OCR GROUP BERHAD

[199701025005 (440503-K)]

2022 ANNUAL REPORT

OUR VISION

IT'S WHERE YOU'LL WANT TO BE

OUR MISSION

PRODUCT

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

SERVICE

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

INTERNAL

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

EXTERNAL

CREATE SUSTAINABLE VALUES FOR OUR STAKEHOLDERS' INTEREST.

5 CORE VALUES

INITIATIVE

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

INNOVATION

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

INTEGRITY

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

PASSION

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

COLLABORATION

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

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

Group Managing Director
Ong Kah Hoe

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

AUDIT AND RISK MANAGEMENT COMMITTEE

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

NOMINATING COMMITTEE

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

REMUNERATION COMMITTEE

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

OPTION COMMITTEE

Ong Kah Hoe *(Chairman)*
YAM Tunku Azudinshah Ibni Tunku Annuar

COMPANY SECRETARY

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

REGISTERED OFFICE

B-21-1, Level 21, Tower B,
Northpoint Mid Valley City,
No 1, Medan Syed Putra Utara,
59200 Kuala Lumpur
Wilayah Persekutuan
Malaysia

Tel : +6 03 9770 2200
Fax : +6 03 9770 2239

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)]
   - Construction of residential properties.
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.

Community Facilities Zone

ISOLA
國齊軒 @ KLCC

ISOLA @ KLCC SALES GALLERY

SALES GALLERY
2, Jalan Liew Weng Chee, Kampung Baru, 50450 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur

T 011-1722 5967
E marketing@ocrbhd.com
W www.isolaklcc.com

EXCITEMENT

Created for active individual who is always on move, the **Excitement zone** consists of:

1. Resident Lounge
2. Sky Pool
3. Business Center
4. Indoor Gym
5. Party Suite

// INDOOR GYM

// SKYPOOL

// PARTY SUITES

// OUTDOOR THEATER

ZEN

For those looking to unwind in peace and relaxation, the **Zen zone** is equipped with:

6. Yoga Deck
7. Outdoor Gym
8. Chill WIFI Zone
9. Outdoor Theatre
10. Management Office

// AUTOMATED CARPARK SYSTEM

FUNCTIONAL

The **Functional zone** is sectioned for more purposed endeavors with a range of facilities that include:

11. Multipurpose Hall
12. Fully Automated Carpark System
13. Automated Carpark Concierge

BOARD OF DIRECTORS

YAM TUNKU AZUDINSHAH IBNI TUNKU ANNUAR

Age 54, Male, Malaysian
Chairman/Independent Non-Executive Director
Member of Audit and Risk Management Committee

YAM Tunku Azudinshah Ibni Tunku Annuar was appointed to the Board of Directors ("Board") as an Independent Non-Executive Director cum Chairman of the Board on 14 August 2015. He is a member of Audit and Risk Management Committee and Option Committee of OCR.

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

YAM Tunku Azudinshah 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 2022.

ONG KAH HOE

Age 49, 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 nineteen (19) years of experience in property development and construction. He has successfully led and completed numerous residential, commercial and hotel projects. As Group Managing Director of OCR, he spearheads the Group's overall strategy and direction in the property development, construction and project management consultation businesses.

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

His holdings in the Company's securities are set out under page 186 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 2022

BOARD OF DIRECTORS (Cont'd)

HJ. ABDULLAH BIN ABDULRAHMAN

Age 66, Male, Malaysian
Independent Non-Executive Director
Chairman of Remuneration Committee
Member of Nominating Committee
Member of Audit and Risk Management Commitee

Hj. Abdullah Bin Abdul Rahman ("Hj. Abdullah") was appointed to the Board as an Independent Non-Executive Director on 14 August 2015. He is the Chairman of Remuneration Committee and a member of Nominating Committee and Audit and Risk Management 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 2022.

JULIAN KOH LU ERN

Age 62, Male, Malaysian
Independent Non-Executive Director
Chairman of Audit and Risk Management Committee
Chairman of Nominating Committee
Member of Remuneration Committee

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

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

He has more than thirty-six (36) years of experience in the fields of strategic planning, human resources, financial management, corporate finance, risk management, information systems, taxation and funding in diversified industries including advertising, property development, stockbroking and fund management. He was the Group Finance Director of People'n Rich Holdings Sdn. Bhd. prior to his appointment to the Board of the Company.

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

He has no family relationship with any other Director and/or major shareholders of the Company nor any conflict of interest 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 2022.

KEY SENIOR MANAGEMENT

ONG YEW MING

Age 48, Female, Malaysian
Director of Operations

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

In 2004, she was appointed as Executive Director of Sales and Marketing in OCR Land Holdings Sdn. Bhd. During her tenure with 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.

Presently, Ms. Ong does not hold any directorship in any public companies. She and Mr. Ong Kah Hoe are siblings. Her holdings in the Company's securities are set out under page 186 of this Annual Report. She has not been convicted of any offences within the past five (5) years nor was there any public sanction or penalty imposed on her by any relevant regulatory bodies during the financial year ended 31 December 2022.

ISAAC CHUA AIK KIANG

Age 47, Male, Malaysian
Chief Project Officer

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

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

Throughout his twenty-three (23)-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. He has been panelled with the Asian International Arbitration Center as Adjudicator in 2016. He is also registered with the Board of Valuers, Appraisers, Estate Agents and Property Managers as Property Manager in 2019.

Presently, Mr. Chua does not hold any directorship in any public companies. He does not have a family relationship with any directors and/or other substantial shareholders of the Company. He does not have any conflict of interest 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 2022.

KEY SENIOR MANAGEMENT (Cont'd)

NG CHIN YUNG
Age 50, Male, Malaysian
General Manager of Sales & Marketing

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

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

Mr. Ng began his career as Sales and Marketing Executive with PJD Group Berhad ("PJD") in 1997. After ten (10) years, he was promoted to Assistant General Manager of PJD. He has successfully planned, 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 2022.

PHYLLIS TAY YEN SIN
Age 39, Female, Malaysian
Chief Strategy Officer & General Counsel

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

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

After her time at SKRINE, she moved on to Siemens Malaysia as a Legal Counsel before joining Country Garden Pacificview Sdn. Bhd. ("CGPV") in 2015 with its core business in property development, property management and hospitality. At CGPV, she established and led the Legal Department as Legal Director for the Malaysia Region.

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

Presently, Ms. Tay does not hold any 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 2022.

KEY SENIOR MANAGEMENT (Cont'd)

PAUL PANG WEE CHIN

Age 44, Male, Malaysian
General Manager, Sales & Marketing

Mr Paul Pang Wee Chin graduated with a Diploma in Business Information System from Tunku Abdul Rahman College.

He joined OCR Group Berhad in March 2023, with more than 18 years of experience in sales and marketing in the property development industry.

He began his sales career in the property development industry in 2005 when he joined Hicom Gamuda Development Sdn Bhd as Sales Executive. He has worked with multiple property developers such as Skyworld Development Sdn Bhd, Selangor Dredging Berhad, Mah Sing Group Berhad and Bolton Berhad where he has accumulated years of experience and exposure in working on different types of property products from affordable to luxury residential and commercial.

Presently, Mr Pang 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 her by any relevant regulatory bodies during the financial year ended 31 December 2022.

TAN POOI FAN

Age 49, Female, Malaysian
Head of Corporate Finance

Ms Tan Pooi Fan graduated with Bachelor of Business (Economics & Finance) and Master of Finance degrees from RMIT University, Australia.

She joined OCR Group Berhad in February 2023, with twenty-two (22) years of experience in Finance, out of which fifteen (15) years were in property development industry.

She began her Corporate Finance career at RHB Investment Bank Berhad in 2000. Subsequently, she joined Symphony House Berhad in 2004 as Manager, Corporate Finance.

She was appointed the Regional Chief Financial Officer of Esthetics International Group Berhad – a leading regional skin care operator - in 2010, a position she held for almost 2 years. She led the Finance functions across Malaysia, Singapore, Hong Kong, Thailand and Guangzhou.

Her foray into property development industry started at Bolton Berhad as Director of Corporate Services in 2008.

From 2013, she was Corporate Director at Alpine Return Sdn Bhd, responsible for the financial and risk management of Star Residences at KLCC. She was appointed to the Board of Alpine Return in 2019 representing the shareholders in financial oversight. In 2017, she was made the Chief Financial Officer of PJS Damansara Sdn Bhd. Subsequently in 2021, she was made the Acting Group Chief Financial Officer at Symphony Life Berhad overseeing the Finance functions and chaired the Risk Management Working Group.

Presently, Ms. Tan 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 2022.

SOCIAL MATE

Co-share in spaces that bring together new friends and different ideas.

LIVING MATE

Community living at its finest in inspiring **co-living** environments.

WORK MATE

Co-working spaces to collaborate with other like-minded entrepreneurs.

PLAY MATE

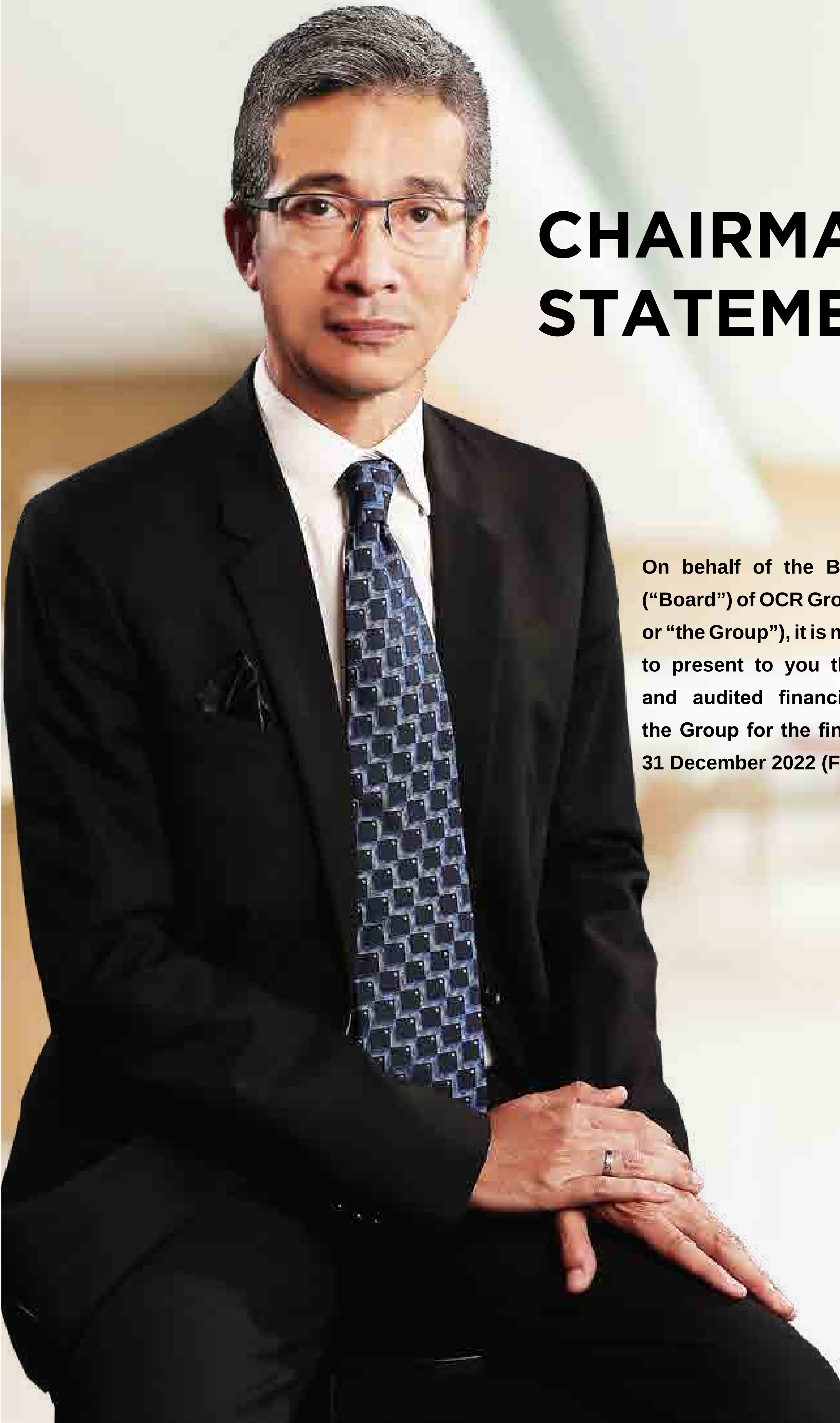
Spark creativity and join in the fun with fun **co-events** like gatherings and workshops.

UNTAPPED POTENTIAL IN SS2'S STABLE RENTAL MARKET

A suburb in the ever-lively Petaling Jaya, SS2 is a mature, bustling neighbourhood easily accessible via the **LDP, SPRINT Expressway and Jalan Harapan.** Prominent for its thriving commercial hubs, SS2 has become an ideal location to connect, work and unwind. While the demand and outlook in the **property rental market** in **SS2** have been **steadily improving**, it is home to only a handful of high-rises. Integrating modern lifestyles with essential security and conveniences, The Mate welcomes residents from all walks of life. Scan the QR code for write the whole articles.

Source by **THE EDGE MALAYSIA**

SS2 is also home to living essentials and amenities. Residents can find fresh groceries and daily necessities from the nearby **NSK Grocer** at **3 Damansara Mall**. Families with children, young couples, and friends are sure to be entertained by the various retail, leisure, edutainment, and food and beverage offerings in the mall. For parents, sending their children to school is less of a hassle. The **Nobel International School**, Petaling Jaya, which offers Cambridge education from elementary to A-Levels, is only 7 minutes from The Mate.



CHAIRMAN'S STATEMENT

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 2022 (FY2022).

CHAIRMAN STATEMENT (Cont'd)

ECONOMIC AND INDUSTRY OVERVIEW

The Malaysian economy rebounded strongly in 2022 with Gross Domestic Product (GDP) expansion of 8.7%, far exceeding the 3.1% reported in 2021 and beating the estimates of between 6.5% and 7%. Domestic demand driven by private consumption and better labour market prospects reflected the recovery of consumer, business and investor confidence.

Similarly, the property sector recorded improvement in the number and value of transactions in 2022 compared to 2021. In the first nine months of 2022, total transaction volume jumped 34.6% against the corresponding period in 2021, while total transaction values climbed 34.8%. This corresponded with the substantial increase in the value of loans approved for the purchase of residential property according to Bank Negara Malaysia.

Notwithstanding the healthy statistics, the industry was plagued by sharp price hikes of building materials and labour shortage, which severely affected productivity levels.

Despite the challenging operating conditions, I am pleased to report that OCR Group Berhad ("OCR" or "the Group") successfully undertook appropriate strategies to mitigate the negative impact arising from supply chain disruptions. Therefore it is my pleasure to present to you our Annual Report and audited financial statements of the Group for the financial year ended 31 December 2022 ("FY2022").

2022 Operational Highlights

While cognizant of the challenging property development and construction sector in the year under review, OCR's unwavering dedication to buyers and other stakeholders motivated the Group to continue shaping our future direction for the long haul. This was clearly evidenced by the following milestones:

- **Strategic collaboration with Acotec Sdn Bhd ("Acotec")**

  OCR formed a strategic collaboration with Acotec in March 2022 to deploy the latter's Industrialised Building System ("IBS") technology in our PRIYA Kuantan affordable homes, as part of the ongoing adoption of technology and sustainable building solutions to build quality, value-added homes for purchasers.

  OCR's first utilisation of IBS components in landed homes aims to improve construction efficiency by shortening the construction period, and achieve consistent workmanship and finishing quality in a labour-shortage environment. This is expected to enhance OCR's ability to honor the commitment of delivering affordable homes.

  Furthermore, Acotec's versatile precast wall panels promote environmental sustainability by making use of recyclable materials as one of its constituents without compromising on functionality, safety, and practicality. As such, they have been accredited as a 'Green Label' product by SIRIM, Construction Industry Development Board, and the Singapore Green Label Scheme.

  Through this collaboration, OCR seeks to assure buyers of a greener home by incorporating Environmental, Social and Governance ("ESG") practices into our operations to achieve cost-effectiveness and enhance the value and sustainability of the homes that we build.

- **Completion of acquisition of OCR Selayang Industrial Park Sdn Bhd ("OCR Selayang")**

  OCR completed the RM14.1 million acquisition of 50% equity interest in OCR Selayang in March 2022. With this, the Group was able to recognize revenue from the contracted sales of the industrial plots in the financial year under review.

  The project was completed in Januay 2023.

- **Signing of joint venture agreement ("JVA") between OCR Avenue Sdn Bhd ("OCR Avenue") and Magna Ecocity Sdn Bhd ("Magna Ecocity"), subsidiary of Magna Prima Berhad**

  In April 2022, OCR proposed a joint venture with Magna Ecocity to develop its first 4-level Grade A Logistic Hub on a 20-acre site in Section 15 in Shah Alam, Selangor. Under the JVA, OCR Avenue as the developer will construct and complete the project on the leasehold land belonging to Magna Ecocity.

  Slated to be launched in phases from 2023 onwards, the RM800 million Gross Development Value ("GDV") Logistic Hub is expected to appeal to a ready catchment of industrial customers, being within proximity of industrial areas in Shah Alam and with easy access to major highways and ports as well as important amenities and facilities.

  The proposed Logistic Hub is OCR's maiden venture into industrial development in line with our sector diversification strategy from residential properties, and positions us to benefit from the strong growth of the commercial real estate segment.

ECONOMIC AND INDUSTRY OVERVIEW (CON'T)

- **Topping up of YOLO Signature Suites**

  In December 2022, our construction arm marked the topping up of YOLO Signature Suites; Bandar Sunway's first 'socialtainment' hotspot catered to vibrant modern lifestyles within the thriving education hub.

  The low density 40-storey high-rise features 395 exclusive units accompanied by modern features such as Bandar Sunway's first Bangkok-themed sky bar with an unparalleled view of the bustling urban enclave, landscape decks, a swimming pool and well-equipped gymnasium to foster community bonding.

  The milestone is even more significant on the back of the challenging landscape, chiefly the escalating raw material prices especially steel and cement, supply chain disruptions and the persistent manpower shortage. We are pleased to maintain our track record of delivering our works in a timely manner.

- **New launch of Stellar Damansara**

  In capturing the hearts of the niche segment, OCR launched another prestigious project under our 'Luxury Living' series in March 2023: Stellar Damansara, an exclusive development of just 88 units in the mature township of Petaling Jaya. I am pleased to report that it has been met by overwhelming response, witnessing a strong 50% take-up of launched units within a month of its unveiling.

  Designed and conceptualized with multigenerational living in mind, Stellar Damansara will be elderly friendly and pet friendly, with large layouts with flexibility for customization. The highly-accessible project has entrance and exit points on the Sprint Expressway, on top of being connected to other parts of Klang Valley via highways such as the Damansara-Puchong Expressway and New Klang Valley Expressway.

  Located within a vibrant part of Petaling Jaya, Stellar Damansara is surrounded by mature townships such as Damansara Jaya, Damansara Uptown, Bandar Utama and SS2, as well as a host of amenities including shopping malls within a 5km radius, commercial hubs, public and private schools, tertiary education institutions, hotels and golf clubs.

  We are highly encouraged by the robust response by the discerning crowd, and will endeavor to continue reinforcing our reputation amongst our target markets.

  All said, our dedication to keeping up the pace of project delivery and new launches, as well undertaking innovative approaches to manage the various sector-wide challenges, effectively showcase our desire to build the brand equity of OCR and being the property player of choice, where buyers want to be.

- **Awards**

  In fact, we are elated that our innovative streak to stand out in the competitive property sector has garnered industry recognition in the past year. Most notably OCR was honoured with four prestigious awards in the Asean Property Developer Awards ("APDA") 2021/2022.

  OCR was crowned "Best Emerging Developer" and "Innovative Developer", which was the icing on the cake after two property development projects received individual APDA accolades. The Mate, the Group's co-living space in Damansara Jaya, Selangor, bagged the 'Best Modern Lifestyle Development Award,' while the YOLO Signature Suites in Bandar Sunway, Selangor won the 'Best Investment Deal Development.'

  This multiple-level acclaim is thanks to OCR's hands-on team who has a pulse on next property trends and customers' evolving demands, while also daring to push the envelope in showcasing industry-defining features. These include being the early proponents of the co-living experience in Malaysia through The Mate, and offering a rental management solution platform for landlords of YOLO Signature Suites to easily onboard and manage tenants after taking vacant possession of the property.

CHAIRMAN STATEMENT
(Cont'd)

FINANCIAL REVIEW

The resurgence in the pace of construction activities, momentum of new sales and contribution from the newly-acquired asset precipitated a strong rebound in group revenue to RM208.4 million in FY2022, climbing more than four-fold from RM44.8 million in the previous corresponding year.

Crucially, the economies of scale from the acceleration of construction activities coupled with cost-management efficacy led to OCR recording a convincing turnaround to report net profit of RM5.4 million in FY2022, from the net loss of RM27.4 million in the prior year.

The Group maintain a robust financial position with net gearing of 0.62x as at 31 December 2022, primarily due to higher borrowings necessary to finance ongoing projects to sustain growth.

CORPORATE DEVELOPMENTS

- **Private Placement**

  During the year, OCR undertook the issuance of a total of 204.0 million new shares under the private placement mandate, across four tranches on 19 January 2022, 20 January 2022, 23 June 2022 and 7 September 2022. The issuance of new shares, representing 20% of the enlarged share base of 990.0 million shares, raised total proceeds of RM21.8 million for the Group's working capital needs.

MARKET OUTLOOK AND KEY CHALLENGES

Bank Negara Malaysia expects for Malaysia's GDP to moderate between 4% and 5% in 2023, while keeping in mind potential macro risks such as further escalation of geopolitical tensions and higher inflationary environment globally.

Although construction industry players cheered as building activities were allowed to resume as per normal in post-pandemic 2022, the persistent after-effects of supply chain disruptions continue to interrupt the pace of operations in 2023. These include:

- **Raw material price fluctuations**

  The sudden rebound in demand for construction raw materials amidst industry-wide shortage inevitably resulted in inflated prices of key components, mainly steel bars and cement, for most of the year.

  To address this, the Group has begun to source for substitute raw materials to carry out the same functions, and expanded our network of suppliers to ensure competitive market rates and reduce dependency on a handful of suppliers. At the same time, our larger scale of operations grants us sufficient visibility for resource planning and procurement, and hence, we intend to secure raw materials in bulk to correspond with production cycles and affix prices over the short- to medium-term for better predictability.

- **Significant labour shortage**

  Various industries such as manufacturing, tourism, construction, retail, electronics and agriculture continued to face acute manpower shortage, given the procedural mismatch in applications, approvals and arrivals of foreign labor into the country.

  OCR has put in place mitigating strategies, such as adopting new technologies that enhance the consistency and quality of workmanship. Also, we provide adequate training to new recruits and existing employees to emphasize the importance of safety processes and procedures, as well as upholding efficient practices on the job.

- **Sales competition**

  Apart from delivering quality products in a timely manner, OCR also prioritizes building trust with existing and potential buyers as a means of standing out amongst industry peers. Initiatives such as community events foster understanding of the Group's core values, while content creation on social media and other marketing events effectively update our target audiences on project progress, new technology adoptions, and other significant developments.

  In reinforcing our reputation, OCR tailors the branding and promotion strategies to suit the preferences of our target market, and conduct market research prior to new launches to adopt the most appropriate timing in accordance with the pulse of prospective buyers. The Group would also continue to curate home ownership packages to ease purchasers' financial commitments.

  Coming off a difficult post-pandemic era, OCR has clearly adopted a proactive stance in positioning ourselves for a brighter future.

APPRECIATION

Do allow me to extend my deepest gratitude to my fellow Board of Directors for their guidance in steering OCR forward. I would like to acknowledge the contributions of Admiral (R) Tan Sri Dato' Seri Panglima Ahmad Kamarulzaman Hj Ahmad Badaruddin and Miss Chong Min Shih to the Board during their tenure as Independent and Non-Executive Directors. Both resigned from the Board on 9 February 2022 and 7 February 2023 respectively to pursue personal commitments, and we wish them the best.

I would like to record my appreciation to the key senior management for their resilience in staying the course amidst a tough environment, and the entire team at OCR for their diligence and hard work in engineering this impressive turnaround. Our thanks as well to the business partners, associates, suppliers, buyers, and shareholders for the partnership and support rendered.

