

SUSTAINABILITY STATEMENT

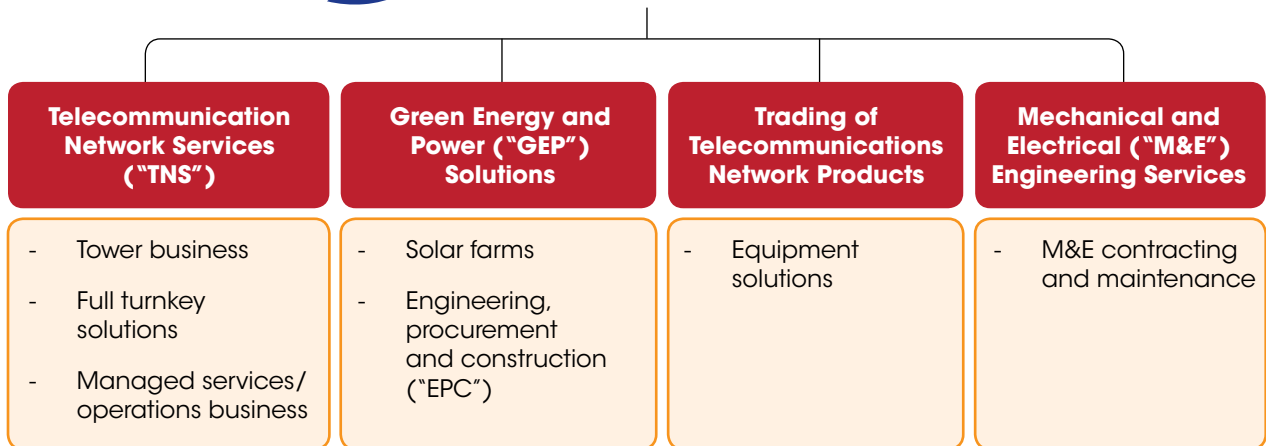
ABOUT THIS REPORT

OCK Group Berhad (“OCK”, “Company” or “Group”) is delighted to present its Sustainability Report (“Report”) for the financial year ended 31 December 2023 (“FYE 2023”).

This Report covers the sustainability strategies, principles, initiatives and performance of OCK for the FYE 2023 and focuses on the issues that we have determined to be of greatest importance via our materiality assessment. Through this Report, we provide updates on OCK’s sustainability initiatives across our key business units and operations and includes our progress against the commitments we have made, all aimed at operating sustainably and creating sustainable value for our stakeholders.

Our disclosures and practices have evolved over time. Sustainability is an ongoing journey, and our sustainability strategies continue to be our main focus as we strive for a sustainable future for both people and the planet.

OUR CORE BUSINESSES



Sustainability Statement

(Cont'd)

SCOPE AND BASIS OF SCOPE

This Report covers the Group’s sustainability performance and progress of our headquarter in Malaysia and all geographical locations we operate in, namely Vietnam, Myanmar and Indonesia, unless specified otherwise for individual sustainability matters.

We excluded joint ventures or associates and partners’ assets from our reporting scope.

REPORTING FRAMEWORKS AND STANDARDS

This Report has been developed according to Bursa Malaysia’s Listing Requirements, with reference to:

- Bursa Malaysia Securities Berhad (“Bursa Malaysia”)’s Sustainability Reporting Guide (3rd Edition);
- Listing Requirements of Bursa Malaysia [Paragraph 29, Part A of Appendix 9C of the Main Market Listing Requirements (supplemented by Practice Note 9)]; and
- Task Force on Climate-related Financial Disclosures (“TCFD”) Recommendations.

INDEPENDENT ASSURANCE

This Report has been subjected to a review by Internal Auditor, IA Essential Sdn. Bhd.. The scope and the subject matters under review are compliant with the applicable Practice Note 9 disclosure requirements, the sustainability performance data and the Bursa’s prescribed common sustainability indicators limited to the headquarter in Malaysia. The review findings and commentary were presented to the Audit and Risk Management Committee and the Management. We intend to subject all indicators to independent assurance in the next five years.

OUR APPROACH TO SUSTAINABILITY

SUSTAINABILITY FRAMEWORK

OCK has enhanced its sustainability framework to harmonise with our business strategy, guided by the Group’s vision and mission. Our framework aims to address stakeholder needs, minimise environmental footprint, and foster positive contributions to the communities in which we operate.

Our sustainability framework emphasises four key focus areas: Economic Sustainability, Environmental Sustainability, Workforce Sustainability, and Social Sustainability. We endeavour to achieve specific objectives within each focus area by addressing concerns related to our material matters.

Our Vision			
To be a leading and innovative provider of TNS and Green Renewable Energy			
Our Mission			
Exceeding customer expectations through timely delivery of our value-added solutions and services			
Our Focus Areas			
Sustaining our economy	Conserving our environment	Building a resilient work force	Serving our community
<ul style="list-style-type: none"> • Economic Performance • Customers Satisfaction • Anti-Corruption • Cybersecurity & Data Protection • Policy and Regulatory Compliance 	<ul style="list-style-type: none"> • Climate Action • Water Management • Waste Management 	<ul style="list-style-type: none"> • Human Rights • Health & Safety • Employee Management • Diversity, Equity & Inclusion 	<ul style="list-style-type: none"> • Supply Chain Management • Community Investment

Sustainability Statement (Cont'd)

SUSTAINABILITY POLICY

As our organisation expands, our unwavering dedication and enthusiasm towards sustainability have become more pronounced. We have formulated a distinct company philosophy centered on sustainability, which serves as a guiding principle for all decisions concerning the economic and operational aspects of OCK.



Sustainability has consistently been a cornerstone of the Group’s culture as we endeavour to attain ongoing growth and profitability within a safe, caring, and sustainable environment. Our mission, as a responsible corporate citizen, is to uphold high standards of governance throughout our business to foster responsible business practices, mitigate environmental impacts, and address the social needs of the communities in which we operate.



ECONOMIC

Sustaining our economy

Delivering sustainable returns to our shareholders

Delivering quality products to achieve customers’ satisfaction



ENVIRONMENT

Conserving our environment

Protecting our environment and improving our environmental performance



WORKFORCE

Building a resilient workforce

Ensuring a positive workplace for our employees



SOCIAL

Serving our community

Contributing to the well-being of the community around us

Sustainability Statement

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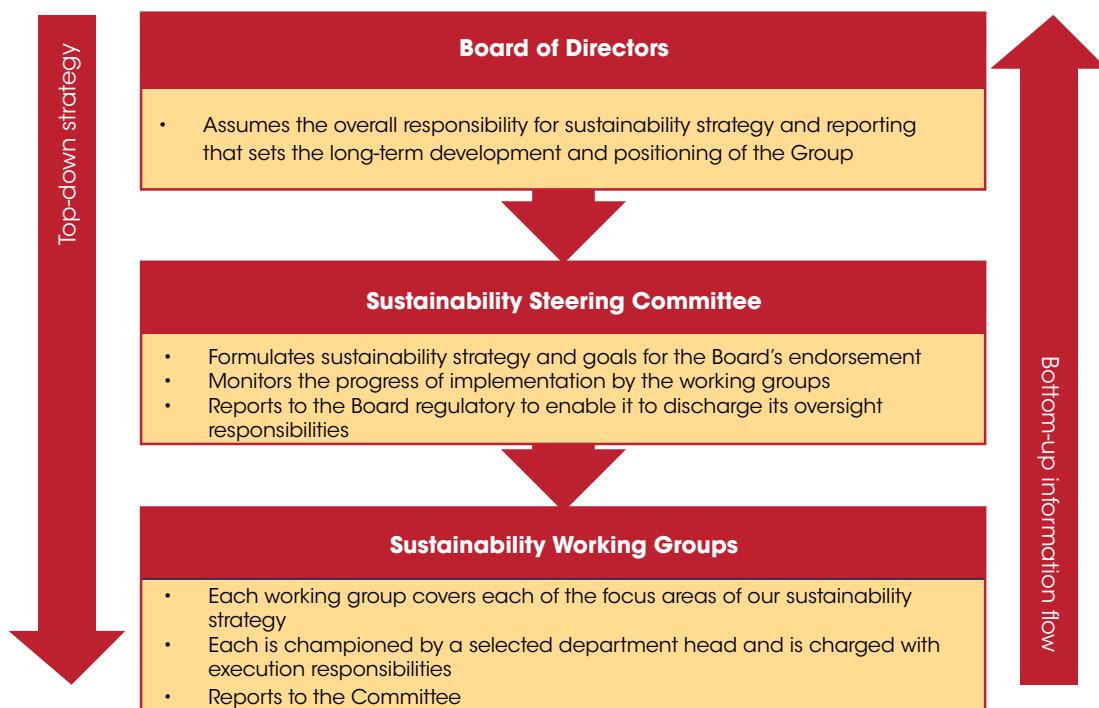
SUSTAINABILITY GOVERNANCE

The Group holds the belief that integrity and ethics are fundamental to good governance. They serve as the cornerstone for integrating sustainability goals into our decision-making processes, fostering transparency, managing risks effectively, and driving long-term success.

The Board of Directors ("Board") is ultimately responsible for the Group's strategic direction on sustainability while being supported by the respective Board Committees ("Committee"). The structure adopts a top-down approach with strong leadership oversight.

The Group developed a three-tiered structure comprising the Board, the Sustainability Steering Committee ("SSC") and the Sustainability Working Group ("SWG"). The direct oversight provided by the Board allows for the monitoring of the Group's sustainability strategy and its progress as well as potential risks and opportunities. The SSC is chaired by Group Chief Executive Officer ("CEO") and the SSC's Chairperson reports the progress on our sustainability initiatives to the Board regularly and is supported by the SWG from various departments to drive the Group's sustainability initiatives.

The engagement of SWG members from different departments signifies our collective effort to embed sustainability into our routine business activities. Our sustainability governance framework is designed to establish accountability for sustainability across all levels of the Group.



The responsibility of the Committee to promote and embed sustainability in the Group includes overseeing the following:

- Stakeholders' engagement
- Materiality assessment and identification of sustainability risks and opportunities relevant to us
- Management of material sustainability risks and opportunities
- Communication of sustainability strategies, priorities and targets as well as performance against targets to internal and external stakeholders

Sustainability Statement

(Cont'd)

STAKEHOLDERS' ENGAGEMENT

Our stakeholders are integral to OCK's ongoing growth and development. Therefore, it's vital that we actively seek to understand their relevant issues and concerns. Our objective is to foster strong, enduring relationships with all stakeholders, meeting their needs and expectations while minimising the impact of our operations for a sustainable future.

Through stakeholder meetings, workshops, and other engagements, we actively cultivate trust and mutual respect in our relationships. This approach allows us to stay informed about relevant societal issues, ensuring that our business strategy aligns with stakeholder concerns and expectations. The table below lists our key stakeholder groups and their respective areas of interest as well as methods by which we engage them.

STAKEHOLDERS	ENGAGEMENT PLATFORMS	AREA OF INTEREST OR CONCERNS	OUR RESPONSE
Shareholders, Financiers & Investors	<ul style="list-style-type: none"> Financial reports and announcements General meetings Annual report Press releases Meetings 	<ul style="list-style-type: none"> Business strategies and future plan Return on investments Financial and operational performance Good management and corporate governance Sustainability initiatives 	<ul style="list-style-type: none"> Timely updates on the Group's strategy and financial performance via announcements Uphold good governance practices across the Group Monitor sustainability performance and targets via Bursa Malaysia ESG Reporting Platform Dividend policy
Government Agencies & Regulators	<ul style="list-style-type: none"> Compliances to laws and regulations Participation in government and regulatory events 	<ul style="list-style-type: none"> Regulatory compliance Corporate governance practices 	<ul style="list-style-type: none"> Regular review and monitoring to ensure full compliance with regulatory requirements Adoption of practices outlined in the Malaysian Code on Corporate Governance

Sustainability Statement (Cont'd)

STAKEHOLDERS	ENGAGEMENT PLATFORMS	AREA OF INTEREST OR CONCERNS	OUR RESPONSE
Employees	<ul style="list-style-type: none"> Internal communications (i.e. emails) Workshops and trainings Employee engagement survey Employee engagement events Employee appraisals 	<ul style="list-style-type: none"> Business growth and strategic direction Inclusive workplace Remuneration and benefits Career development and upskilling opportunities Occupational safety & health 	<ul style="list-style-type: none"> Promote transparent communication with employees Provide equal employment opportunities without discrimination Offer industry-competitive benefits and remuneration packages Provide relevant upskilling and development opportunities Ensure compliance with Occupational Safety and Health Act
Customers	<ul style="list-style-type: none"> Customer support channels (i.e. website, email) Regular meetings Customer satisfaction survey form 	<ul style="list-style-type: none"> Customer satisfactions (i.e. affordable products and services, highquality products and services) Customer experience (i.e. speed of customer service response) Innovative product Consumer data privacy 	<ul style="list-style-type: none"> Offer affordable products and services Adhere to quality standards Adhere to the Personal Data Protection Act 2010
Suppliers	<ul style="list-style-type: none"> Regular meetings Quality audit on products and services Contract negotiation Supplier assessment/ performance appraisals 	<ul style="list-style-type: none"> Transparency in procurement processes Business growth and timely payment 	<ul style="list-style-type: none"> Emphasis on provision of transparent procurement processes Timely payment based on credit term
Communities	<ul style="list-style-type: none"> Community impacts programmes 	<ul style="list-style-type: none"> Community welfare and continued likelihood 	<ul style="list-style-type: none"> Investment in welfare to improve community wellbeing
Analyst / Media	<ul style="list-style-type: none"> Media releases or media briefings Financial reports and announcements General meetings 	<ul style="list-style-type: none"> Transparency in communicating information and updates on business performance and initiatives 	<ul style="list-style-type: none"> Provide transparent communication through announcements

