair value of financial instruments not carried at fair value				Total	
		Level 1	Level 2	Level 3	Total		Level 1	Level 2	Level 3	Total		
31 December 2021												
Financial assets												
Non-current												
Trade and other receivables	19,436,259	-	-	-	-	-	-	-	19,436,259	-	-	19,436,259
Other investments - Quoted equity investments	5,227,200	5,227,200	-	-	5,227,200	-	-	-	-	-	-	-
Financial liabilities												
Non-current												
Loans and borrowings	67,573,101	-	-	-	-	-	-	-	55,629,160	-	-	55,629,160
Trade payables	26,598,149	-	-	-	-	-	-	-	26,598,149	-	-	26,598,149
31 December 2020												
Financial assets												
Non-current												
Other receivables	15,709,074	-	-	-	-	-	-	-	15,709,074	-	-	15,709,074
Financial liabilities												
Non-current												
Loans and borrowings	44,849,304	-	-	-	-	-	-	-	37,278,959	-	-	37,278,959
Trade payables	28,148,771	-	-	-	-	-	-	-	28,148,771	-	-	28,148,771

Notes to the Financial Statements (Cont'd)

27. FINANCIAL INSTRUMENTS (CONT'D)

(c) Fair value measurement (cont'd)

Level 1 fair value

Fair value of financial instruments carried at fair value

The fair value of Company's quoted investments is estimated based on their quoted market prices as at end of the reporting year.

Level 3 fair value

Fair value of financial instruments not carried at fair value

The fair value of trade and other receivables, trade payables and bank borrowings are determined using the discounted cash flows method based on discount rates that reflects the issuer's borrowing rate as at the end of the reporting period.

The fair value, which are for disclosure purposes, have been determined using the following basis:

- (i) The fair value of the Group's trade and other receivable (non-current) is calculated based on present value of the projected repayment of balances; and
- (ii) The fair value of the Group's trade payables (non-current) is calculated based on the present value of the trade payable entitlement of 50% on development of the parcel of land belonging to trade payables as disclosed in Note 21(a) to the financial statements.
- (iii) The fair value of the Group's and the Company's loans and borrowings that carry floating interest rates approximated their carrying amounts as they are repriced to market interest rates on or near the reporting date.

Fair value hierarchy is not presented for those financial assets and financial liabilities of the Group and the Company which are not carried at fair value by any valuation method.

28. COMMITMENTS

	31.12.2021 RM	Group 31.12.2020 RM
Approved capital expenditures not provided for in the financial statements		
Property, plant and equipment		
- Contracted	1,524,390	-

Notes to the Financial Statements (Cont'd)

29. RELATED PARTIES

(a) Identification of related parties

Parties are considered related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operational decisions, or vice versa, or where the Group and the party are subject to common control. Related parties may be individuals or other entities.

Related parties of the Group include:

- (i) Subsidiaries;
- (ii) Associates;
- (iii) Entities in which directors have substantial financial interest; and
- (iv) Key management personnel of the Group and the Company, comprise persons (including directors) having the authority and responsibility for planning, directing and controlling the activities directly or indirectly.

(b) Significant related party transactions

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

	Group		Company	
	31.12.2021 RM	31.12.2020 RM	31.12.2021 RM	31.12.2020 RM
Progress billings Entities in which a director has a substantial financial interests	15,382,065	19,604,002	-	-
Subcontractor fees Entity in which a director has a substantial financial interests	6,138,225	434,124	-	-
Marketing fees Entity in which a director has a substantial financial interests	1,747,801	1,808,707	-	-
Management fees Subsidiaries	-	-	(3,265,997)	(3,763,035)

Notes to the Financial Statements (Cont'd)

29. RELATED PARTIES (CONT'D)

(c) Compensation of key management personnel

	Group		Company	
	31.12.2021 RM	31.12.2020 RM	31.12.2021 RM	31.12.2020 RM
Directors of the Company				
Short-term employee benefits	811,400	825,791	811,400	825,791
Post-employment employee benefits	72,923	71,423	72,923	71,423
Share-based payments	133,070	72,582	133,070	72,582
	1,017,393	969,796	1,017,393	969,796
Other key management personnels				
Short-term employee benefits	1,482,344	1,662,605	1,482,344	1,662,605
Post-employment employee benefits	179,518	189,013	179,518	189,013
Share-based payments	192,213	80,647	192,213	80,647
	1,854,075	1,932,265	1,854,075	1,932,265
	2,871,468	2,902,061	2,871,468	2,902,061

Notes to the Financial Statements (Cont'd)

30. CAPITAL MANAGEMENT

The primary objective of the Group's and the Company's capital management is to ensure that they maintain a strong credit rating and healthy capital ratio to support their business and maximise shareholder value. The Group and the Company manage their capital structure and make adjustment to it, in light to changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies and processes during the financial years ended 31 December 2021 and 31 December 2020.

The Group and the Company monitor capital using gearing ratio. The gearing ratio is calculated as total loans and borrowings less cash and short-term deposits divided by total equity. The gearing ratio as at the reporting date are as follows:

	Group		Company	
	31.12.2021 RM	31.12.2020 RM (Restated)	31.12.2021 RM	31.12.2020 RM
Loans and borrowings	121,847,982	87,309,284	15,244,098	15,319,808
Less: Cash and short-term deposits	(30,931,930)	(35,593,267)	(11,530,911)	(19,169,530)
Net debts	90,916,052	51,716,017	3,713,187	(3,849,722)
Total equity	157,265,294	141,332,357	167,755,810	130,447,644
Debt-to-equity ratio	58%	37%	2%	-

There was no change in the Group's and the Company's approach to capital management during the financial year.