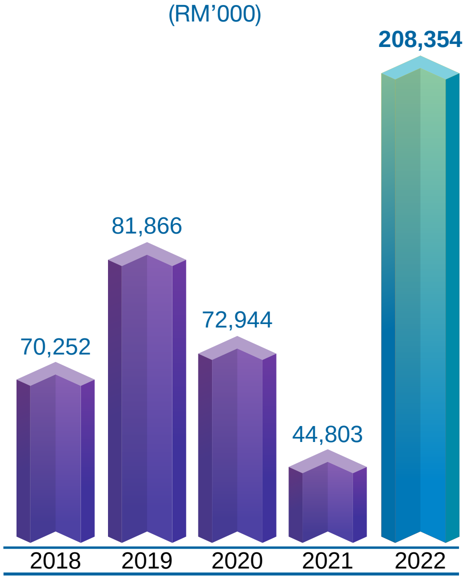
Sincerely,
YAM Tunku Azudinshah Ibni Tunku Annuar
Chairman

FIVE YEARS FINANCIAL HIGHLIGHTS

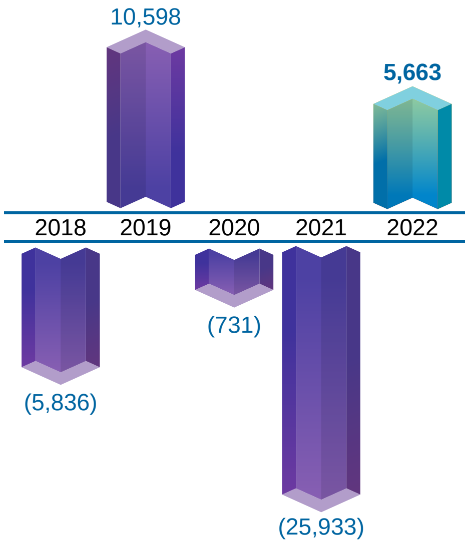
		FY18 1 Jan 2018 to 31 Dec 2018	FY19 1 Jan 2019 to 31 Dec 2019	FY20 1 Jan 2020 to 31 Dec 2020	FY21 1 Jan 2021 to 31 Dec 2021	FY22 1 Jan 2022 to 31 Dec 2022
Revenue	RM'000	70,252	81,866	72,994	44,803	208,354
Profit/(Loss) before taxation	RM'000	(5,836)	10,598	(731)	(25,933)	5,663
Profit/(Loss) after taxation	RM'000	(7,330)	8,990	(2,678)	(27,399)	5,449
Profit/(Loss) after taxation attributable to owners of the company	RM'000	(7,037)	8,881	(2,220)	(25,923)	(8,038)
Non-controlling interests	RM'000	(293)	109	(459)	(1,476)	13,487
Total assets	RM'000	267,332	320,372	358,096	438,118	488,529
Shareholders' equity	RM'000	112,243	123,616	142,008	157,125	182,857
Net asset per share	RM	0.38	0.37	0.31	0.23	0.18
Net earnings/(loss) per share	RM	(2.41)	2.68	(0.49)	(3.81)	(0.01)
Return on total assets		(0.03)	0.03	(0.01)	(0.06)	(0.02)
Return on equity		(0.06)	0.07	(0.02)	(0.16)	(0.04)

FIVE YEARS FINANCIAL HIGHLIGHTS (Cont'd)

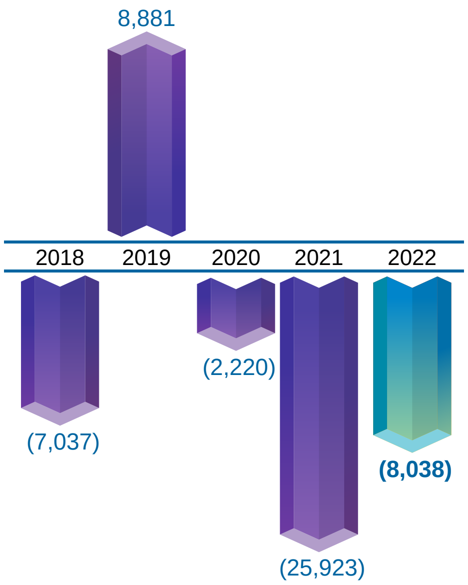
Revenue
(RM'000)



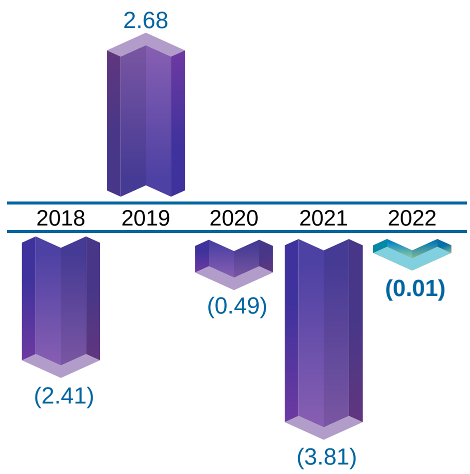
Profit/(Loss) Before Taxation
(RM'000)



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



Net Earning/(Loss) Per Share
(RM)



STELLAR
DAMANSARA

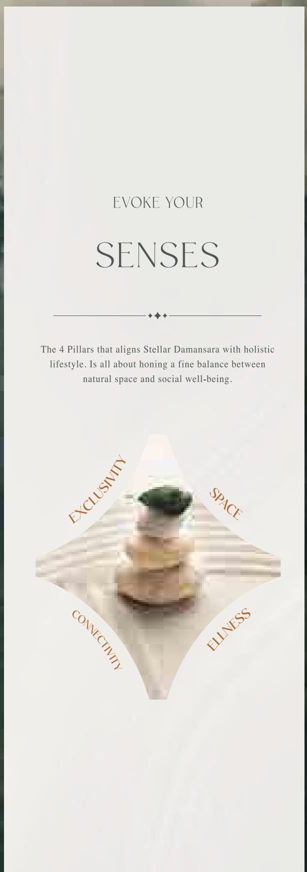
WHERE PRIVACY IS TRUE LUXURY

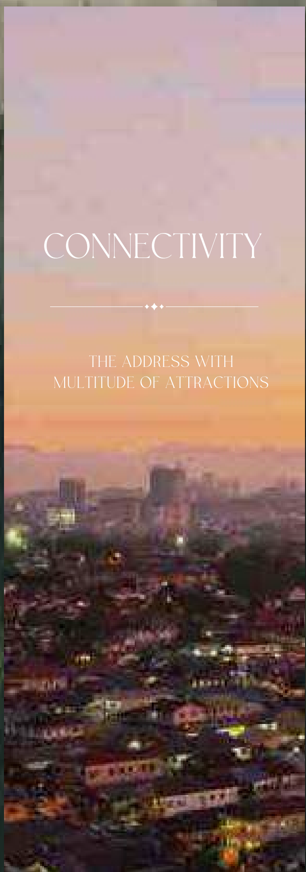
The Luxury of Space. Personalized.

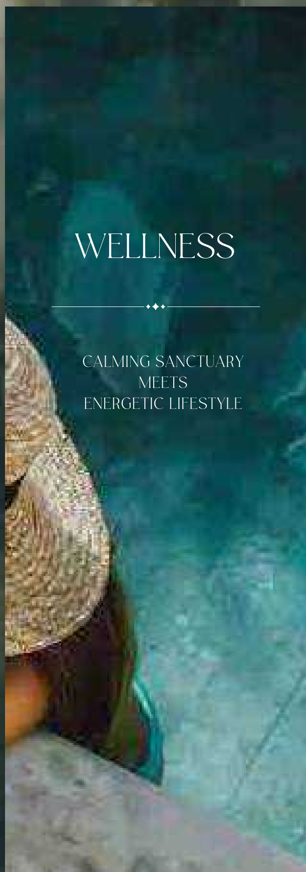
Bask in the haven of luxury, privacy and security. With its relatively low density, Stellar Damansara offers residents wholesome living combined with refined elegance and refuge. The sense of effortless grandeur and serenity is meticulously crafted, from its inviting entrance and spacious units to private retreats dotted throughout the development

EXCLUSIVITY

Tranquility & Harmony Lifestyles
Curated to Elevate







Adding style and extravagance to your lifestyle, the 88 units of Stellar Damansara are the culmination of prime real estate. Here, you can experience spaces that invigorate and uplift your spirits and senses.

FIND OUT MORE

www.ocrbhd.com

Des Prix Infinitus Media

ASEAN PROPERTY DEVELOPER AWARDS 2021 / 2022

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 listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Malaysia").

With more than 20 years of experience in the property and construction sector, the Group is an integrated property developer focused on providing innovative and unique homes in up-and-coming hotspots in Malaysia.

OCR offers homes across three distinct categories:

- *Essential Living*: Affordably priced homes targeted at the mass population
- *Urban Living:* Innovative series for those who desire chic and modern lifestyles
- *Luxury Living:* Premium collections in prime locations for the discerning high net worth individuals

To date, the management of OCR has completed a total of 18 projects with cumulative Gross Development Value ("GDV") of more than RM1 billion. With over RM2 billion development projects in the pipeline, we are aptly positioned for sustainable growth.

FINANCIAL OVERVIEW

Beginning of the year 2022, Malaysia has transitioned towards the endemic phase of COVID-19. Although the impact of COVID-19 is still felt across the Property Development industry, I am pleased that OCR made tremendous progress in accelerating the pace of construction and project delivery after the lifting of Covid-19 restrictions in the year under review.

This healthy momentum in construction progress for ongoing projects, namely PRIYA Kuantan, The Mate at Damansara Jaya and YOLO Signature Suites precipitated the significant increase in group revenue by nearly five-fold to RM208.4 million in FY2022 from RM44.8 million in the previous financial year ended 31 December 2021 ("FY2021"). Additionally, the Group recognised RM105.2 million topline contributions from OCR Selayang, through the contracted sales of the industrial plots.

The property development segment made up the lion's share of RM160.7 million of total group revenue, reporting a strong jump year-on-year from RM37.0 million in FY2021. Correspondingly, the construction segment brought in RM47.4 million in revenue, increasing more than five-fold from RM7.8 million in the previous year.

The accelerated construction activities subsequently led to OCR turning around to record gross profit of RM24.6 million in FY2022 from RM1.9 million in gross loss in FY2021.

Even in light of higher staff costs and increased depreciation from larger equipment fleet to facilitate project delivery, the Group reported RM5.7 million in profit before tax and RM5.4 million in profit after tax in FY2022 due to the reduction in professional fees pertaining to corporate exercises and impairment losses. This compares favourably to loss before tax of RM25.9 million and loss after tax of RM27.4 million in FY2021.

OCR is well on track for sustainable performance, supported by unbilled sales of RM170.0 million and remaining order book of RM69.0 million as at 31 December 2022, ready capacity to deliver on outstanding construction works, and encouraging take-up rate for new launches. The Group's development projects are detailed below:

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
Stellar, Damansara	Residential	1.5	178.0
Future Projects			
Vertex, Kuantan City Centre	Mixed Development	2.2	337.0
KYRA Rumah Selangorku Shah Alam	Mixed Development	26.9	805.0
PT12 Logistic Hub, Shah Alam	Industrial	20.0	800.0
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 (CON'T)

Construction Project

Project	Project Type	Site Area (acres)	Contract Value (RM'mil)	Order Book (RM'mil)
Ongoing Projects				
YOLO Signature Suites	Mixed Development	1.7	159.6	69.04

* We expect to deiiver vacant possession in the second quarter of 2023.

Share Performance

Year High	RM0.19
Year Low	RM0.08
Year Close	RM0.10
Trading Volume	1,229.0 million
Market Capitalisation (as at 31 Dec 2022)	RM90.5 million

ASSETS, LIABILITIES AND EQUITY

OCR continued to enhance our asset base to reinforce our ability to deliver the projects in hand and equip us for future developments, demonstrated in the increase in the Group's total asset base to RM488.5 million in FY2022 from RM438.1 million in FY2021.

Even so, the Group's strict financial discipline enabled it to maintain a trim financial position, as total liabilities expanded at a slower rate compared to total assets to reach RM290.3 million as at 31 December 2022 versus RM280.9 million in the previous year.

Alongside this, the enlarged share capital through the issuance of new ordinary shares enhanced shareholders equity to RM182.8 million in end-2022 from RM157.1 million in the previous year.

Altogether, the Group maintained a manageable net gearing of 0.57 times as at 31 December 2022, from 0.58 times prior, which places us well in fulfilling our commitments to our stakeholders.

MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

KEY HIGHLIGHTS

Luxury Living

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 2022, Isola KLCC has a healthy take-up rate of 71%. We expect to complete vacant possession in first quarter of 2024.




MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

KEY HIGHLIGHTS (CON'T)

Stellar Damansara

Stellar Damansara is a joint development on a 1.5-acre land in Damansara Jaya. The development will comprise two blocks with a total of 88 units of premium residences, equipped with comprehensive facilities including jacuzzi, gym, swimming pool, multipurpose deck and etc. Launched in early 2023, the project has seen a strong take up of 50% in within a short period.

MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

KEY HIGHLIGHTS (CON'T)

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.

Urban Living

The Mate, Damansara Jaya

An apt demonstration of OCR's innovative Urban Living proposition, The Mate co-living and co-working space is a unique freehold development in Petaling Jaya. Officially launched in early-2021, the project is highly appealing to its target audience, with 71% take-up of launched units. The 244-unit signature suites high-rise development is targeted for completion in fourth quarter of 2023.

Jalan Alor Project

Through Wonderland Projects Sdn Bhd, OCR's next Urban Living project on Jalan Alor is 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 comprises 120 units of Small Office Home Office ("SOHO") and 8 retail lots.

Essential Living

PRIYA Kuantan

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

KYRA, Shah Alam

With 50% equity interest in Stack Builder Sdn Bhd, the Group intends to launch its largest-ever property development of at least RM805.0 million in GDV by phases in Shah Alam. The 26.9-acre project will consist of 2,892 affordable units along with retail spaces, as part of the Essential Living series. With the anticipated launch in 2023, the entire project is targeted for completion by 2028/2029.

Industrial Development

OCR Selayang Industrial Park

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

PT12 Logistic Hub, Shah Alam

This is slated to be a fully integrated industrial development on a 871,125 sq ft land located in Section 15, Shah Alam which has a strong latent demand for sizeable warehouses with high specification. The logistic centre, equipped with Silver Green Building Index (GBI) merit is sufficiently positioned to serve the needs of multinational companies (MNCs).

Commercial / Mixed Development

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.

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, consisting of a hotel and a block of service apartment.

MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

ANTICIPATED OR KNOWN RISKS

Even as the Malaysian economy rebounded strongly in 2022, Bank Negara Malaysia expects its momentum to be tempered in 2023 on the back of potential escalations in international geopolitical developments that could adversely impact global supply chains and sentiment. With this in mind, the Group has identified the following potential risk factors that could affect future performance, namely:

- **Purchasers' difficulty in obtaining financing**

  The high interest rate environment, coupled with the dampened economic sentiment, could create a compressed scenario, particularly for the mass population. This may affect the speed and growth progress of take-up for affordable homes especially for the Essential Living series, in spite of resilient demand.

  To narrow the prospective buyers' financing gap, the Group will leverage on our many years of experience in serving the needs of the mass population to assist purchasers in obtaining financing. We actively conduct pre-screening and background checks on purchasers, to adequately advise on enhancing credit scores and assist in facilitating the loan application process.

- **Rising cost of key building materials**

  The global supply chain disruption that began in earnest in the COVID-19 pandemic era is anticipated to persist in the near future, in view of still-unresolved international economic strife and supply-demand uncertainty.

  In order to maintain a pulse on market prices while ensuring our competitiveness, the Group will source for viable substitutes of raw materials that maintain similar performance, as well as expand the network of alternative suppliers to reduce dependence on a limited few. Given our visibility in order book and the launches in the pipeline, we aim to secure sufficient quantities of raw materials in bulk and in a timely manner to meet production cycles at locked-in prices.

- **Mitigating late delivery**

  While the Group is constantly putting in our best efforts to mitigate possible challenges, the impact of the persistent supply chain disruption could hamper the Group's ability to meet the dates of Vacant Possession for our projects.

  In mitigating this, we have proactively begun to and will continue adopting new construction technologies and methodologies that are aimed to optimise overall speed and efficiency. Among the advanced solutions are Alform Aluminum Formwork System and Plytec Self-Climbing Platform System Equipment to accelerate the construction progress. The Group will remain focused on achieving excellent project management to safeguard timely completion at the desired high quality.

GROWTH STRATEGIES

OCR is steadfast to our commitment to be the property player that offers products where our target markets want to be.

As we formulate our growth plans, we are cognisant of the landscape of the overall economic sentiment that would shape the outlook of all sectors. Amidst the forecasted slower growth rate in 2023 by Bank Negara Malaysia, the prospects of the domestic property sector remain challenging due to high interest rates, reduced purchasing power in an inflationary environment, and the property overhang in some sectors in which we operate.

In light of these, the Group remains resolute on implementing the following:

1) **Enhancing operational and cost efficiency**

   The disruption in supply chain necessitates our continued focus on cost efficiency and building our competency in cost management, to mitigate the twin challenges of labour shortage and escalating raw material prices.

   On top of maintaining stringent internal cost discipline, we are optimistic that our new approaches including adopting new technologies and methodologies place us on the right path to improve the Group's operational and financial performance in the long run.

2) **Diversifying property offerings**

   The Group will continue to prioritise the sales of unsold units and inventory, while targeting timely delivery of existing projects especially post-COVID-19.

MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

GROWTH STRATEGIES (CON'T)

2) Diversifying property offerings (cont)

Spurred by this, we are tracking the market-appropriate timing for new launches of residential properties in the mid-term in strategic locations across diversified segments, from affordable housing in Shah Alam and exclusive sub-urban condominiums in the matured enclave in Damansara, to condominiums in the rapidly-growing Kuantan town.

Simultaneously, we are diversifying our property segment coverage to include commercial segment, initially through the integrated e-commerce logistics hub which will also build a platform for sustainable earnings for the Group.

3) Embracing landbank opportunities

To shore up our reserves for long-term sustainability, OCR will continuously identify and evaluate landbanks in strategic locations.

Our wide-ranging abilities of catering to the affordable to premium target markets, coupled with our diverse sector across residential, commercial, industrial and mixed developments, grant us the unique ability to source for and develop various parcels of land, and thus capture the opportunities throughout the country.

APPRECIATION

I would like to extend my appreciation to the entire team in OCR for working hand-in-hand to reinforce the OCR brandname to our target audiences. I believe that our collective efforts will bear fruit for all in the time to come. I would also like to thank our shareholders, business associates, buyers and other stakeholders for their continued support.

Ong Kah Hoe
Group Managing Director

the UPCOMING

VERTEX
KUANTAN CITY CENTRE

Urban Living

Introducing a wholesome and visionary new beacon in Kuantan's city centre that represents a vibrant culture and cutting-edge ingenuity. A new prime address at Kuantan for those who desire an enriching urban experience combined with integrated conveniences and infrastructure. Scan the QR code to get more information.


EXcite


EXtra


EXtreme


EXplore


EXcel

PROJECTS

OCR GROUP

RESIDENSI KYRA

U9 SHAH ALAM

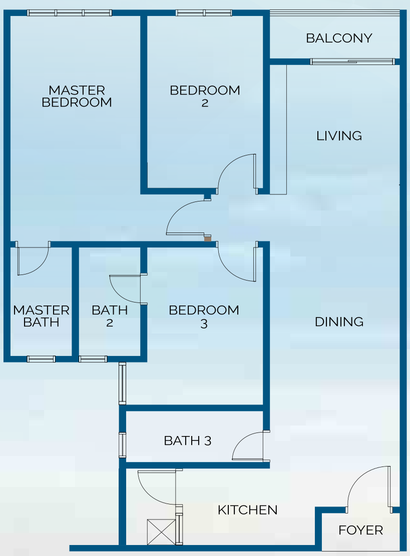
Rumah selangorku

Essential Living

Responding to the rising demand for more economical housing projects, OCR presents **essential living** in **U9 Shah Alam**, which launching in **3 phases.** Each unit will be partially furnished with spacious layouts covering approximately **1,021** sq. ft. This development is the ideal address for working-class citizens who desire to own a home in a peaceful, well-connected area and **easy access to DASH Highway** through **Puncak Perdana Interchange** . For more information, kindly scan the QR code at below to find it out.

DASH Highway

The Damansara-Shah Alam Elevated Expressway, also known as the DASH highway, officially **opened for public use** on 14 October 2022. With its proximity to the DASH highway, Rumah Selangorku will be linked to other parts of Klang Valley through major road networks such as **Guthrie Corridor Expressway (GCE), Damansara - Puchong Expressway (LDP), Penchala Link,** and **SPRINT Expressway.**



SUSTAINABILITY STATEMENT

The Sustainability Statement enclosed herein details the material issues faced by OCR Group Berhad ("OCR" or "the Group"), the corresponding effects as well as key initiatives aimed at alleviating the impact on the Group, the larger community and the over-arching environment. It is intended to provide a clearer picture of the Group's intentions and implementations that are in line with the sustainability agenda to key stakeholder groups, be they internal audiences or the external public.

SUSTAINABILITY GOVERNANCE

Underscoring the sustainability agenda from the helm, the Group Managing Director leads the charge for sustainability governance, taking into serious regard the responsibility and obligation to oversee the Group's performance in this aspect.

The Key Senior Management team, led by Group Managing Director, reports to the Board key sustainable matters including sustainability practices, policies and procedures to continually enhance in incremental basis the Group's sustainability performance.

The Group's Corporate vision and mission, which advocate a holistic foundation to align the mindsets and actions all OCR employees, spur the team to think bigger and progress farther in achieving greater heights in all spheres of the Group's operations, including sustainability.

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 8 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)

STAKEHOLDER ENGAGEMENT

We seek to maintain regular engagements with our diverse stakeholders to better understand their viewpoints and gain insights on emerging trends and issues that may affect our business. These insights in turn enable us to align our stakeholders' objectives with our business and organizational strategies.

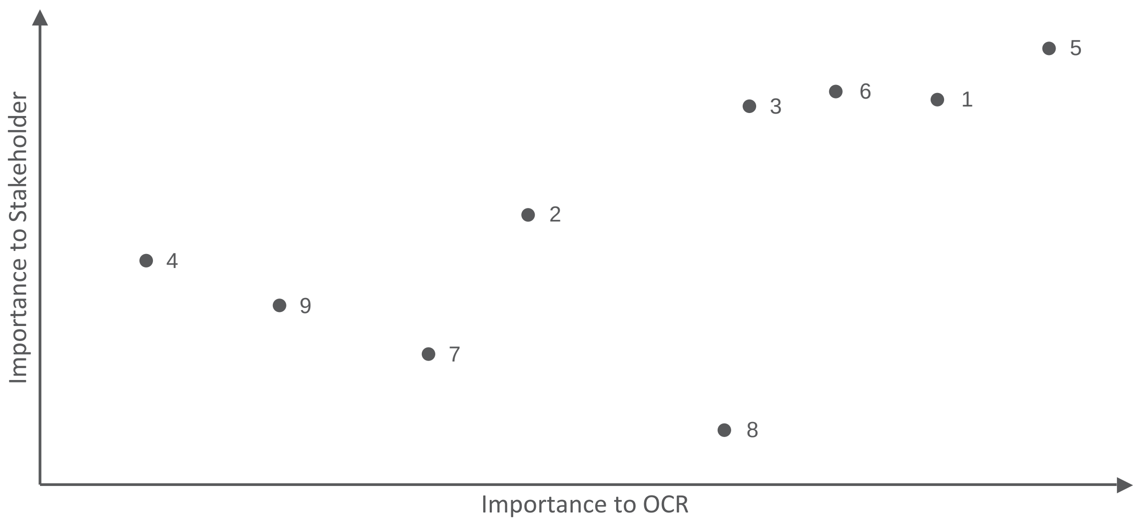
Stakeholder	Material Issues	Engagement channels	Frequency
Investors	• Sustainable financial performance • Long term value creation • Corporate governance • Risk management • Sustainability practices	• General meetings • Bursa announcements • Website • Media releases	• Annually • Quarterly • As and when there are new corporate developments
Employees	• Career development • Workplace health and safety • Ethics and Integrity	• Management meeting • Staff townhall • Performance appraisals • Intranet and internal newsletters • Training programmes • Safety inspections	• Minimum annually • As and when required
Regulators /Certification Bodies	• Regulatory compliance • Occupational health and safety • Environmental management • Compliance with applicable laws and regulations	• Annual report • General meetings • Dialogues with authorities	• At least annually • As and when required
Customers	• Easy home ownership • Product layout and quality • Customer relationship management • Safety and security • Timely delivery • Personal data protection	• Feedback channels such as emails and phone calls • Website and social media • Product launches and roadshows • Site progress update through our social media channels.	Ongoing, as and when required

SUSTAINABILITY STATEMENT (Cont'd)

STAKEHOLDER ENGAGEMENT (CONT'D)

Stakeholder	Material Issues	Engagement channels	Frequency
Vendors/ Suppliers / Consultants	• Transparent procurement practices • Sustainability of supply of materials and labour • Pricing and quality of services • Health, safety and environmental compliance • Anti Bribery & Anti Corruption practices	• New vendor evaluation and registration • Meetings • Evaluation and performance improvements	Ongoing, as and when required
Local Communities	• Impact of business operations, including environmental impacts • Transparency & accountability • Adherence to law and regulations in our development activities	• Community events • Annual sustainability reporting	• Ongoing, as and when required

MATERIALITY ASSESSMENT



Legend

Economic	Environment	Social
1. Corporate Governance and Ethics 2. Risk Management 3. Financial Performance	4. Green Building Initiatives	5. Customer Satisfaction 6. Occupational Health and Safety 7. Diversity and Inclusiveness 8. Capacity Building 9. Community Engagement

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, Financiers	
3	Financial Performance	Board, Shareholders, Financiers	
ENVIRONMENT			
4	Green Building Initiatives	Local Communities, Regulators, Customers	
SOCIAL			
5	Customer Satisfaction	Customers	
6	Occupational Health and Safety	Employees	
7	Diversity and Inclusiveness	Employees, Vendors	
8	Skill Development	Employees	
9	Community Engagement	Community	

SUSTAINABILITY STATEMENT (Cont'd)

ECONOMIC

Corporate Governance and Ethics

The Group continues to comply with the Malaysian Code on Corporate Governance across our operations, and to adhere to other complementary policies or standard operating procedures that enhance corporate governance.