Sustainability Statement

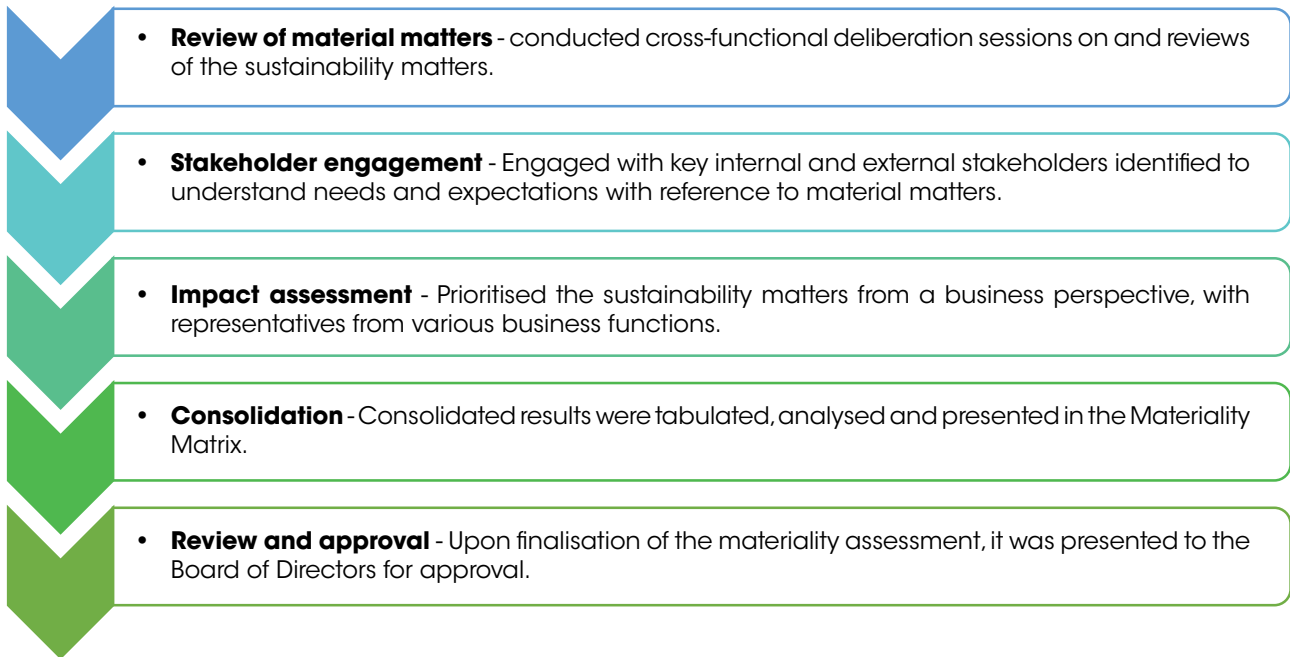
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MATERIAL MATTERS

As an organisation, we recognise that our material issues can directly and indirectly affect our ability to generate long-term value for our stakeholders. These material matters significantly influence our business strategy and guide our decisions regarding the allocation of resources to address sustainability issues that are deemed important to our stakeholders and our business.

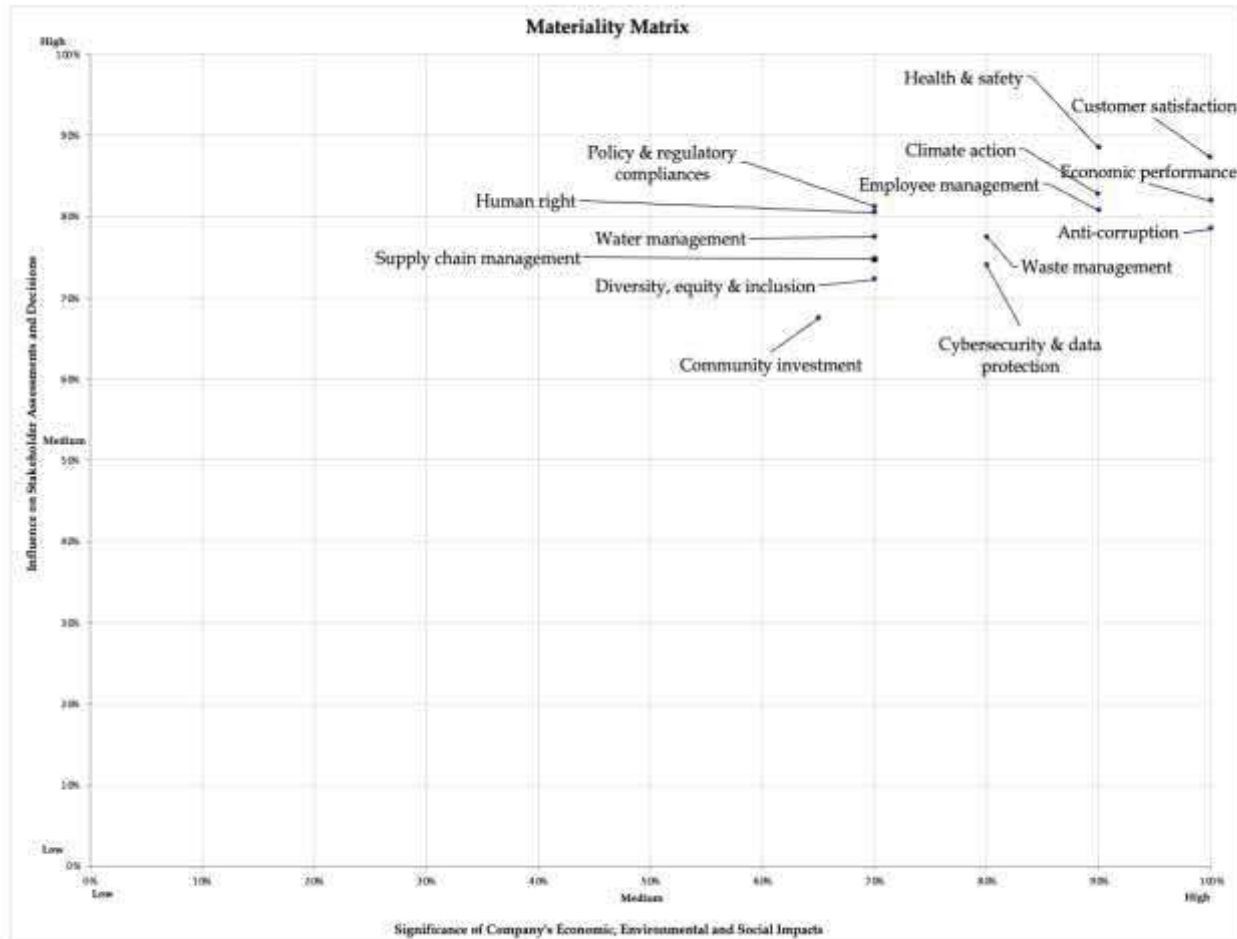
We periodically review the assessment every 3 years to ensure it remains current, accurate, reflective, and relevant to our businesses. This helps us to align our strategy and day-to-day operation with business needs, and create long-term sustainable value to stakeholders.

This year, we conducted an internal assessment, a limited-scale materiality review to prioritise and rank material matters relevant to our businesses and stakeholders. Moving forward, we intend to conduct a more comprehensive materiality assessment, engaging with key stakeholders, and we aim to publish the results in our next report.



Sustainability Statement (Cont'd)

MATERIALITY MATRIX



RISK MANAGEMENT

OCK’s unwavering dedication to risk management is a foundational element in ensuring our longterm viability and building stakeholder confidence, while concurrently fostering a lasting positive impact.

We have implemented a robust system encompassing risk management and internal control, extending beyond financial controls to include operational and compliance controls. This comprehensive approach to risk management and internal control is an ongoing and coordinated process aimed at minimising the likelihood of fraud and error, while also managing, rather than eliminating, the risk of failing to achieve our business objectives.

Material Matters	Risks	Opportunities
Economic Performance	Poor financial performance jeopardises business continuity and loss of investment opportunity	Sustainable financial performance attracts investors and generate long-term value for all stakeholders
Customer Satisfaction	Failing to meet customers’ expectations undermines customer confidence and loyalty, ultimately resulting in lower revenue	Satisfied customers foster loyalty and promote repeat orders

Sustainability Statement (Cont'd)

Material Matters	Risks	Opportunities
Anti-Corruption	Corruption may tarnish the reputation, result in financial losses and reduced competitiveness	Strong governance to combat corruption enhances credibility and gains competitive edge
Cybersecurity & Data Protection	Cyberattacks can lead to unauthorised access, theft, or exposure of sensitive data, resulting in financial losses, loss of trade secrets and proprietary information, legal liabilities, and reputational damage	Robust cybersecurity measures build trust and confidence among customers, investors, and partners, enhancing the organisation's reputation and brand value
Policy & Regulatory Compliance	Non-compliance with policies and regulations can result in legal penalties, fines, or even lawsuits, which can significantly impact the financial health and reputation	Compliance with policies and regulations builds trust and credibility among stakeholders, including customers, investors, employees, and regulatory bodies, which can enhance long-term relationships and support business growth
Climate Action	<p>Increasing government regulations aimed at reducing greenhouse gas emissions and mitigating climate change may require corporations to invest in costly emission reduction measures or face fines and penalties for non-compliance</p> <p>Climate change-related disruptions, such as extreme weather events or resource shortages, can disrupt supply chains, increase production costs, and lead to delays in product delivery, affecting business operations and profitability</p>	Corporations that demonstrate environmental stewardship and sustainability leadership can differentiate themselves in the market, enhance brand reputation, and attract environmentally-conscious consumers and investors
Water Management	Limited availability of water resources due to droughts, climate change, and overexploitation poses operational risks, supply chain disruptions, and increased competition for water resources, particularly in waterstressed regions	Implementing water conservation measures, water-saving technologies, and sustainable water management practices, enhances water efficiency, reduces water consumption, and minimises water-related costs and risks
Waste Management	Non-compliance with waste management regulations, environmental laws, and health and safety standards may result in fines, penalties, legal liabilities, and reputational damage for the organisation	Implementing waste reduction, recycling, and proper waste disposal initiatives enables the organisation to recover valuable materials, conserve natural resources, reduce raw material costs, and minimise environmental impact, while promoting circular economy principles.

Sustainability Statement

(Cont'd)

Material Matters	Risks	Opportunities
Human Right	Violations of human rights, such as labour exploitation, discrimination, or unsafe working conditions, can tarnish the organisation's reputation, leading to loss of trust among stakeholders, negative public perception and legal liabilities	Demonstrating a commitment to human rights principles and ethical practices enhances the organisation's reputation, builds trust with stakeholders, and attracts socially conscious consumers, investors, and partners.
Health & Safety	Failure to address health and safety hazards can lead to workplace accidents, injuries, and fatalities, resulting in human suffering, legal liabilities, and financial losses	Prioritising health and safety fosters a culture of care, trust, and mutual respect, enhancing employee morale, motivation, and engagement
Diversity, Equity & Inclusion	Exclusionary practices or cultures can lead to feelings of alienation and disengagement among employees from underrepresented groups, hindering collaboration, innovation, and productivity	Embracing diversity and equity fosters a culture of inclusion where employees feel empowered to contribute diverse perspectives and ideas, driving innovation and creativity
Employee Management	Difficulty in attracting and retaining skilled employees can hinder business growth and innovation, leading to competitive disadvantages.	Engaged employees are more productive, committed, and loyal, leading to higher levels of job satisfaction, retention, and organisational success
Supply Chain Management	Dependence on a limited number of suppliers or single sourcing increases the risk of supply disruptions, quality issues, and price volatility, leaving the organisation vulnerable to changes in supplier behaviour or market conditions	Building collaborative relationships with suppliers based on trust, transparency, and mutual benefit fosters innovation, knowledge sharing, and joint problem-solving, leading to improved product quality, cost savings, and competitive advantage
Community Investment	Failure to address social issues, economic disparities, and community grievances may fuel social unrest, civil unrest, protests, and community opposition, posing operational disruptions, reputational damage, and regulatory scrutiny	Strategic community investment initiatives, philanthropic donations, and social programs enable organisations to address social challenges, support underserved communities, and create positive social impact, contributing to poverty alleviation, education, healthcare, and sustainable development goals

Sustainability Statement (Cont'd)

MANAGEMENT APPROACH FOR MATERIAL MATTERS

RESPONSES TO SUSTAINABLE DEVELOPMENT GOALS (“SDG(s)”)

In September 2015, all one hundred and ninety-three (193) United Nation member states adopted “Agenda 2030” - a plan to solve the world’s most pressing environmental, social and economic problems over the next fifteen (15) years. It consists of seventeen (17) goals and one hundred and sixty-nine (169) targets that cover a broad set of challenges such as economic inclusion, geopolitical instability, depleting natural resources, environmental degradation, and climate change. Malaysia is committed to “Agenda 2030” through its SDG Roadmap.

We support the SDGs, recognise their strategic importance to our business and to the world, hence we are committed to help achieve them. The Group has well-established programs to ensure we operate sustainably and responsibly, following our long-standing commitment to ethical corporate citizenship and promoting sustainability in all our activities. All the SDGs are relevant to our operations to varying degrees and we are already contributing to many of these goals.



Sustainability Statement (Cont'd)



ECONOMIC PERFORMANCE

Related UNSDGs:



At OCK, our business success hinges on creating long-term value for our stakeholders. By achieving financial growth, we can facilitate job creation and entrepreneurial opportunities, increase our contributions to governmental taxes and strengthen local supply chains.

We achieve this by maintaining leadership in our core markets, harnessing innovative technologies, utilising our employees' expertise to meet evolving consumer demands, and exploring opportunities to enter new markets.

In FYE 2023, OCK reported a total economic value of RM736.1 million and consistently generates values for our stakeholders, as illustrated in the table below.

	2021 RM' mil	2022 RM' mil	2023 RM' mil
Economic value generated (i.e. revenue and other income)	495.3	624.5	736.1
Economic value distributed:			
• Operating costs	303.5	403.3	489.3
• Employee wages and benefits	127.0	142.7	149.2
• Payment to providers of capital (i.e. dividend and financing cost)	30.1	39.2	44.1
• Payment to government (i.e. tax)	5.4	10.0	13.9
Economic value retained	29.3	29.3	39.6

Note: The financial results presented in the table are derived from the audited financial statement and our Management Discussion and Analysis, which are available for reference in our Annual Report.