The Group and the Company are required to comply with certain debts equity ratios in respect of their credit facilities.

Gearing ratios are not governed by the MFRSs and their definitions and calculations may vary between reporting entities.

Notes to the Financial Statements (Cont'd)

31. SEGMENT INFORMATION

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

The three reportable operating segments are as follows:

Segments	Products and services
Construction services	Construction of residential and commercial properties.
Property development	Development and sales of residential and commercial properties.
Others	Investment holdings company and non-core business other than the above.

Inter-segment pricing is determined on negotiated basis.

Segment profit

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

Segment assets

The total segment asset is measured based on all assets (excluding investment in associates) of a segment, as included in the internal reports that are reviewed by the Group MD.

Segment liabilities

Segment liabilities are not included in the internal reports that are reviewed by the Group MD. Hence, no disclosures are made on segment liabilities.

Notes to the Financial Statements
(Cont'd)

31. SEGMENT INFORMATION (CONT'D)

	Note	Construction RM	Property development RM	Others RM	Adjustments and eliminations RM	Total RM
At 31 December 2021						
Revenue:						
Revenue from external customers		7,749,503	37,042,838	11,000	-	44,803,341
Inter-segment revenue	A	793,562	53,190	3,354,997	(4,201,749)	-
		8,543,065	37,096,028	3,365,997	(4,201,749)	44,803,341
Results						
<i>Included in the measure of segment profit/(loss)</i>						
Operating results		104,649	(15,499,806)	(2,396,324)	1,937,519	(15,853,962)
Depreciation and amortisation		(159,627)	(478,556)	(327,835)	(243,744)	(1,209,762)
Impairment loss on trade and other receivables		(1,936,326)	(923,013)	(2,008,349)	1,039,435	(3,828,253)
Interest expenses		(748,922)	(4,136,488)	(1,132,314)	625,797	(5,391,927)
Interest income		80,463	88,150	193,275	(8,674)	353,214
		(2,659,763)	(20,949,713)	(5,671,547)	3,350,333	(25,930,690)
Reportable segment loss						
<i>Not included in the measure of segment loss</i>						
Share of results of associates		(2,616)	-	-	-	(2,616)
Segment loss		(2,662,379)	(20,949,713)	(5,671,547)	3,350,333	(25,933,306)
Tax expense		(229,465)	(1,321,155)	-	84,999	(1,465,621)
Loss for the financial year	B	(2,891,844)	(22,270,868)	(5,671,547)	3,435,332	(27,398,927)
Assets:						
Investments in associates		344,230	-	-	-	344,230
Addition to capital expenditure		2,490,495	-	67,909	-	2,558,404
Segment assets	C	79,592,664	299,219,200	225,192,462	(165,886,710)	438,117,616

Notes to the Financial Statements (Cont'd)

31. SEGMENT INFORMATION (CONT'D)

	Note	Construction RM	Property development RM	Others RM	Adjustments and eliminations RM	Total RM
At 31 December 2020						
(Restated)						
Revenue:						
Revenue from external customers		24,119,905	48,874,441	-	-	72,994,346
Inter-segment revenue	A	843,188	703,946	3,763,035	(5,310,169)	-
		24,963,093	49,578,387	3,763,035	(5,310,169)	72,994,346
Results						
<i>Included in the measure of segment profit/(loss)</i>						
Operating results		3,449,516	1,796,632	(3,130,344)	(142,158)	1,973,646
Depreciation and amortisation		(89,391)	(579,970)	(320,631)	(54,849)	(1,044,841)
Impairment gain on trade and other receivables		960,413	-	60,707	2,655,763	3,676,883
Interest expenses		(2,106,017)	(2,853,304)	(771,548)	35,007	(5,695,862)
Interest income		126,873	306,900	309,885	-	743,658
		2,341,394	(1,329,742)	(3,851,931)	2,493,763	(346,516)
Reportable segment profit/(loss)						
<i>Not included in the measure of segment profit/(loss)</i>						
Share of results of associates		(384,458)	-	-	-	(384,458)
		1,956,936	(1,329,742)	(3,851,931)	2,493,763	(730,974)
Segment profit/(loss)	A	(281,249)	(403,249)	(1,262,890)	-	(1,947,388)
Tax expense						
		1,675,687	(1,732,991)	(5,114,821)	2,493,763	(2,678,362)
Profit/(loss) for the financial year	B					
Assets:						
Investments in associates		391,631	-	-	-	391,631
Addition to capital expenditure		333,518	-	224,000	-	557,518
		57,015,642	284,698,005	171,962,631	(155,579,939)	358,096,339
Segment assets	C					

Notes to the Financial Statements (Cont'd)

31. SEGMENT INFORMATION (CONT'D)

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

A Inter-segment revenue

Inter-segment revenues are eliminated on consolidation.

B Reconciliation of profit or loss

	31.12.2021 RM	31.12.2020 RM
Elimination of inter-segment unrealised profit	1,572,024	3,048,636
Unallocated other corporate expenses	1,863,308	(554,873)
	3,435,332	2,493,763

C Reconciliation of assets

	31.12.2021 RM	31.12.2020 RM
Fair value adjustments on assets through acquisition of subsidiaries	25,999,108	14,426,941
Investment in associates	344,230	391,631
Inter-segment assets	(192,230,048)	(170,398,511)
	(165,886,710)	(155,579,939)

Geographical information

The Group operates predominantly in Malaysia and has not ventured into any operations outside Malaysia during the financial year. Accordingly, the information by geographical segment is not presented.