OCR complies with Anti-Bribery and Corruption Policy to preserve its business integrity and accountability, having conducted training on anti-bribery and corruption-prevention practices to raise awareness of the various forms and consequences of corruption, and provide the appropriate prevention measures. We are pleased to maintain the record of zero cases of misconduct in FY2022.

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

Risk Management

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 was 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

Guided by OCR's vision to be a leading property player in Malaysia, the Group is resolute in enhancing OCR's brand equity as an innovative property developer. We aim to enrich the lives of Malaysians across income segment by delivering superior value proposition to our buyers through our efficient product design, delightful after-sales service, and easy home ownership sales packages.

Our flagship 'Luxury Living' project of Isola KLCC is poised to become our iconic development in the heart of Kuala Lumpur city centre, with 74% take up rate as at December 2022. Continuing this winning streak, our exclusive offering of 'Stellar Damansara' low-density homes enjoyed 50% take-up rate within months of its launch in 2023. Our other series have charted equal success: with our 'Urban Living' offering The Mate in Damansara Jaya boasting a 70% take-up rate as at end-2022, and our 'Essential Living' development of PRIYA Kuantan fully sold in the same timeframe.

These healthy adoption by buyers clearly indicate that the Group's value proposition is well accepted by the market. With each property development diligently and thoughtfully presented to meet the demand from a specific market segment, we believe that this would pave the way to OCR strengthening its brand positioning and achieving sustainable financial performance in the long term.

The intensely challenging economic environment led to the Board's decision to defer the distribution of dividends to shareholders in favour of preserving 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 sustainable financial performance.

ENVIRONMENT

Green Building 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.

As we strive to be one of the leading integrated property developers in Malaysia, 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.

As part of the Group's responsibility in caring for the community within the vicinity of our property development projects, OCR gathered our team in October 2022 to clean the riverside of Sungai Kayu Ara in Petaling Jaya, Selangor of rubbish and debris.

The Group hopes to organize similar sessions in a periodic basis around the vicinity of our completed and ongoing projects, to demonstrate OCR's environmentally conscious stance to current and potential buyers.

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 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 registration forms 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.

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.

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.

SUSTAINABILITY STATEMENT (Cont'd)

SOCIAL (CONT'D)

Occupational Health and Safety (Cont'd)

Site managers are responsible of 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.

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

We are pleased to report that there were no major incidents in any of the Group's construction sites in FY2022.

Diversity and Inclusiveness

OCR strongly advocates diversity, equality and inclusivity as a pillar for continued business growth. 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, gender, religion or sexuality when sourcing for potential tenants.

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 FY2022:

Training Programmes	Internal Knowledge Sharing	External Consultant
Sub-Contract Administration: Key Considerations Under Provisions Of LOA	X	
Joint Venture Agreement In Property Development	X	
Understanding Of Tenancy	X	
Time Management	X	
Pengurusan Kontraktual Tuntutan Kerugian Dan Perbelanjaan Tambahan Kontraktor		X
Construction Procurement And Contract Administration		X

SOCIAL (CONT'D)

Skill Development (Cont'd)

Training Programmes	Internal Knowledge Sharing	External Consultant
Employment Act 1955 & Amendments		X
Pengenalan Dan Pengurusan Risiko Dalam Pembinaan		X
Peningkatan Kecekapan Dan Pengurusan Kos		X
Kaedah Pengukuran & Penilaian Prestasi Projek Pembinaan		X
CIPAA Conference 2022		X
Construction Contract Termination - To Terminate Or Be Terminated		X
Financial Accounting & Consultancy		X
The Role Of Board In Strategy, Esg & Risk Management Usual Oversight		X
Ways To Success In Design & Build Contract		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.

Advocating this stance, in July 2022, OCR donated a total of 10 wheelchairs to Persatuan Kesejahteraan Rakyat Malaysia ("PKRM") – a national organization that assists the Government in looking after the welfare of the multiracial Malaysian community – under the Bantuan Kerusi Roda Rakyat Malaysia (BKRRM) initiative. The wheelchairs would be further distributed to the B40 group and/or whichever deserving segment as stipulated in by PKRM. This donation in kind enabled OCR to obtain PKRM LifeMembership to continue receiving updates on future campaigns and community-building programmes.

CONCLUSION

2022 allowed the Group to resume normalcy as the COVID-19 pandemic eased into endemic stage, and business activities were primarily focused on establishing a firm platform to launch into the next growth stage. At the same time, this allowed OCR to keep sustainability goals towards the wider community in view, and make headway in enhancing the lives of the wider society. We reinforce our commitment to establish an increasingly sustainable future for all.

The Company has taken measures to ensure compliance with the Enhanced Sustainability Reporting Framework in Annual Report 2023.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("Board") of OCR Group Berhad ("the Company" or "OCR") remains committed in maintaining the 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 2022 ("FY 2022"):

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 the FY 2022.

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

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

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

The Board establishes various Board Committees to assist in carrying out its duties and responsibilities. These Board Committees include the Audit and Risk Management Committee, Nominating Committee, Option Committee, and Remuneration Committee. Each 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)

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

Anti-Bribery and Corruption Policy

The Group is committed to conduct business in an ethical and honest manner while upholding zero-tolerance position on bribery and corruption and hence has adopted an Anti-Bribery and Corruption Policy. The Anti-Bribery Corruption Policy is available on the Company's website at www.ocrbhd.com.

Directors' Fit and Proper Policy

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

d. The Role of Chairman and Group MD

The positions of Chairman and Group MD of the Company are held by different individuals with distinct and separate roles to enhance governance and transparency. 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 meetings of the Board to ensure that appropriate discussions take place and that relevant opinions among Board members are forthcoming; and
- Organise information necessary for the Board to deal with the agenda and ensure that Directors have full and timely access to information.

The Group MD has overall responsibility for the Group's operational and business units, organisational effectiveness and implementation of Board policies, directives, strategies and decisions. The Group MD also functions as the intermediary between the Board and the Key Senior Management to ensures that the Board decisions are carried out by 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 whereby 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 is also a member of Audit and Risk Management Commitee.

1. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1.1 Board Leadership (Cont'd)

e. Chairman of the Board should not be a member of the Board Committees (Cont'd)

The Board acknowledges the 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 to replace YAM Tunku Azudinshah Ibni Tunku Annuar as the Member of Audit and Risk Management Committee to ensure there is check and balance as well as objective review by the Board.

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 effort in promoting sustainability initiatives for the communities in which it operates and the welfare of its employees. The details of the sustainability activities are set out in the Sustainability Statement on pages 32 to 39 of this Annual Report.

g. Qualified and Competent Company Secretary

In compliance with the 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 the FY 2022.

h. Directors' Training

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 training appropriate to their needs in line with Paragraph 15.08(3) of Bursa Malaysia's MMLR.

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

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

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

1. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1.1 Board Leadership (Cont'd)

h. Directors' Training (Cont'd)

During the FY 2022, 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	• The Role of Board in Strategy, ESG & Risk Management Usual Oversight (Smart Focus)	• 17 October 2022
Ong Kah Hoe	• The Role of Board in Strategy, ESG & Risk Management Usual Oversight (Smart Focus)	• 17 October 2022
Hj. Abdullah Bin Abdul Rahman	• The Role of Board in Strategy, ESG & Risk Management Usual Oversight (Smart Focus)	• 17 October 2022
Julian Koh Lu Ern	• Characteristics of ESG & Sustainability Leadership (ICDM) • Climate Change and Carbon: From the Financial Risk & Reporting Perspectives (ICDM) • ESG Disclosure at a Glance ; Key Developments and Future Trends (ICDM) • Plan Your ESG Journey: Lessons for the Boardroom (ICDM) • Why Investors Care About ESG (ICDM) • ESG + 'T': Global Megatrends to Watch Out For (ICDM) • Advocacy Sessions for Directors and Senior Management of Main Market Listed Issuers (Bursa) • The Role of Board in Strategy, ESG & Risk Management Usual Oversight (Smart Focus) • Asia Pacific Board Leadership Forum 2022 (Russell Reynolds) • Securities Commission Malaysia's Audit Oversight Board (AOB) Conversation with Audit Committees - AOB	• 11 August 2022 • 4 August 2022 • 27 July 2022 • 27 June 2022 • 28 June 2022 • 29 June 2022 • 9 August 2022 • 17 October 2022 • 19 and 20 October 2022 • 6 Dec 2022

i. Board Charter

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

The Board reviews its Charter periodically to ensure it remains relevant and consistent with the Board's objectives and responsibilities as well as the prevailing standards of corporate governance. 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 four (4) Directors on the Board of the Company where three (3) 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 6 to 7 of this Annual Report.

b. Board Meetings

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

Dates of all Board and Board committee meetings for the FY 2022 were unanimously decided prior to the start of calendar year. This is to enable the Directors to achieve full attendance at all meetings of the Company and to comply with the MMLR of Bursa Malaysia which provides that the office of a director will become vacant if the director is absent from more than 50% of the total Board of Directors' meetings held during a financial year.

Board meetings are conducted in accordance with a structured formal agenda prepared by the Company Secretary in consultation with the management. The 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 performance, business plans, strategic decisions, major investments, findings from both the External and Internal Auditors and any other proposals or other significant matters that require the expeditious direction of the Board. This 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 the FY 2022, a total of five (5) Board meetings were held and the attendance of each Director is set out hereinbelow:

Directors	Attendance
YAM Tunku Azudinshah Ibni Tunku Annuar	5/5
Ong Kah Hoe	5/5
Hj. Abdullah Bin Abdul Rahman	5/5
Chong Min Shih (resigned w.e.f. 7 February 2023)	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 Managers of Finance Department of the Company attend each Board meeting, as well as every Audit and Risk Management Committee meeting, on the standing invitation of the Board during the FY 2022. 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 Directors of a listed issuer, whichever is the higher, must be independent directors.

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

At the annual assessment carried out on 27 February 2023, the Board is satisfied with the level of independence demonstrated by all the Independent Directors and it will continue to conduct independence assessment annually with the assistance of the Committee to ensure that the Independent Directors are able to exercise independent judgement and act in the best interests of the Group.

d. Tenure of Independent Directors

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 on 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 Director as an Independent Director beyond nine (9) years, the Board would justify the decision and seek shareholders' approval at a general meeting through a two-tier voting process.

1. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1.3 Nominating Committee

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

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

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

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

In fulfilling its roles, the Nominating Committee 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 FY 2022, the following activities were undertaken by the Nominating Committee:

(i) Reviewed the size and composition of the Board of OCR and its Board balance;
(ii) Reviewed the required mix of skills and experience and other qualities including core competencies of the Non-Executive Directors and Executive Directors of the Company should have;
(iii) Reviewed the tenure of the independent directors;
(iv) Reviewed the effectiveness of the Board as a whole, contribution of each individual Director and committees of the Board;
(v) Reviewed the re-election of Directors for FY 2022;
(vi) Assessed the training programmes attended by the Directors as well as the training needs required to aid the Directors in the discharge of their duties as Directors and to keep abreast with industry developments and trends; and
(vii) Assessed the independence of the Independent Directors of the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

1. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1.3 Nominating Committee (Cont'd)

a. Diversity of Board and Senior Management

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

The Company has not set specific policies on gender diversity in boardroom but will work towards achieving the appropriate boardroom diversity.

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

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

c. Re-election of Directors

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

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

On 19 April 2023, the Nominating Committee had reviewed and recommended the re-election of the following Director who is retiring pursuant to the Company's Constitution, and being eligible, offered himself for re-election:-

- YAM Tunku Azudinshah Ibni Tunku Annuar

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 are as follows:

1. Hj. Abdullah Bin Abdul Rahman (Chairman/ Independent Non-Executive Director)
2. 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 the FY 2022, the fees and remuneration packages of the Executive Directors and Non-Executive Directors of the Company are as follows:

Remuneration of Executive Directors and Non-Executive Directors

	Directors' Fee (RM'000)	Salaries (RM'000)	Benefits-in-kind (RM'000)	Other Emoluments (RM'000)	Total (RM'000)
Executive Director					
Ong Kah Hoe	-	900.0	-	109.0	1,009.0
Non-Executive Directors					
Tunku Azudinshah Ibni Tunku Annuar	40.0	-	-	-	40.0
Hj. Abdullah Bin Abdul Rahman	40.0	-	-	-	40.0
Chong Min Shih (resigned w.e.f. 7 February 2023)	40.0	-	-	-	40.0
Ahmad Kamarulzaman Hj Ahmad Badaruddin (resigned w.e.f. 9 February 2022)	4.0	-	-	-	4.0
Julian Koh Lu Ern	40.0	-	-	-	40.0

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

	Salary and bonuses (RM'000)	Other emoluments (RM'000)	Benefit-in-kind (RM'000)	Total (RM'000)
Total top five (5) senior management	1,730.5	210.9	6.7	1,948.1

2. EFFECTIVE AUDIT AND RISK MANAGEMENT

2.1 Establishment and Effectiveness of the Audit and Risk Management Committee

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

The ARMC of the Company consists of three (3) Independent Non-Executive Directors. The ARMC is chaired by an Independent Non-Executive Director, Mr. Julian Koh Lu Ern and is 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, internal controls, internal audit function, related party transactions, accounting and reporting practices of the Group.

The report of the ARMC, its salient Terms of Reference, the list of committee members and its activities during the FY 2022 are set out on pages 57 to 59 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 Group Managing Director and/or 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 year 2022.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

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

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, outsourced Internal Auditors reported its findings to the ARMC at scheduled interval meeting as per approved internal audit plan. Throughout the FY 2022, the outsourced Internal Auditors had in their internal audit report and follow up report stated the internal audit observations at material times with respect to the respective scope of internal audit coverages approved as per internal audit plan (with the potential risks and implication identified) that required the Management and the ARMC's attention. Therefore, there are no other material issues or major deficiencies (apart from the internal audit observations during material times with respect to the scope of internal audit coverages approved as per internal audit plan) had been noted which would pose a high risk to the business processes under review at respective material times. The outsourced Internal Auditors had sent in their employees to conduct audit reviews and highlight their audit findings to the Management and to ARMC.

For the FY 2022, 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 the FY 2022 are set out on pages 67 to 184 of this Annual Report and a statement by the Board of its responsibilities in preparing the financial statements is on page 65.

b. Related Party Transactions

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

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

c. Risk Management and Internal Control

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

An overview of the risk management and internal controls within the Group is set out in the Statement on Risk Management and Internal Control on pages 60 to 64 of this Annual Report.

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

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

d. Internal Audit Control

The Group has outsourced its internal audit function to external consultants, which reports directly to the ARMC in respect of the adequacy of the Group's internal control and risk management systems. A summary of activities conducted by the internal audit function as well as the costs incurred in carrying out the function in respect of the financial year under review were set out in the ARMC Report on pages 57 to 59 of this Annual Report.

e. Assessment on Suitability and Independence of External Auditors

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

The ARMC takes the following into consideration:
- The adequacy of the experience and resources of the External Auditors;
- The nature of the non-audit services and the fees payable for such services; and
- The level of independence of the External Auditors.

An assessment on the independence of the External Auditors, Messrs. Baker Tilly Monteiro Heng PLT (AF 0117) of Baker Tilly Tower Level 10, Tower 1, Avenue 5, Bangsar South City, 59200 Kuala Lumpur, was carried out on 19 April 2023 and ARMC was satisfied with the results of the aforesaid assessment. The ARMC was unanimous in their decision to recommend to the Board the appointment of Messrs. Baker Tilly Monteiro Heng PLT as the auditors of the Company for the financial year ending 31 December 2023.

The Board having received the recommendation from ARMC, were in consensus to recommend for the shareholders' approval at the Company's forthcoming 25th AGM that Messrs. Baker Tilly Monteiro Heng PLT be hereby re-appointed as External Auditors of the Company for the financial year ending 31 December 2023 at the remuneration and terms to be agreed upon with the Company.

3. INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP

3.1 Encourage Engagement with Shareholders and other Stakeholders

The Board acknowledges the importance of being accountable to the shareholders and investing public via a direct and effective line of communication. As such, the Group always ensures the timely release of quarterly financial results, audited financial statements, corporate developments and announcements of the Group via the BURSA LINK. The Company's annual reports and other circulars to shareholders and where appropriate, ad hoc press statements and Company's website at www.ocrbhd.com which serve as the principal channel in keeping the shareholders and the investing public informed of the Group's major developments, overviews of financial performance and progress throughout the year.

The General Meetings of the Company are the principal forum for interaction between the management and its private and institutional investors. The Group MD together with other Board members and relevant management staffs are 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.

3. INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP (CONT'D)

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

In line with good CG practice, the notice of the 24th AGM was issued 28 days before the AGM held on 30 May 2022.

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 24th 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 32 to 39 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 19 April 2023

ADDITIONAL COMPLIANCE INFORMATION DISCLOSURES

UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSAL DURING FY2022

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

The private placements were initiated on 19 January 2022, 20 January 2022, 22 June 2022 and 7 September 2022 following the listing and quotation for a total of 204,000,000 new ordinary shares at an average price of RM 0.1069 per placement share on the Main Market of Bursa Malaysia. This has successfully raised a total sum of RM 21.81 million.

The status of the utilization of proceeds arising from the private placement as at 22 February 2023:-

Utilisation of proceeds	Expected timeframe	Actual proceeds raised RM'000	Amount utilised as at the LPD RM'000	Balance unutilised RM'000
(i) Funding for existing and future property development and construction projects	Within 24 months from the receipt of placement proceeds	20,870	20,870[1]	-
ii) Expenses for the Private Placement 30%	Upon completion of the Private Placement 30%	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		**21,810**	**21,810**	**-**

Note:-

[1] *The proceeds have been utilised for several projects namely ISOLA at KLCC, PRIYA at Kuantan, The Mate at Damansara Jaya, Vertex at Kuantan City Centre and YOLO Signature Suite.*

SANCTIONS AND PENALTIES

There were no sanctions and penalties imposed on the Company and its subsidiaries, Board or Key Senior Management during the FY2022.

AUDIT FEE AND NON-AUDIT FEES

The amount of audit fees and non-audit fees paid or payable to the Company's External Auditors and firms affiliated to the External Auditors' firms by the Group and the Company for the FY2022 are as follows:-

Type of fees	Group (RM)	Company (RM)
Audit fees	272,500	73,000
Non-audit fees	30,000	30,000
Total	302,500	103,000

ADDITIONAL COMPLIANCE INFORMATION DISCLOSURES (Cont'd)

MATERIAL CONTRACTS

(a) Joint Venture between OCR Avenue Sdn Bhd, an indirect subsidiary of the Company and Magna Ecocity Sdn Bhd

OCR Avenue Sdn Bhd ("OCRASB" or the "Developer"), an indirect subsidiary of the Company had on 20 April 2022 entered into a Joint Venture Agreement ("JVA") with Magna Ecocity Sdn Bhd ("MESB" or the "Owner") to fund and undertake the development of a parcel of 99 years leasehold land known as HSD 16667, PT 12, Seksyen 15, Bandar Shah Alam, Daerah Petaling, Negeri Selangor and measuring approximately 80,937 square meters (about 871,199 square feet) (hereinafter referred to as the "Project Land") in accordance with such plans to be drawn up by the Developer at the Developer's sole discretion and as may be approved by the Relevant Authority subject to such amendments or variations as may be required by the Relevant Authority and/or deemed necessary or expedient by the Developer and the Owner has agreed to do so for their mutual benefits, subject to the terms and conditions contained therein and the JVA.

(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.

OPTIONS OR CONVERTIBLE SECURITIES

Share Issuance Scheme

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

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

Description	Total No of Share Options	Executive Director	Key Senior Management	Other Eligible Employees
Options granted	11,000,000	1,800,000	5,000,000	4,200,000
Options exercised	-	-	-	-
Options forfeited/expired	(6,700,000)	(900,000)	(3,100,000)	(2,700,000)
Outstanding options unexercised	**4,300,000**	**900,000**	**1,900,000**	**1,500,000**

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 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 28 April 2023.

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 2022 ("FY 2022").

A. MEMBERS AND MEETING ATTENDANCE

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

The members of the ARMC and members' attendance at the five (5) meetings held during the FY 2022 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
Ms. Chong Min Shih (Member) (resigned w.e.f. 7 February 2023)	5/5
Encik Haji Abdullah Bin Abdul Rahman (appointed w.e.f 17 April 2023)	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 FY2022, 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 deem necessary.

B. RIGHTS, AUTHORITIES AND TERMS OF REFERENCE

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

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (Cont'd)

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

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

a) Financial Results

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

b) Risk Management and Internal Audit

- Reviewed and adopted the internal audit plan and the Internal Auditors' scope of work;
- Reviewed and discussed with the Internal Auditor, its audit findings and issues arising during the audit;
- Reviewed the adequacy and effectiveness of corrective actions taken by Senior Management on all significant matters raised by the Internal Auditor;
- Reviewed the Statement on Risk Management and Internal Control to ensure that it is consistent with their understanding of the state of internal control of the Group and recommended the same to the Board for inclusion in the Annual Report;
- Conducted the annual performance assessment; and
- Reviewed the adequacy and effectiveness of the risk management process to ensure that management is 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) Recurrent Related Party Transactions ("RRPTs")

- Reviewed and discussed when a RPT is transacted by the Group and if any conflict of interest situation that may arise within the Group;
- Reviewed the RRPTs involving the Group to ensure that the transactions entered into were at arm's length basis and on normal commercial terms and not detrimental to the interest of minority shareholders of the Company;
- Reviewed on a quarterly basis the actual transacted value of RRPTs matching them against the mandate from shareholders to ensure compliance with the MMLR of Bursa Malaysia and to ensure an immediate announcement, in the event the actual value of a mandated RRPT exceeds 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) 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 Annual Report 2022.

D. INTERNAL AUDIT FUNCTION

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

(a) Assess and report on the effectiveness of the design and operation of the framework of controls which enable risks to be assessed and managed;
(b) Assess and report on the effectiveness of management actions to address deficiencies in the framework of controls; and
(c) 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 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 the FY2022 included the following:-

- Governance and Human Resource and Payroll Management of the Company and OCR Construction Sdn Bhd
- Governance and Management Information System Management of the Company

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

The total costs incurred by the Internal Auditor in discharging its functions and responsibilities in respect of the FY2022 was RM24,000.

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 60 to 64 of this Annual Report.

This ARMC report approved by the ARMC on 19 April 2023.

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

BOARD'S RESPONSIBILITY

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

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

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

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

RISK MANAGEMENT

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

The Group incorporated an Enterprise Risk Management ("ERM") framework, as the governance structure and processes for group wide risk management, to proactively identify, evaluate and manage key risks and assess their likelihood and magnitude of impact. 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, is guided by the likelihood rating and impact rating established based on the risk appetite approved by the Board. Based on the risk management process, Key Risk Registers were compiled by Group MD and Key Senior Management, with the relevant key risks identified rated based on the agreed upon risk rating. Key Risks Register are used for the identification of high residual risks which are above the risk appetite of the Group that requires the ARMC and the Board's immediate attention and risk treatment as well as for future risk monitoring.