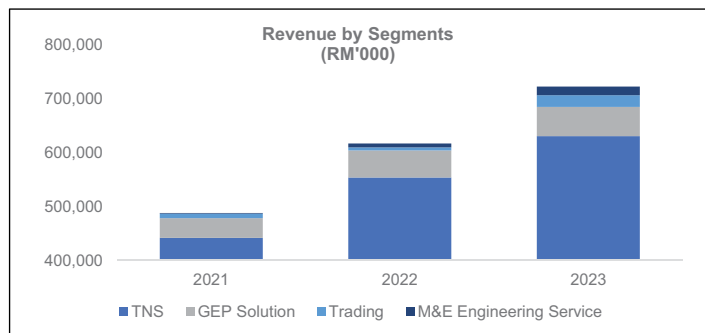
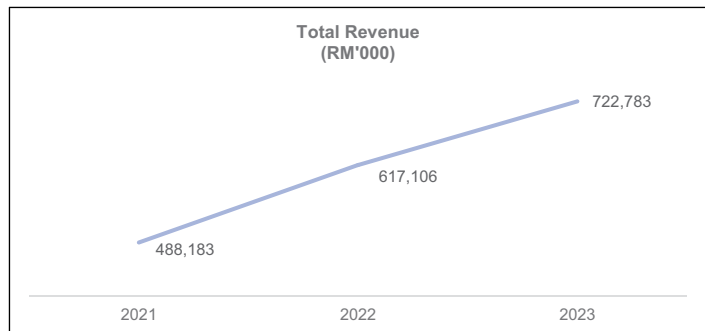
OCK was honoured with the 1st Prize of the Eminent Eagles award at The Golden Eagle Award 2023, organised by Nanyang Siang Pau. This prestigious award recognises OCK's remarkable achievement in driving business growth. The award committee acknowledged OCK's dedication to maintaining a strong and sustainable business performance, underscoring the Group's commitment to delivering enduring value for our stakeholders over the long term.

Sustainability Statement (Cont'd)



Over the preceding three years, the Group has consistently demonstrated sustainable growth across its business segments. This achievement highlights the Group's resilience, adaptability, and capacity to seize opportunities while effectively managing risks to maintain steady growth.

With the steady growth we achieved, we are dedicated to offering our loyal shareholders an appealing dividend yield while upholding financial prudence to facilitate reinvestment in our business. On 28 February 2024, the Board is pleased to announce that the Company has adopted a Dividend Policy. Our objective is to consistently distribute dividends to shareholders, emphasising the significance of their participation in our profits. Our dividend policy targets a minimum distribution of 20% of the consolidated normalised profit after tax and minority interest ("PATAMI") for each financial year. These dividends are distributed quarterly, excluding non-operating income of a capital nature.



Sustainability Statement (Cont'd)

CUSTOMER SATISFACTION

Related UNSDGs:



The Group acknowledges that customer satisfaction and loyalty play crucial roles in achieving longterm success. To this end, we are committed to enhancing customer satisfaction by actively considering their feedback and ensuring that high-quality standards are consistently met across all our products and services.

We recognise that customers are our most important partners in innovation. To stay ahead of the competition, we value customer feedback as a valuable resource for ideas and to drive future improvement. We are committed to enhancing our customers’ experience by engaging with them through multi-faceted channels, including in-person meeting, email or our website.

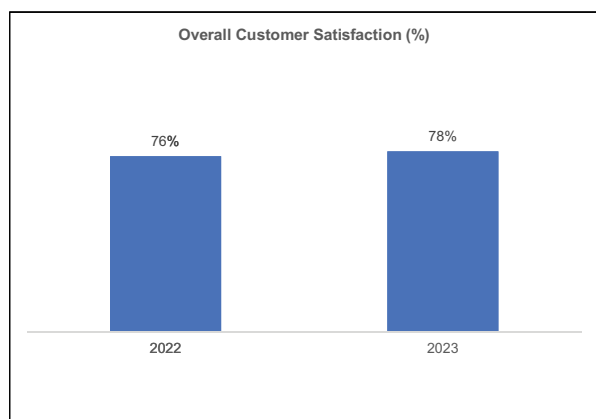
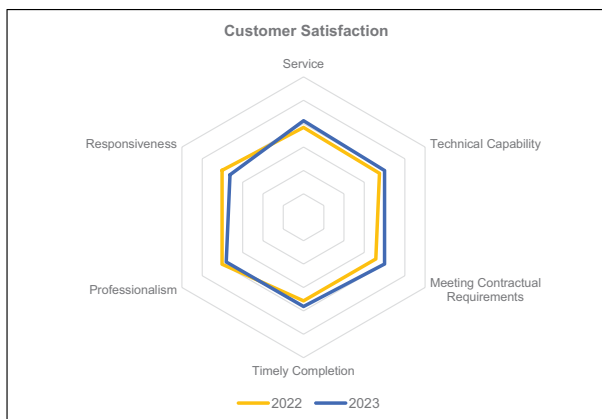
We have adopted an impartial feedback mechanism to address customer complaints and manage our relationship with them. The Customer Satisfaction Survey Form and periodic interaction with key customers during service contract renewals not only ensure the Company’s service records are clean but also enables product and service excellence.

Customers evaluate us based on six key areas crucial to our business:

1. Service quality
2. Technical capability
3. Meeting contractual requirements
4. Timely completion
5. Professionalism
6. Responsiveness

Our overall score has increased from 76% in 2022 to 78% in 2023, showcasing the Group’s dedication to enhancing our service delivery to customers. This improvement reflects our ongoing efforts to address customer needs and exceed their expectations across various aspects of our operations. We remain steadfast in our goal to attain a customer satisfaction score of 80%, signifying our relentless pursuit of excellence in customer service and satisfaction.

	2022	2023	Target
Customer Satisfaction Score	76%	78%	80%



Sustainability Statement

(Cont'd)

CUSTOMER SATISFACTION (CONT'D)

Product & service quality & safety

Product and service quality as well as safety are fundamental principles deeply rooted in OCK's culture. Our history of success stems from delivering goods and services that instil confidence in our customers and this has gained us as one of the market leaders in this industry. To achieve this, it demands a holistic approach to quality and safety throughout our entire value chain.

To maintain consistent product quality, our project management processes have received accreditation with ISO 9001:2015 - Quality Management Systems. This certification signifies that our organisation adheres to international standards and best practices in quality management. It ensures that our project management practices are systematic, efficient, and focused on meeting customer requirements and satisfaction. Additionally, ISO 9001:2015 certification demonstrates our commitment to continuous improvement and excellence in delivering high-quality products and services to our customers. Additionally, our Group strictly adheres to all relevant laws and regulations governing safety and quality. Our steadfast commitment to upholding the highest standards of product quality has contributed to our position as one of the largest providers of telecommunications network solutions in Malaysia.

Innovation

Innovation plays a crucial role in ensuring the long-term success of OCK's business. It serves as a proactive strategy to tackle the increasing concerns related to societal and environmental issues.

Additionally, innovation provides an opportunity to introduce new and unique product or service offerings that align with the evolving needs of our customers.

As a prominent player in the industry, we take pride in our team of highly skilled employees who possess extensive industry knowledge and expertise. They are adept at managing and surpassing our customers' expectations. Recognising the importance of leveraging new technologies to enhance our business processes, we are committed to staying abreast of the latest technological advances and innovations in the telecommunications and green energy sectors.

The transition from the pandemic phase to the endemic phase of Coronavirus Disease 2019 ("COVID-19") in 2023 brought about a sustained and heightened requirement for enhanced digital connectivity across various sectors. This led to increased investments in digital technologies like cloud computing and Internet of Things ("IoT") solutions. The emergence of permanent remote or hybrid work setups and hybrid learning models underscored the critical importance of reliable digital infrastructure.

As the demand for internet dependence continues to persist, governments worldwide are faced with the urgent task of improving digital networks. As one of the leading providers of telecommunications network solutions in Malaysia and the region, OCK is strategically positioned to capitalise on the expanding demand for digitalisation and 5G technology.

As part of the Jalinan Digital Negara ("JENDELA") initiatives, OCK is actively involved in the deployment and expansion of 5G networks across the country. This involvement encompasses a wide range of activities, including tower construction and fiberisation works, aimed at enhancing connectivity and infrastructure to support the evolving needs of digital communication.

OCK achieved a significant milestone as the Laotian government granted the Group a license to provide telecommunication infrastructure in Laos. This recognition marked a noteworthy accomplishment for OCK, positioning it as the first foreign entity to receive such authorisation from the Laos government. Presently, the Group is in the midst of final negotiations with Best Telcom to secure the first batch of towers in Laos leveraging on the deployment of 5G technology.

Sustainability Statement (Cont'd)

ANTI-CORRUPTION

Related UNSDGs:



OCK maintains high standards of business ethics and compliance throughout the Group, reflecting our core values. This commitment is essential for safeguarding the interests of both the business and stakeholders, while also building trust and reinforcing confidence among our stakeholders.

The Board and Management team remain dedicated to conducting business with integrity, guided by our Code of Business Conduct and Ethics (“COBC”). The COBC articulates OCK’s fundamental principles and guidelines for all employees, including Directors, to address ethical issues and fulfil their responsibilities. Our zero-tolerance stance against corruption is outlined in our Anti-Corruption & Anti-Bribery (“ACAB”) Policy, which undergoes regular review to align with the Malaysian Anti-Corruption Commission (“MACC”) Act 2009.

All new joiners undergo an induction programme where they are required to familiarise themselves with the Group’s COBC, ACAB Policy, and other accompanying policies and procedures. Our suppliers are also subject to ethical conduct and anti-bribery and corruption guidelines as entailed within the ACAB Policy.

OCK has set up a dedicated whistleblowing channel in accordance with the Whistleblowing Policy. This channel enables both employees and external stakeholders to confidentially report improprieties via email or mail to Independent Non-Executive Chairman or Audit Committee Chairperson. The Group has made our COBC, ACAB Policy, and Whistleblowing Policy accessible on our corporate website to ensure accessibility for all stakeholders.

Corruption-related training

We have made significant progress in our annual anti-corruption training, achieving an overall completion rate of 90%. This accomplishment reflects our commitment to fostering a culture of transparency, integrity, and ethical conduct throughout our organisation. Moving forward, we are dedicated to reaching a completion rate of 100% in the coming years. This demonstrates our unwavering commitment to ensure that all employees are equipped with the necessary knowledge and awareness to uphold the highest standards of ethical behaviour and compliance with anti-corruption measures.

Employee Category	Completion Rate 2023	Target
Board of Directors	80%	100%
Senior Management	73%	100%
Middle Management	76%	100%
Administrative Workforce	73%	100%
Technical Workforce	93%	100%
Total	90%	100%

Sustainability Statement (Cont'd)

ANTI-CORRUPTION (CONT'D)

Corruption incidents

As of 31 December 2023, we recorded zero incidents of corruption across OCK's business operations.

	2022	2023	Target
Number of complaints of bribery or corruptions reported	Zero	Zero	Zero

Corruption risk assessment

Corruption risk review is undertaken to evaluate the Group's exposure to corruption and bribery risks. This year we have undertaken a corruption risk survey covering the major entities in Malaysia and the Southeast Asia region.

	2023
Percentage of major entities that underwent corruption risk review survey	100%

CYBERSECURITY & DATA PROTECTION

Related UNSDGs:



In today's digital landscape, cybersecurity holds paramount importance for companies. With the escalating reliance on technology, interconnected systems, and the increasing sophistication of cyber threats, organisations encounter substantial risks to their systems, data, and operations. At OCK, we recognise this reality and have implemented robust mitigation measures. We ensure that all systems and procedures across the Group comply with the Personal Data Protection Act 2010 and other applicable national data protection and privacy regulations in the countries where we operate. We continuously invest in exceptional data protection systems supported by a robust firewall and information technology systems ("IT").

We firmly believe that cybersecurity is a collective responsibility. Employee awareness and training are integral components of our cybersecurity risk management strategy, serving as the primary line of defence against significant security risks.

Our employees participate in annual IT Security Awareness training to remain informed about evolving cybersecurity threats. This training covers various topics such as cyberattacks, malware, impostor scams, phishing attacks, and best practices to protect both themselves and the company from cybersecurity threats. This module spans a diverse spectrum of topics, equipping our employees with the knowledge to effectively counter cyber threats.

At OCK, we are committed to the highest standards of data security and privacy. We prioritise safeguarding the personal data and privacy of our valued customers, employees, and stakeholders. Our data management practices strictly comply with Malaysia's Personal Data Protection Act 2010.

We regularly review our data privacy and security controls and processes to ensure their effectiveness. We take reasonable measures to ensure that data collection is lawful and transparent, disclosing how data is gathered, used, and secured. Consent from our customers is obtained when handling their data.

Sustainability Statement (Cont'd)

CYBERSECURITY & DATA PROTECTION (CONT'D)

All of our employees receive comprehensive briefings on data protection and data privacy as part of our induction programmes. In FYE 2023, there were no reported complaints regarding breaches of customer privacy or losses of customer data.

	2022	2023	Target
Number of substantiated complaints concerning breaches in customer privacy or data loss	Zero	Zero	Zero

POLICY & REGULATORY COMPLIANCES

Related UNSDGs:



Policy and regulatory compliance, particularly concerning environmental, social, and governance elements, stands as a cornerstone for ensuring the sustainability and long-term success of any company. Proactively adhering to policies and regulations can bolster OCK's competitive advantage by distinguishing its products and services, enticing socially responsible investors, and expanding market share. Prioritising sustainability and ethical business practices positions us to surpass competitors and attain enduring growth and profitability.

Conversely, non-compliance with laws and regulations can incur fines, penalties, legal actions, and reputational harm, potentially resulting in financial losses, heightened operating costs, and diminished shareholder value. Therefore, it is imperative to emphasise compliance and continuously monitor regulatory landscapes to mitigate risks and foster sustainable business practices.

	2023	Target
Number of case of fines that relates to noncompliance of environmental, social and governance elements	Zero	Zero

Sustainability Statement (Cont'd)



ENVIRONMENTAL SUSTAINABILITY

CLIMATE ACTION

Related UNSDGs:



The Group acknowledges the role of our energy consumption and greenhouse gas (“GHG”) emissions in contributing to climate change impacts. As responsible corporate citizens, we understand our duty to minimise our carbon footprint and seize opportunities that arise during the transition to a low-carbon economy.