Information about major customers

The following are major customers with revenue equal to or more than 10% of Group revenue:

	Group		Segments
	31.12.2021 RM	31.12.2020 RM	
Customer A	5,736,639	6,279,243	Construction
Customer B	2,012,864	17,840,662	Construction
	7,749,503	24,119,905	

Notes to the Financial Statements (Cont'd)

32. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(a) Acquisition of Stack Builder Sdn. Bhd. (“SBSB”) and Wonderland Projects Sdn. Bhd. (“WPSB”) and debts settlement

On 9 July 2021, the Company had signed heads of agreements for the proposed acquisitions of 80% of SBSB and 100% of WPSB from its substantial shareholder Ong Kah Hoe along with various other owners of the companies. Subsequently, on 5 October 2021, the Company signed a Share Sales Agreement to revise the proposed acquisition in Stack Builder to 50%.

The total purchase consideration of up to RM7.561 million and debt settlement of WPSB’s vendors up to RM9.85 million are to be entirely satisfied via issuance and allotment of 91,656,642 new ordinary shares in OCR at the issue price of RM0.19 per Consideration Share.

The acquisition of SBSB and WPSB and debt settlement to WPSB Vendors was completed 26 November 2021 following the listing and quotation of 91,656,642 Consideration Shares on the Main Market of Bursa Securities.

(b) Supplementary Agreement (“SA”) with SSPP Development Sdn. Bhd. (“SSPP”)

ODKSB has entered into a SA with SSPP on 29 October 2021 to vary the JVA dated 1 June 2015 subject to the terms and conditions contained therein and the SA is made supplemental to the JVA.

(c) COVID-19 Pandemic

On 11 March 2020, the World Health Organisation declared the COVID-19 outbreak as a pandemic in recognition of its rapid spread across the globe. Many countries including the Malaysian Government imposed several levels of Movement Control Order (“MCO”) to curb the spread of the COVID-19 pandemic. The COVID-19 pandemic also resulted in travel restriction, lockdown, social distancing and other precautionary measures imposed in various countries.

The Group and the Company have performed assessments on the overall impact of the situation on the Group’s and the Company’s operations and financial implications, including the recoverability of the carrying amount of assets and subsequent measurement of assets and liabilities, and concluded that there was no material adverse effect on the financial statements for the financial year ended 31 December 2021.

Given the fluidity of the situation, the Group and the Company are unable to reasonably estimate the complete financial impacts of COVID-19 pandemic for the financial year ending 31 December 2022 to be disclosed in the financial statements as impact assessment of the COVID-19 pandemic is a continuing process. The Group and the Company will continuously monitor any material changes to future economic conditions that will affect the Group and the Company.

Notes to the Financial Statements (Cont'd)

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

(a) Allotment and Issuance of new ordinary shares

On 19 January 2022 and 20 January 2022, the Company allotted and issued a total of 102,000,000 subscription of new ordinary shares at an issue price of RM0.1273.

(b) Acquisition of OCR Selayang Industrial Park Sdn. Bhd. (formerly known as Suong Sdn. Bhd.) ("OCRSIPSB")

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

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

34. MATERIAL LITIGATION

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) as consequence of the above, 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.

On 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.

On 4 October 2021, the Plaintiff put in an application for stay of all the proceedings ("Stay Application"). During the case management on 11 January 2022, the Court fixed hearing in respect of the Stay Application, OS, Striking Out Applications and Injunction Application on 8 March 2022.

Notes to the Financial Statements (Cont'd)

34. MATERIAL LITIGATION (CONT'D)

After hearing parties on 8 March 2022, the Judge allowed the Stay Application and ordered that the proceedings be stayed until the grounds of judgment ("GOJ") of Kuala Lumpur High Court, Civil Suit No.: WA-22NCC-603-10/2019 ("Suit 603") is ready.

During the case management on 29 March 2022, the Plaintiff's solicitors informed that they had received the GOJ of Suit 603 and will file an affidavit in respect of the GOJ.

In the subsequent case management on 13 April 2022, the Court has fixed the OS, Striking Out Applications and Injunction Application for hearing on 26 April 2022.

35. COMPARATIVE FIGURES

- (a) As disclosed in Note 2.2(b) to the financial statements, in the previous financial years, borrowing costs incurred were capitalised in inventories under property under development until the physical completion of the development units. On 1 January 2020, the Group changed its accounting policy with retrospective effect as results of the Agenda Decision on IAS 23 *Borrowing Costs*. Accordingly, the financial statements for the previous financial years included herein as comparatives have been restated.

In additions to the adjustments on borrowing costs, other items of the financial statements such as deferred tax and non-controlling interests of a subsidiary were also adjusted as necessary.

The effects of the change in accounting policy on the comparative financial statements are disclosed below.

- (b) The presentation and classification of items in the current year's financial statements are consistent with the previous financial year except certain comparative figures have been restated to confirm with current year's presentation.
- (c) The audited financial statements of the Group for the financial years ended 31 December 2020 and 31 December 2019 were restated during the financial year as follows:

	As previously reported RM	Adjustment RM	As restated RM
Group			
At 31 December 2020			
Statements of Financial Position			
Non-current assets			
Inventories	29,788,400	(179,286)	29,609,114
Trade and other receivables	14,709,074	1,000,000	15,709,074
Current assets			
Inventories	97,003,139	(6,043,412)	90,959,727
Trade and other receivables	102,664,014	(1,000,000)	101,664,014
Equity			
Accumulated losses	(23,417,569)	(7,712,503)	(31,130,072)
Non-controlling interests	(1,001,736)	325,804	(675,932)
Non-current liabilities			
Deferred tax liabilities	179,286	(179,286)	-
Current liabilities			
Trade and other payables	94,922,816	1,343,287	96,266,103

Notes to the Financial Statements (Cont'd)

35. COMPARATIVE FIGURES (CONT'D)

- (c) The audited financial statements of the Group for the financial years ended 31 December 2020 and 31 December 2019 were restated during the financial year as follows (cont'd):