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

RISK MANAGEMENT (CONT'D)

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

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

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

ADEQUATE PROCEDURES ("APS") MITIGATING CORPORATE LIABILITY

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

The Group has conducted one (1) training related to the provisions of corporate liability for its Directors and top and middle level Management. The Group has conducted corruption risk assessment, set up the control measures with Whistle-blower Policy, Code of Conduct and Anti-Bribery and Anti-Corruption Policy implemented. Besides, the Group will systematically review and monitor the progress and enforcement of the APs with on-going training and communication to all levels of the employees. The list of preventive actions is not exhaustive, as any measure that can prevent corruption is encouraged and the relevant new policies will be adopted to ensure the APs carried out are effective and relevant.

INTERNAL CONTROL

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

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

- **Board of Directors/Board Committees**

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

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

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

INTERNAL CONTROL (CONT'D)

- **Board Meetings**

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

- **Integrity and Ethical Value**

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

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

- **Organisation Structure, Accountability and Authorisation**

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

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

- **Risk Assessment and Control Activities**

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

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

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

- **Human Resource Management**

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

- **Information and Communication**

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

INTERNAL CONTROL (CONT'D)

- **Information and Communication (con't)**

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

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

- **Monitoring and Review**

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

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

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

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

- **Training and Development Programmes**

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

INTERNAL AUDIT FUNCTION

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

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

INTERNAL AUDIT FUNCTION (CON'T)

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.

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

During the financial year ended 31 December 2022 ("FYE 2022"), the outsourced internal audit function conducted high level control reviews in relation to human resource and payroll Management of the Company and one of its operating subsidiaries in Malaysia, as well as management information system management for the Company in accordance to the internal Audit Plan dated 29 November 2021.

The cost incurred in maintaining the outsourced internal audit function for the FYE 2022 amounted to RM 24,000.

ASSURANCE PROVIDED BY GROUP MANAGING DIRECTOR AND CONCLUSION

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

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

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

REVIEW OF THIS STATEMENT BY EXTERNAL AUDITORS

Pursuant to paragraph 15.23 of the MMLR, the External Auditors have reviewed this Statement for inclusion in the 2022 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 19 April 2023.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The Directors are required pursuant to 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:

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

The Directors are also responsible for ensuring that the Group and the Company keep proper accounting records which disclose the financial position of the Group and of the Company with reasonable accuracy at any time, thus enabling the financial statements to 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 of the Company, and to detect and prevent fraud and other irregularities.

The Directors are satisfied that in preparing the financial statements of the Group and the Company for the financial year ended 31 December 2022, then 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.

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2022.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of 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
Profit/(Loss) for the financial year, net of tax	5,448,606	(8,345,922)
Attributable to:		
Owners of the Company	(8,038,764)	(8,345,922)
Non-controlling interests	13,487,370	-
	5,448,606	(8,345,922)

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 2022.

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 30 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.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company:

(i) issued 204,000,000 new ordinary shares at an average price of RM0.1069 per ordinary share pursuant to private placement exercises to eligible investors for working capital purpose;

(ii) issued 104,953,197 new ordinary shares at an issue price of RM0.1345 per ordinary share as the purchase consideration for the acquisition of the 50% equity interest in OCR Selayang Industrial Park Sdn. Bhd. pursuant to a revised share sale agreement dated 8 November 2021. For purpose of accounting for the share consideration, the fair value of RM0.11 per ordinary shares as at the date of completion was recorded instead of issue price of RM0.1345 per ordinary share; and

(iii) issued 1,711 new ordinary shares at an exercise price of RM0.22 per warrant from exercise of Warrants D.

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

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 17 to the financial statements.

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

		Number of option over ordinary shares			
Grant date	**Exercise price**	**At 1.1.2022**	**Granted**	**Expired/ Forfeited**	**At 31.12.2022**
6 August 2020	0.249	8,080,000	-	(3,780,000)	4,300,000

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 Warrants D expired on 18 February 2022 and all warrants not exercised lapsed and ceased to be valid.

DIRECTORS

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

Ong Kah Hoe *	
Tunku Azudinshah Ibni Tunku Annuar	
Abdullah Bin Abdul Rahman	
Julian Koh Lu Ern	
Admiral Tan Sri Dato' Seri Panglima Ahmad Kamarulzaman Hj Ahmad Badaruddin	(Resigned on 9 February 2022)
Chong Min Shih	(Resigned on 7 February 2023)

* Directors of the Company and certain subsidiaries

DIRECTORS (CONT'D)

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

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

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 and/or warrants in the Company and its related corporations during the financial year were as follows:

	Number of Ordinary Shares			
	At 1.1.2022	Bought	Sold	At 31.12.2022
The Company				
Direct interests:				
Ong Kah Hoe	81,338,266	104,953,197	-	186,291,463
Indirect interests:				
Ong Kah Hoe *	41,678,800	-	-	41,678,800

	Number of Warrants 2019/2022			
	At 1.1.2022	Entitled	Lapsed	At 31.12.2022
The Company				
Direct interests:				
Ong Kah Hoe	6,983,599	-	(6,983,599)	-
Indirect interests:				
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 and/or warrants of the Company and its related corporations during the financial year.

Directors' Report
(Cont'd)

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors as shown below) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest other than any deemed benefit which may arise from transactions as disclosed in Note 27 to the financial statements.

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

	Group RM	Company RM
Directors of the Company		
Executive director		
- Salaries and other emoluments	900,000	600,000
- Contribution to defined contribution plan	109,542	73,002
- Share-based payments	49,792	49,792
	1,059,334	722,794
Non-executive directors		
- Fees	163,964	163,964
	1,223,298	886,758

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 30 to the financial statements.

SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Details of significant event subsequent to the end of the financial year are disclosed in Note 31 to the financial statements.

AUDITORS

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

The auditors' remuneration of the Group and the Company during the financial year are RM272,500 and RM73,000 respectively.

The Company has agreed to indemnify the auditors of the Company as permitted under Section 289 of the Companies Act 2016 in Malaysia. No payment has been made to indemnify the auditors of the Company 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: 19 April 2023

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 79 to 184 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022 and of their financial performance and cash flows for the financial year then ended.

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

………………………………………………………..
ONG KAH HOE
Director

……………………………………………………………..
TUNKU AZUDINSHAH IBNI TUNKU ANNUAR
Director

Date: 19 April 2023

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 79 to 184 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 19 April 2023.

Before me,

…………………………………………………..
Commissioner for Oaths
HADINUR MOHD SYARIF W761

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF OCR GROUP BERHAD
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of OCR Group Berhad, which comprise the statements of financial position as at 31 December 2022 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 79 to 184.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022, and of their financial performance and 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 11 to the financial statements)

The Group and the Company have significant trade and other receivables as at 31 December 2022. 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;
- checking 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, 13 and 20 to the financial statements)

The amount of revenue from 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;
- checking the mathematical computation of recognised revenue for the projects during the financial year; and
- comparing the Group's assessment on the potential deduction to revenue arising from liquidated and ascertained damages against the contractual delivery dates, estimated delivery dates and progress reports.

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 treats 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	Ong Teng Yan
201906000600 (LLP0019411-LCA) & AF 0117	No. 03076/07/2023 J
Chartered Accountants	Chartered Accountant

Kuala Lumpur

Date: 19 April 2023

STATEMENTS OF FINANCIAL POSITION

as at 31 December 2022

	Note	Group 31.12.2022 RM	Group 31.12.2021 RM (Restated)	Group 1.1.2021 RM (Restated)	Company 31.12.2022 RM	Company 31.12.2021 RM (Restated)
ASSETS						
Non-current assets						
Property, plant and equipment	5	6,381,968	3,475,465	1,311,744	224,686	503,474
Right-of-use assets	6(a)	10,628,275	10,587,771	11,533,857	-	-
Investment properties	7	27,188,273	22,528,408	1,771,051	-	1,729,704
Inventories	8	27,684,696	27,694,122	29,609,114	-	-
Investment in subsidiaries	9	-	-	-	206,450,795	161,028,414
Investment in associates	10	142,396	344,230	391,631	-	-
Deferred tax assets		-	-	1,250,375	-	-
Trade and other receivables	11	18,538,951	19,436,259	15,709,074	-	-
Other investments	12	5,425,200	5,227,200	-	5,425,200	5,227,200
Total non-current assets		95,989,759	89,293,455	61,576,846	212,100,681	168,488,792
Current assets						
Inventories	8	181,004,528	173,216,349	98,959,727	-	-
Current tax assets		461,860	106,464	15,877	-	-
Trade and other receivables	11	159,128,329	100,335,473	93,664,014	5,166,841	6,352,102
Prepayments		305,205	1,299,217	1,002,187	-	21,199
Contract assets	13	19,432,883	35,324,772	58,630,609	-	-
Contract costs	14	8,055,610	7,609,956	8,653,812	-	-
Cash and short-term deposits	15	24,151,051	30,931,930	35,593,267	11,440,233	11,530,911
Total current assets		392,539,466	348,824,161	296,519,493	16,607,074	17,904,212
TOTAL ASSETS		488,529,225	438,117,616	358,096,339	228,707,755	186,393,004

Statements of Financial Position (Cont'd)

	Note	Group 31.12.2022 RM	Group 31.12.2021 RM (Restated)	Group 1.1.2021 RM (Restated)	Company 31.12.2022 RM	Company 31.12.2021 RM (Restated)
EQUITY AND LIABILITIES						
Equity attributable to owners of the Company						
Share capital	16	244,458,001	211,099,773	156,002,556	244,458,001	211,099,773
Irredeemable convertible preference shares ("ICPS")		-	-	15,801,920	-	-
Other reserves	17	2,034,273	1,962,377	1,333,885	2,034,273	1,962,377
Accumulated losses		(63,635,437)	(55,936,890)	(31,130,072)	(53,304,862)	(45,306,340)
		182,856,837	157,125,260	142,008,289	193,187,412	167,755,810
Non-controlling interests	9(d)	15,353,703	140,034	(675,932)	-	-
TOTAL EQUITY		198,210,540	157,265,294	141,332,357	193,187,412	167,755,810
Non-current liabilities						
Lease liabilities	6(b)	174,844	-	538,285	-	-
Loans and borrowings	18	88,613,681	68,051,564	44,849,304	-	446,696
Trade and other payables	19	20,761,765	26,598,149	28,148,771	-	-
Total non-current liabilities		109,550,290	94,649,713	73,536,360	-	446,696
Current liabilities						
Lease liabilities	6(b)	180,523	-	144,380	-	-
Loans and borrowings	18	48,585,533	54,401,716	42,459,980	15,000,000	15,150,291
Current tax liabilities		156,318	1,389,842	3,088,660	-	-
Trade and other payables	19	129,930,783	127,551,884	96,266,103	20,520,343	3,040,207
Contract liabilities	13	1,915,238	2,859,167	1,268,499	-	-
Total current liabilities		180,768,395	186,202,609	143,227,622	35,520,343	18,190,498
TOTAL LIABILITIES		290,318,685	280,852,322	216,763,982	35,520,343	18,637,194
TOTAL EQUITY AND LIABILITIES		488,529,225	438,117,616	358,096,339	228,707,755	186,393,004

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

STATEMENTS OF COMPREHENSIVE INCOME

for the Financial Year Ended 31 December 2022

		Group		Company	
	Note	31.12.2022 RM	31.12.2021 RM	31.12.2022 RM	31.12.2021 RM
Revenue	20	208,353,521	44,803,341	5,128,473	3,265,997
Cost of sales		(183,783,027)	(46,707,156)	-	-
Gross profit/(loss)		24,570,494	(1,903,815)	5,128,473	3,265,997
Other income		1,752,406	811,632	475,961	314,741
Administrative expenses		(13,579,570)	(12,472,889)	(6,528,239)	(5,792,586)
Net impairment (losses)/gain on financial instruments		(164,504)	(3,828,253)	2,423,186	(549,437)
Other expenses		(2,139,214)	(3,145,438)	(9,119,051)	(271,342)
Operating profit/(loss)		10,439,612	(20,538,763)	(7,619,670)	(3,032,627)
Finance costs	21	(4,773,258)	(5,391,927)	(726,252)	(699,446)
Share of results of associates, net of tax	10	(3,694)	(2,616)	-	-
Profit/(Loss) before tax	22	5,662,660	(25,933,306)	(8,345,922)	(3,732,073)
Tax expenses	23	(214,054)	(1,465,621)	-	-
Profit/(Loss) for the financial year		5,448,606	(27,398,927)	(8,345,922)	(3,732,073)
Other comprehensive income, net of tax					
Items that may be reclassified subsequently to profit or loss					
Fair value gain of equity instruments designated at fair value through other comprehensive income		198,000	1,223,098	198,000	1,223,098
Other comprehensive income for the financial year		198,000	1,223,098	198,000	1,223,098
Total comprehensive income/(loss) for the financial year		5,646,606	(26,175,829)	(8,147,922)	(2,508,975)

Statements of Comprehensive Income (Cont'd)

		Group		Company	
	Note	31.12.2022 RM	31.12.2021 RM	31.12.2022 RM	31.12.2021 RM
Profit/(Loss) attributable to:					
Owners of the Company		(8,038,764)	(25,923,268)	(8,345,922)	(3,732,073)
Non-controlling interests	**9(d)**	13,487,370	(1,475,659)	-	-
		5,448,606	(27,398,927)	(8,345,922)	(3,732,073)
Total comprehensive income/ (loss) attributable to:					
Owners of the Company		(7,840,764)	(24,700,170)	(8,147,922)	(2,508,975)
Non-controlling interests	**9(d)**	13,487,370	(1,475,659)	-	-
		5,646,606	(26,175,829)	(8,147,922)	(2,508,975)
Loss per share attributable to owners of the Company (sen per share):					
Basic	**24(a)**	(0.89)	(4.71)		
Diluted	**24(b)**	(0.89)	(4.71)		

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

STATEMENTS OF CHANGES IN EQUITY

for the Financial Year Ended 31 December 2022

Group	Note	|---------- Attributable to the owners of the Company ---------| Share capital RM	Fair value reserve of financial assets at FVOCI RM	Share option reserve RM	Accumulated losses RM	Sub-total RM	Non-controlling interests RM	Total equity RM
At 1 January 2022								
- As previously reported		211,099,773	-	739,279	(54,713,792)	157,125,260	140,034	157,265,294
- Changes in comparative figures	**33**	-	1,223,098	-	(1,223,098)	-	-	-
Restated balance at 1 January 2022		211,099,773	1,223,098	739,279	(55,936,890)	157,125,260	140,034	157,265,294
Total comprehensive income/ (loss) for the financial year								
(Loss)/Profit for the financial year		-	-	-	(8,038,764)	(8,038,764)	13,487,370	5,448,606
Other comprehensive income for the financial year		-	198,000	-	-	198,000	-	198,000
Total comprehensive income/(loss)		-	198,000	-	(8,038,764)	(7,840,764)	13,487,370	5,646,606
Transactions with owners								
Issuance of ordinary shares via:								
- Private placement	**16**	21,813,000	-	-	-	21,813,000	-	21,813,000
- Acquisition of a subsidiary	**16**	11,544,852	-	-	-	11,544,852	-	11,544,852
- Warrants D excercised	**16**	376	-	-	-	376	-	376
Share option issued	**17**	-	-	221,296	-	221,296	-	221,296
Share option lapsed	**17**	-	-	(347,400)	347,400	-	-	-
Non-controlling interests arising from acquisition of a new subsidiary	**9**	-	-	-	-	-	1,719,116	1,719,116
Change in ownership interests in a subsidiary	**9**	-	-	-	(7,183)	(7,183)	7,183	-
Total transaction with owners		33,358,228	-	(126,104)	340,217	33,572,341	1,726,299	35,298,640
At 31 December 2022		244,458,001	1,421,098	613,175	(63,635,437)	182,856,837	15,353,703	198,210,540

Statements of Changes in Equity (Cont'd)

Group	Note	Share capital RM	ICPS RM	Warrant reserve RM	Fair value reserve of financial assets at FVOCI RM	Share option reserve RM	Accumulated losses RM	Sub-total RM	Non-controlling interests RM	Total equity RM
		|--- Attributable to the owners of the Company						---|		
At 1 January 2021		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										
Loss for the financial year		-	-	-	-	-	(25,923,268)	(25,923,268)	(1,475,659)	(27,398,927)
Other comprehensive income for the financial year										
- As previously reported		-	-	-	-	-	1,223,098	1,223,098	-	1,223,098
- Changes in comparative figures	**33**	-	-	-	1,223,098	-	(1,223,098)	-	-	-
Restated other comprehensive income for the financial year		-	-	-	1,223,098	-	-	1,223,098	-	1,223,098
Total comprehensive income/(loss)		-	-	-	1,223,098	-	(25,923,268)	(24,700,170)	(1,475,659)	(26,175,829)
Transactions with owners										
Issuance of ordinary shares via:										
- Private placement	**16**	21,880,535	-	-	-	-	-	21,880,535	-	21,880,535
- Transfer to share capital upon conversion of ICPS	**16**	15,801,920	(15,801,920)	-	-	-	-	-	-	-
- Acquisition of subsidiaries	**16**	17,414,762	-	-	-	-	-	17,414,762	-	17,414,762
Warrants C expired		-	-	(890,326)	-	-	890,326	-	-	-
Share option issued	**17**	-	-	-	-	521,844	-	521,844	-	521,844
Share option lapsed	**17**	-	-	-	-	(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	-	-	1,223,098	739,279	(55,936,890)	157,125,260	140,034	157,265,294

Statements of Changes in Equity (Cont'd)

Company	Note	|-------------- Attributable to the owners of the Company --------------|				
		Share capital RM	Fair value reserve of financial assets at FVOCI RM	Share option reserve RM	Accumulated losses RM	Total equity RM
At 1 January 2022						
- As previously reported		211,099,773	-	739,279	(44,083,242)	167,755,810
- Changes in comparative figures	**33**	-	1,223,098	-	(1,223,098)	-
Restated balance at 1 January 2022		211,099,773	1,223,098	739,279	(45,306,340)	167,755,810
Total comprehensive loss for the financial year						
Loss for the financial year		-	-	-	(8,345,922)	(8,345,922)
Other comprehensive income for the financial year		-	198,000	-	-	198,000
Total comprehensive loss		-	198,000	-	(8,345,922)	(8,147,922)
Transactions with owners						
Issuance of ordinary shares via:						
- Private placement	**16**	21,813,000	-	-	-	21,813,000
- Acquisition of a subsidiary	**16**	11,544,852	-	-	-	11,544,852
- Warrants D exercised	**16**	376	-	-	-	376
Share option issued	**17**	-	-	221,296	-	221,296
Share option lapsed	**17**	-	-	(347,400)	347,400	-
Transaction with owners		33,358,228	-	(126,104)	347,400	33,579,524
At 31 December 2022		244,458,001	1,421,098	613,175	(53,304,862)	193,187,412

Statements of Changes in Equity (Cont'd)

Company	Note	Share capital RM	ICPS RM	Warrant reserve RM	Fair value reserve of financial assets at FVOCI RM	Share option reserve RM	Accumulated losses RM	Total equity RM
		|------ Attributable to the owners of the Company					------|	
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								
Loss for the financial year		-	-	-	-	-	(3,732,073)	(3,732,073)
Other comprehensive income for the financial year								
- As previously reported		-	-	-	-	-	1,223,098	1,223,098
- Changes in comparative figures	**33**	-	-	-	1,223,098	-	(1,223,098)	-
Restated other comprehensive income for the financial year		-	-	-	1,223,098	-	-	1,223,098
Total comprehensive income/(loss)		-	-	-	1,223,098	-	(3,732,073)	(2,508,975)
Transactions with owners								
Issuance of ordinary shares via:								
- Private placement	**16**	21,880,535	-	-	-	-	-	21,880,535
- Transfer to share capital upon conversion of ICPS	**16**	15,801,920	(15,801,920)	-	-	-	-	-
- Acquisition of subsidiaries	B	17,414,762	-	-	-	-	-	17,414,762
Warrants C expired		-	-	(890,326)	-	-	890,326	-
Share option issued	**17**	-	-	-	-	521,844	-	521,844
Share option lapsed	**17**	-	-	-	-	(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	-	-	1,223,098	739,279	(45,306,340)	167,755,810

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

STATEMENTS OF CASH FLOWS
for the Financial Year Ended 31 December 2022

	Note	Group 31.12.2022 RM	Group 31.12.2021 RM	Company 31.12.2022 RM	Company 31.12.2021 RM
Cash flows from operating activities					
Profit/(Loss) before tax		5,662,660	(25,933,306)	(8,345,922)	(3,732,073)
Adjustments for:					
Depreciation of:					
- investment properties		60,984	44,460	6,892	41,347
- property, plant and equipment		1,513,870	858,169	82,431	229,995
- right-of-use assets		356,794	307,133	-	-
Gain on disposal of:					
- investment properties		(77,188)	-	(77,188)	-
- property, plant and equipment		(192,673)	(67,533)	(192,673)	(67,533)
Impairment loss on:					
- investment in an associate		198,140	44,785	-	-
- investment in subsidiaries		-	-	9,029,728	-
Interest expenses		4,773,258	5,391,927	726,252	699,446
Interest income		(374,154)	(353,214)	(205,501)	(193,275)
Net impairment (losses)/gain on trade and other receivables		164,504	3,828,253	(2,423,186)	549,437
Inventories written down		9,835,161	-	-	-
Share of results of associates		3,694	2,616	-	-
Share-based payments		221,296	521,844	190,868	412,257
		22,146,346	(15,354,866)	(1,208,299)	(2,060,399)
Changes in working capital:					
Inventories		45,778,745	6,382,750	-	-
Contract assets/(liabilities)		(92,055,151)	22,974,644	-	-
Contract costs		5,987,422	1,043,856	-	-
Trade and other payables		(16,125,362)	(13,573,081)	(438,116)	632,973
Trade and other receivables		(21,280,687)	(12,856,236)	(2,999)	3,222,231
Prepayments		994,012	(297,030)	21,199	-
Amount owing by/(to) subsidiaries		-	-	(20,873,637)	(24,885,435)
Amount owing by an associate		576,057	(3,699)	(87,358)	-
Amount owing by/(to) related parties		(1,925,045)	1,580,919	533,764	(1,699,650)
Amount owing to directors		4,033,547	(236,166)	-	(63,000)
Net cash used in operations		(51,870,116)	(10,338,909)	(22,055,446)	(24,853,280)
Interest paid		(4,414,679)	(5,356,374)	(722,230)	(672,182)
Interest received		374,154	353,214	205,501	193,275
Income tax paid		(1,802,974)	(2,004,651)	-	-
Net cash used in operating activities		(57,713,615)	(17,346,720)	(22,572,175)	(25,332,187)

Statements of Cash Flows (Cont'd)

		Group		Company	
	Note	31.12.2022 RM	31.12.2021 RM	31.12.2022 RM	31.12.2021 RM
Cash flows from investing activities					
Addition in investment in quoted shares		-	(4,004,102)	-	(4,004,102)
Addition in investment in subsidiaries		-	-	(919,900)	-
Net cash flows from acquisition of subsidiaries		20,075,697	(870,293)	-	-
Pledged fixed deposits with licenced banks		(327,215)	(295,167)	(182,238)	(191,709)
Proceeds from disposal of:					
- investment properties		1,800,000	-	1,800,000	-
- property, plant and equipment		428,624	243,000	428,624	243,000
Purchase of:					
- property, plant and equipment	**(a)**	(285,421)	(2,325,404)	(39,594)	(67,909)
- investment properties		(2,874,061)	-	-	-
Net cash from/(used in) investing activities		18,817,624	(7,251,966)	1,086,892	(4,020,720)
Cash flows from financing activities					
Proceeds from issuance of ordinary shares		21,813,376	21,880,535	21,813,376	21,880,535
Drawdown of:					
- bridging loan	**(b)**	-	5,325,877	-	-
- term loans	**(b)**	38,003,525	9,085,547	-	-
- trust receipts	**(b)**	12,073,502	14,668,178	-	-
Repayment of:					
- bridging loan	**(b)**	(18,058,334)	(14,164,184)	-	-
- hire purchase liabilities	**(b)**	(1,565,211)	(345,920)	(356,911)	(282,246)
- lease liabilities	**(b)**	(47,749)	-	-	-
- trust receipts	**(b)**	(12,434,295)	(13,513,664)	-	-
- term loans	**(b)**	(5,569,123)	(5,328,456)	(244,098)	(75,710)
Net cash from financing activities		34,215,691	17,607,913	21,212,367	21,522,579
Net decrease in cash and cash equivalents		(4,680,300)	(6,990,773)	(272,916)	(7,830,328)
Cash and cash equivalents at the beginning of the financial year		(2,378,894)	4,611,879	374,472	8,204,800
Cash and cash equivalents at the end of the financial year	**15(a)**	(7,059,194)	(2,378,894)	101,556	374,472

Statements of Cash Flows (Cont'd)

(a) Purchase of property, plant, and equipment

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

	Group		Company	
	31.12.2022 RM	31.12.2021 RM	31.12.2022 RM	31.12.2021 RM
Purchase of property, plant and equipment	4,656,324	2,558,404	39,594	67,909
Financed by way of hire purchase arrangements	(4,370,903)	(233,000)	-	-
Cash payments on purchase of property, plant and equipment	285,421	2,325,404	39,594	67,909

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

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

Statements of Cash Flows (Cont'd)

(b) Reconciliation of changes in liabilities arising from financing activities are as follows (cont'd):

	At 1.1.2021 RM	Cash flows RM	Non-cash: Acquisition of assets RM	Non-cash: Acquisition of subsidiaries RM	Non-cash: Interest expenses 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
Hire purchase liabilities	682,665	(345,920)	233,000	-	35,553	605,298
	75,625,281	(4,272,622)	233,000	36,431,131	35,553	108,052,343
Company						
Term loans	319,808	(75,710)	-	-	-	244,098
Revolving credit	15,000,000	-	-	-	-	15,000,000
Hire purchase liabilities	607,871	(282,246)	-	-	27,264	352,889
	15,927,679	(357,956)	-	-	27,264	15,596,987

(c) Total cash outflows for leases as a lessee

During the financial year, the Group and the Company had total cash outflows for leases of RM590,161 and RM27,120 (31.12.2021: RM383,009 and RM27,570) respectively.