We are deeply concerned about the environmental impact of our business operations, particularly in relation to global warming. The extreme weather events of the past year have underscored the growing reality and urgency of addressing climate change. As a Group committed to environmental protection, we are mindful of the delicate balance between the built and natural environments.

Since 2012, OCK has demonstrated its commitment to reducing carbon footprint by venturing into the green energy and power solution segments. This segment remains a pivotal driver of our business growth. As an EPC contractor and solar farm owner, the Group is poised to benefit from projects in both the public and private sectors aimed at meeting Malaysia’s carbon-neutral goals. Our solar farm portfolio has expanded to include a total of 29 solar farms, compared to 22 solar farms in the previous year, with a combined capacity of 14MW, up from 12.36MW in Malaysia.

During the FYE 2023, OCK engaged in the sale of Renewable Energy Certificate (“REC”)s. RECs serve as market-based instruments that certify the owner’s possession of one megawatt-hour (“MWh”) of electricity generated from a renewable energy resource. These RECs can then be sold separately from the electricity itself, allowing businesses and individuals to support renewable energy generation without physically purchasing the electricity generated. This supports the transition towards cleaner and more sustainable energy sources, aligning with our company’s environmental goals.

Additionally, it’s noteworthy that OCK successfully provided power solutions for green data centers in Penang and Iskandar Johor. These contracts involve the provision of power backup centers, including tasks such as power cabling and the supply of generation sets.

Sustainability Statement

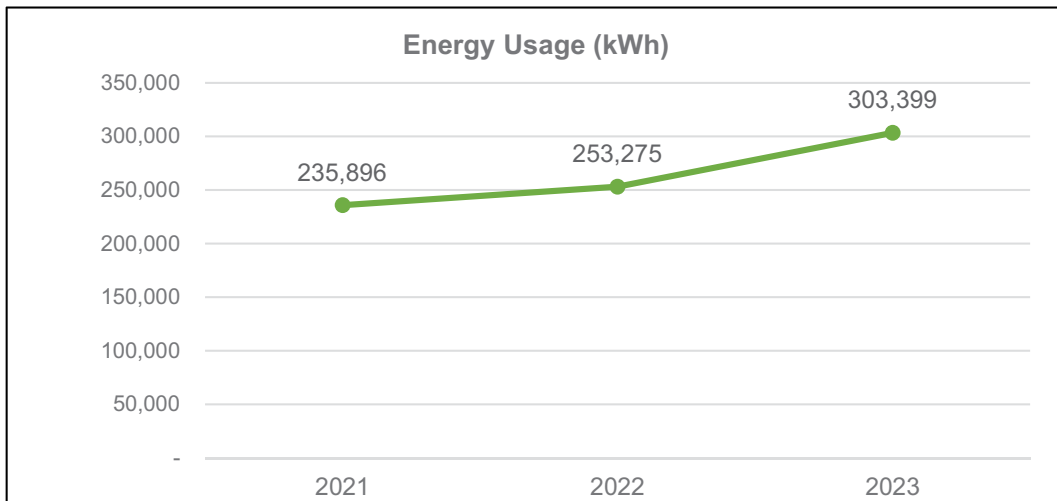
(Cont'd)

CLIMATE ACTION (CONT'D)

We are committed to ongoing efforts aimed at enhancing our energy utilisation and efficiency. This commitment is reflected in the following initiatives:

- Install solar rooftop photovoltaic ("PV") panels to increase the use of renewable energy in our headquarters. The Group's reliance on the national grid is supplemented by its PV system, which contributes to 47% of the total energy usage at the headquarters.
- Go Green Vision of OCK Group to OCK Yangon where OCK Yangon has deployed solar hybrid power solution on its telco sites to replace traditional diesel-based on-site generators. This not only helps to increase operational efficiency of the telco sites but also to bring down carbon emission.
- Replace traditional lighting with energy-saving LED lights and install new inverter-type air conditioners for our office.
- The centralised cooling system is designed to accommodate the cooling load demand efficiently during both peak and off-peak hours, aligning seamlessly with our operational schedule.

This year, the total electricity consumption from the grid recorded at the Group's offices in Malaysia was 303,399kWh with an increase of 20% from FYE 2022 due to resumption of office activities.



OCK's GHG emissions

In FYE 2023, we began tracking, measuring and reporting on our GHG emissions. The breakdown of GHG emissions is as follows :

Scope 1 : Emissions from company-owned vehicles and fuel combustion : Total fuel consumption (litre) x emission factor (United States Environmental Protection Agency)

Scope 2 : Emission from purchased electricity from the grid by offices in Malaysia : Energy consumption (kWh) x emission factor (Grid Emission Factor 2021 by Energy Commission)

Emission (tCO2e)	2023
Scope 1	850
Scope 2	187
Total	1,037

Sustainability Statement (Cont'd)

WATER MANAGEMENT

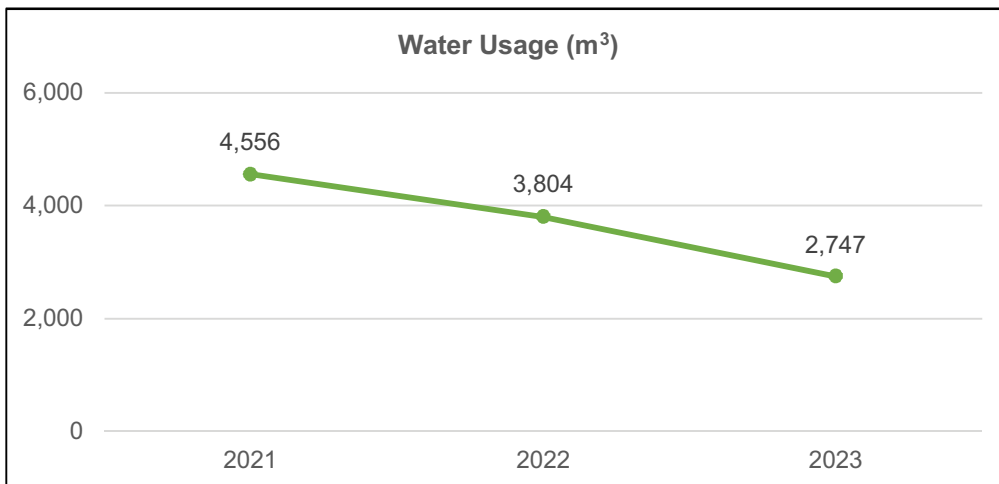
Related UNSDGs:



The escalating issue of water scarcity is a growing concern attributed to various factors, including climate change, inadequate water management practices, and contamination. With water cuts and scarcity becoming more prevalent, the Group is dedicated to addressing the risk of water shortages by implementing efficient water management strategies across all our operations.

Our operations typically do not involve heavy water usage compared to some other industrial processes. While the amount of water used may vary depending on factors such as the size of the operation and specific process parameters, efforts are often made to optimise water usage and minimise waste through recycling and efficient water management practices. We are committed to implementing water conservation initiatives and raising employees' awareness on proper water management at all our premises. We reduce water wastage through regular checking and scheduled maintenance of toilets, pantries, and installation of dual-flush toilets. .

In 2023, the Group's headquarters office consumed 2,747m³ of water, representing a significant reduction of 28% against the 2022 baseline.



Sustainability Statement (Cont'd)

WASTE MANAGEMENT

Related UNSDGs:



We emphasise the importance of responsible waste management to mitigate our environmental impact and contribute positively to the communities we serve. The lifecycle of site location, construction and setting-up of towers, all the way through its service period does not present any environmental risk as there are no emissions, effluents or waste generated.

At the decommissioning stage of the towers' lifespan, the material is scrapped and sold to waste recycling centres that do not dispose of these by means of landfill. Landfill disposal can lead to various environmental problems such as soil and water contamination, greenhouse gas emissions, and habitat destruction. Hence managing these scraps is a critical aspect of our environmental responsibility.

Most of the waste produced are general waste at our office buildings. We have established initiatives to increase awareness among our employees in efforts to reduce waste such as advocating the use of paperless documents by going digital, reuse items such as paper and segregation of non-recyclable and recyclable waste.

Waste segregation has been done by placing different bins in and around our offices. Waste segregation is planned to be fully implemented in the coming years throughout the Group where recycling stations will be set up in several convenient locations.

During the year, we continue to encourage our employees to reduce, reuse and recycle in an effort to minimise waste disposal to landfill. Recycling campaign has been scheduled on the third Friday of every month to continue raising awareness of our employees on the importance of reduce, reuse and recycle so as to reduce greenhouse gas emissions, which helps to tackle climate change.



Sustainability Statement (Cont'd)



WORKFORCE SUSTAINABILITY

HUMAN RIGHT

Related UNSDGs:



At OCK, we are dedicated to upholding the rights of every employee, recognising the inherent value of their talents and ensuring they are treated with dignity, respect, and fairness. Our Board and Management team are instrumental in establishing ethical guidelines throughout the organisation, demonstrating our unwavering dedication to human rights and the welfare of every individual.

We are devoted to giving top priority to health and safety in the workplace, upholding the right to decent work, supporting freedom of association, promoting equal opportunities, and ensuring protection against discrimination.

In FYE 2023, we completed reviewing all our policies to align with the Employment (Amendment) Act 2022 and for operations outside Malaysia, the similar review is being done to align with the relevant labour law at the respective countries. We do not abide by any form of child labour or forced labour, and we fully comply with the anti-child labour law. Additionally, we maintain strict compliance with the working hour laws set by the Employment (Amendment) Act 2022 and relevant labour law for operations outside Malaysia.

OCK employees and external stakeholders are expected to read, understand and fully comply with the COBC to ensure they conduct themselves with the highest standards of professionalism and work ethics.

Sustainability Statement

(Cont'd)

HUMAN RIGHT (CONT'D)

Equal compensation & benefits

We conscientiously evaluate employee compensation and benefits to ensure their welfare and needs are adequately met. Our employment practices strictly adhere to all local labour legislation.

List of employee benefits in OCC:

Leaves	Annual leave, sick leave, hospitalisation leave, marriage leave, maternity leave, paternity leave, compassionate leave
Insurance	Hospitalisation and surgical insurance, personal accident insurance
Wellness	Outpatient, dental, health screening, family medical benefit (manager and above)
Flexi - work arrangements	8am – 5pm or 9am – 6pm
Sport activity	Badminton: every Tuesday 6pm – 8pm

Maternity and paternity leave are crucial for supporting employees in their roles as caregivers. We actively track and monitor parental leave policies and usage to ensure that our employees have access to adequate time off to care for their families and balance their work responsibilities. This helps us create a supportive and inclusive work environment where employees feel valued and respected.

Tracking the retention rate of parents is essential to understand the effectiveness of our parental leave policies and support systems. By monitoring how many parents choose to stay with the company after taking parental leave, we can evaluate the impact of our policies on employee satisfaction, engagement, and overall retention. This data helps us identify areas for improvement and ensure that we are providing the necessary support to help parents balance their work and family responsibilities effectively.

Sustainability Statement (Cont'd)

HUMAN RIGHT (CONT'D)

Equal compensation & benefits (Cont'd)

	2023
Total number of employees that were entitled to parental leave	2,325
Total number of employees that took parental leave	82
Total number of employees that returned to work after parental leave ended	80
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	70
Return to work rate of employees that took parental leave	98%

Access to grievance mechanisms

We have established a mechanism to receive, document, and resolve complaints or grievances, which is accessible to all, whether within or outside our organisation, who have concerns about potential acts of wrong doing. This platform provides individuals with an avenue to voice their concerns openly. Our employees are informed about our grievance handling process and Whistleblowing Policy.

We ensure swift and effective resolution of policy violations or inappropriate behaviour. Our focus is on granting access to remediation and redress processes for victims of human rights violations. We aim for zero incidents of socioeconomic non-compliance.

	2022	2023	Target
Number of substantiated complaints concerning human rights violations	Zero	Zero	Zero

HEALTH & SAFETY

Related UNSDGs:



In our pursuit of sustainable organisations, we prioritise employee health and safety. We aim to eliminate unsafe practices and promote a proactive “safety first” culture among our workforces. At OCK, we seamlessly integrate workplace health and safety into our daily work routines, making it an integral part of every aspect of our operations. We enforce rigorous procedures to safeguard the physical well-being of our on-site employees and actively promote practices that contribute to the mental health enhancement of our workforce. We aim to achieve zero fatalities and Lost Time Incident Rate (“LTIR”).

Sustainability Statement

(Cont'd)

HEALTH & SAFETY (CONT'D)

Safety-first culture

OCK strictly adheres to the laws and regulations in relation to occupational safety and health such as Occupational Safety and Health Act 1994 and Malaysia Employment Act 1955. The guidelines and legal requirements of these policies have been extended in our internal Occupational Safety and Health Policy as a signal to our employees about our commitment to creating a safety culture for all. Our Safety Officers are registered with Department of Occupational Safety and Health ("DOSH").

We focus on improving occupational safety and health performance through establishing objectives, targets, and ongoing monitoring of key performance indicators. We ensure that every worker receives proper training and appropriate safety gear when needed.

Safety & health upskilling

To enhance the skills and safety awareness of our people, we have implemented various initiatives. These include regular safety moments, safety inductions for all employees and contractors, and specialised training sessions covering emergency preparedness, worksite safety, electrical hazards and on-the-job training opportunities

In FYE 2023, a total of 99 participants received training on health and safety standards.

Malaysia operation	2022	2023
Number of employees and contractors trained on health and safety standards	297	99

In addition to training sessions, we maintain employee education on health and safety topics through newsletters. These communications highlight risky behaviours and safety hazards, ensuring continuous awareness among our workforces. Employees are actively encouraged to report potential health and safety hazards by sharing their concerns with their safety representative or supervisor.

Safety & health reporting

Our highest priority is ensuring the health, safety, and well-being of our employees, a commitment we uphold through diligent oversight and ongoing improvement efforts. The presence of an incident reporting mechanism enables us to record occurrences, leading to the development of mitigation plans and preventive measures aimed at reducing workplace incidents.