Group	As previously reported RM	Adjustment RM	As restated RM
Statements of Comprehensive Income			
For the financial year ended 31 December 2020			
Cost of sales	(62,257,514)	1,048,591	(61,208,923)
Finance costs	(1,601,740)	(4,094,122)	(5,695,862)
Non-controlling interests	(447,443)	(11,270)	(458,713)
Profit/(Loss) for the financial year	367,169	(3,045,531)	(2,678,362)
Total comprehensive income/ (loss) for the financial year	367,169	(3,045,531)	(2,678,362)
At 31 December 2019			
Statements of Financial Position			
Non-current assets			
Inventories	29,763,528	(179,286)	29,584,242
Current assets			
Inventories	102,608,575	(2,997,880)	99,610,695
Equity			
Accumulated losses	(24,232,181)	(4,678,242)	(28,910,423)
Non-controlling interests	(554,293)	337,074	(217,219)
Non-current liabilities			
Deferred tax liabilities	179,286	(179,286)	-
Current liabilities			
Trade and other payables	71,423,052	1,343,288	72,766,340

LIST OF PROPERTIES

as at 31 December 2021

Location	Description	Tenure	Net Book Value as at 31-12-2021 RM	Date of Revaluation
Lot No. 5619 Mukim Pekan Kinrara District of Petaling Selangor Darul Ehsan	A unit of 7 years of 3 ½ storey shop-offices with total built up area 5,652 sq.ft.	Freehold	1,729,704	24 October 2016
Lot 53403 & Lot 53404, Hill Street Kajang, Bandar Kajang, District of Hulu Langat, Selangor Darul Ehsan	161,954 sq.ft of vacant development land zoned for residential	Leasehold	10,587,771	18 November 2019
Lot 442, Seksyen 19, Bandar Kuala Lumpur, District of Kuala Lumpur and State of Wilayah Persekutuan Kuala Lumpur	14,384 sq.ft of development land zoned for commercial use	Freehold	20,798,704	1 September 2020

ANALYSIS OF SHAREHOLDINGS

as at 31 March 2022

STATISTICS OF ORDINARY SHAREHOLDINGS AS AT 31 MARCH 2022

Class of Shares	: Ordinary Shares
Total Number of Issued Shares	: 887,998,155
Issued and Paid-up Capital	: RM238,200,952.68
Voting Rights	: One vote for each ordinary share held

DISTRIBUTION OF SHAREHOLDINGS AS AT 31 MARCH 2022

Size of Holdings	No. of shareholders	No. of Shares	Percentage of Shares %
1 – 99	126	5,266	0.00
100 - 1,000	315	187,986	0.02
1,001 - 10,000	1,893	11,826,352	1.33
10,001 - 100,000	2,397	93,684,293	10.55
100,001 to less than 5% of issued shares	625	620,445,395	69.87
5% and above of issued shares	1	161,848,863	18.23
Total	5,357	887,998,155	100.00

SUBSTANTIAL SHAREHOLDER AS AT 31 MARCH 2022

No.	Name of Substantial Shareholder	No. of Shares held		No. of Shares held	
		Direct	Percentage (%)	Indirect	Percentage (%)
1	ONG KAH HOE	186,291,463	20.98	41,678,800 ⁽¹⁾	4.69

DIRECTORS' INTERESTS IN SHARES AS AT 31 MARCH 2022

No.	Name of Directors	No. of Shares held		No. of Shares held	
		Direct	Percentage of shares held (%)	Indirect	Percentage of shares held (%)
1	HJ. ABDULLAH BIN ABDUL RAHMAN	-	-	-	-
2	JULIAN KOH LU ERN	-	-	-	-
3	ONG KAH HOE	186,291,463	20.98	41,678,800 ⁽¹⁾	4.69
4	CHONG MIN SHIH	-	-	-	-
5	TUNKU AZUDINSHAH IBNI TUNKU ANNUAR	-	-	-	-

Note:

⁽¹⁾ Deemed interested by virtue of Mr. Ong Kah Hoe's interest in OCR Land Holdings Berhad, pursuant to Section 8 of the Companies Act, 2016 and Mr. Ong Kah Hoe's parents and siblings' direct shareholdings

Analysis of Shareholdings as at 31 March 2022 (Cont'd)

LIST OF TOP 30 LARGEST SECURITIES ACCOUNTS HOLDERS (ACCORDING TO THE REGISTER OF DEPOSITORS AS AT 31 MARCH 2022)

No.	Name of Shareholders	No. of Shares	Percentage of shares held (%)
1	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ONG KAH HOE	161,848,863	18.23
2	MERCSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ACE CREDIT (M) SDN BHD	39,424,700	4.44
3	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHU KERD YEE (M01)	39,280,000	4.42
4	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR OCR LAND HOLDINGS SDN BHD	31,215,000	3.52
5	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KOON POH TAT	29,239,000	3.29
6	LEONG SHANG MING	21,150,000	2.38
7	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR CHIAU BENG TEIK (SMART)	17,400,000	1.96
8	LOW KIN KOK	14,803,290	1.67
9	CHONG TZE-BAN	10,750,017	1.21
10	PELABURAN MARA BERHAD	10,000,000	1.13
11	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ONG KAH HOE (020) (THIRD PARTY)	9,405,400	1.06
12	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHIAU HAW CHOON	8,988,200	1.01
13	YAYASAN GURU TUN HUSSEIN ONN	8,000,000	0.90
14	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KEH CHUAN CHOON (M01)	7,855,500	0.88
15	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR STRONGLEAP SDN BHD	7,701,900	0.87
16	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KEH CHUAN SENG	7,676,800	0.86
17	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KHOR CHUAN MENG (M01)	7,364,500	0.83
18	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ONG KAH HOE	6,873,700	0.77
19	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR RAJA ABDULLAH BIN RAJA BAHARUDIN	6,750,000	0.76
20	CARTABAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR STANDARD CHARTERED BANK SINGAPORE BRANCH (SG PVB CL AC)	6,000,000	0.68
21	LIM KIM CHAI	6,000,000	0.68
22	KOH SUAT CHIN	5,900,000	0.66
23	OOI CHEE CHUNG	5,701,000	0.64
24	LOW KIEN POH	5,658,569	0.64
25	PHANG POOI LING	5,485,000	0.62
26	LEE HOCK SENG	5,440,000	0.61
27	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LENG KOK LIANG (E-PRA/BTW)	5,050,000	0.57
28	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ONG KAH HOE (6000713)	4,981,600	0.56
29	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KOH SENG YIP	4,500,000	0.51
30	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD PEMBANGUNAN SUMBER MANUSIA BERHAD	4,314,900	0.49
	TOTAL	504,757,939	56.85