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

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

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 19 April 2023.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with 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

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

Amendments/Improvements to MFRSs	
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards
MFRS 3	Business Combinations
MFRS 9	Financial Instruments
MFRS 116	Property, Plant and Equipment
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets
MFRS 141	Agriculture

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

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 are 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 are yet to be effective:

		Effective for financial periods beginning on or after
New MFRS		
MFRS 17	Insurance Contracts	1 January 2023
Amendments/Improvements to MFRSs		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2023#
MFRS 3	Business Combinations	1 January 2023#
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2023#
MFRS 7	Financial Instruments: Disclosures	1 January 2023#
MFRS 9	Financial Instruments	1 January 2023#
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 15	Revenue from Contracts with Customers	1 January 2023#
MFRS 16	Leases	1 January 2024
MFRS 17	Insurance Contracts	1 January 2023
MFRS 101	Presentation of Financial Statements	1 January 2023/ 1 January 2023#/ 1 January 2024
MFRS 107	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
MFRS 116	Property, Plant and Equipment	1 January 2023#
MFRS 119	Employee Benefits	1 January 2023#
MFRS 128	Investments in Associates and Joint Ventures	Deferred/ 1 January 2023#
MFRS 132	Financial Instruments: Presentation	1 January 2023#
MFRS 136	Impairment of Assets	1 January 2023#
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2023#
MFRS 138	Intangible Assets	1 January 2023#
MFRS 140	Investment Property	1 January 2023#

Amendments as to the consequence of effective of MFRS 17 Insurance Contracts

2. BASIS OF PREPARATION (CONT'D)

2.3 New MFRS and amendments/improvements to MFRSs that have been issued, but are 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.

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 16 Leases

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

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

Amendments to MFRS 101 Presentation of Financial Statements

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

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

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 are 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 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.

(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.

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 and associates 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.

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)

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.

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.

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

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

(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.

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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*.

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

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)

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.

<u>Debt instruments</u>

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.

- **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.

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 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.

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.

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)

(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.

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.

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.

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.

<u>Right-of-use asset</u>

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.

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; 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.

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.

<u>Property under development</u>

Cost includes:

- freehold and leasehold rights for land;
- amounts paid to contractors and consultants 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. Assets under construction included in investment properties are not depreciated as these assets are not yet available for use.

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

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

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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") and contract assets 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.

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 and contract assets, 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.

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)

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

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost is 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.

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

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.

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.

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 17 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.

Notes to the Financial Statements (Cont'd)

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

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.

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.

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

3.13 Revenue and other income (cont'd)

(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.

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.

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

3.13 Revenue and other income (cont'd)

(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 an invoice is issued or the 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 24 months from 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.

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.

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.

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.

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

3.17 Fair value measurements (cont'd)

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.

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

3.21 Contract costs

(a) Recognition and measurement

Contract costs include the 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 to be 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 a reversal is recognised in profit or loss.

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 the 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 at the end of each reporting period.

The assessment of the correlation between historical observed default rates, forward-looking estimates and expected credit losses is a significant estimate. The amount of expected credit losses is sensitive to changes in circumstances and forecast economic conditions over the expected lives of the trade and other receivables. The Group's and the Company's historical credit loss experience and forecast of economic conditions may also not be representative of the 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 is disclosed in Note 25(b)(i) to the financial statements.

(b) Revenue recognition for property development and construction

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

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

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

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					
2022					
Cost					
At 1 January 2022					
- as previously reported	3,791,297	45,409	2,261,584	155,764	6,254,054
- reclassification adjustment	-	-	-	922,828	922,828
Restated balance at 1 January 2022	3,791,297	45,409	2,261,584	1,078,592	7,176,882
Additions	237,588	22,374	4,396,362	-	4,656,324
Disposal	-	-	-	(505,609)	(505,609)
At 31 December 2022	4,028,885	67,783	6,657,946	572,983	11,327,597
Accumulated depreciation					
At 1 January 2022					
- as previously reported	3,059,175	10,357	35,664	155,764	3,260,960
- reclassification adjustment	-	-	-	440,457	440,457
Restated balance at 1 January 2022	3,059,175	10,357	35,664	596,221	3,701,417
Depreciation charge for the financial year	341,007	11,950	1,069,826	91,087	1,513,870
Disposal	-	-	-	(269,658)	(269,658)
At 31 December 2022	3,400,182	22,307	1,105,490	417,650	4,945,629
Carrying amounts					
At 31 December 2022	628,703	45,476	5,552,456	155,333	6,381,968

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

	Renovation, furniture and fittings RM	Software RM	Tools and equipment RM	Motor vehicles RM	Total RM
Group					
2021					
Cost					
At 1 January 2021					
- as previously reported	3,709,148	9,390	54,348	155,764	3,928,650
- reclassification adjustment	-	-	-	1,006,828	1,006,828
Restated balance at 1 January 2021	3,709,148	9,390	54,348	1,162,592	4,935,478
Additions	82,149	36,019	2,207,236	233,000	2,558,404
Disposal	-	-	-	(317,000)	(317,000)
At 31 December 2021	3,791,297	45,409	2,261,584	1,078,592	7,176,882
Accumulated depreciation					
At 1 January 2021					
- as previously reported	2,431,513	4,755	24,874	155,764	2,616,906
- reclassification adjustment	-	-	-	367,875	367,875
Restated balance at 1 January 2021	2,431,513	4,755	24,874	523,639	2,984,781
Depreciation charge for the financial year	627,662	5,602	10,790	214,115	858,169
Disposal	-	-	-	(141,533)	(141,533)
At 31 December 2021	3,059,175	10,357	35,664	596,221	3,701,417
Carrying amounts					
At 31 December 2021	732,122	35,052	2,225,920	482,371	3,475,465

Notes to the Financial Statements (Cont'd)

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

	Renovation, furniture and fittings RM	Motor vehicles RM	Total RM
Company			
2022			
Cost			
At 1 January 2022			
- as previously reported	947,857	155,764	1,103,621
- reclassification adjustment	-	505,609	505,609
Restated balance at 1 January 2022	947,857	661,373	1,609,230
Additions	39,594	-	39,594
Disposal	-	(505,609)	(505,609)
At 31 December 2022	987,451	155,764	1,143,215
Accumulated depreciation			
At 1 January 2022			
- as previously reported	697,187	155,764	852,951
- reclassification adjustment	-	252,805	252,805
Restated balance at 1 January 2022	697,187	408,569	1,105,756
Depreciation charge for the financial year	65,578	16,853	82,431
Disposal	-	(269,658)	(269,658)
At 31 December 2022	762,765	155,764	918,529
Carrying amounts			
At 31 December 2022	224,686	-	224,686

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

	Renovation, furniture and fittings RM	Motor vehicles RM	Total RM
Company			
2021			
Cost			
At 1 January 2021			
- as previously reported	879,948	155,764	1,035,712
- reclassification adjustment	-	822,609	822,609
Restated balance at 1 January 2021	879,948	978,373	1,858,321
Additions	67,909	-	67,909
Disposal	-	(317,000)	(317,000)
At 31 December 2021	947,857	661,373	1,609,230
Accumulated depreciation			
At 1 January 2021			
- as previously reported	613,397	155,764	769,161
- reclassification adjustment	-	248,133	248,133
Restated balance at 1 January 2021	613,397	403,897	1,017,294
Depreciation charge for the financial year	83,790	146,205	229,995
Disposal	-	(141,533)	(141,533)
At 31 December 2021	697,187	408,569	1,105,756
Carrying amounts			
At 31 December 2021	250,670	252,804	503,474

The motor vehicles under hire purchase arrangements of the Group and of the Company are pledged as security for related hire purchases liabilities as disclosed in Note 18 to the financial statements.

Notes to the Financial Statements
(Cont'd)

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

(a) Right-of-use assets

The Group and the Company lease several assets including leasehold land and sale office and showroom.

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

	Leasehold land RM	Sales office and showroom RM	Motor vehicles RM	Total RM
Group				
2022				
Cost				
At 1 January 2022				
- as previously reported	11,285,603	-	922,828	12,208,431
- reclassification adjustment	-	-	(922,828)	(922,828)
Restated balance at 1 January 2022	11,285,603	-	-	11,285,603
Additions	-	397,298	-	397,298
At 31 December 2022	11,285,603	397,298	-	11,682,901
Accumulated depreciation				
At 1 January 2022				
- as previously reported	697,832	-	440,457	1,138,289
- reclassification adjustment	-	-	(440,457)	(440,457)
Restated balance at 1 January 2022	697,832	-	-	697,832
Depreciation charge for the financial year	307,132	49,662	-	356,794
At 31 December 2022	1,004,964	49,662	-	1,054,626
Carrying amounts				
At 31 December 2022	10,280,639	347,636	-	10,628,275

Notes to the Financial Statements (Cont'd)

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

(a) Right-of-use assets (cont'd)

Information about leases for which the Group and the Company are lessees is presented below (cont'd):

	Leasehold land RM	Motor vehicles RM	Total RM
Group			
2021			
Cost			
At 1 January 2021			
- as previously reported	11,285,603	1,006,828	12,292,431
- reclassification adjustment	-	(1,006,828)	(1,006,828)
Restated balance at 1 January 2021/31 December 2021	11,285,603	-	11,285,603
Accumulated depreciation			
At 1 January 2021			
- as previously reported	390,699	367,875	758,574
- reclassification adjustment	-	(367,875)	(367,875)
Restated balance at 1 January 2021	390,699	-	390,699
Depreciation charge for the financial year	307,133	-	307,133
At 31 December 2021	697,832	-	697,832
Carrying amounts			
At 31 December 2021	10,587,771	-	10,587,771

	Company	
	31.12.2022 RM	31.12.2021 RM
Motor vehicles		
Cost		
At 1 January		
- as previously reported	505,609	822,609
- reclassification adjustment	(505,609)	(822,609)
Restated balance at 1 January/31 December	-	-
Accumulated depreciation		
At 1 January		
- as previously reported	252,805	248,133
- reclassification adjustment	(252,805)	(248,133)
Restated balance at 1 January/31 December	-	-
Carrying amounts		
Restated balance at 1 January/31 December	-	-

Notes to the Financial Statements
(Cont'd)

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

(a) Right-of-use assets (cont'd)

Leasehold land generally has lease terms between 32 to 37 years (31.12.2021: 33 to 38 years).

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

(b) Lease liabilities

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

	Group	
	31.12.2022 RM	**31.12.2021 RM (Restated)**
Minimum lease payments:		
- Not later than one year	197,285	-
- Later than one year and not later than five years	179,015	-
	376,300	-
Less: Future finance charges	(20,933)	-
Present value of minimum lease payments	355,367	-
Represented by:		
Current		
- Not later than one year	180,523	-
Non-current		
- Later than one year and not later than five years	174,844	-
	355,367	-

The lease liabilities bear interest rate of 6.33% (31.12.2021: Nil) per annum.

7. INVESTMENT PROPERTIES

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

	Company	
	31.12.2022 RM	31.12.2021 RM
Freehold commercial building		
Cost		
At 1 January	2,067,375	2,067,375
Disposal	(2,067,375)	-
At 31 December	-	2,067,375
Accumulated depreciation		
At 1 January	337,671	296,324
Depreciation charge for the financial year	6,892	41,347
Disposal	(344,563)	-
At 31 December	-	337,671
Carrying amounts		
At 31 December	-	1,729,704

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

	Group		Company	
	31.12.2022 RM	31.12.2021 RM	31.12.2022 RM	31.12.2021 RM
Rental income	226,067	11,000	-	-

(b) Investment properties with a total carrying amount of RM21,971,112 (31.12.2021: RM22,528,408) and Nil (31.12.2021: RM1,729,704) for the Group and the Company respectively have been pledged to licensed banks as securities for banking facilities granted to the Group and the Company as disclosed in Note 18 to the financial statements.

(c) As at the reporting date, titles to the investment properties under construction with carrying amounts of RM5,217,161 (31.12.2021: Nil) have yet to be registered under the subsidiaries' name.

7. INVESTMENT PROPERTIES (CONT'D)

(d) Fair value of investment properties is categorised as follows:

	Group		Company	
	31.12.2022 RM	31.12.2021 RM	31.12.2022 RM	31.12.2021 RM
Level 2				
Freehold land and buildings	26,000,000	26,000,000	-	-
Freehold commercial building	-	1,800,000	-	1,800,000
	26,000,000	27,800,000	-	1,800,000

There is no transfer between the levels of fair value hierarchy during the financial year ended 31 December 2022 and 31 December 2021.

Level 2 fair value

Level 2 fair values of freehold land and buildings 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 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 properties, the highest and best use of the properties is its current use.

Notes to the Financial Statements (Cont'd)

8. INVENTORIES

	Note	Group 31.12.2022 RM	Group 31.12.2021 RM (Restated)
Non-current			
Land held for development			
- Land costs		23,622,539	23,631,965
- Development costs		4,062,157	4,062,157
	(a)	27,684,696	27,694,122
Current			
Property under development			
- Land costs	**(b)**	118,101,415	115,281,508
- Development costs	**(b)**	62,833,288	57,934,841
		180,934,703	173,216,349
Construction materials		69,825	-
		181,004,528	173,216,349
		208,689,224	200,910,471

(a) Land held for development

Land held for property development with a total carrying amount of RM18,051,029 (31.12.2021: RM18,060,455) have been pledged to a licensed bank as securities for banking facilities granted to the Group as disclosed in Note 18 to the financial statements.

(b) Property under development

Property development costs with a total carrying amount of RM169,708,933 (31.12.2021: RM161,106,772) have been pledged to licensed banks as securities for banking facilities granted to the Group as disclosed in Note 18 to financial statements.

(c) The cost of inventories of the Group recognised as an expense in cost of sales during the financial year was RM139,943,904 (31.12.2021: RM39,014,447).

(d) The cost of inventories of the Group recognised as an expense during the financial year in respect of write-down of inventories to net realisable value is RM9,835,161 (31.12.2021: RM 1,837,737).

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

	Group 31.12.2022 RM	Group 31.12.2021 RM
Borrowing costs capitalised	2,072,902	115,000

9. INVESTMENT IN SUBSIDIARIES

	Company 31.12.2022 RM	Company 31.12.2021 RM
At cost		
Unquoted shares	32,350,998	19,886,246
Less: Accumulated impairment losses	(7,075,049)	(1,500,000)
	25,275,949	18,386,246
Deemed capital contribution:		
- Share option granted	232,759	202,331
Loans that are part of net investments	184,396,766	142,439,837
Less: Accumulated impairment losses	(3,454,679)	-
	180,942,087	142,439,837
Carrying amounts		
At the end of the financial year	206,450,795	161,028,414

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 31.12.2022 %	Ownership interest 31.12.2021 %	Principal activities
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 31.12.2022 %	Ownership interest 31.12.2021 %	Principal activities
Tristar City Sdn. Bhd. ("TCSB")	Malaysia	100	100	Property development and property investment
Grand Superland Sdn. Bhd. ("GSSB")	Malaysia	100	100	Construction of residential and commercial properties and property development and investment holding
Pangkal Teguh Sdn. Bhd. ("PTSB")	Malaysia	70	70	Construction of residential and commercial properties, property management and real estate
Kita Mampan Sdn. Bhd. ("KMPSB")	Malaysia	70	70	Construction of residential and commercial properties
O&C Makok Isola Sdn. Bhd. ("OMISB") #	Malaysia	50.01	50.01	Property development
Sunrise Meadow Sdn. Bhd. ("SMSB") ^	Malaysia	100	100	Property development and property investment
Kirana Masyhur Sdn. Bhd. ("KMSB")	Malaysia	100	100	Dormant
OCR Properties (Kuantan) Sdn. Bhd. ("OPKSB")	Malaysia	90	90	Property development and property investment
OCR Ventures Sdn. Bhd. ("OVSB")	Malaysia	100	100	Property development and property investment
OCR (The Mate) Sdn. Bhd. ("OTMSB")	Malaysia	100	100	Dormant
Junjung Simfoni Sdn. Bhd. ("JSSB")	Malaysia	100	100	Dormant

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 31.12.2022 %	Ownership interest 31.12.2021 %	Principal activities
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	100	Property investment holding
Stack Builder Sdn. Bhd. ("SBSB")	Malaysia	50.495	50	Property development
OCR Selayang Industrial Park Sdn. Bhd. ("OSIPSB")	Malaysia	50	-	Investment holding, receiving rental and property development
Subsidiary of Kirana Masyhur Sdn. Bhd.				
Mampan Esa (Melaka) Sdn. Bhd. ("MEMSB") ^	Malaysia	50.0005	50.0005	Real estate management
Subsidiaries of Grand Superland Sdn. Bhd.				
Visi Anggun Properties Sdn. Bhd. ("VAPSB")	Malaysia	80	80	Dormant
Greatway Capital Sdn. Bhd. ("GCSB")	Malaysia	100	100	Dormant
Serba Simfoni Sdn. Bhd. ("SSSB")	Malaysia	100	100	Dormant
OCR Avenue Sdn. Bhd. ("OASB")	Malaysia	100	-	Property investment
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 2022

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

(i) Fair value consideration transferred:

	31.12.2022 OSIPSB RM
Ordinary shares of the Company	11,544,852

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

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

	31.12.2022 OSIPSB RM
Assets	
Cash and bank balances	20,075,697
Inventories	53,566,924
Contract cost	6,433,076
Other receivables and prepayments	32,878,708
Total assets	112,954,405
Liabilities	
Contract liabilities	(107,003,111)
Trade and other payables	(2,513,061)
Total liabilities	(109,516,172)
Total identified net assets acquired	3,438,233
Less: Inventories written down	9,825,735
Non-controlling interests at fair value	(1,719,116)
Fair value of consideration transferred	11,544,852

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

(b) Acquisition of subsidiaries (cont'd)

For the financial year ended 31 December 2022 (cont'd)

(iii) Effects of acquisition on cash flows:

	31.12.2022 OSIPSB RM
Fair value of consideration transferred	11,544,852
Less: Non-cash consideration	(11,544,852)
Consideration paid in cash	-
Less: Cash and cash equivalents of subsidiaries acquired	20,075,697
Net cash inflows on acquisition	20,075,697

(iv) Effects of acquisition in statements of comprehensive income:

From the date of acquisition, the subsidiary's contributed revenue and profit net of tax are as follows:

	31.12.2022 OSIPSB RM
Revenue	105,224,412
Profit for the financial year	28,735,583

If the acquisition had occurred on 1 January 2022, the consolidated results for the financial year ended 31 December 2022 would have been as follows:

	31.12.2022 OSIPSB RM
Revenue	105,681,599
Profit for the financial year	28,860,492

Notes to the Financial Statements (Cont'd)

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

(b) Acquisition of subsidiaries (cont'd)

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

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)

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

(c) Allotment of additional interests in subsidiaries

(i) Allotment of additional interests in Wonderland Projects Sdn. Bhd.

On 10 March 2022, the Company allotted additional 670,000 new ordinary shares at an issue price of RM1 of RM670,000 in Wonderland Projects Sdn. Bhd., a wholly owned subsidiary of the Group.

(ii) Allotment of additional interests in Stack Builder Sdn. Bhd.

On 11 August 2022, the Company allotted an additional 1 new ordinary share at an issue price of RM249,900 in Stack Builder Sdn. Bhd., a subsidiary of the Group. The Company's effective ownership in Stack Builder Sdn. Bhd. increased from 50% to 50.5% as results of the additional share allotted.

Effect of the increase in the Company's ownership interest is as follows:

	RM
Increase in share of net assets	(7,183)
Excess charged directly to equity	(7,183)

(d) Non-controlling interests in subsidiaries

Equity interest held by non-controlling interests are as follows:

Name of company	Principal place of business/ country of incorporation	Ownership interest 31.12.2022 %	Ownership interest 31.12.2021 %
OCR Development (Kuantan) Sdn. Bhd.	Malaysia	30	30
Pangkal Teguh Sdn. Bhd.	Malaysia	30	30
Kita Mampan Sdn. Bhd.	Malaysia	30	30
OCR Properties (Kuantan) Sdn. Bhd.	Malaysia	10	10
Mampan Esa (Melaka) Sdn. Bhd.	Malaysia	49.9995	49.9995
Visi Anggun Properties Sdn. Bhd.	Malaysia	20	20
Stack Builder Sdn. Bhd.	Malaysia	49.50495	50
OCR Selayang Industrial Park Sdn. Bhd.	Malaysia	50	-

Notes to the Financial Statements (Cont'd)

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

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

Carrying amount of material non-controlling interests:

	Group	
	31.12.2022 RM	31.12.2021 RM
Name of company		
OCR Selayang Industrial Park Sdn. Bhd.	15,184,408	-
Stack Builder Sdn. Bhd.	2,348,760	2,291,625
Other subsidiaries	(2,179,465)	(2,151,591)
	15,353,703	140,034

Profit or loss allocated to material non-controlling interests:

	Group	
	31.12.2022 RM	31.12.2021 RM
Name of company		
OCR Selayang Industrial Park Sdn. Bhd.	13,465,292	-
Stack Builder Sdn. Bhd.	(19,345)	(7,620)
Other subsidiaries	41,423	(1,468,039)
	13,487,370	(1,475,659)

Notes to the Financial Statements (Cont'd)

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

(e) Summarised financial information of material non-controlling interests

The summarised financial information (before intra-group elimination) of the Group's and Company's subsidiary that has material non-controlling interest is as follows:

	OCR Selayang Industrial Park Sdn. Bhd. RM	Stack Builder Sdn. Bhd. RM
Summarised statement of financial position		
As at 31 December 2022		
Current assets	38,485,042	82,443,444
Non-current liabilities	-	(27,880,000)
Current liabilities	(8,116,226)	(49,818,948)
Net assets	30,368,816	4,744,496
Summarised statement of comprehensive income/loss		
Financial year ended 31 December 2022		
Revenue	105,224,412	-
Profit/(Loss) for the financial year	28,735,583	(24,565)
Total comprehensive income/(loss)	28,735,583	(24,565)
Summarised statement of cash flows information		
Financial year ended 31 December 2022		
Net cash used in operating activities	(20,055,947)	(891,329)
Net decrease in cash and cash equivalents	(20,055,947)	(891,329)

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

(e) Summarised financial information of material non-controlling interests (cont'd)

The summarised financial information (before intra-group elimination) of the Group's and Company's subsidiary that has material non-controlling interest is as follows: (cont'd)

	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)

10. INVESTMENT IN ASSOCIATES

	Group	
	31.12.2022 RM	31.12.2021 RM
At cost		
Unquoted shares	1,380,000	1,380,000
Share of post-acquisition reserves	(987,656)	(983,962)
Less: Impairment losses	(249,948)	(51,808)
	142,396	344,230

Notes to the Financial Statements (Cont'd)

10. INVESTMENT IN ASSOCIATES (CONT'D)

Details of associates are as follows:

Name of company	Principal place of business/ country of incorporation	Ownership interest 31.12.2022 %	31.12.2021 %	Principal activities/ nature of relationship
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.*

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 (losses)/profit of AES Builders Sdn. Bhd. amounting to (RM106,872) (31.12.2021: RM25,903) 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 RM1,282,696 (31.12.2021: RM1,175,824).