Malaysia operation	2022	2023
Total hours worked	1,226,200	1,320,680
Number of fatalities	Zero	Zero
Number of lost time injuries	Zero	Zero
LTIR	Zero	Zero

Sustainability Statement (Cont'd)

DIVERSITY, EQUITY & INCLUSION

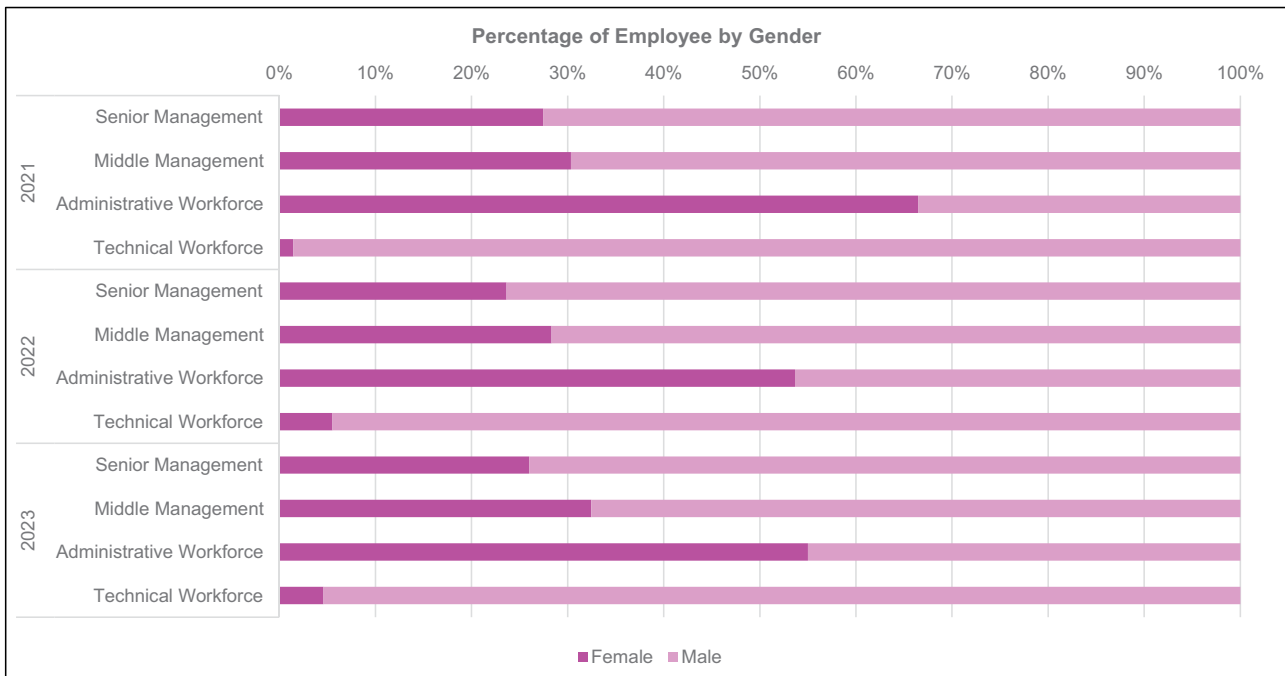
Related UNSDGs:



It is a strategic imperative to embrace the multifaceted dimensions of diversity, encompassing differences in race, gender, ethnicity, age, religion, cultural belief, disabilities, and sexual orientation. By appreciating and leveraging the distinctive talents of each employee, we not only enhance our workplace culture but also unlock a multitude of benefits that have a positive impact on our operations.

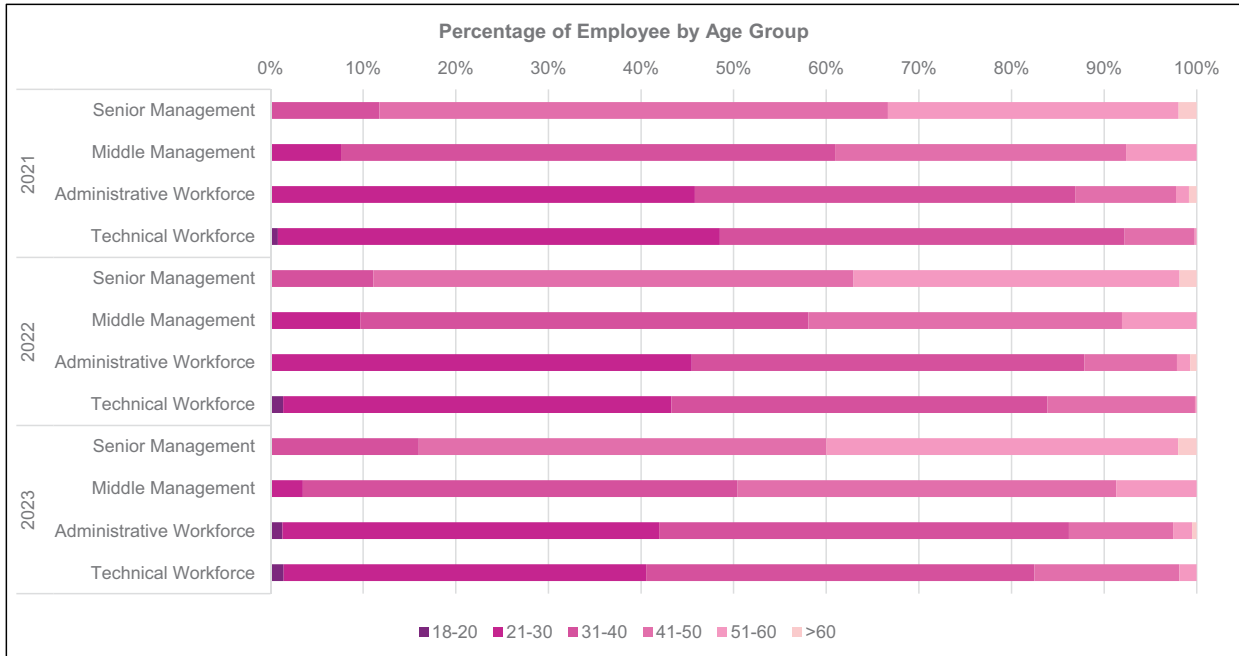
We endeavour to establish a workplace that is devoid of discrimination, marginalisation, and harassment by ensuring a level playing field for all. At OCK, employees receive competitive wages that are free from any form of gender discrimination. All decisions regarding career advancement, recognition, and rewards are approached in a fair and unbiased manner, strictly based on employees' performance and merit.

We find strength from the diversity and inclusivity that characterise our workplace. As at 31 December 2023, the total number of employees stood at 3,584 employees with 11% being female and the remaining 89% being male. We are committed to achieving a target of 30% women's participation in leadership roles.

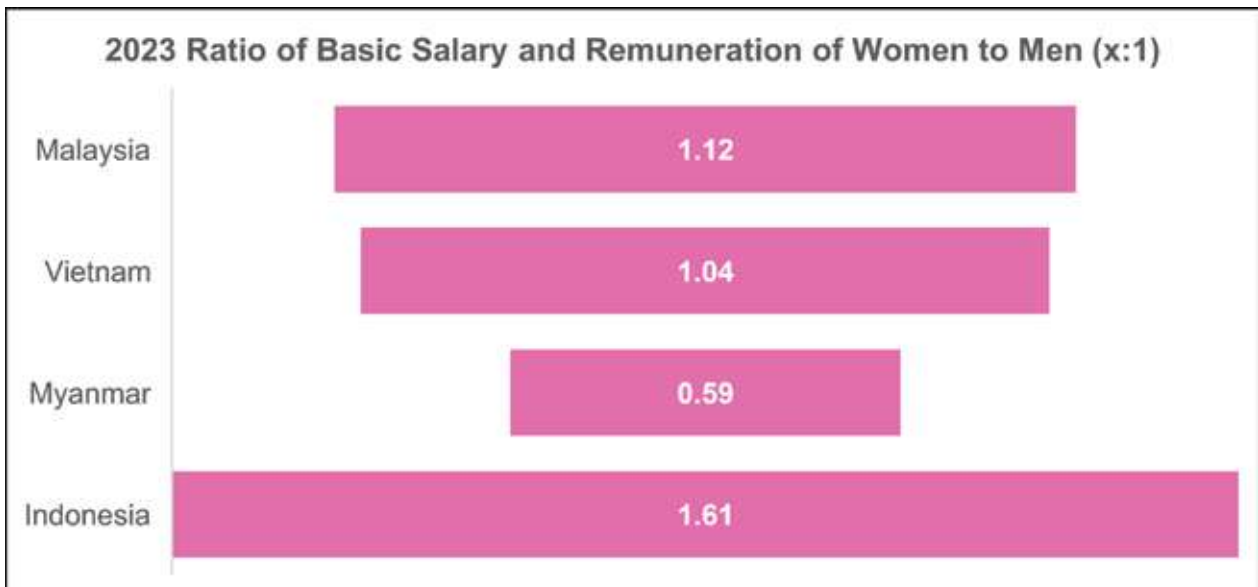


Sustainability Statement (Cont'd)

DIVERSITY, EQUITY & INCLUSION (CONT'D)



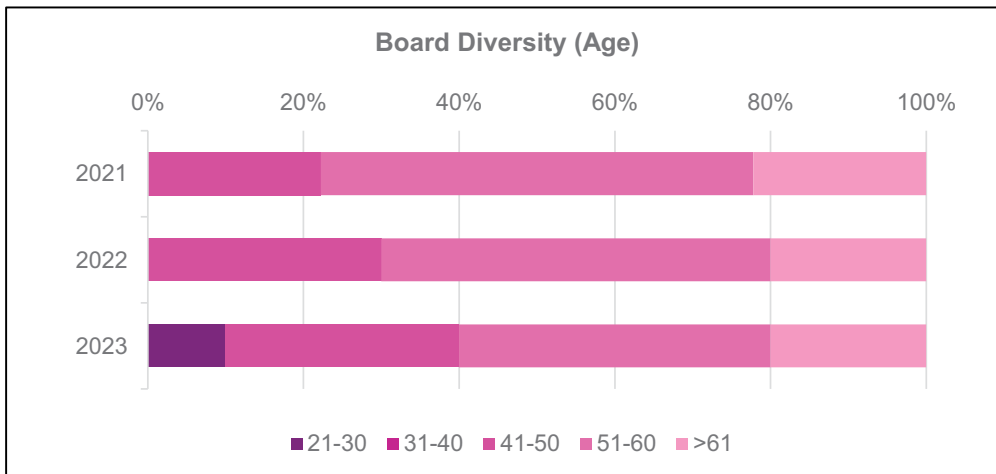
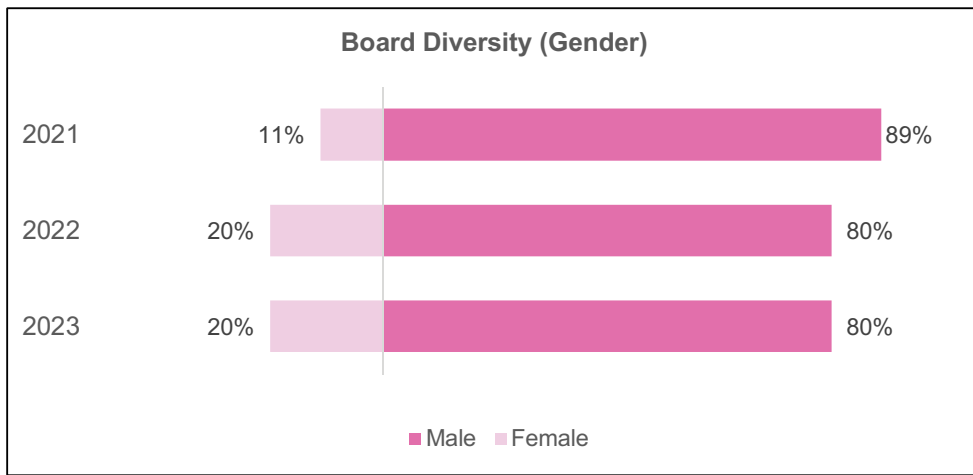
To further promote diversity, inclusion, and gender equality in the workplace, OCK also tracks the ratio of basic salary and remuneration of women to men. This practice ensures pay equity and fairness within the organisation by identifying and addressing any disparities in compensation between male and female employees. By monitoring this ratio, we ensure that women are paid fairly for their work and have equal opportunities for advancement within the organisation.



Sustainability Statement (Cont'd)

DIVERSITY, EQUITY & INCLUSION (CONT'D)

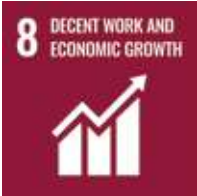
The Nomination Committee endeavours to create a diverse pipeline with a good mix of people with varied experiences and backgrounds to enrich the organisation including board composition. During the fiscal year under review, OCK had 20% women directors on its board of the holding company. The Board has expressed the view that, given the status of the Group's business and lifecycle, prioritising the right mix of skills on the Board is more crucial than strictly adhering to the proposed 30% threshold outlined in Practice 5.9. However, there is a continued commitment to achieving gender balance in senior management, the boardroom, and the workplace. Consequently, the Board is actively seeking potential women Directors and intends to appoint additional women Directors as suitable candidates are identified. Efforts will also be made to explore ways to enhance gender balance in today's workplace.



Sustainability Statement (Cont'd)

EMPLOYEE MANAGEMENT

Related UNSDGs:



At OCK, our most precious assets are our employees, and our commitment to them is unwavering. We understand that a thriving organisation is founded on a workforce that feels valued, empowered, and respected. In a secure and healthy workplace environment, we endeavour to provide all employees with equitable access to resources, benefits, and opportunities for skill development and career advancement. This approach not only fosters personal growth but also drives sustainable business expansion.

Talent Management Framework



Talent acquisition & onboarding

Our goal is to foster the growth and advancement of our existing workforce, facilitating their progression within OCK. We are dedicated to maximising opportunities for our internal talent pool.

In cases where internal promotion may not be viable, our Human Resource team proactively employs a diverse array of assessment tools, ensuring a fair and rigorous recruitment process. We select candidates based on alignment with specific job requirements and our Company objectives. Our goal is to attract, hire, develop, and retain individuals who will positively contribute to our mission. We ensure all new hire benefit from a comprehensive and consistent on-boarding programme that incorporates personalised one-on-one support to facilitate a smooth transition into the organisation.