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Fourth (24th) Annual General Meeting (“AGM”) of the Company will be held on a fully virtual basis and entirely via remote participation and voting through an online meeting platform at www.swsb.com.my provided by ShareWorks Sdn. Bhd. on Monday, 30 May 2022, at 2.00 p.m. for the following purposes:-

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements of the Company and of the Group for the financial year ended 31 December 2021 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 the conclusion of the 24th AGM until the conclusion of the 25th AGM to be held in the year 2023. *(Ordinary Resolution 1)*
3. To re-elect the following Directors who retire in accordance with Clause 77(2) of the Constitution of the Company:-
 - (i) Julian Koh Lu Ern *(Ordinary Resolution 2)*
 - (ii) Chong Min Shih *(Ordinary Resolution 3)*
4. To re-appoint Messrs. Baker Tilly Monteiro Heng PLT as Auditors of the Company and to hold office until the conclusion of the next AGM at such remuneration to be determined by the Directors of the Company. *(Ordinary Resolution 4)*

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions:-

5. **PROPOSED AUTHORITY TO DIRECTORS TO ALLOT AND ISSUE NEW ORDINARY SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016** *(Ordinary Resolution 5)*

”THAT pursuant to Sections 75 and 76 of the Companies Act, 2016 and subject to approvals from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued and other relevant authorities, where approval is necessary, authority be and is hereby given to the Directors to allot and issue shares in the Company at any time upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided always that the aggregate number of shares to be issued shall not exceed 10% of the total number of issued shares of the Company for the time being AND THAT such authority shall continue to be in full force until the conclusion of the next AGM of the Company.”

Notice of Annual General Meeting (Cont'd)

6. **PROPOSED NEW AND RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE** *(Ordinary Resolution 6)*

"THAT, subject always to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), approval be and is hereby given to the Company and its subsidiaries (collectively the "Group") to enter into and give effect to the recurrent related party transactions of a revenue or trading nature with the related parties as specified in Section 5(i) of the Circular to Shareholders dated 29 April 2022, provided that such transactions and/or arrangements which are necessary for the Group's day-to-day operations are undertaken in the ordinary course of business, at arm's length basis, on normal commercial terms and transaction prices which are not more favourable to the related parties than those generally available to the public and not detrimental to the minority shareholders of the Company (hereinafter referred to as the "Proposed New and Renewal of Shareholders' Mandate"):-

THAT the Proposed New and Renewal of Shareholders' Mandate shall only continue to be in full force until: -

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

whichever is earlier.

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary or in the best interest of the Company to give effect to the Proposed New and Renewal of Shareholders' Mandate."

7. **PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY** *Special Resolution 1*

"THAT the proposed amendments to the Constitution of the Company be and are hereby approved and adopted; AND THAT the Board of Directors and Secretary of the Company be and are hereby authorised to take all steps as are necessary and expedient in order to implement, finalise and give full effect to the proposed amendments to the Constitution of the Company."

8. To transact any other business of which due notice has been given in accordance with the Companies Act, 2016.

BY ORDER OF THE BOARD,

TAN TONG LANG
(MAICSA 7045482) (SSM PC No. 202208000250)
Company Secretary

Selangor
Dated: 29 April 2022

Notice of Annual General Meeting (Cont'd)

Remarks:

1. In view of preventing further propagation of Covid-19, the 24th AGM will be conducted on a full virtual basis via an online portal. Members are advised to refer to the Administrative Guide for the remote participation access and electronic voting at the AGM.
2. A member entitled to attend and vote at the general meeting is entitled to appoint not more than two (2) proxies to attend and vote on his/her behalf.
3. Where a member appoints two (2) proxies, the appointment of such proxies shall not be valid unless the member specifies the proportion of his shareholding to be represented by each such proxy. There is no restriction to the qualification of the proxy.
4. Where a member of the Company is an Exempt Authorised Nominee defined under the Central Depositories Act which is exempted from compliance with the provision of subsection 25A (1) of the Central Depositories Act which holds ordinary shares in the Company for multiple beneficial owners in one Securities Account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
5. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or, if the appointer is a corporation, either under its Common Seal or signed by the attorney so authorised.
6. The Form of Proxy must be deposited at the Share Registrar Office of the Company at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, Wilayah Persekutuan or email to ir@shareworks.com.my not less than 48 hours before the time set for holding the meeting or any adjournment thereof.
7. For the purposes of determining a member who shall be entitled to attend, speak and vote at the 24th AGM, the Company shall be requesting the Record of Depositors as at 23 May 2022. Only a depositor whose name appears on the Record of Depositors as at 23 May 2022 shall be entitled to attend and vote at the meeting or appoint proxy(ies) to attend, speak and vote on his/her behalf.