11. TRADE AND OTHER RECEIVABLES

	Note	Group 31.12.2022 RM	Group 31.12.2021 RM (Restated)	Company 31.12.2022 RM	Company 31.12.2021 RM
Non-current:					
Trade					
Trade receivables	**(a)**	-	897,307	-	-
Non-trade					
Other receivables	**(b)**	18,538,951	18,538,952	-	-
Total trade and other receivables (non-current)		18,538,951	19,436,259	-	-
Current:					
Trade					
Trade receivables		11,207,500	15,222,609	-	-
Retention sum		7,392,607	3,786,736	-	-
Related parties		43,871,752	55,408,590	-	-
		62,471,859	74,417,935	-	-
Less: Accumulated impairment losses		(1,317,764)	(1,359,609)	-	-
Total trade receivables (current)	**(a)**	61,154,095	73,058,326	-	-
Non-trade					
Other receivables	**(c)**	15,955,016	15,803,590	137,925	134,926
Deposits	**(d)**	64,102,716	8,788,201	27,111	27,111
Amount owing by:					
- subsidiaries	**(e)**	-	-	1,841,463	4,995,347
- an associate	**(e)**	1,928,587	2,504,644	87,358	-
- related parties	**(e)**	21,895,471	5,881,919	4,474,016	5,018,936
		103,881,790	32,978,354	6,567,873	10,176,320
Less: Accumulated impairment losses					
- other receivables		(3,765,858)	(3,765,858)	-	-
- deposits		(213,111)	(213,111)	(13,111)	(13,111)
- Amount owing by:					
- subsidiaries		-	-	(1,300,563)	(3,811,107)
- an associate		(1,928,587)	(1,722,238)	(87,358)	-
	(c)	(5,907,556)	(5,701,207)	(1,401,032)	(3,824,218)
Total other receivables (current)		97,974,234	27,277,147	5,166,841	6,352,102
Total trade and other receivables (current)		159,128,329	100,335,473	5,166,841	6,352,102
Total trade and other receivables (non-current and current)		177,667,280	119,771,732	5,166,841	6,352,102

Notes to the Financial Statements (Cont'd)

11. 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 (31.12.2021: 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% (31.12.2021: 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:

	Group	
	31.12.2022 RM	**31.12.2021 RM**
At 1 January	1,359,609	217,682
Charge for the financial year		
- Individually assessed	-	1,141,927
Reversal of impairment losses		
- Individually assessed	(41,845)	-
At 31 December	1,317,764	1,359,609

The information about the credit exposures is disclosed in Note 25(b)(i) to the financial statements.

Included in trade receivables of the Group are amounts totalling of RM51,264,359 (31.12.2021: RM59,195,326) due from 4 (31.12.2021: 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 (31.12.2021: 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.

11. TRADE AND OTHER RECEIVABLES (CONT'D)

(c) Other receivables (current)

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

	Group		Company	
	31.12.2022 RM	31.12.2021 RM	31.12.2022 RM	31.12.2021 RM
At 1 January	5,701,207	3,014,881	3,824,218	3,274,781
Charge for the financial year				
- Individually assessed	206,349	2,686,326	87,358	549,437
Reversal of impairment losses				
- Individually assessed	-	-	(2,510,544)	-
At 31 December	5,907,556	5,701,207	1,401,032	3,824,218

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 (31.12.2021: 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 RM1,320,000 (31.12.2021: RM1,500,000) 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 RM54,813,903 (31.12.2021: Nil) represent deposits paid upon execution of a Joint Venture Agreement ("JVA") with a landowner to develop a parcel of 99 years leasehold land held under PT 12, Seksyen 15, Bandar Shah Alam, Daerah Petaling, Selangor Darul Ehsan into a development project, subject to the terms and conditions contained therein the agreement;

(ii) is an amount of RM5,000,000 (31.12.2021: 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; and

11. TRADE AND OTHER RECEIVABLES (CONT'D)

(d) Deposits (cont'd)

Included in deposits of the Group at the end of reporting period (continued):

(iii) is an amount of RM3,000,000 (31.12.2021: 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.

(e) Amount owing by subsidiaries, an associate and related parties

The non-trade amounts owing by subsidiaries, an associate and related parties are unsecured, interest-free, repayable on demand and are expected to be settled in cash.

12. OTHER INVESTMENTS

	Group and Company	
	31.12.2022 RM	31.12.2021 RM
Financial assets at fair value through other comprehensive income ("FVOCI")		
- Quoted equity investments in Malaysia	5,425,200	5,227,200

13. CONTRACT ASSETS/(CONTRACT LIABILITIES)

	Group	
	31.12.2022 RM	31.12.2021 RM
Contract assets relating to property development contracts	15,183,139	30,389,961
Contract assets relating to construction service contracts	4,249,744	4,934,811
Total contract assets	19,432,883	35,324,772
Contract liabilities relating to property development contracts	(1,915,238)	(2,859,167)
Total contract liabilities	(1,915,238)	(2,859,167)
Net amount	17,517,645	32,465,605

(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	
	31.12.2022 RM	31.12.2021 RM
Property development contracts		
Contract assets		
At the beginning of the financial year	27,530,794	48,794,738
Acquisition of a subsidiary	(107,003,111)	-
Revenue recognised during the financial year	158,624,641	38,673,183
Progress billings issued during the financial year	(62,867,425)	(53,318,946)
Consideration received from customers, but revenue not recognised	(628,974)	(4,070,751)
Changes in transaction price	(2,388,024)	(2,547,430)
At the end of the financial year	13,267,901	27,530,794
Construction contracts		
Contract assets		
At the beginning of the financial year	4,934,811	8,567,372
Revenue recognised during the financial year	47,393,213	7,749,503
Progress billings issued during the financial year	(48,078,280)	(11,382,064)
At the end of the financial year	4,249,744	4,934,811
Net amount	17,517,645	32,465,605

Notes to the Financial Statements (Cont'd)

14. CONTRACT COSTS

	Group	
	31.12.2022 RM	31.12.2021 RM
Current		
Costs to obtain contracts	8,055,610	7,609,956

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 RM7,237,255 (31.12.2021: RM3,884,626).

15. CASH AND SHORT-TERM DEPOSITS

	Group		Company	
	31.12.2022 RM	31.12.2021 RM	31.12.2022 RM	31.12.2021 RM
Cash and bank balances	4,913,949	12,022,043	101,556	374,472
Short-term deposits placed with licensed banks	19,237,102	18,909,887	11,338,677	11,156,439
	24,151,051	30,931,930	11,440,233	11,530,911

(a) For the purpose of the statements of cash flows, cash and cash equivalents comprise of the following:

	Group		Company	
	31.12.2022 RM	31.12.2021 RM	31.12.2022 RM	31.12.2021 RM
Short-term deposits placed with licensed banks	19,237,102	18,909,887	11,338,677	11,156,439
Less: Deposits with maturity period of more than three months (pledged)	(11,338,677)	(11,156,439)	(11,338,677)	(11,156,439)
Less: Pledged deposits	(7,898,425)	(7,753,448)	-	-
	-	-	-	-
Cash and bank balances	4,913,949	12,022,043	101,556	374,472
Bank overdrafts	(11,973,143)	(14,400,937)	-	-
	(7,059,194)	(2,378,894)	101,556	374,472

(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 18 to the financial statements.

15. CASH AND SHORT-TERM DEPOSITS (CONT'D)

(c) The short-term deposits of the Group and the Company bore interest rates ranging from 1.85% to 2.55% (31.12.2021: 1.60% to 1.75%) and 2.55% (31.12.2021: 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 (31.12.2021: 1 to 12 months).

(d) Included in cash and bank balances of the Group is amount of RM997,543 (31.12.2021: RM8,702,764) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966 and therefore restricted from use in other operations.

16. SHARE CAPITAL

	Group and Company			
	Number of shares		Amount	
	31.12.2022 Unit	31.12.2021 Unit	31.12.2022 RM	31.12.2021 RM
Ordinary shares				
Issued and fully paid up (no par value):				
At 1 January	681,043,247	455,932,768	211,099,773	156,002,556
Issuance of shares during the financial year through:				
- Exercised of Warrants D	1,711	-	376	-
- Private placement	204,000,000	101,850,000	21,813,000	21,880,535
- Conversion of ICPS	-	31,603,837	-	15,801,920
- Acquisition of subsidiaries	104,953,197	91,656,642	11,544,852	17,414,762
At 31 December	989,998,155	681,043,247	244,458,001	211,099,773

Effective from 31 January 2017, the Companies Act 2016 in Malaysia abolished the concept of authorised share capital and par value of share capital.

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 204,000,000 (31.12.2021: 101,850,000) new ordinary shares at an average price of RM0.1069 (31.12.2021: RM0.2148) per ordinary share pursuant to private placement exercises to eligible investors for working capital purpose;

(b) issued 104,953,197 new ordinary shares at an issue price of RM0.1345 per ordinary share as the purchase consideration for the acquisition of the 50% equity interest in OCR Selayang Industrial Park Sdn. Bhd. pursuant to a revised share sale agreement dated 8 November 2021. For purpose of accounting for the share consideration, the fair value of RM0.11 per ordinary shares as at the date of completion was recorded instead of issue price of RM0.1345 per ordinary share; and

(c) issued 1,711 new ordinary shares at an exercise price of RM0.22 per warrant from exercise of Warrants D.

Notes to the Financial Statements (Cont'd)

16. SHARE CAPITAL (CONT'D)

In the previous financial year, the Company:

(a) 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;

(b) 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

(c) 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 ranked pari passu in all respects with the existing ordinary shares of the Company.

17. OTHER RESERVES

	Note	Group 31.12.2022 RM	Group 31.12.2021 RM (Restated)	Company 31.12.2022 RM	Company 31.12.2021 RM (Restated)
Fair value reserve of financial assets at fair value through other comprehensive income ("FVOCI")	**(a)**	1,421,098	1,223,098	1,421,098	1,223,098
Share option reserve	**(b)**	613,175	739,279	613,175	739,279
		2,034,273	1,962,377	2,034,273	1,962,377

(a) Fair value reserve of financial assets at FVOCI

This reserve comprises the cumulative net change in the fair value of financial assets at FVOCI until the investments are derecognised or impaired.

The Group and the Company have elected to recognise changes in the fair value of its investments in equity securities in other comprehensive income. These changes are accumulated within the fair value reserve of financial assets at FVOCI. The Group and the Company transfer amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

(b) Share option reserve

The share option reserve comprises the cumulative value of eligible Executive 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.

17. OTHER RESERVES (CONT'D)

(b) Share option reserve (cont'd)

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 the weighted average exercise price ("WAEP") of, and movement in, share options:

	31.12.2022		31.12.2021	
	Number Unit	**WAEP RM**	**Number Unit**	**WAEP RM**
At 1 January	8,080,000	0.249	11,000,000	0.249
Lapsed during the year	(2,580,000)	0.249	(2,020,000)	0.249
Forfeited during the year	(1,200,000)	0.249	(900,000)	0.249
At 31 December	4,300,000	0.249	8,080,000	0.249
Exercisable at 31 December	4,300,000	0.249	8,080,000	0.249

The options outstanding as at 31 December 2022 have exercise price of RM0.249 (31.12.2021: RM0.249) and the weighted average remaining contractual life for the share options outstanding as at 31 December 2022 was 2.6 years (31.12.2021: 3.6 years).

The fair values of the share options granted were determined using a trinomial option pricing model, and the inputs were:

		31.12.2022	
	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.

Notes to the Financial Statements (Cont'd)

18. LOANS AND BORROWINGS

	Note	Group 31.12.2022 RM	Group 31.12.2021 RM (Restated)	Company 31.12.2022 RM	Company 31.12.2021 RM (Restated)
Non-current:					
Secured					
Bridging loan	(a)	-	7,087,895	-	-
Term loans	(a)	84,448,289	56,641,424	-	158,790
Bank overdrafts (non-checking account)	(b)	1,506,917	3,843,782	-	-
Hire purchase liabilities	(e)	2,658,475	478,463	-	287,906
		88,613,681	68,051,564	-	446,696
Current:					
Secured					
Bridging loan	(a)	7,029,561	18,000,000	-	-
Term loans	(a)	10,353,581	5,726,044	-	85,308
Trust receipts	(c)	4,630,889	4,991,682	-	-
Revolving credit	(d)	15,000,000	15,000,000	15,000,000	15,000,000
Bank overdrafts	(b)	10,466,226	10,557,155	-	-
Hire purchase liabilities	(e)	1,105,276	126,835	-	64,983
		48,585,533	54,401,716	15,000,000	15,150,291
		137,199,214	122,453,280	15,000,000	15,596,987
Total loans and borrowings:					
Bridging loan	(a)	7,029,561	25,087,895	-	-
Term loans	(a)	94,801,870	62,367,468	-	244,098
Bank overdrafts	(b)	11,973,143	14,400,937	-	-
Trust receipts	(c)	4,630,889	4,991,682	-	-
Revolving credit	(d)	15,000,000	15,000,000	15,000,000	15,000,000
Hire purchase liabilities	(e)	3,763,751	605,298	-	352,889
		137,199,214	122,453,280	15,000,000	15,596,987

The loans and borrowings bore interest rates at the end of the reporting period as follows:

	Group 31.12.2022 %	Group 31.12.2021 %	Company 31.12.2022 %	Company 31.12.2021 %
Bridging loan	7.57	6.57	-	-
Term loans	5.07 to 7.89	3.45 to 6.89	-	3.45
Trust receipts	7.95	6.95	-	-
Revolving credit	5.56	4.45	5.56	4.45
Bank overdrafts	6.45 to 7.20	5.45 to 6.95	-	-
Hire purchase liabilities	4.19 to 8.36	4.19 to 4.55	-	4.55

18. LOANS AND BORROWINGS (CONT'D)

(a) Bridging loan and term loans

In the previous financial year, term loan of the Company of RM244,098 was secured and supported by fixed charges over the investment property as disclosed in Note 7 to the financial statements.

Bridging loan of a subsidiary of RM7,029,561 (31.12.2021: RM25,087,895) 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 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 of a subsidiary of RM15,692,511 (31.12.2021: RM18,120,367) are secured and supported as follows:

(i) legal charges over a freehold land with the building erected thereon located in Mukim Bandar Petaling Jaya, Daerah Petaling, Negeri Selangor as disclosed in Note 8 to the financial statements;
(ii) first party deed of assignment and charge over all the sales proceeds in respect of the proposed development as well as monies available in the Property Development Account ("PDA");
(iii) personal guarantee of a director of the Company; and
(iv) corporate guarantee of the Company.

Term loan of a subsidiary of RM42,239 (31.12.2021: RM67,493) is secured and supported as follows:

(i) third party specific debenture by way of fixed and floating charge over two pieces of leasehold commercial land located in Mukim Kawasan Bandar XXXIX, Daerah Melaka Tengah, Negeri Melaka belong to two subsidiaries as disclosed in Note 8 to the financial statements;
(ii) first party deed of assignment and charge over the surplus sales proceeds in respect of the proposed development as well as monies available in the designated account; and
(iii) corporate guarantee of the Company.

Term loan of a subsidiary of RM31,123,830 (31.12.2021: RM31,000,000) 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 to the financial statements;
(ii) debenture over fixed and floating assets, both present and future;
(iii) joint and several guarantee by a director; and
(iv) corporate guarantee of the Company.

Term loan of a subsidiary of RM5,297,754 (31.12.2021: RM5,326,729) 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.

Notes to the Financial Statements (Cont'd)

18. LOANS AND BORROWINGS (CONT'D)

(a) Bridging loan and term loans (Cont'd)

Term loans of a subsidiary of RM9,412,660 (31.12.2021: RM7,000,000) are secured and supported as follows:

(i) an all monies third party first legal charge over residential land held under Title No. Hak Milik 454, Lot 13844 Daerah Petaling, Mukim Sungai Buloh, Kampong Sungai Karu Ara, 47400 Negeri Selangor as disclosed in Note 8 to the financial statements;
(ii) a personal guarantee by a director of the Company;
(iii) a corporate guarantee by the Company;
(iv) an all-monies debenture and power of attorney created over all present and future assets and properties;
(v) an assignment of Housing Development Account ("HDA") or Project Account on all sales proceeds inclusive of profit from sales of designated project;
(vi) power of Attorney by 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.

Term loan of a subsidiary of RM33,232,876 (31.12.2021: Nil) is secured and supported as follows:

(i) legal charge over vacant land held under HSD 16667, PT 12, Seksyen 15, Bandar Shah Alam, Daerah Petaling, Negeri Selangor Darul Ehsan owned by a joint venture partner;
(ii) a personal guarantee by a director of the Company;
(iii) a corporate guarantee by the Company; and
(iv) debenture over fixed and floating assets, both present and future.

(b) Bank overdrafts

The bank overdrafts of the Group are secured by:

(i) a personal guarantee of a director of the Company;
(ii) a third-party specific debenture by way of fixed and floating charge over two pieces of leasehold land in Daerah Melaka Tengah, Negeri Melaka belong to two subsidiaries as disclosed in Note 8 to the financial statements;
(iii) a first party deed of assignment and charge over the surplus sales proceeds in respect of proposed development as well as all monies available in the designated account;
(iv) a corporate guarantee of the Company;
(v) fixed deposits with licensed banks as disclosed in Note 15 to the financial statements;
(vi) against first party, first legal charge over a property also known PN 114156, Lot 96079, Petaling, Mukim of Bukit Raja, Selangor as disclosed in Note 8 to the financial statements; and
(vii) debenture over fixed and floating assets, both present and future.

(c) Trust receipts

The trust receipts of the Group are secured by a personal guarantee of a director of the Company, fixed deposits with licensed banks as disclosed in Note 15 to the financial statements and a corporate guarantee of the Company.

18. LOANS AND BORROWINGS (CONT'D)

(d) Revolving credit

The revolving credit of the Group and of the Company is secured and supported as follows:

(i) personal guarantee of a director of the Company; and
(ii) fixed deposits placed with licensed banks as disclosed in Note 15 to the financial statements.

(e) Hire purchase liabilities

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

	Group		Company	
	31.12.2022 RM	31.12.2021 RM (Restated)	31.12.2022 RM	31.12.2021 RM (Restated)
Minimum lease payments:				
- Not later than one year	1,369,404	150,965	-	79,640
- Later than one year and not later than five years	2,872,609	468,400		311,248
- Later than five years	16,339	55,627	-	-
	4,258,352	674,992	-	390,888
Less: Future finance charges	(494,601)	(69,694)	-	(37,999)
Present value of minimum lease payments	3,763,751	605,298	-	352,889
Represented by:				
Current				
- Not later than one year	1,105,276	126,835	-	64,983
Non-current				
- Later than one year and not later than five years	2,658,475	424,421	-	287,906
- Later than five years	-	54,042	-	-
	2,658,475	478,463	-	287,906
	3,763,751	605,298	-	352,889

Notes to the Financial Statements (Cont'd)

19. TRADE AND OTHER PAYABLES

	Note	Group 31.12.2022 RM	Group 31.12.2021 RM	Company 31.12.2022 RM	Company 31.12.2021 RM
Non-current:					
Trade					
Land cost payables	**(a)**	16,672,312	26,598,149	-	-
Non-trade					
Amount owing to related parties	**(b)**	4,089,453	-	-	-
Total trade and other payables (non-current)		20,761,765	26,598,149	-	-
Current:					
Trade					
Land cost payable	**(a)**	3,229,400	3,229,400	-	-
Trade payables	**(c)**	29,202,403	40,719,438	-	-
Retention sum		14,877,777	9,999,748	-	-
Total trade payables (current)		47,309,580	53,948,586	-	-
Non-trade					
Other payables		8,343,500	8,516,906	150,465	439,904
Deposits		5,045,940	4,977,993	-	180,000
Accruals		1,492,676	2,324,476	580,847	549,524
Accrued costs for completion of projects	**(d)**	16,179,035	12,289,234	-	-
Amount owing to subsidiaries	**(b)**	-	-	18,806,572	877,164
Amount owing to related parties	**(b)**	3,953,174	1,921,358	982,459	993,615
Amount owing to directors	**(b)**	47,606,878	43,573,331	-	-
Total other payables (current)		82,621,203	73,603,298	20,520,343	3,040,207
Total trade and other payables (current)		129,930,783	127,551,884	20,520,343	3,040,207
Total trade and other payables (non-current and current)		150,692,548	154,150,033	20,520,343	3,040,207

19. TRADE AND OTHER PAYABLES (CONT'D)

(a) The non-current and current land cost payables represent land proprietary entitlements of 50% on development profits of two development projects.

(b) The amounts owing to subsidiaries, related parties and directors are unsecured, non-interest bearing, repayable on demand and are expected to be settled in cash, except an amount owing to a related party is repayable by monthly instalments of RM125,000 and bears interest rate of 10% at the end of financial reporting period.

(c) Trade payables are non-interest bearing and the normal credit terms granted to the Group and the Company ranging from cash term to 150 days (31.12.2021: cash term to 150 days). The retention sum is payable upon the expiry of defect liability period.

(d) Accrued costs for completion of projects of the Group at the end of the reporting period represent development and construction costs identified to be incurred for housing and commercial development projects and construction project of the Group.

For the explanation on the Group's and the Company's liquidity risk management process, refer to Note 25(b)(ii) to the financial statements.

20. REVENUE

	Group		Company	
	31.12.2022 RM	31.12.2021 RM	31.12.2022 RM	31.12.2021 RM
Revenue from contract customers:				
Construction contracts	47,393,213	7,749,503	-	-
Property development	160,734,241	37,042,838	-	-
	208,127,454	44,792,341	-	-
Revenue from other sources:				
Management fees	-	-	5,128,473	3,265,997
Rental income from investment properties	226,067	11,000	-	-
	226,067	11,000	5,128,473	3,265,997
Total	208,353,521	44,803,341	5,128,473	3,265,997
Timing of revenue recognition:				
Over time	208,127,454	44,792,341	-	-

Notes to the Financial Statements (Cont'd)

20. 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 29 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:

	Group	
	31.12.2022 RM	31.12.2021 RM
Aggregate amount of the transaction price allocated to contracts that are partially or fully unsatisfied		
- Construction contracts	64,798,296	161,125,049
- Property development contracts	155,276,949	112,191,509
	220,075,245	273,316,558

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.

21. FINANCE COSTS

	Group		Company	
	31.12.2022 RM	**31.12.2021 RM**	**31.12.2022 RM**	**31.12.2021 RM**
Interest expenses on:				
- bank overdrafts	810,381	757,493	-	-
- hire purchase liabilities	352,761	35,553	4,022	27,264
- lease liabilities	5,818	-	-	-
- revolving credit	719,016	655,789	719,016	655,789
- trust receipts	315,827	342,898	-	-
- term and bridging loans	2,569,455	3,600,194	3,214	16,393
	4,773,258	5,391,927	726,252	699,446

22. PROFIT/(LOSS) BEFORE TAX

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

	Group		Company	
	31.12.2022 RM	31.12.2021 RM	31.12.2022 RM	31.12.2021 RM
Auditors' remuneration:				
- statutory audit:				
- current year	272,500	193,700	73,000	56,000
- prior year	13,400	2,800	2,000	-
- non-statutory audit fees	54,000	65,000	54,000	65,000
Depreciation of:				
- investment properties	60,984	44,460	6,892	41,347
- property, plant and equipment	1,513,870	858,169	82,431	229,995
- right-of-use assets	356,794	307,133	-	-
Directors' fees	163,964	211,400	163,964	211,400
Directors' remuneration:				
- salaries and other remuneration	900,000	600,000	600,000	600,000
- defined contribution plans	109,542	72,923	73,002	72,923
- share-based payments	49,792	133,070	49,792	133,070
Expenses relating to:				
- short-term leases	513,000	352,559	27,120	27,570
- leases of low value assets	29,412	30,450	-	-
Gain on disposal of:				
- investment property	(77,188)	-	(77,188)	-
- property, plant and equipment	(192,673)	(67,533)	(192,673)	(67,533)
Net impairment losses/(gain) on trade and other receivables	164,504	3,828,253	(2,423,186)	549,437
Impairment loss on:				
- investment in an associate	198,140	44,785	-	-
- investment in subsidiaries	-	-	9,029,728	-
Interest income	(374,154)	(353,214)	(205,501)	(193,275)
Inventories written down	9,835,161	-	-	-
Rental income	(265,567)	(55,700)	-	-
Staff costs:				
- salaries and other remuneration	5,502,566	2,759,214	3,663,267	1,907,539
- defined contribution plans	613,126	330,549	422,290	236,988
- others	129,333	108,763	84,485	61,452
- share-based payments	171,504	388,774	141,076	279,187

Notes to the Financial Statements (Cont'd)

23. TAX EXPENSES

The major components of income tax expense for the financial years ended 31 December 2022 and 31 December 2021 are as follows:

	Group		Company	
	31.12.2022 RM	31.12.2021 RM	31.12.2022 RM	31.12.2021 RM
Statements of comprehensive income				
Current income tax:				
- current income tax charge	214,054	71,530	-	-
- adjustments in respect of prior years	-	143,716	-	-
	214,054	215,246	-	-
Deferred tax:				
- reversal of temporary differences	-	161,530	-	-
- adjustments in respect of prior years	-	1,088,845	-	-
	-	1,250,375	-	-
Income tax expense recognised in profit or loss	214,054	1,465,621	-	-

Income tax is calculated at the Malaysian statutory income tax rate of 24% (31.12.2021: 24%) of the estimated assessable profit for the financial year.