Upskilling & reskilling

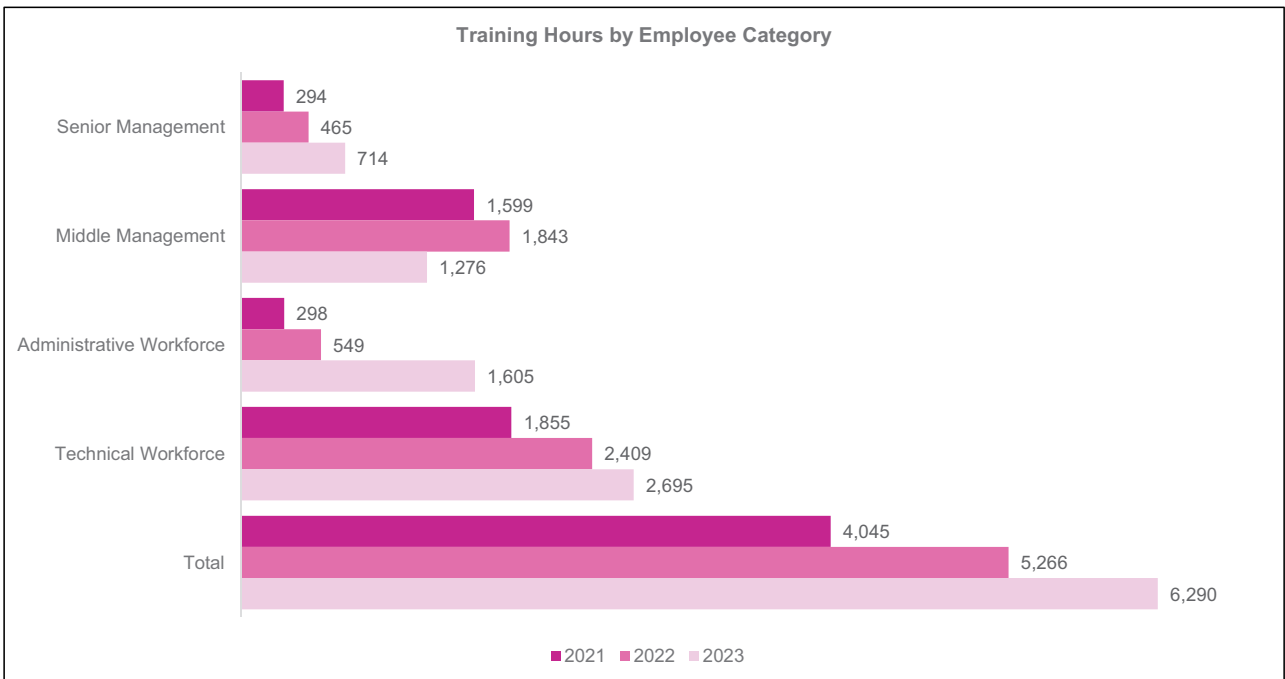
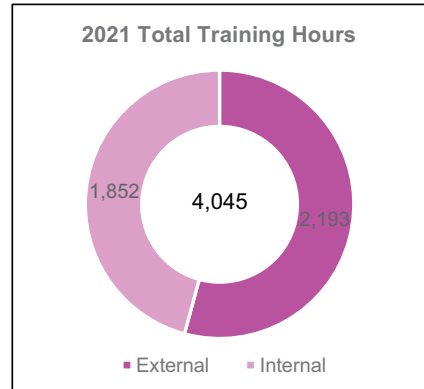
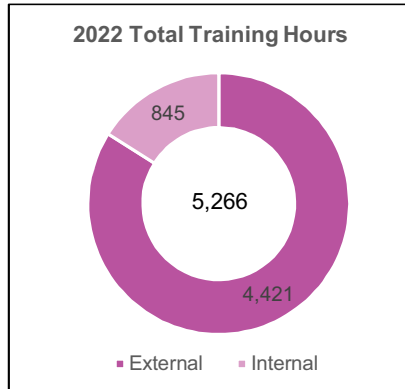
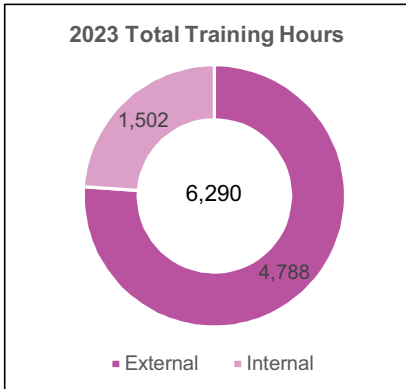
Empowering our people to excel enables the growth and success of the Company. To achieve this goal, we offer continuous learning opportunities designed to support our employees' personal and professional development.

In 2023, we remain committed to investing in training and development programmes, utilising both physical and online channels. We spent 6,290 hours on training, both in internal and external learning and development programmes, increased by 20% as compared to total hours recorded in prior year.

Sustainability Statement (Cont'd)

EMPLOYEE MANAGEMENT (CONT'D)

Upskilling & reskilling (Cont'd)



Sustainability Statement (Cont'd)

EMPLOYEE MANAGEMENT (CONT'D)

Performance management & compensation

At OCK, we firmly embrace our principles of being result-oriented, accountable, collaborative, and committed to shared success in driving both individual and team performance. These principles underscore our work culture, guiding us to achieve tangible outcomes, take ownership of our actions, foster teamwork, and celebrate collective achievements. At the beginning of each year, we ensure expectations setting conversations are initiated. Key performance indicators ("KPIs"), for both businesses and employees, are also in place to ensure that performance goals are aligned with our business goals. We conduct annual year-end performance review of our employees where we provide valuable feedback on their performance and achievements. This ongoing dialogue enables us to gain insights into our employees' developmental needs and career aspirations.

We recognise and reward exceptional performance through bonuses and promotions when one has delivered high-quality results and the demonstration of outstanding behaviour. Our employees are rewarded and recognised for their contributions with competitive pay and benefits. OCK regularly reviews our remuneration packages to ensure alignment within the Group and with our peers, under prevailing local market rates and practices.

We implemented Human Resource Management System ("HRMS") that is available online to empower our employees and managers to efficiently handle and access various aspects of their employment, including managing leave, appraisals, reviewing tax information, and accessing pay slips. The objective of the initiative is to reduce reliance on paper printing, contributing to a more environmentally sustainable approach within our Human Resource team's operations.

Succession planning

For critical and leadership roles, succession planning is vital to our long-term performance as part of our Group's sustainability move. Our Nomination Committee, with the assistance from Audit and Risk Management Committee, will review the Group's human resources plan including the succession management framework and activities. The succession planning across the Group is implemented by stages where training programme also designed specifically for managerial staff. A detailed job description is established for each job level.

Employee engagement

OCK fosters a culture of engagement and inclusion through a range of activities such as annual dinner, festive season celebration and etc. We have also encouraged our employees to improve their physical well-being through participation in our company sports events and teambuilding activities.



Sustainability Statement (Cont'd)

EMPLOYEE MANAGEMENT (CONT'D)

Employee engagement (Cont'd)



Employee retention & attribution

Our turnover rate stood at 53% in FYE 2023. We aim to reduce our attrition rate by improving on our salary and reward scheme, creating a strong talent pipeline, and continuing to strengthen our talent development programmes.

Employee Category	Total numbers of new hires 2022	Total numbers of new hires 2023
Senior Management	8	4
Middle Management	28	27
Administrative Workforce	81	92
Technical Workforce	1,732	1,616
Total	1,849	1,739

Sustainability Statement (Cont'd)

EMPLOYEE MANAGEMENT (CONT'D)

Employee retention & attribution (Cont'd)

Employee Category	Total numbers of employee turnover 2022	Total numbers of employee turnover 2023
Senior Management	5	11
Middle Management	12	33
Administrative Workforce	56	115
Technical Workforce	1,171	1,814
Total	1,244	1,973

	2022	2023
Total number of new hire	1,849	1,739
Total number of turnover	1,244	1,973

Below presents an overview of our temporary staffing percentage across various operational regions in year 2023. Temporary staff, including those on contract, play a vital role in our flexibility and responsiveness to our market demands. Our employment practices, for both permanent and temporary staff are providing fair labour practices and equitable treatment.

Year 2023	Malaysia	Vietnam	Myanmar	Indonesia	Overall
Percentage of employees that are contractors or temporary staffs	67%	16%	64%	100%	92%

Sustainability Statement (Cont'd)



SOCIAL SUSTAINABILITY

SUPPLY CHAIN MANAGEMENT

Related UNSDGs:



OCK prioritises trust and integrity in all supplier relationships. As a responsible company in Malaysia and the region, we recognise our obligation to support our extensive supply chain, which includes small and medium-sized enterprises, especially in recovering local economy.

Our commitment to ethical business practices extends throughout our supply chain, where suppliers are expected to actively uphold our values and principles in their operations.

We are dedicated to ensuring fairness and transparency in our procurement practices to select the most credible suppliers and collaborate with those who prioritise social and environmental considerations. To facilitate this, our suppliers are efficiently engage in the following procurement processes:



At the start of a new project, identification of suitable suppliers and vendors relating to the quality of service and product output are among the key determinants during the tender or bid call. There is an internal checklist in the Supplier Registration Form released by the Procurement Department.

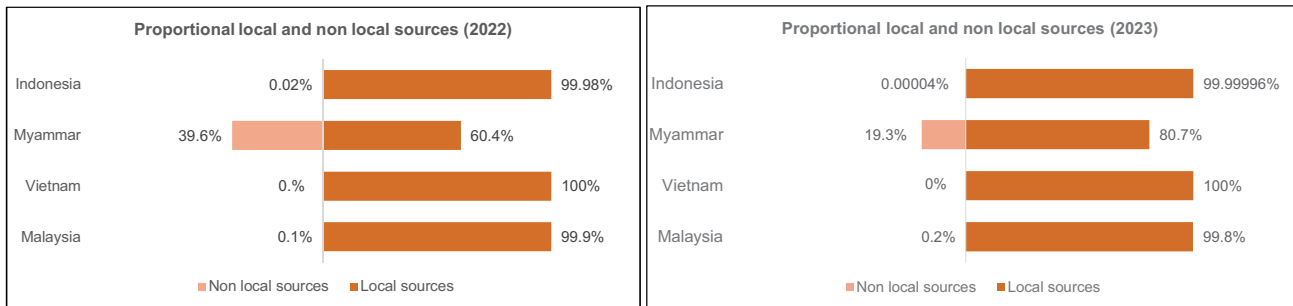
Suppliers must be environmentally and operationally sound, in addition to being a good fit with the Group's overall business goals and aspirations. Their good track record should also come with a clean bill of health for human rights and fair labour practices, no corruption or bribery and no pending environmental issues. All suppliers are to adhere to the Supplier Code of Conduct and the Non-Conformance policy defined under ISO 9001:2015 - Quality Management Systems. Hence, our suppliers are filtered through careful selection ensuring only the ones with appropriate criteria met are engaged.

At the end of the service contract period, the supplier audit for both environmental and operational excellence is carried out. At any point of the service period, should the supplier be found to be noncompliant in any environmental or operational issues, may lead to termination with compensation.

Sustainability Statement (Cont'd)

SUPPLY CHAIN MANAGEMENT (CONT'D)

The nature of business for the telecommunication industry is highly localised and the Group focuses its procurement activities on local vendors to support local job creation and price-competitiveness. In the period under review, the Malaysian, Vietnamese, Myanmar and Indonesia business units have successfully utilised most of their procurement budgets to locate, evaluate and engage local suppliers and vendors with a strong service record, free from reputational issues and capable of turning around high quality work at agreed schedules of delivery. Our target is to achieve 100% (except for 90% for Myanmar) local sourcing whenever feasible, subject to the viability and requirements of our business operations.



Note:
The data disclosed in the Performance Data Table From the ESG Reporting Platform for "Proportional of spending on local suppliers" is applicable to Malaysia only.

COMMUNITY INVESTMENT

Related UNSDGs:



At OCK, we endeavour to be a responsible corporate citizen by actively engaging with and giving back to the communities in which we operate. We strongly believe that nurturing a positive relationship between businesses and communities enhances social inclusion and yields favourable outcomes in the long term.

As part of our commitment to community engagement, OCK has made significant contributions totalling RM306,080 in monetary and approximately RM1,000 in non-monetary donations to various schools and charitable organisations such as old folks homes, disability homes, orphanages and etc. This also includes our contributions to support fundraising events such as fun hunt and others.

These contributions reflect our dedication to supporting education, community development, and social welfare initiatives. Our contributions to schools and charity bodies aim to make a meaningful impact on the lives of individuals and communities in need. These donations help support educational programs, provide essential resources to schools and assist charitable organisations in addressing pressing social issues.

	2022 RM	2023 RM	Target RM
Total amount invested where the target beneficiaries are external to OCK	112,000	306,080	500,000
Total number of beneficiaries of the investment in communities (number of organisations)	5	24	-

Sustainability Statement (Cont'd)

COMMUNITY INVESTMENT (CONT'D)

We continue to organise blood donation campaign this year as we understand the critical importance of donating blood regularly to help save lives. By facilitating blood donation drives, we aim to raise awareness about the importance of blood donation and provide our employees and community members with the opportunity to make a meaningful difference by donating blood, which can potentially save the lives of those in need. In 2023, 66 bags of blood were collected as compared to 41 bags in prior year.

We value the spirit of volunteerism among our employees, which is crucial for the success of OCK's community impact programs and we will start to monitor and track employees' participation in community impact programs.



Sustainability Statement (Cont'd)

MOVING FORWARD

In conclusion, our commitment to sustainability goes beyond mere rhetoric, it is deeply embedded in our corporate DNA and informs every decision we make. We recognise that sustainable business practices are not just a moral imperative but also a strategic advantage in today's dynamic business landscape.

We are committed to establishing a benchmark for sustainable business practices and are dedicated to systematically integrating sustainability initiatives into our day-to-day operations on an annual basis. Through the strategic deployment of sustainability measures, we seek not only to achieve superior business growth but also to honour our pledge to environmental preservation and social responsibility.