Notice of Annual General Meeting (Cont'd)

Explanatory Notes:

1. Audited Financial Statements for the Financial Year Ended 31 December 2021

This item of the Agenda is for discussion purposes only, as Section 340(1)(a) of the Companies Act, 2016 does not require the shareholders to formally approve the Audited Financial Statements. Therefore, this item will not be put forward for voting.

2. Ordinary Resolutions 2 & 3 - Re-election of Directors who retire in accordance with Clause 77(2) of the Company's Constitution

Clause 77(2) of the Constitution of the Company provides that at the AGM in every subsequent year, one-third (1/3) of the Directors for the time being, or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3), shall retire from office at the conclusion of the AGM in every year provided always that all Directors shall retire from office once at least in each three (3) years, but shall be eligible for re-election.

Out of the current Board size, two (2) out of five (5) Directors are to retire in accordance with Clause 77(2) of the Company's Constitution.

The performance of the Directors who are recommended for re-election has been assessed through the Board annual evaluation. The Nominating Committee and the Board are satisfied with the performance and effectiveness of Mr. Julian Koh Lu Ern and Ms. Chong Min Shih who are due for retirement as Directors, and being eligible, have offered themselves for re-election at the 24th AGM.

3. Ordinary Resolution 5 - Authority to allot and issue shares in general pursuant to Sections 75 and 76 of the Companies Act 2016

The proposed Ordinary Resolution 5, seeking a renewal of the general mandate is to provide flexibility to the Company to issue new securities without the need to convene a 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 the 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, no shares were issued pursuant to the general mandate granted to the Directors at the 23rd AGM held on 10 June 2021 and which will lapse at the conclusion of the 24th AGM.

4. Ordinary Resolution 6 – Proposed New and Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The Ordinary Resolution 6, if passed, will allow the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Company and/or its subsidiaries, subject to the transactions being carried out in the ordinary course of business of the Company and/or its subsidiaries and on normal commercial terms which are generally available to the public and not detrimental to the minority shareholders of the Company.

This authority, unless revoked or varied by the Company at a general meeting, will expire at the next AGM of the Company.

5. Special Resolution 1 – Proposed Amendments to the Constitution of the Company

The Proposed Special Resolution 1, if passed, will enhance administrative efficiency.

Further information of the proposed Amendments to the Constitution of the Company is set out in the "Appendix A" accompanying the Notice of AGM dated 29 April 2022.

Notice of Annual General Meeting (Cont'd)

Appendix A

PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY

The Constitution of the Company is proposed to be amended in the following manner: -

Clause No.	Existing Clause	Proposed Amendment
12 (4)	Subject to Paragraph 6.06 of the Listing Requirements and notwithstanding the existence of a resolution pursuant to Sections 75(1) and 76(1) of the Act, the Company must not issue any shares or convertible securities if the total number of those shares or convertible securities, when aggregated with the total number of any such shares or convertible securities issued during the preceding twelve (12) months, exceeds ten percent (10%) of the total number of issued shares (excluding treasury shares) of the Company except where the shares or convertible securities are issued with the prior shareholder approval in a General Meeting of the precise terms and conditions of the issue.	Subject to the provisions of this Constitution and Listing Requirement, and notwithstanding the existence of a resolution pursuant to Section 75(1) and 76(1) of the Act, the Company shall ensure that it shall not issue any shares or convertible securities if the total number of shares or convertible securities, when aggregated with the total number of any such shares or convertible securities issued during the preceding twelve (12) months, exceeds the allowed threshold by the prevailing rules and regulation, except where the shares or convertible securities are issued with the prior approval or the Members in general meeting of the precise terms and conditions of the issue.

Notice of Annual General Meeting (Cont'd)

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Securities:-

1. Details of individual who are standing for election as Directors (excluding Directors for re-election)

No individual is seeking election as a Director at the 24th AGM of the Company.

2. General mandate for issue of securities in accordance with Paragraph 6.03 of the Main Market Listing Requirements of Bursa Securities.

The details of the proposed authority for Directors of the Company to issue shares in the Company pursuant to Sections 75 and 76 of the Companies Act 2016 are set out under Explanatory Note.

FORM OF PROXY



OCR GROUP BERHAD
[Registration 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 a member/members of **OCR GROUP BERHAD** hereby appoint:

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address:			
Email Address:			
Mobile number:			

and/or* (*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-Fourth (24th) Annual General Meeting ("AGM") of the Company to be held on a fully virtual basis through live streaming and entirely via remote participation and voting through online meeting platform at www.swsb.com.my provided by ShareWorks Sdn. Bhd. on Monday, 30 May 2022, at 2.00 p.m. or any adjournment thereof, and to vote as indicated below:-

Description of Resolution	Resolution	FOR	AGAINST
To approve the payment of Directors' fees and benefits of not exceeding RM500,000 for the period from the conclusion of the 24 th AGM until the conclusion of the 25 th AGM to be held in year 2023.	OR1		
To re-elect Julian Koh Lu Ern as Director.	OR2		
To re-elect Chong Min Shih as Director.	OR3		
To re-appoint Messrs. Baker Tilly Monteiro Heng PLT as Auditors of the Company and to hold office until the conclusion of the next AGM at such remuneration to be determined by the Directors of the Company.	OR4		
Proposed authority to Directors to allot and issue new ordinary shares pursuant to Sections 75 and 76 of the Companies Act, 2016.	OR5		
Proposed New and Renewal Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.	OR6		
Proposed amendments to the Constitution of the Company.	SR1		

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 thisday of 2022

.....
Signature of Shareholder(s)/Common Seal

Remarks:

1. In view of preventing further propagation of Covid-19, the 24th AGM will be conducted on a full virtual basis via an online portal. Members are advised to refer to the Administrative Guide for the remote participation access and electronic voting at the AGM.
2. A member entitled to attend and vote at the general meeting is entitled to appoint not more than two (2) proxies to attend and vote on his/her behalf.
3. Where a member appoints two (2) proxies, the appointment of such proxies shall not be valid unless the member specifies the proportion of his shareholding to be represented by each such proxy. There is no restriction to the qualification of the proxy.
4. Where a member of the Company is an exempt authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provision of subsection 25A (1) of the Central Depositories Act which holds ordinary shares in the Company for multiple beneficial owners in one Securities Account (“omnibus account”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
5. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or, if the appointer is a corporation, either under its Common Seal or signed by the attorney so authorised.
6. The Form of Proxy must be deposited at the Share Registrar Office of the Company at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, Wilayah Persekutuan or email to ir@shareworks.com.my not less than 48 hours before the time set for holding the meeting or any adjournment thereof.
7. For the purposes of determining a member who shall be entitled to attend, speak and vote at the 24th AGM, the Company shall be requesting the Record of Depositors as at 23 May 2022. Only a depositor whose name appears on the Record of Depositors as at 23 May 2022 shall be entitled to attend and vote at the meeting or appoint proxy(ies) to attend, speak and vote on his/her behalf.

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AFFIX
STAMP

The Share Registrar of
OCR GROUP BERHAD
[Registration No. 199701025005 (440503-K)]

ShareWorks Sdn. Bhd.
No. 2-1, Jalan Sri Hartamas 8 Sri Hartamas
50480 Kuala Lumpur Wilayah Persekutuan
Tel No.: +603-6201 1120
Email : ir@shareworks.com.my

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ADMINISTRATIVE GUIDE

ADMINISTRATIVE GUIDE FOR SHAREHOLDERS ATTENDING THE 24TH ANNUAL GENERAL MEETING (“24TH AGM”)

Meeting Day & Date	: Monday, 30 May 2022
Time	: 2.00 p.m.
Online Meeting Platform	: www.swsb.com.my hosted by ShareWorks Sdn. Bhd. (“ShareWorks”) in Malaysia (Domain registration number with MYNIC: D1A403841)
Platform for Communication	: Shareholders may submit questions to the Board of Directors (“Board”) prior to the 24 th AGM to ir@shareworks.com.my no later than 2.00 p.m. on 27 May 2022 or using the Question and Answer (“Q&A”) Platform to transmit questions to the Board via Remote Participation and Voting (“RPV”) Facility during live streaming.

VIRTUAL MEETING

In view of the COVID-19 pandemic and as part of the safety measures and control for the well-being of the shareholders of the Company, the 24th AGM will be held via a fully virtual basis through live streaming and online remote voting using the RPV Facility.

Please note that it is your responsibility to ensure the stability of your internet connectivity throughout the 24th AGM as the quality of the live webcast and online remote voting are dependent on your internet bandwidth and stability of your internet connection.

All shareholders of the Company, whether Individual Shareholders, Corporate Shareholders, Proxy Holders, Authorised Nominees or Exempt Authorised Nominees who wish to attend the 24th AGM will have to register to attend remotely by using the RPV Facility, the details of which are set out below.

RPV Facility

1. The 24th AGM will be conducted on a fully virtual basis through live streaming and online remote participation and voting. Should you wish to attend the 24th AGM, you are required to register yourself using the RPV Facility in accordance with the instructions as set out under paragraph 3 below.

With the RPV Facility, you may exercise your rights as a shareholder to participate including to pose questions (in the form of real-time submission of typed texts) to the Board and vote remotely at the 24th AGM.

2. **Individual Members** are strongly encouraged to take advantage of the RPV Facility to participate and vote remotely at the 24th AGM. Please refer to the details as set out under the RPV Facility for more information. If an Individual Shareholder is unable to participate in the online 24th AGM, he/she is encouraged to appoint the Chairperson of the meeting as his/her proxy and indicate the voting instructions in the Form of Proxy in accordance with the notes and instructions printed therein.

Corporate Shareholders (through Corporate Representatives or appointed proxies) are also strongly advised to participate and vote remotely at the 24th AGM using the RPV Facility. Corporate Members who wish to participate and vote remotely at the 24th AGM must contact the poll administrator, ShareWorks with the details set out below for assistance and will be required to provide the following documents to the Company no later than 28 May 2022 at 2.00 p.m.:

- a. Certificate of appointment of its Corporate Representative or Form of Proxy under the seal of the corporation;
- b. Copy of the Corporate Representative’s or proxy’s identity card (MyKad) (front and back)/ Passport; and
- c. Corporate Representative’s or proxy’s email address and mobile phone number.

Administrative Guide (Cont'd)

Upon receipt of such documents, ShareWorks will respond to the Corporate Shareholders' remote participation and voting request.

If a Corporate Member (through Corporate Representative(s) or appointed proxy(ies)) is unable to attend the 24th AGM, the Corporate Member is encouraged to appoint the Chairperson of the meeting as its proxy and indicate the voting instructions in the Form of Proxy in accordance with the notes and instructions printed therein.

In respect of **Nominee Company Members**, the beneficiaries of the shares under a Nominee Company's CDS account are also strongly advised to participate and vote remotely at the 24th AGM using the RPV Facility. Nominee Company Members who wish to participate and vote remotely at the 24th AGM can request its Nominee Company to appoint him/her as a proxy to participate and vote remotely at the 24th AGM. Nominee Company must contact the poll administrator, ShareWorks with the details set out below for assistance and will be required to provide the following documents to the Company no later than 28 May 2022 at 2.00 p.m.:

- a. Form of Proxy under the seal of the Nominee Company;
- b. Copy of the proxy's identity card (MyKad) (front and back)/Passport; and
- c. Proxy's email address and mobile phone number.