23. TAX EXPENSES (CONT'D)

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	
	31.12.2022 RM	31.12.2021 RM	31.12.2022 RM	31.12.2021 RM
Profit/(Loss) before tax	5,662,660	(25,933,306)	(8,345,922)	(3,732,073)
Tax at Malaysian statutory income tax rate of 24% (31.12.2021: 24%)	1,359,038	(6,223,993)	(2,003,021)	(895,698)
Adjustments:				
Adjustment in respect prior years:				
- income tax	-	143,716	-	-
- deferred tax	-	1,088,845	-	-
Deferred tax not recognised on tax losses and temporary differences	3,130,102	4,377,476	265,234	261,365
Income not subject to tax	(30,416)	(241,765)	(662,691)	(22,535)
Non-deductible expenses	3,972,296	2,320,714	2,400,478	656,868
Share of results of associates	887	628	-	-
Utilisation of deferred tax assets previously not recognised	(8,217,853)	-	-	-
Income tax expense	214,054	1,465,621	-	-

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

	Group		Company	
	31.12.2022 RM	31.12.2021 RM	31.12.2022 RM	31.12.2021 RM
Unabsorbed capital allowances	1,043,670	2,134,212	520,217	466,384
Unutilised tax losses	37,455,323	28,678,590	8,650,419	7,614,388
Other timing differences	7,879,243	36,764,397	(52,882)	(68,160)
	46,378,236	67,577,199	9,117,754	8,012,612
Potential deferred tax assets not recognised at 24% (31.12.2021: 24%)	11,130,777	16,218,528	2,188,261	1,923,027

Notes to the Financial Statements
(Cont'd)

23. TAX EXPENSES (CONT'D)

Unutilised tax losses which are available for offset against future taxable income will expire in the following years:

	Group		Company	
	31.12.2022 RM	31.12.2021 RM	31.12.2022 RM	31.12.2021 RM
Year of assessment				
2028	6,802,820	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	17,539,444	19,330,757	570,405	570,405
2032	10,568,046	-	1,036,031	-
	37,455,323	28,678,590	8,650,419	7,614,388

24. LOSS PER SHARE

(a) Basic loss per ordinary share

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

	Group	
	31.12.2022 RM	31.12.2021 RM
Loss attributable to owners of the Company	(8,038,764)	(25,923,268)
	Unit	**Unit**
Weighted average number of ordinary shares in issue:		
Ordinary shares at 1 January	681,043,247	455,932,768
Movement during the financial year:		
- effect of exercised of Warrants D	1,521	-
- effect of conversion of ICPS	-	15,263,665
- effect of private placement	137,793,151	70,059,726
- effect of issuance of shares on acquisition of subsidiaries	86,262,902	9,040,107
Weighted average number of ordinary shares for basic loss per share	905,100,821	550,296,266
	RM	**RM**
Basic loss per ordinary share (sen)	(0.89)	(4.71)

24. 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.

25. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

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

(i) Amortised cost ("AC"); and
(ii) Designated fair value through other comprehensive income ("DFVOCI").

	Carrying amount RM	AC RM	DFVOCI RM
As 31 December 2022			
Financial assets			
Group			
Other investments	5,425,200	-	5,425,200
Trade and other receivables	177,667,280	177,667,280	-
Cash and short-term deposits	24,151,051	24,151,051	-
	207,243,531	201,818,331	5,425,200
Company			
Other investments	5,425,200	-	5,425,200
Trade and other receivables	5,166,841	5,166,841	-
Cash and short-term deposits	11,440,233	11,440,233	-
	22,032,274	16,607,074	5,425,200
As 31 December 2022			
Financial liabilities			
Group			
Trade and other payables	(150,692,548)	(150,692,548)	-
Loans and borrowings	(137,199,214)	(137,199,214)	-
	(287,891,762)	(287,891,762)	-

Notes to the Financial Statements
(Cont'd)

25. FINANCIAL INSTRUMENTS (CONT'D)

(a) Categories of financial instruments (Cont'd)

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned (Cont'd):

	Carrying amount RM	AC RM	DFVOCI RM
Company			
Trade and other payables	(20,520,343)	(20,520,343)	-
Loans and borrowings	(15,000,000)	(15,000,000)	-
	(35,520,343)	(35,520,343)	-
As 31 December 2021			
Financial assets			
Group			
Other investments	5,227,200	-	5,227,200
Trade and other receivables	119,771,732	119,771,732	-
Cash and short-term deposits	30,931,930	30,931,930	-
	155,930,862	150,703,662	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	(122,453,280)	(122,453,280)	-
	(276,603,313)	(276,603,313)	-
Company			
Trade and other payables	(3,040,207)	(3,040,207)	-
Loans and borrowings	(15,596,987)	(15,596,987)	-
	(18,637,194)	(18,637,194)	-

25. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management

The Group's and the Company's activities are exposed to a variety of financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and market price risk. The Group's and the Company's overall financial risk management objective is to optimise value for their shareholders. The Group and the Company do not use derivative financial instruments to hedge certain exposures and do not trade in financial instruments.

The Board of Directors reviews and agrees to policies and procedures for the management of these risks, which are executed by the Group's senior management. The audit committee provides independent oversight to the effectiveness of the risk management process.

(i) Credit risk

Credit risk is the risk of financial loss to the Group and the Company that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group and the Company are exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments. The Group and the Company have a credit policy in place and the exposure to credit risk is managed through the application of credit approvals, credit limits and monitoring procedures.

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:

	Group			
	31.12.2022		31.12.2021	
	RM	%	RM	%
Trade receivables				
Property development	9,889,736	12	14,760,309	14
Construction services	51,264,359	65	59,195,324	54
	61,154,095	77	73,955,633	68
Contract assets				
Property development	15,183,139	18	30,389,961	27
Construction services	4,249,744	5	4,934,811	5
	19,432,883	23	35,324,772	32
	80,586,978	100	109,280,405	100

Notes to the Financial Statements (Cont'd)

25. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

Trade receivables and contract assets (Cont'd)

The 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 (31.12.2021: 4) customers who constituted approximately 84% (31.12.2021: 80%) of its trade receivables (including related parties) at the end of the reporting period.

The information about the credit risk exposure on the Group's trade receivables and contract assets are as follows:

Group	Gross carrying amount RM	Impairment loss RM	Net balance RM
At 31 December 2022			
Contract assets	19,432,883	-	19,432,883
Trade receivables			
Current (not past due)	14,274,576	-	14,274,576
1 - 30 days past due	4,580,928	-	4,580,928
31 - 60 days past due	7,071,502	-	7,071,502
61 - 90 days past due	4,592,108	-	4,592,108
More than 90 days past due	28,102,439	-	28,102,439
Credit impaired (individually assessed)	3,850,306	(1,317,764)	2,532,542
	62,471,859	(1,317,764)	61,154,095
Total	81,904,742	(1,317,764)	80,586,978
At 31 December 2021			
Contract assets	35,324,772	-	35,324,772
Trade receivables			
Current (not past due)	11,211,620	-	11,211,620
1 - 30 days past due	2,377,792	-	2,377,792
31 - 60 days past due	1,876,697	-	1,876,697
61 - 90 days past due	2,861,701	-	2,861,701
More than 90 days past due	52,818,372	-	52,818,372
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

25. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

Trade receivables and contract assets (Cont'd)

Credit risk arising from construction contracts

For construction contracts, as there are only a few customers, the Group accessed the risk of loss of each customer individually based on their financial information, past trend of payments and external credit ratings, where applicable.

Credit risk arising from property development

The Group does not have any significant credit risk as its services and products are predominantly rendered and sold to large number of customers comprise substantially property purchasers with financing facilities from reputable end-financiers. Credit risks with respect to property purchasers with no end financing facilities are limited as the ownership and rights to the properties revert to the Group in the event of default. The Group does not have any significant exposure to any individual or counterparty nor any major concentration of credit risk related to any financial instruments.

Other receivables and other financial assets

For other receivables and other financial assets (including investment securities and cash and cash equivalents), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Group's and the Company's maximum exposure to credit risk arising from other receivables and other financial assets are represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

Some intercompany 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.

25. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

Other receivables and other financial assets (Cont'd)

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 11 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.

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 RM118,435,463 (31.12.2021: RM72,607,055) representing the maximum amount the Company could pay if the guarantee is called on as disclosed in Note 25(b)(ii) to the financial statements. As at the reporting date, there was no loss allowance for impairment as determined by the Company for the financial guarantee.

The financial guarantees have not been recognised since the fair value on initial recognition was not material as the guarantee is provided as credit enhancement to subsidiaries' secured borrowings.

(ii) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations when they fall due. The Group's and the Company's exposure to liquidity risk arise primarily from mismatches of the maturities between financial assets and liabilities. The Group's and the Company's exposure to liquidity risk arise principally from trade and other payables, loans and borrowings.

The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through use of stand-by facilities. The Group and the Company maintain sufficient liquidity and available funds from operational collections to meet daily cash needs, while maintaining controls and security over cash movements. The Group and the Company use a series of processes to obtain maximum benefits from its flow of funds, such that they are efficiently managed to maximise income from investment and minimise cost on borrowed funds. The Group's and the Company's treasury department also ensure that there are sufficient unutilised stand-by facilities, funding and liquid assets available to meet both short-term and long-term funding requirements.

25. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(ii) Liquidity risk (Cont'd)

Maturity analysis

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

		Contractual cash flows			
	Carrying amount RM	On demand or within 1 year RM	Between 1 and 5 years RM	More than 5 years RM	Total RM
Group					
At 31 December 2022					
Financial liabilities					
Trade and other payables	150,692,548	130,395,241	22,439,247	-	152,834,488
Term and bridging loans	101,831,431	23,463,065	93,335,324	11,008,739	127,807,128
Trust receipts	4,630,889	4,999,045	-	-	4,999,045
Revolving credit	15,000,000	15,834,000	-	-	15,834,000
Bank overdrafts	11,973,143	11,425,878	1,339,148	-	12,765,026
Hire purchase liabilities	3,763,751	1,369,404	2,872,609	16,339	4,258,352
	287,891,762	187,486,633	119,986,328	11,025,078	318,498,039
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	57,183,182	15,218,159	100,595,741
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
Hire purchase liabilities	605,298	150,965	468,400	55,627	674,992
	276,603,313	189,474,168	89,714,770	15,273,786	294,462,724

25. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(ii) Liquidity risk (Cont'd)

Maturity analysis (Cont'd)

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

		Contractual cash flows			
	Carrying amount RM	On demand or within 1 year RM	Between 1 and 5 years RM	More than 5 years RM	Total RM
Company					
At 31 December 2022					
Financial liabilities					
Other payables	20,520,343	20,520,343	-	-	20,520,343
Revolving credit	15,000,000	15,834,000	-	-	15,834,000
Financial guarantee contracts	-	118,435,463	-	-	118,435,463
	35,520,343	154,789,806	-	-	154,789,806
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
Hire purchase liabilities	352,889	79,640	311,248	-	390,888
Financial guarantee contracts	-	72,607,055	-	-	72,607,055
	18,637,194	91,487,402	472,259	-	91,959,661

25. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(iii) Interest rate risk

Interest rate risk is the risk of fluctuation in fair value or future cash flows of the Group's and the Company's financial instruments as results of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from their long-term loans and borrowings with floating interest rates. The Group's and the Company's do not hedge their interest rate risk.

Sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial instruments at fair value through profit or loss. Therefore, a change in interest rates as at the reporting period would not affect the profit or loss.

Sensitivity analysis for floating rate instruments

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant on the Group's and the Company's total equity and profit for the financial year.

	Change in rate %	Effect on profit for the financial year RM	Effect on equity RM
Group			
31 December 2022	+ 10%	(13,343,546)	(13,343,546)
	- 10%	13,343,546	13,343,546
31 December 2021	+ 10%	(12,184,798)	(12,184,798)
	- 10%	12,184,798	12,184,798
Company			
31 December 2022	+ 10%	(1,500,000)	(1,500,000)
	- 10%	1,500,000	1,500,000
31 December 2021	+ 10%	(1,524,410)	(1,524,410)
	- 10%	1,524,410	1,524,410

Notes to the Financial Statements (Cont'd)

25. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(iv) Market price risk

Market price risk is the risk of fluctuation in fair value or future cash flows of the Group's and the Company's financial instruments as results of changes in market price (other than interest or exchange rates).

The Group's and the Company's investments in quoted equity instruments are subject to market price risk. Such exposures are not hedged as the investment is stable where the risks accepted are commensurate with the expected returns.

	Change in rate %	Effect on profit for the financial year RM	Effect on equity RM
Group and Company			
31 December 2022	+ 10%	542,520	542,520
	- 10%	(542,520)	(542,520)
31 December 2021	+ 10%	522,720	522,720
	- 10%	(522,720)	(522,720)

(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 (31.12.2021: no transfer in either direction).

25. FINANCIAL INSTRUMENTS (CONT'D)

(c) Fair value measurement (cont'd)

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

	Carrying amount	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value			
	Total	Fair value				Fair value			
	RM	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Group									
31 December 2022									
Financial assets									
Non-current									
Trade and other receivables	18,538,951	-	-	-	-	-	-	18,538,951	18,538,951
Other investments									
- Quoted equity investments	5,425,200	5,425,200	-	-	5,425,200	-	-	-	-
Financial liabilities									
Non-current									
Trade payables	20,761,765	-	-	-	-	-	-	20,761,765	20,761,765
31 December 2021									
Financial assets									
Non-current									
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									
Trade payables	26,598,149	-	-	-	-	-	-	26,598,149	26,598,149

Notes to the Financial Statements
(Cont'd)

25. FINANCIAL INSTRUMENTS (CONT'D)

(c) Fair value measurement (cont'd)

The following table provides the fair value measurement hierarchy of the Group's and the Company's financial instruments (cont'd):

	Carrying amount Total RM	Fair value of financial instruments carried at fair value |------Fair value------| Level 1	Level 2	Level 3	Total
Company					
31 December 2022					
Financial assets					
Non-current					
Other investments					
- Quoted equity investments	-	5,425,200	-	-	5,425,200
31 December 2021					
Financial assets					
Non-current					
Other investments					
- Quoted equity investment	5,227,200	5,227,200	-	-	5,227,200

Level 1 fair value

Fair value of financial instruments carried at fair value

The fair value of Company's quoted investments is estimated based on their quoted market prices as at end of the reporting year.

Level 3 fair value

Fair value of financial instruments not carried at fair value

The fair value of trade and other receivables and trade payables are determined using the discounted cash flows method based on discount rates that reflects the issuer's borrowing rate as at the end of the reporting period.

25. FINANCIAL INSTRUMENTS (CONT'D)

(c) Fair value measurement (cont'd)

Level 3 fair value (cont'd)

Fair value of financial instruments not carried at fair value (cont'd)

The fair value, which are for disclosure purposes, have been determined using the following basis:

(i) The fair value of the Group's trade and other receivable (non-current) is calculated based on present value of the projected repayment of balances;

(ii) The fair value of the Group's trade payables (non-current) is calculated based on the present value of the trade payable entitlement of 50% on development of the parcel of land belonging to trade payables as disclosed in Note 19(a) to the financial statements; and

(ii) The fair value of the Group's and the Company's loans and borrowings that carry floating interest rates approximated their carrying amounts as they are repriced to market interest rates on or near the reporting date.

Fair value hierarchy is not presented for those financial assets and financial liabilities of the Group and the Company which are not carried at fair value by any valuation method.

26. COMMITMENTS

	Group	
	31.12.2022 RM	31.12.2021 RM
Approved capital expenditures not provided for in the financial statements		
Property, plant and equipment		
- Contracted	-	1,524,390

27. 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.

27. RELATED PARTIES (CONT'D)

(b) Significant related party transactions

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

	Group		Company	
	31.12.2022 RM	31.12.2021 RM	31.12.2022 RM	31.12.2021 RM
Progress billings				
Entities in which a director has a substantial financial interests	48,078,281	15,382,065	-	-
Subcontractor fees				
Entity in which a director has a substantial financial interests	67,801,165	6,138,225	-	-
Marketing fees				
Entity in which a director has a substantial financial interests	1,097,625	1,747,801	-	-
Management fees				
Subsidiaries	-	-	(5,128,473)	(3,265,997)

(c) Compensation of key management personnel

	Group		Company	
	31.12.2022 RM	31.12.2021 RM	31.12.2022 RM	31.12.2021 RM
Directors of the Company				
Short-term employee benefits	1,063,964	811,400	763,964	811,400
Post-employment employee benefits	109,542	72,923	73,002	72,923
Share-based payments	49,792	133,070	49,792	133,070
	1,223,298	1,017,393	886,758	1,017,393
Other key management personnels				
Short-term employee benefits	1,641,985	1,482,344	1,582,075	1,482,344
Post-employment employee benefits	199,989	179,518	192,790	179,518
Share-based payments	71,921	192,213	71,921	192,213
	1,913,895	1,854,075	1,846,786	1,854,075
	3,137,193	2,871,468	2,733,544	2,871,468

28. 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 2022 and 31 December 2021.

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	
	31.12.2022 RM	31.12.2021 RM	31.12.2022 RM	31.12.2021 RM
Loans and borrowings	137,199,214	122,453,280	15,000,000	15,596,987
Less: Cash and short-term deposits	(24,151,051)	(30,931,930)	(11,440,233)	(11,530,911)
Net debts	113,048,163	91,521,350	3,559,767	4,066,076
Total equity	198,210,540	157,265,294	193,187,412	167,755,810
Debt-to-equity ratio	57%	58%	2%	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)

29. 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.

29. SEGMENT INFORMATION (CONT'D)

At 31 December 2022	Note	Construction RM	Property development RM	Others RM	Adjustments and eliminations RM	Total RM
Revenue:						
Revenue from external customers		47,393,213	160,734,241	226,067	-	208,353,521
Inter-segment revenue	A	982,050	(1,315,303)	5,128,473	(4,795,220)	-
		48,375,263	159,418,938	5,354,540	(4,795,220)	208,353,521
Results						
Included in the measure of segment profit/(loss)						
Operating results		5,707,740	7,854,640	(10,634,180)	9,233,410	12,161,610
Depreciation and amortisation		(1,234,289)	(256,820)	(143,415)	(297,124)	(1,931,648)
Net impairment losses/(gain) on trade and other receivables		(118,991)	41,845	2,423,186	(2,510,544)	(164,504)
Interest expenses		(1,018,922)	(2,623,672)	(1,130,664)	-	(4,773,258)
Interest income		96,082	72,571	205,501	-	374,154
Reportable segment profit/(loss)		3,431,620	5,088,564	(9,279,572)	6,425,742	5,666,354
Not included in the measure of segment profit/(loss)						
Share of results of associates		(3,694)	-	-	-	(3,694)
Segment profit/(loss)		3,427,926	5,088,564	(9,279,572)	6,425,742	5,662,660
Tax expense		(61,736)	(152,318)	-	-	(214,054)
Profit/(Loss) for the financial year	B	3,366,190	4,936,246	(9,279,572)	6,425,742	5,448,606
Assets:						
Investments in associates		142,396	-	-	-	142,396
Addition to non-current assets		4,022,393	7,037,998	39,594	-	11,099,985
Segment assets	C	76,669,698	392,042,503	264,997,928	(245,180,904)	488,529,225

Notes to the Financial Statements (Cont'd)

29. SEGMENT INFORMATION (CONT'D)

At 31 December 2021	Note	Construction RM	Property development RM	Others RM	Adjustments and eliminations RM	Total RM
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						
Included in the measure of segment profit/(loss)						
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)
Net impairment losses/(gain) 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
Reportable segment loss		(2,659,763)	(20,949,713)	(5,671,547)	3,350,333	(25,930,690)
Not included in the measure of segment loss						
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)/credit		(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 non-current assets		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

29. 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

	31.12.2022 RM	31.12.2021 RM
Elimination of inter-segment unrealised profit	6,847,778	1,572,024
Unallocated other corporate expenses	(422,036)	1,863,308
	6,425,742	3,435,332

C Reconciliation of assets

	31.12.2022 RM	31.12.2021 RM
Fair value adjustments on assets through acquisition of subsidiaries	26,391,182	25,999,108
Investment in associates	142,396	344,230
Inter-segment assets	(271,714,482)	(192,230,048)
	(245,180,904)	(165,886,710)

<u>Geographical information</u>

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.

<u>Information about major customers</u>

The following are major customers with revenue equal to or more than 10% of Group revenue:

	Group		
	31.12.2022 RM	31.12.2021 RM	Segments
Customer A	47,393,213	2,012,864	Construction

Notes to the Financial Statements (Cont'd)

30. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(a) Allotment and issuance of new ordinary shares

On 19 January 2022, 20 January 2022, 23 June 2022 and 7 September 2022, the Company allotted and issued a total of 204,000,000 subscription of new ordinary shares at an average issue price of RM0.1069.

(b) Acquisition of a subsidiary, OCR Selayang Industrial Park 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 25 March 2022 following the listing and quotation of 104,953,197 consideration shares on the Main Market of Bursa Securities.

(c) Joint venture agreement between OCR Avenue Sdn. Bhd. ("OASB") and Magna Ecocity Sdn. Bhd.

During the financial year, an indirect subsidiary of the Group, OASB had on 20 April 2022 entered into a joint venture agreement with Magna Ecocity Sdn. Bhd., the landowner to fund and undertake the development of a parcel of 99 years leasehold land held under PT 12, Seksyen 15, Bandar Shah Alam, Daerah Petaling, Selangor Darul Ehsan into a mix of integrated ecommerce spaces, commercial offices, retails as well as service apartments, which is to be developed in phases.

31. SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

On 6 April 2023, the Company proposed to undertake a private placement of up to 395,999,000 new ordinary shares in the Company, representing approximately up to 40% of the existing number of issued shares, to independent third-party investors to be identified later at an issue price to be determined later ("Proposed Private Placement"). The application for the listing and quotation of the Placement Shares on the Main Market of Bursa Securities has been submitted to Bursa Securities on 7 April 2023.

32. MATERIAL LITIGATION

(a) 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").

ASSB 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.

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.

On 27 May 2022, the Court has dismissed the first and second Defendants' application for striking out in Enclosures 13 and 18 respectively and allowed the Plaintiff's application for injunction in Enclosure 3 and the Originating Summons in Enclosure 1 with costs to be paid by each Defendant.

Further to the Court's decisions on 27 May 2022, AASB has on 13 June 2022 filed the Notice of Appeal to appeal against the said decisions.

Parties are required to file written submissions, executive summary and common core bundle on or before 22 April 2023 and submission in reply (in any) on or before 7 May 2023. The appeal is fixed for hearing on 22 May 2023.

32. MATERIAL LITIGATION (CONT'D)

(b) Kencana Amanjaya Sdn. Bhd. v OCR Properties (Kuantan) Sdn. Bhd. ("OPKSB")

OPKSB, a 90% owned subsidiary of the Company had on 18 April 2023, been served with a Writ of Summons and Statement of Claim dated 17 April 2023 ("Writ") filed by Messrs. Gregory Yusran & Associates, the solicitors acting on behalf of Kencana Amanjaya Sdn. Bhd. ("Plaintiff") in the Shah Alam High Court.

The Plaintiff's claim again OPKSB pertains to the alleged payment default in relation to the development project held under Lot 8094, Mukim Penor, Daerah Kuantan, Pahang Darul Makmur ("PRIYA Project") where the Plaintiff has been appointed as main contractor.