PERFORMANCE DATA TABLE FROM ESG REPORTING PLATFORM

OCK as a Listed Issuer is required to provide mandatory ESG disclosures as part of the Main Market Listing Requirements, in line with the enhanced Sustainability Reporting Guide, 3rd Edition. The following performance data table, downloaded from the ESG Reporting Platform summarises indicators that are pertinent against our Material Matters.

Sustainability Statement (Cont'd)

Indicator	Measurement Unit	2021	2022	2023
Economic Performance				
Economic Value Generated	MYR	495,349,892.00	624,508,504.00	736,054,811.00
Economic Value Distributed	MYR	466,084,740.00	595,192,548.00	694,464,167.00
Economic Value Retained	MYR	29,265,152.00	29,315,955.00	39,590,644.00
Customer Satisfaction				
Customer Satisfaction Score	Percentage	-	76.00	78.00
Bursa (Anti-corruption)				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
BOD	Percentage	-	-	80.00
Senior Management	Percentage	-	-	73.00
Middle Management	Percentage	-	-	76.00
Administrative Workforce	Percentage	-	-	73.00
Technical Workforce	Percentage	-	-	93.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks				
	Percentage	-	-	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken				
	Number	0	0	0
Cybersecurity & Data Protection				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data				
	Number	0	0	0
Policy & Regulatory Compliance				
Number of case of fines that relates to non-compliance of ESG elements				
	Number	-	-	0
Climate Action				
Bursa C4(a) Total energy consumption				
	Megawatt	235.90	253.28	303.40
Bursa C11(a) Scope 1 emissions in tonnes of CO2e				
	Metric tonnes	-	-	850.00
Bursa C11(b) Scope 2 emissions in tonnes of CO2e				
	Metric tonnes	-	-	187.00
Water Management				
Bursa C9(a) Total volume of water used				
	Megalitres	4.556000	3.804000	2.747000
Human Right				
Bursa C6(d) Number of substantiated complaints concerning human rights violations				
	Number	0	0	0
Bursa (Health and safety)				
Bursa C5(a) Number of work-related fatalities				
	Number	0	0	0
Bursa C5(b) Lost time incident rate ("LTIR")				
	Rate	0.00	0.00	0.00
Bursa C5(c) Number of employees trained on health and safety standards				
	Number	-	297	99
Diversity, Equity & Inclusion				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Age Group by Employee Category				
Senior Management 18-20	Percentage	0.00	0.00	0.00
Senior Management 21-30	Percentage	0.00	0.00	0.00
Senior Management 31-40	Percentage	12.00	11.00	16.00
Senior Management 41-50	Percentage	55.00	52.00	44.00
Senior Management 51-60	Percentage	31.00	35.00	38.00
Senior Management above 60	Percentage	2.00	2.00	2.00
Middle Management 18-20	Percentage	0.00	0.00	0.00
Middle Management 21-30	Percentage	8.00	10.00	3.00
Middle Management 31-40	Percentage	53.00	48.00	47.00
Middle Management 41-50	Percentage	31.00	34.00	41.00
Middle Management 51-60	Percentage	8.00	8.00	9.00
Middle Management above 60	Percentage	0.00	0.00	0.00
Administrative Workforce 18-20	Percentage	0.00	0.00	1.00
Administrative Workforce 21-30	Percentage	46.00	45.00	41.00
Administrative Workforce 31-40	Percentage	41.00	42.00	44.00
Administrative Workforce 41-50	Percentage	11.00	10.00	11.00
Administrative Workforce 51-60	Percentage	1.00	1.00	2.00
Administrative Workforce above 60	Percentage	1.00	1.00	1.00
Technical Workforce 18-20	Percentage	1.00	1.00	1.00
Technical Workforce 21-30	Percentage	48.00	42.00	39.00
Technical Workforce 31-40	Percentage	44.00	41.00	42.00
Technical Workforce 41-50	Percentage	8.00	16.00	16.00
Technical Workforce 51-60	Percentage	0.00	0.00	2.00
Technical Workforce above 60	Percentage	0.00	0.00	0.00
Gender Group by Employee Category				
Senior Management Male	Percentage	73.00	76.00	74.00
Senior Management Female	Percentage	27.00	24.00	26.00
Middle Management Male	Percentage	70.00	72.00	68.00
Middle Management Female	Percentage	30.00	28.00	32.00
Indicator				
Measurement Unit				
Administrative Workforce Male	Percentage	34.00	46.00	45.00
Administrative Workforce Female	Percentage	66.00	54.00	55.00
Technical Workforce Male	Percentage	99.00	94.00	95.00
Technical Workforce Female	Percentage	1.00	6.00	5.00
Bursa C3(b) Percentage of directors by gender and age group				

Internal assurance

External assurance

No assurance

(*)Restated

Sustainability Statement (Cont'd)

Indicator	Measurement Unit	2021	2022	2023
Male	Percentage	89.00	80.00	80.00
Female	Percentage	11.00	20.00	20.00
Under 30	Percentage	0.00	0.00	10.00
31-40	Percentage	0.00	0.00	0.00
41-50	Percentage	22.00	30.00	30.00
51-60	Percentage	56.00	50.00	40.00
Above 61	Percentage	22.00	20.00	20.00
Number of Board Directors	Number	9	10	10
Number of women on the board	Number	1	2	2
Employee Management				
Bursa C6(a) Total hours of training by employee category				
Senior Management	Hours	294	465	714
Middle Management	Hours	1,599	1,843	1,276
Administrative Workforce	Hours	297	549	1,605
Technical Workforce	Hours	1,855	2,409	2,695
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	-	-	92.00
Bursa C6(c) Total number of employee turnover by employee category				
Senior Management	Number	-	5	11
Middle Management	Number	-	12	33
Administrative workforce	Number	-	56	115
Technical Workforce	Number	-	1,171	1,814
Bursa (Supply chain management)				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	-	99.90	99.80
Community Investment				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	-	112,000.00	306,080.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	-	5	24

Internal assurance

External assurance

No assurance

(*) Restated

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“Board”) of OCK Group Berhad (“OCK” or “the Company”) is committed to uphold the high standards of corporate governance throughout OCK and its subsidiaries (“the Group”) with the ultimate objective of realising long-term shareholder value while taking into account the interests of other stakeholders. This Corporate Governance Overview Statement sets out the extent to which the Company has applied the practices encapsulated in the Principles of the Malaysian Code on Corporate Governance (“MCCG”) except where stated otherwise.

Details of the Group’s application of each practice set out in the MCCG are disclosed in the Corporate Governance Report, which is available on the Group’s website at www.ock.com.my.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Responsibilities

Board Charter and Board Committees

The Board is responsible and is accountable to shareholders for managing the business of the Group. The Board retains full and effective controls of the Company and is committed to take full responsibility for the overall corporate governance of the Group, including its strategic business direction and overall wellbeing.

The Board has retained for itself decisions in respect of matters significant to the Group’s business operations which include the approval of key corporate plans, major business transactions involving either the acquisitions or disposal of business, interests and/or assets, consideration of significant financial matters and announcements of financial results, appointments to the Board and control structure within the Group.

In performing its duties, the Board is guided by the Board Charter that sets out amongst others its roles, composition, responsibilities, powers, board committees and board meeting procedures. The key elements of governance principles embedded in the Board Charter regulate the Board’s conducts and guide the business strategic initiative of the Group. The Board Charter was reviewed and updated during the financial year and is available on the Company’s website at www.ock.com.my.

The Board has established three (3) Board Committees, namely Audit and Risk Management Committee, Nomination Committee and Remuneration Committee that are delegated with specific responsibilities and authorities to assist the Board in executing its duties and to provide the Board with recommendations and advice. The delegation of authority to the Committees enables the Board to achieve operational efficiency, by empowering each Committee to review, report and make recommendations to the Board on matters relevant to their roles and responsibilities. Each Committee is governed by its own Terms of Reference which sets out its functions and duties, composition, rights and meeting procedures. These Terms of Reference are reviewed annually in accordance with the needs of the Company and taking into account the changes in the business, governance and legal environment that may have an impact on the discharge of the Committees’ duties and responsibilities.

The Chairperson of the various committees will report to the Board the outcome of the Committee meetings which will be recorded in the minutes of the Board meeting. The ultimate responsibility for decision making, however, lies with the Board.

Corporate Governance Overview Statement (Cont'd)

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

I. Board Responsibilities (Cont'd)

Company Secretary

The Board is supported by a qualified and competent Company Secretary who provide advice and regularly update the Board on good governance, board policies and procedures, administrative matters and corporate compliances. All Directors have unhindered access to the advice and services of the Company Secretary, whose appointment and removal is a matter of the Board as a whole.

The Company Secretary also ensures that the Board is kept well informed on any regulatory requirements and update on the developments in the area of corporate governance that affect the duties and responsibilities of the Directors as well as the Company being a public listed company. In this respect, the Company Secretary has attended training and seminars conducted by relevant regulators to keep abreast with the relevant updates on statutory and regulatory requirements and updates on the Main Market Listing Requirements ("MMLR") of Bursa Securities.

The Company Secretary also serves notice to the Directors and Principal Officers to notify them of closed periods for trading in the Company's shares, in accordance with Chapter 14 of the MMLR of Bursa Securities. Deliberations during the Board and Board Committees' meetings were properly minuted and documented by the Company Secretary.

Information and Support for Directors

In order to manage the Group's business effectively, the Board meets on a quarterly basis to review the Group's financial and operational results, major investments, report from various Board Committees, related party transactions, strategic decisions and the overall direction of the Group. Additional meetings may be convened when urgent and important decision needs to be taken between the scheduled meetings. All the Directors had committed their time to the board meetings held during the financial year. Prior to the meetings, notice of agenda together with previous minutes and other relevant information were circulated to all directors on a timely basis in order to enable the directors to be well informed and briefed before the meetings.

Besides board meetings, the Board also exercises control on matters that require its approval through the circulation of resolutions.

All the Directors have full and free access to all relevant Company's information, access to management and may obtain independent professional advice at the Company's expense that are deemed necessary to carry out their duties, subject to prior consultation with the Chairman.

The External Auditors also briefed the Board members on the latest Malaysian Financial Reporting Standards that would affect the Group's financial statements during the year.

Code of Conduct and Ethics

Good governance at all levels is essential for sustainable development. The Board is committed to embrace the highest standards of corporate governance practices and ethical standard throughout the Group.

In this respect, the Group has established a Code of Ethics and Code of Conduct to provide direction and guidance to all Directors, Senior Management, employees and external parties in the discharge of their duties and responsibilities that will be in the best interest of the Group. The Code of Ethics and Conduct had been uploaded on the Company's website at www.ock.com.my.

Corporate Governance Overview Statement

(Cont'd)

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

I. Board Responsibilities (Cont'd)

Whistle-blowing Policy

The Board is committed to achieving and maintaining high standards of corporate governance practices across the Group. A Whistle-blowing policy is implemented to provide a channel to enable Directors, Employees, Shareholders, Vendors or any parties with a business relationship with the Group with an avenue to report suspected wrongdoings that may adversely impact the Group. The Company treats all reports in a confidential manner and at the same time provides protection to anyone who reports such concerns in good faith.

Further details pertaining to the Whistle-blowing Policy can be found at the Company's website.

II. Board Composition

The Board recognises the importance of having a diverse Board in terms of age, ethnicity and gender as this, provides the necessary range of perspectives, experience and expertise in bringing value to the Company and achieve effective stewardship.

The present Board of ten (10) Directors is made up of one (1) Non-Independent Non-Executive Chairman, four (4) Executive Directors, one (1) Chief Executive Officer, three (3) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director.

The Executive Directors are responsible for the making of the day-to-day business and operational decisions and implementation of Board policies. There is a clear division of duties and responsibilities amongst them in order to maintain a balance of control, power and authority within the Management.

The Independent Non-Executive Directors are responsible in exercising independent judgement and to act in the best interests of the Group in ensuring that decisions made by the Board are fully and objectively deliberated with regard to the long-term interest of all stakeholders. They have declared themselves to be independent from management and free of any relationship which could interfere with the exercise of their independent judgement and objective participation and decision making process of the Board.

The Non-Independent Non-Executive Director acts as a bridge between Management and stakeholders, particularly, shareholders. He provides relevant checks and balances and ensures that high standards of Corporate Governance are applied.

The Board is confident that its current size and composition reflects an appropriate balance of Executive and Non-Executive Directors which is adequate for the scope and nature of the Group's business and operations.

The Company does have a policy to limit the tenure of its independent directors to nine (9) years. YBhg. Dato' Indera Syed Norulzaman Bin Syed Kamarulzaman who has completed his 9 years of service on the Board of OCK at the 11th AGM on 27 June 2022 and was redesignated as Non-independent Non-Executive Director after the conclusion of the 11th AGM.

At this juncture, all the three (3) Independent Directors have served the Board for less than 9 years as at 31 December 2023.

However, the Board believes that the length of service on the Board did not impair the objectivity of these Independent Directors. Moreover, the Independent Directors have made significant contributions to the Board in view of their sufficient breadth of understanding of the Group's activities and corporate history that will continue to add value to the Board.

Corporate Governance Overview Statement (Cont'd)

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

II. Board Composition (Cont'd)

Diversity on Board and Senior Management

The Board and the Nomination Committee take into account the current diversity in the skills, experience, age, race/ethnicity (cultural background) and nationality of the existing Board in seeking potential candidate(s).

The Committee has the responsibility to ensure that the Board comprises suitably qualified members that demonstrate appropriate qualities and experience that contribute to effective oversight and stewardship.

During the financial year, the new Executive Director, Mr. Ooi Inn Huei was appointed on 1 July 2023. The Board has achieved the optimum Board size at 10 based on the review of the Board composition in 2023. The optimal size would enable effective oversight, delegation of responsibilities and productive discussions amongst members of the Board.

Gender Diversity

The Board is committed to maintaining an appropriate balance in terms of diversity in experience, skills, competence, caliber and gender in order to have balanced, comprehensive and thorough decision makings. The Board consists of members with a broad range of skills, well-rounded experience and knowledge in different fields relevant to oversee the business. The Board ensures that each member has a proper understanding of the Group's business and competence to deal with current and emerging issues of the Group.