Upon receipt of such documents, ShareWorks will respond to the Nominee Company Members' remote participation request.

If a Nominee Company Member is unable to attend the 24th AGM, he/she is encouraged to request its Nominee Company to appoint the Chairperson of the meeting as its proxy and indicate the voting instructions in the Form of Proxy in accordance with the notes and instructions printed therein.

3. The procedures for the RPV Facility in respect of the live streaming and online remote participation and voting at the 24th AGM are as follows:

Procedures		Action
Before the 24TH AGM		
(i)	Register as a user	<ul style="list-style-type: none"> • If you have already registered an account at the website, you are not required to register again. • Access website www.swsb.com.my • Click "Login" and click "Register" to sign up as a user. The registration will be open from 2.00 p.m. on 29 April 2022 and close at 2.00 p.m. on 29 May 2022. • Complete the registration process and upload softcopy of MyKAD (front and back) or Passport for foreign shareholders. • Read and agree to the terms & conditions and thereafter submit your request. • Upon submission, kindly login to the valid email address and verify your user ID within one (1) hour. • Upon verification of the user ID, ShareWorks will send an email notification to approve you as a user. • After verification of your registration against the General Meeting Record of Depositors of the Company as at 23 May 2022, the system will send you an email to notify you if your registration is approved or rejected after 24 May 2022. • If your registration is rejected, you can contact ShareWorks or the Company for clarifications or to appeal.

Administrative Guide (Cont'd)

ON THE 24 TH AGM DAY		
(ii)	Login to www.shareworks.com.my	<ul style="list-style-type: none"> Login with your user ID and password for remote participation at the 24th AGM at any time from 1.30 p.m. i.e. 30 minutes before the commencement of the 24th AGM on 30 May 2022 at 2.00 p.m.
(iii)	Participate through Live Streaming	<ul style="list-style-type: none"> Select "Virtual Meeting" from the main menu. Click "Join Meeting" located next to the event. You are required to provide your full name as per CDS records and your user registered email address. Kindly click the video link and insert the password given to you in your email notification in order to join the live video streaming. If you have any question for the Chairperson/ Board, you may use the Q&A platform to transmit your question(s). The Chairperson/ Board will try to respond to all questions submitted by remote participants during the 24th AGM. If time is a constraint, the responses will be emailed to you at the earliest possible time after the meeting ended. Take note that the quality of the live streaming is dependent on the bandwidth and stability of the internet connection at the location of the remote participants.
(iv)	Online remote voting	<ul style="list-style-type: none"> Select "Voting" located next to "Join Meeting" and indicate your votes for the resolutions that are tabled for voting. Voting session will commence once the Chairperson of the Meeting declares that the voting platform is activated and will announce the completion of the voting session of the 24th AGM. Cast your vote on the resolution(s) as appeared on the screen and submit your votes. Once submitted, your votes will be final and cannot be changed.
(v)	End of RPV Facilities	<ul style="list-style-type: none"> The RPV Facility will end and the Messaging window will be disabled the moment the Chairperson of the Meeting announces the closure of the 24th AGM.

Proxy

If a member is unable to attend the 24th AGM, he/she may appoint a proxy or the Chairperson of the meeting as his/her proxy and indicate the voting instructions in the Form of Proxy in accordance with the notes and instructions printed therein.

Please note that if an individual member has submitted his/her Form of Proxy prior to the 24th AGM and subsequently decides to personally participate in the 24th AGM via the RPV Facility, the individual member shall proceed to contact ShareWorks or the Company with the details set out below to revoke the appointment of his/her proxy no later than **28 May 2022 at 2.00 p.m.**

Poll Voting

The voting at the 24th AGM will be conducted by poll in accordance with Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company has appointed ShareWorks as Poll Administrator to conduct the poll by way of electronic means and SharePolls Sdn. Bhd. as Scrutineers to verify the poll results.

The Scrutineers will verify and announce the poll results followed by the Chairperson declaration whether the resolution is duly passed.

Administrative Guide (Cont'd)

Pre-Meeting submission of question(s) to the Board

To administer the proceedings of the 24th AGM in an orderly manner, shareholders may before the 24th AGM, submit question(s) to the Board to ir@shareworks.com.my **no later than Friday, 27 May 2022 at 2.00 p.m.** The Board will endeavour to address the questions received at the 24th AGM.

No Recording or Photography

Strictly **NO recording or photography** of the proceedings of the 24th AGM is allowed.

No Door Gifts or e-Vouchers

There will be NO DISTRIBUTION of door gifts or e-vouchers.

Digital Copies of 24th AGM Documents

We further inform that the following items are now available at www.ocrbhd.com

1. Notice of the 24th AGM
2. Form of Proxy
3. Annual Report Request Form
4. Administrative Guide
5. Annual Report 2021
6. Corporate Governance Report
7. Circular to shareholders in relation to Proposed New and Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Circular to Shareholders")

Enquiry

If you have any enquiry prior to the virtual meeting, please contact Mr. W.L. Fong/Mr. W.K. Chan during office hours from 9.00 a.m. to 5.00 p.m. on Mondays to Fridays:

ShareWorks Sdn. Bhd.

No. 2-1, Jalan Sri Hartamas 8
Sri Hartamas
50480 Kuala Lumpur
Wilayah Persekutuan (KL)

Telephone Number : 03-6201 1120

Email : ir@shareworks.com.my

OCR GROUP BERHAD
[199701025005 (440503-K)]

A-3A-01, Block Allamanda, 10 Boulevard Lebuhraya SPRINT,
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