The Plaintiff has claimed from OPKSB the following:-

a. the sum of RM16,380,487.73 being the outstanding debt;

b. the general damages for the breach of the PRIYA Project Contract by OPKSB;

c. Interest on the outstanding amount at the rate of 5% per annum form the date of Writ filing until date of the judgment;

d. Interest on the outstanding amount at the rate of 5% per annum from the date of the judgement until the date of the repayment;

e. Costs on a solicitor-client basis; and

f. any such further reliefs and/or orders that is through fit by the proper Honourable Court.

The Court has fixed the case management by way of e-Review on 24 May 2023.

(c) Kencana Amanjaya Sdn. Bhd. v OCR Construction Sdn. Bhd. ("OCCSB")

OCCSB, a wholly owned subsidiary of the Company had on 18 April 2023, been served with a Writ of Summons and Statement of Claim dated 17 April 2023 ("Writ") filed by Messrs. Gregory Yusran & Associates, the solicitors acting on behalf of Kencana Amanjaya Sdn. Bhd. ("Plaintiff") in the Shah Alam High Court.

The Plaintiff's claim again OCCSB pertains to the alleged payment default in relation to the development project held under Lot 62142 (PT. 853), Jalan PJS 8/9, PJS 8, Bandar Sunway, Petaling Jaya, Selangor Darul Ehsan ("YOLO Project") where the Plaintiff has been appointed as main contractor.

The Plaintiff has claimed from OCCSB the following:-

a. the sum of RM14,545,000.81 being the outstanding debt;

b. the general damages for the breach of the YOLO Project Contract by OCCSB;

c. Interest on the outstanding amount at the rate of 5% per annum form the date of Writ filing until date of the judgment;

d. Interest on the outstanding amount at the rate of 5% per annum from the date of the judgement until the date of the repayment;

e. Costs on a solicitor-client basis; and

f. any such further reliefs and/or orders that is through fit by the proper Honourable Court.

The Court has fixed the case management by way of e-Review on 24 May 2023.

33. COMPARATIVE FIGURES

(a) In the previous financial year, the Group and the Company had erroneously recognised its fair value adjustments for equity instruments classified under financial assets at fair value through other comprehensive income as at 31 December 2021. Accordingly, adjustments have been made to restate the fair value reserves of financial assets at fair value through other comprehensive income and accumulated losses as at 31 December 2021.

(b) The presentation and classification of items in the current year's financial statements are consistent with the previous financial years except certain comparative figures have been restated to confirm with current year's presentation.

(c) The audited financial statements of the Group and the Company for the financial years ended 31 December 2021 and 1 January 2021 were restated during the financial year as follows:

	Note	As previously reported RM	Adjustments RM	As restated RM
Group				
At 31 December 2021				
Statements of Financial Position				
Non-current assets				
Property, plant and equipment	**(b)**	2,993,094	482,371	3,475,465
Right-of-use assets	**(b)**	11,070,142	(482,371)	10,587,771
Current assets				
Inventories	**(b)**	161,216,349	12,000,000	173,216,349
Trade and other receivables	**(b)**	112,335,473	(12,000,000)	100,335,473
Non-current liabilities				
Lease liabilities	**(b)**	478,463	(478,463)	-
Loans and borrowings	**(b)**	67,573,101	478,463	68,051,564
Current liabilities				
Lease liabilities	**(b)**	126,835	(126,835)	-
Loans and borrowings	**(b)**	54,274,881	126,835	54,401,716
Equity				
Other reserves	**(a)**	739,279	1,223,098	1,962,377
Accumulated losses	**(a)**	(54,713,792)	(1,223,098)	(55,936,890)

	Note	As previously reported RM	Adjustments RM	As restated RM
Group				
At 1 January 2021				
Statements of Financial Position				
Current assets				
Inventories	**(b)**	90,959,727	8,000,000	98,959,727
Trade and other receivables	**(b)**	101,664,014	(8,000,000)	93,664,014

Notes to the Financial Statements (Cont'd)

33. COMPARATIVE FIGURES (CONT'D)

(c) The audited financial statements of the Group and the Company for the financial years ended 31 December 2021 and 1 January 2021 were restated during the financial year as follows (cont'd):

	Note	As previously reported RM	Adjustments RM	As restated RM
Company				
At 31 December 2021				
Statement of Financial Position				
Non-current assets				
Property, plant and equipment	**(b)**	250,670	252,804	503,474
Right-of-use assets	**(b)**	252,804	(252,804)	-
Non-current liabilities				
Lease liabilities	**(b)**	287,906	(287,906)	-
Loans and borrowings	**(b)**	158,790	287,906	446,696
Current liabilities				
Lease liabilities	**(b)**	64,983	(64,983)	-
Loans and borrowings	**(b)**	15,085,308	64,983	15,150,291
Equity				
Other reserves	**(a)**	739,279	1,223,098	1,962,377
Accumulated losses	**(a)**	(44,083,242)	(1,223,098)	(45,306,340)

LIST OF PROPERTIES
as at 31 December 2022

Location	Description	Tenure	Net Book Value (RM)	Date of Acquisition/ Revaluation
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 expiring 2054 & 2059	10,280,639	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	21,971,112	2020
GF-R1, GF-R2, GF-R2A, GF-R3, GF-R4, GF-R5, GF-R6, Yolo Signature, Jalan PJS 8/9, PJS 8, Bandar Sunway, 46150 Petaling Jaya, Selangor Darul Ehsan	7 unit of retail lots under construction	Leasehold expiring 2104	3,569,600	2022
Lot 475, Kawasan Bandar XXXIX, District of Melaka Tengah, State of Melaka	37,265 sq. ft. of vacant development land currently using as car parking area	Leasehold 2082	11,600,000	2015
Lot 476, Kawasan Bandar XXXIX, District of Melaka Tengah, State of Melaka	22,787 sq. ft. of vacant development land currently using as car parking area	Leasehold expiring 2082	6,451,029	2016
Lot 1506, 1507 and 1508, Mukim of Machap, District of Alor Gajah, State of Melaka	1,072,099 sq. ft. of agricultural lands	Freehold	9,633,667	2017
Lot 96079 held under Title No. PN 114156, Mukim Bukit Raja, District of Petaling, Selangor Darul Ehsan	1,173,266 sq. ft. of converted mixed-use development land	Leasehold expiring 2113	81,362,144	2021
Lot 46915 held under Title Nos. Geran 41063 & 41064, Bandar Selayang, District of Gombak, Selangor Darul Ehsan	542,899 sq. ft. of industrial lands under development	Freehold	3,316,680	2022
Geran 54432, Lot 45822 Seksyen 39, Bandar Petaling Jaya, District of Petaling, Selangor Darul Ehsan	44,143 sq. ft. of commercial land under development	Freehold	28,157,134	2017

ANALYSIS OF SHAREHOLDINGS

as at 27 March 2023

STATISTICS OF ORDINARY SHAREHOLDINGS AS AT 27 MARCH 2023

Class of Shares	:	Ordinary Shares
Total Number of Issued Shares	:	989,998,155
Issued and Paid-up Capital	:	RM 244,458,001
Voting Rights	:	One vote for each ordinary share held

DISTRIBUTION OF SHAREHOLDINGS AS AT 27 MARCH 2022

Size of Holdings	No. of shareholders	No. of Shares	Percentage of Shares %
1 – 99	131	5,473	0.00
100 - 1,000	307	177,346	0.02
1,001 - 10,000	1,734	10,747,462	1.08
10,001 - 100,000	2,201	87,385,263	8.83
100,001 to less than 5% of issued shares	623	575,682,611	58.15
5% and above of issued shares	3	316,000,000	31.92
Total	**4,999**	**989,998,155**	**100.00**

SUBSTANTIAL SHAREHOLDER AS AT 27 MARCH 2023*

No.	Name of Substantial Shareholder	No. of Shares held Direct	Percentage (%)	No. of Shares held Indirect	Percentage (%)
1	ONG KAH HOE	186,291,463	18.82	41,678,800[1]	4.21

* Based on Register of Substantial Shareholder.

DIRECTORS' INTERESTS IN SHARES AS AT 27 MARCH 2022

No.	Name of Directors	No. of Shares held Direct	Percentage of shares held (%)	No. of Shares held Indirect	Percentage of shares held (%)
1	TUNKU AZUDINSHAH IBNI TUNKU ANNUAR	-	-	-	-
2	ONG KAH HOE	186,291,463	18.82	41,678,800[1]	4.21
3	HJ. ABDULLAH BIN ABDUL RAHMAN	-	-	-	-
4	JULIAN KOH LU ERN	-	-	-	-

Note:

(1) Deemed interested by virtue of Mr. Ong Kah Hoe's interest in OCR Land Holdings Sdn. Bhd., pursuant to Section 8 of the Companies Act, 2016 and Mr. Ong Kah Hoe's parents and siblings' direct shareholdings

Analysis of Shareholdings as at 27 March 2023 (Cont'd)

LIST OF TOP 30 LARGEST SECURITIES ACCOUNTS HOLDERS
(ACCORDING TO THE REGISTER OF DEPOSITORS AS AT 27 MARCH 2023)

No.	Name of Shareholders	No. of Shares	Percentage of shares held (%)
1	CARTABAN NOMINEES (TEMPATAN) SDN BHD RHB TRUSTEES BERHAD FOR KENANGA ISLAMIC ABSOLUTE RETURN FUND	166,000,000	16.8
2	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR ONG KAH HOE (SMART)	90,000,000	9.1
3	RHB NOMINEES (TEMPATAN) SDN BHD OSK CAPITAL SDN BHD FOR ONG KAH HOE	60,000,000	6.1
4	MERCSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ACE CREDIT (M) SDN BHD	39,424,700	4.0
5	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHEONG KAI MENG	34,065,000	3.4
6	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR OCR LAND HOLDINGS SDN. BHD.	31,215,000	3.2
7	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR STRONGLEAP SDN BHD	29,922,500	3.0
8	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KOON POH TAT	29,239,000	3.0
9	LEONG SHANG MING	19,103,000	1.9
10	APEX NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ONG KAH HOE (MARGIN)	11,681,900	1.2
11	PELABURAN MARA BERHAD	10,000,000	1.0
12	LOW KIN KOK	9,773,290	1.0
13	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ONG KAH HOE (020) (THIRD PARTY)	9,405,400	1.0
14	YAYASAN GURU TUN HUSSEIN ONN	8,000,000	0.8
15	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITES ACCOUNT FOR JOHNNY TING KOK LING	7,899,000	0.8
16	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ONG KAH HOE	6,873,700	0.7
17	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SIM KWONG TECK	6,751,600	0.7
18	CARTABAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR STANDARD CHARTERED BANK SINGAPORE BRANCH (SG PVB CL AC)	6,000,000	0.6
19	LIM KIM CHAI	6,000,000	0.6
20	KOH SUAT CHIN	5,900,000	0.6
21	LOW KIEN POH	5,658,569	0.6
22	LEE HOCK SENG	5,440,000	0.5
23	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHIA YOONG YOONG	5,343,400	0.5
24	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ONG KAH HOE (6000713)	4,981,600	0.5
25	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD PEMBANGUNAN SUMBER MANUSIA BERHAD	4,314,900	0.4
26	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LAW SEEH KEY	4,089,900	0.4
27	IFAST NOMINEES (TEMPATAN) SDN BHD LEW JIN AUN	4,000,000	0.4
28	IFAST NOMINEES (TEMPATAN) SDN BHD NG CHOR KUAN	4,000,000	0.4
29	SENI JAYA OOH SDN. BHD.	3,732,600	0.4
30	PHANG POOI LING	3,385,000	0.3
	TOTAL	632,200,059	63.9

NOTICE OF TWENTY-FIFTH GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Fifth (25th) 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. (Domain registration number with MYNIC: D1A403841) on Tuesday, 30 May 2023, 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 2022 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 25th AGM until the conclusion of the 26th AGM to be held in year 2024. ***(Ordinary Resolution 1)***

3. To re-elect YAM Tunku Azudinshah Ibni Tunku Annuar who retire in accordance with Clause 77(2) of the Constitution of the Company: - ***(Ordinary Resolution 2)***

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 3)***

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 4)***

   "THAT pursuant to Sections 75 and 76 of the Companies Act 2016 and subject to approvals from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued and other relevant authorities, where approval is necessary, authority be and is hereby given to the Directors to allot and issue shares in the Company at any time upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided always that the aggregate number of shares to be issued shall not exceed 10% of the total number of issued shares of the Company or such higher percentage as Bursa Malaysia Securities Berhad allowed for the time being AND THAT such authority shall continue to be in force until the conclusion of the next AGM of the Company.

   AND THAT in connection with the above, pursuant to Section 85 of the Companies Act 2016 to be read together with Clause 12(3) of the Constitution of the Company, the shareholders of the Company do hereby waive their pre-emptive rights over all new shares, options over or grants of new shares or any other convertible securities in the Company and/or any new shares to be issued pursuant to such options, grants or other convertible securities, such new shares when issued, to rank pari passu with existing issued shares in the Company."

6. **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE** ***(Ordinary Resolution 5)***

"THAT, subject always to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), approval be and is hereby given to the Company and its subsidiaries (collectively the "Group") to enter into and give effect to the recurrent related party transactions of a revenue or trading nature with the related parties as specified in Section 5 of the Circular to Shareholders dated 28 April 2023, provided that such transactions and/or arrangements which are necessary for the Group's day-to-day operations are undertaken in the ordinary course of business, at arm's length basis, on normal commercial terms and transaction prices which are not more favourable to the related parties than those generally available to the public and not detrimental to the minority shareholders of the Company (hereinafter referred to as the "Proposed Renewal of Shareholders' Mandate"):-

THAT the Proposed Renewal of Shareholders' Mandate shall only continue to be in full force until: -

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

whichever is the earlier.

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary or in the best interest of the Company to give effect to the Proposed Renewal of Shareholders' Mandate."

7. To transact any other business of which due notice have been given in accordance with the Companies Act 2016.

BY ORDER OF THE BOARD

TAN TONG LANG
(MAICSA 7045482) (SSM PC No. 202208000250)
Company Secretary

Kuala Lumpur
Dated: 28 April 2023

Notice of Annual General Meeting (Cont'd)

Remarks:

1. The 25th 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 25th AGM, the Company shall be requesting the Record of Depositors as at 23 May 2023. Only a depositor whose name appears on the Record of Depositors as at 23 May 2023 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 2022

   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 Resolution 2- Re-election of Director 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 Annual General Meeting in every subsequent year, one-third (1/3) of the Directors for the time being, or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3), shall retire from office at the conclusion of the Annual General Meeting in every year provided always that all Directors shall retire from office once at least in each three (3) years, but shall be eligible for re-election.

   Out of the current Board size, one (1) out of four (4) Directors are to retire in accordance with Clause 77(2) of the Company's Constitution.

   The performance of the Director who is 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 YAM Tunku Azudinshah Ibni Tunku Annuar who is due for retirement as Director, and being eligible, has offered himself for re-election at the 25th AGM.

3. Ordinary Resolution 4 - Authority to allot and issue shares in general pursuant to Sections 75 and 76 of the Companies Act 2016

   The proposed Ordinary Resolution 4, seeking a renewal of the general mandate is to provide flexibility to the Company to issue new securities without the need to convene separate general meeting to obtain its shareholders' approval so as to avoid incurring additional cost and time. The purpose of this general mandate is for possible fund raising exercise including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital, repayment of bank borrowings, acquisitions and/or for issuance of shares as settlement of purchase consideration.

   As at the date of the Notice, no shares were issued pursuant to the general mandate granted to the Directors at the 24th AGM held on 30 May 2022 and which will lapse at the conclusion of the 25th AGM.

   Pursuant to Section 85 of the Companies Act 2016 read together with Clause 12(3) of the Constitution of the Company, shareholders have pre-emptive rights to be offered any new shares in the Company which rank equally to the existing issued shares in the Company or other convertible securities.

   Section 85(1) of the Companies Act 2016 provides as follows:
   "85. Pre-emptive rights to new shares
   (1) Subject to the constitution, where a company issue shares which rank equally to existing shares as to voting or distribution rights, those shares shall first be offered to the holders of existing shares in a manner which would, if the offer were accepted, maintain the relative voting and distribution rights of those shareholders."

   Clause 12(3) of the Constitution of the Company provides as follows:
   "(a) Subject to the Act, the Listing Requirements and any direction to the contrary that may be given by the Company in General Meeting, all new shares or other convertible securities shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of General Meetings in proportion as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled.

Notice of Annual General Meeting (Cont'd)

(b) The offer shall be made by notice specifying the number of shares or securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or securities offered, the Directors may dispose of those shares or securities in such manner as they think most beneficial to the Company.

(c) The Directors may likewise also dispose of any new share or security which (by reason of the ratio which the new shares or securities bear to shares or securities held by persons entitled to an offer of new shares or securities) cannot, in the opinion of the Directors, be conveniently offered under this Constitution."

The proposed Ordinary Resolution, if passed, will exclude your pre-emptive right to be offered new shares and/or convertible securities to be issued by the Company pursuant to the said Ordinary Resolution.

4. Ordinary Resolution 5 – Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

   The Ordinary Resolution 5, if passed, will allow the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Company and/or its subsidiaries, subject to the transactions being carried out in the ordinary course of business of the Company and/or its subsidiaries and on normal commercial terms which are generally available to the public and not detrimental to the minority shareholders of the Company.

   This authority, unless revoked or varied by the Company at a general meeting, will expire at the next AGM of the Company.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Securities: -

1. Details of individual who are standing for election as Directors (excluding Directors for re-election)

   No individual is seeking election as a Director at the 25th 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 ……
[Full name in block, NRIC/Passport/Company No.]

Tel. No.: …………………………… of ………………………………………………………………………………….

………

being a *member/members of **OCR GROUP BERHAD** hereby appoint:

Full Name (in Block):	**NRIC/Passport No.:**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address:			
Email Address:			
Mobile Number:			

*and / or

Full Name (in Block):	**NRIC/Passport No.:**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address:			
Email Address:			
Mobile Number:			

or failing him, the Chairman of the Meeting as *my/our proxy to vote for *me/us on *my/our behalf at the Twenty-Fifth (25th) 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. (Domain registration number with MYNIC: D1A403841) on Tuesday, 30 May 2023, 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 25th AGM until the conclusion of the 26th AGM to be held in year 2024.	OR1		
To re-elect YAM Tunku Azudinshah Ibni Tunku Annuar as Director	OR2		
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.	OR3		
Proposed authority to Directors to allot and issue new ordinary shares pursuant to Sections 75 and 76 of the Companies Act 2016	OR4		
Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.	OR5		

Please indicate with an 'X' in the space provided whether you wish your votes to be cast for or against the resolution. In the absence of specific direction, your proxy will vote or abstain as he thinks fit.

Signed this………………day of 2023

………………………………………………………………
Signature of Shareholder(s)/Common Seal

** Strike out whichever is not applicable*

Remarks:

1. The 25th 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 25th AGM, the Company shall be requesting the Record of Depositors as at 23 May 2023. Only a depositor whose name appears on the Record of Depositors as at 23 May 2023 shall be entitled to attend and vote at the meeting or appoint proxy(ies) to attend, speak and vote on his/her behalf.

Fold this flap for sealing

2nd fold here

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

1st fold here

ADMINISTRATIVE GUIDE

ADMINISTRATIVE GUIDE FOR SHAREHOLDERS ATTENDING THE TWENTY-FIFTH ANNUAL GENERAL MEETING ("25TH AGM")

Meeting Day & Date	:	Tuesday, 30 May 2023
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 25th AGM to ir@shareworks.com.my no later than 27 May 2023 on 2.00 p.m. or to use the Question and Answer ("Q&A") Platform to transmit questions to the Board via Remote Participation and Voting ("**RPV**") Facility during live streaming.

VIRTUAL MEETING

The 25th 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 25th 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 25th AGM will have to register to attend remotely by using the RPV Facility, the details of which is set out below.

RPV Facility

1. The 25th AGM will be conducted on a fully virtual basis through live streaming and online remote participation and voting. Should you wish to attend the 25th 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 25th AGM.

2. **Individual Members** are strongly encouraged to take advantage of the RPV Facility to participate and vote remotely at the 25th AGM. Please refer to the details as set out under the RPV Facility for information. If an Individual Shareholder is unable to participate in the online 25th 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 25th AGM using the RPV Facility. Corporate Members who wish to participate and vote remotely at the 25th 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 2023 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)

If a Corporate Member (through Corporate Representative(s) or appointed proxy(ies)) is unable to attend the 25th 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 25th AGM using the RPV Facility. Nominee Company Members who wish to participate and vote remotely at the 25th AGM can request its Nominee Company to appoint him/her as a proxy to participate and vote remotely at the 25th 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 2023 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.

If a Nominee Company Member is unable to attend the 25th 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 25th AGM are as follows:

Procedures		Action
BEFORE THE 25TH AGM		
(i)	Register as a user	• 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 2023 and close at 2.00 p.m. on 29 May 2023. • Complete the registration process and upload softcopy of MyKAD (front and back) or Passport for foreign shareholders. • Read and agree to the terms & condition and thereafter submit your request. • Upon submission, kindly login to the valid email address and verify your user ID within **one (1) hour**. • Upon verification of the user ID, ShareWorks will send an email notification to approve you as a user. • After verification of your registration against the General Meeting Record of Depositors of the Company as at 23 May 2022, the system will send you an email to notify you if your registration is approved or rejected after 24 May 2023. • If your registration is rejected, you can contact ShareWorks or the Company for clarifications or to appeal.

Administrative Guide
(Cont'd)

ON THE 25TH AGM DAY		
(ii)	Login to www.swsb.com.my	• Login with your user ID and password for remote participation at the 25th AGM at any time from 1.30 p.m. i.e. 30 minutes before the commencement of the 25th AGM on 30 May 2023 at 2.00 p.m.
(iii)	Participate through Live Streaming	• Select the "**Virtual Meeting**" from main menu. • Click the "**Join Meeting**" located next to the event. You are required to provide your full name as per CDS records and your user registered email address. • Kindly click the video link and insert the password given to you in your email notification in order to join the live video streaming. • If you have any question for the Chairperson/ Board, you may use the Q&A platform to transmit your question. The Chairperson/Board will try to respond to all questions submitted by remote participants during the 25th 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	• Select "**Voting**" located next to the "**Join Meeting**" and indicate your votes for the resolutions that are tabled for voting. • Voting session will commence once the Chairperson of the Meeting declare that the voting platform is activated and will announce the completion of the voting session of the 25th AGM. • Cast your vote on the resolution as appeared on the screen and submit your votes. Once submitted, your votes will be final and cannot be changed.
(v)	End of RPV Facilities	• The RPV Facility will end and the Messaging window will be disabled the moment the Chairperson of the Meeting announces the closure of the 25th AGM.

Proxy

If a member is unable to attend the 25th 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 25th AGM and subsequently decides to personally participate in the 25th 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 2023 at 2.00 p.m.

Poll Voting

The voting at the 25th AGM will be conducted by poll in accordance with Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company has appointed ShareWorks as Poll Administrator to conduct the poll by way of electronic means and SharePolls Sdn Bhd as Scrutineers to verify the poll results.

The Scrutineers will verify and announce the poll results followed by the Chairperson declaration whether the resolution is duly passed.

Administrative Guide (Cont'd)

Pre-Meeting submission of question to the Board

To administer the proceedings of the 25th AGM in orderly manner, shareholders may before the 25th AGM, submit questions to the Board to *ir@shareworks.com.my* **no later than Friday, 26 May 2023 at 2.00 p.m.** The Board will endeavour to address the questions received at the 25th AGM.

No Recording or Photography

Strictly **NO recording or photography** of the proceedings of the 25th AGM is allowed.

No Door Gifts or e-Vouchers

There will be NO DISTRIBUTION of door gifts or e-vouchers.

Digital Copies of 25th AGM Documents

We further inform that the following items are now available from the company website at https://www.ocrbhd.com/investor-relations/ or Bursa Malaysia Berhad's website at https://www.bursamalaysia.com.

1. Notice of the 25th AGM
2. Form of Proxy
3. Requisition Form;
4. Administrative Guide
5. Annual Report 2022
6. Corporate Governance Report
7. Circular to shareholder in relation to Proposed New and Renewal of Shareholders' Mandate for Recurrent Party Transactions of A Revenue or Trading Nature ("Circular to Shareholders")

Enquiry

If you have any enquiry prior to the virtual meeting, please contact Ms. Stacy Goh / Mr. Kou 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,
PJU6A 47400 Petaling Jaya, Selangor

Tel : +603 7710 1000 Fax : +603 7729 0300

www.orcbhd.com