At this juncture, the Board has no specific policy on gender and age for candidates to be appointed to the Board. The evaluation of the suitability of candidates is based on the candidates' competency, character, time commitment, integrity and experience in meeting the needs of the Company.

However, the Board acknowledged the importance of participation of women in senior management and recognised the significance of Diversity, Equity and Inclusion in attaining effective strategic objectives to enhance sustainable growth and development and in promoting better corporate governance within OCK Group. The Nomination Committee will continue to take steps to ensure that the gender and age of the candidates will be taken into consideration as part of its recruitment exercise.

Corporate Governance Overview Statement

(Cont'd)

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

II. Board Composition (Cont'd)

Nomination Committee

The Board has established a Nomination Committee to provide advice and assistance to the Board in matters relating to appointment of new Directors, board composition, training program and performance evaluation on effectiveness of the Board, Board Committees and individual directors. Full details of the Nomination Committee's duties and responsibilities are stated in its Term of Reference which is available on the Company's website.

The Nomination Committee comprises exclusively of Independent Non-Executive Directors. The Committee meets as and when required, at least once a year. During the financial year, three (3) meetings were carried out, with attendance as follows:

Name of Director	Designation	No. of Meetings Attended
Ong Yee Ling @ Sharon (Independent Non-Executive Director)	Chairperson	3/3
Mahathir Bin Mahzan (Independent Non-Executive Director)	Member	2/3
Low Ngai Yuen (Independent Non-Executive Director)	Member	3/3

During the financial year, the Nomination Committee had carried out the following activities:

- (a) Assessed the performance of the Board, Board Committees and individual Director, including the term of office and performance of the Audit and Risk Management Committee and each of its members;
- (b) Assessed the independence of all three (3) Independent Directors whose tenure had exceeded a nine (9) year term;
- (c) Reviewed the performance of retiring Directors and recommended them to the Board for re-election at the forthcoming AGM;
- (d) Reviewed the position of the Independent Director and recommended the same to the Board;
- (e) Reviewed the size of the Board against the size of the Group and the complexity of the business to assess the impact of the number upon its effectiveness;
- (f) Reviewed and assessed the performance of the key Senior Management;
- (g) Ensured all Directors receive appropriate continuous training programmes;
- (h) Led the succession planning and appointment of new Audit and Risk Management Committee's chairman and new Chief Executive Officer;
- (i) Reviewed and updated the Director's Recruitment Criteria and Process; and
- (j) Reviewed and updated its Term of Reference pursuant to the new MCCG.

Evaluation of Board, Board Committees and Individual Directors

The Nomination Committee annually performs a board self-evaluation to evaluate the performance of the Board, Board Committees and individual Directors, in order to verify that the Board is operating effectively and efficiently as a whole. Each Director completed a detailed questionnaire in the Directors' Performance Evaluation which covered matters relevant to the Board performance, among other things, contribution to interaction, quality of input, understanding of role and personal developments. An evaluation of each Board Committee was done by assessing the structure, roles and responsibilities, performance of the respective Chairman, as well as Committee's performance against its Term of Reference. The assessment was internally facilitated, with the results compiled, documented and reported to the Board as part of the Company's ongoing corporate governance practices.

Corporate Governance Overview Statement

(Cont'd)

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

II. Board Composition (Cont'd)

Evaluation of Board, Board Committees and Individual Directors (Cont'd)

Based on the assessment carried out during the financial year, the Nomination Committee had concluded the following: -

- (a) The Board was found to be competent and had a dynamic and balanced mix of skills and experience wherein the Directors were able to contribute effectively to the Board's decision-making process.
- (b) The current structure, size and composition of the Board, which comprises people who possess a wide range of expertise and experience in various fields with diverse backgrounds and specialisations, would enable the Board to lead and manage the Company effectively.
- (c) The Directors had discharged their responsibilities in a commendable manner, acted competently, contributed effectively to the Board and demonstrated full commitment to their duties as Directors.
- (d) The Board and Board Committees had contributed positively to the Company and its subsidiaries and were operating in an effective manner.
- (e) The Board Chairperson had performed in an excellent manner and contributed to the Board.
- (f) The performances of the Board Committees were found to be effective.

The Board recognises the importance of continuous training to remain abreast of the latest developments in related industries and changes to the regulatory environment. The assessment of individual directors also provided the Board with valuable insights into training and development needs of each Director, to ensure that each Board member's contribution to the Board remains informed and relevant.

During the financial year, all the Directors had participated in various training programs. Particulars of the seminars and courses attended are as follows:

Name of Directors	Date	Seminar / Training Course Title
YBhg. Dato' Indera Syed Norulzaman Bin Syed Kamarulzaman	26.05.2023	Governing Excellence - Striving for Board's Dynamic Engagement
	29.08.2023	Advocacy Session on Corporate Disclosure briefing by Company Secretary on update on listing requirement/ MCCG
	25.10.2023	Management of Cyber Risk Programme
	29.11.2023	Bursa PLCs Investor Relations Series 3: Economic Outlook 2024
Mahathir Bin Mahzan	29.08.2023	Advocacy Session on Corporate Disclosure briefing by Company Secretary on update on listing requirement/ MCCG
Low Ngai Yuen	29.08.2023	Advocacy Session on Corporate Disclosure briefing by Company Secretary on update on listing requirement/ MCCG
Ong Yee Ling @ Sharon	29.08.2023	Advocacy Session on Corporate Disclosure briefing by Company Secretary on update on listing requirement/ MCCG
YBhg. Datuk Wira Ooi Chin Khoo	29.08.2023	Advocacy Session on Corporate Disclosure briefing by Company Secretary on update on listing requirement/ MCCG
	1.11.2023	Anti Corruption and Bribery Awareness

Corporate Governance Overview Statement

(Cont'd)

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

II. Board Composition (Cont'd)

Evaluation of Board, Board Committees and Individual Directors (Cont'd)

During the financial year, all the Directors had participated in various training programs. Particulars of the seminars and courses attended are as follows: (Cont'd)

Name of Directors	Date	Seminar / Training Course Title
Low Hock Keong	16.08.2023	Introduction of Bursa Carbon Exchange (BCX) & Centralised Sustainability Intelligence Platform (CSIP)
	29.08.2023	Advocacy Session on Corporate Disclosure briefing by Company Secretary on update on listing requirement/ MCGG
	1.11.2023	Anti Corruption and Bribery Awareness
Abdul Halim Bin Abdul Hamid	14.03.2023	Safety & Health a Priority: Systematic Approach from ISO Standard Perspective
	29.08.2023	Advocacy Session on Corporate Disclosure briefing by Company Secretary on update on listing requirement/ MCGG
Chang Tan Chin	15.08.2023 to 16.08.2023	GreenTechCon23 - An ESG & Sustainability International Conference
	29.08.2023	Advocacy Session on Corporate Disclosure briefing by Company Secretary on update on listing requirement/ MCGG
	14.09.2023	Group Oversight Framework & The Securities Commission Guidelines on the Conduct of Director of Listed Issuers and Their Subsidiaries
	1.11.2023	Anti Corruption and Bribery Awareness
Ooi Inn Huei (Appointed on 1 July 2023)	29.08.2023	Advocacy Session on Corporate Disclosure briefing by Company Secretary on update on listing requirement/ MCGG
	14.09.2023	Group Oversight Framework & The Securities Commission Guidelines on the Conduct of Director of Listed Issuers and Their Subsidiaries
	9.10.2023 to 10.10.2023	Bursa Malaysia Mandatory Accreditation Programme
	1.11.2023	Anti Corruption and Bribery Awareness
Rear Admiral (R) Dato' Mohd Som Bin Ibrahim	29.08.2023	Advocacy Session on Corporate Disclosure briefing by Company Secretary on update on listing requirement/ MCGG

Corporate Governance Overview Statement

(Cont'd)

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

III. Remuneration

Remuneration Policy

The Board has recognised the need to establish a fair and transparent Remuneration Policy with the objective to guide the Group in attracting, retaining and motivating highly qualified individuals to serve on the Board and key senior management. On a yearly basis, the Remuneration Committee reviewed and recommended to the Board the remuneration packages of the Executive Directors, while the remuneration for the Non-Executive Directors was determined by the Board as a whole. Fees and benefits payable to the Directors are subject to approval by the shareholders at the Company's AGM. The affected Directors had abstained from participation in deliberations and decisions regarding their individual remuneration.

In making its recommendation, the Remuneration Committee considered the principles set out in the Remuneration Policy. The remuneration was structured to align rewards to corporate and individual performances besides adequately compensate the Directors for risks and complexities of the duties and responsibilities they assumed. The Remuneration Committee also obtained data for similar roles of other public listed companies in the same industry for comparison.

All Executive Directors and Key Senior Management are subject to an annual performance rating which serves as a basis to determine their variable compensation payments. The Remuneration Policy also covers the bonus framework for the Executive Directors and key Senior Management, which link their appraisal process to specific reward and incentive outcomes. The appraisal process will assess the individual performance against the Key Performance Indicator targets and competency capability in meeting the Group's core values and Leadership and Management Expectations.

Remuneration Committee

The Remuneration Committee was established to assist the Board in developing remuneration policies and procedures that enable the Group to attract, motivate and retain qualified Directors and Key Senior Management personnel. Full details of the functions and duties of the Remuneration Committee are stated in its Term of Reference which is available on the Company's website.

The Remuneration Committee mainly comprises Independent Non-Executive Directors as follows:-

Name of Director	Designation	No. of Meetings Attended
Low Ngai Yuen (Independent Non-Executive Director)	Chairperson	3/3
Mahathir Bin Mahzan (Independent Non-Executive Director)	Member	2/3
Ong Yee Ling @ Sharon (Independent Non-Executive Director)	Member	3/3

The responsibilities of Remuneration Committee are as follows:-

- Reviewed and assessed the performance and the remuneration package of the Executive Directors and key Senior Management;
- Reviewed and assessed the Directors' fees and benefits payable for the financial year ended 2023;
- Reviewed and updated its Term of Reference;
- Reviewed the Board and Key Senior Management Remuneration Policy; and
- Provided clarification to shareholders during general meetings on matters pertaining to remuneration of directors and senior management.

Corporate Governance Overview Statement

(Cont'd)

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

III. Remuneration (Cont'd)

Remuneration of Directors

Pursuant to the respective service contracts with the Company and its subsidiaries, the remuneration packages of the Executive Directors shall include a compensation payment amounting up to six (6) months of that Director's last drawn salary, in the event of loss of office.

The details of individual Directors' remuneration are as follows: -

Group Level

Name of Directors	Salaries and Other Emoluments (RM'000)	Bonus (RM'000)	EPF and SOCSO (RM'000)	Benefits in Kind (RM'000)	Total (RM'000)
Non-Executive Directors					
YBhg. Dato' Indera Syed Norulzaman Bin Syed Kamarulzaman	63	-	-	13.3	76.3
Mahathir Bin Mahzan	56	-	-	-	56
Low Ngai Yuen	45	-	-	-	45
Ong Yee Ling @ Sharon	45	-	-	-	45
Rear Admiral (R) Dato' Mohd Som Bin Ibrahim	39	-	-	-	39
Executive Directors					
YBhg. Datuk Wira Ooi Chin Khoon	1,611	150	212.1	24	1,997.1
Low Hock Keong	828	97.5	111.1	24	1,060.6
Abdul Halim Bin Abdul Hamid	416.5	49.2	56.7	-	522.4
Chang Tan Chin	396.8	46.9	54.1	-	497.8
Ooi Inn Huei (Appointed on 1 July 2023)	109.0	6.4	14.3	-	129.7
Chong Wai Yew (Resigned on 31 May 2023)	181	49.2	28.0	-	258.5

Corporate Governance Overview Statement (Cont'd)

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

III. Remuneration (Cont'd)

Remuneration of Directors (Cont'd)

The details of individual Directors' remuneration are as follows: - (Cont'd)

Company Level

Name of Directors	Salaries and Other Emoluments (RM'000)	Bonus (RM'000)	EPF and SOCSO (RM'000)	Benefits in Kind (RM'000)	Total (RM'000)
Non-Executive Directors					
YBhg. Dato' Indera Syed Norulzaman Bin Syed Kamarulzaman	63	-	-	13.3	76.3
Mahathir Bin Mahzan	56	-	-	-	56
Low Ngai Yuen	45	-	-	-	45
Ong Yee Ling @ Sharon	45	-	-	-	45
Rear Admiral (R) Dato' Mohd Som Bin Ibrahim	39	-	-	-	39
Executive Directors					
YBhg. Datuk Wira Ooi Chin Khoon	1,611	150	212.1	24	1,997.1
Low Hock Keong	828	97.5	111.1	24	1,060.6
Abdul Halim Bin Abdul Hamid	416.5	49.2	56.7	-	522.4
Chang Tan Chin	3.0	-	-	-	3.0
Ooi Inn Huei (Appointed on 1 July 2023)	109.0	6.4	14.3	-	129.7
Chong Wai Yew (Resigned on 31 May 2023)	1.0	-	-	-	1.0

Corporate Governance Overview Statement

(Cont'd)

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

III. Remuneration (Cont'd)

Remuneration of Senior Management

The remuneration of the Senior Managements are set out as follows:-

Range of Remuneration (RM)	Number of Senior Management
RM100,000 to RM150,000	N/A
RM150,001 to RM200,000	1
RM200,001 to RM250,000	1
RM250,001 to RM300,000	1
RM300,001 to RM350,000	N/A
RM350,001 to RM400,000	1
RM400,001 to RM450,000	2
RM450,001 to RM500,000	2
Above RM500,001	1

(The details of senior management's remuneration are not shown, as the Board considers the information of the said remuneration to be sensitive and proprietary in view of the competitive nature of the human resource market and to support the Company's efforts in retaining executive talents. The Board is of the view that the transparency and accountability aspects of corporate governance as applicable to senior management's remuneration are appropriately served by the disclosures in the RM50,000 bands. The total remuneration paid to each senior management reflects the time and effort devoted to fulfilling his or her responsibilities on the Board and is linked to the Group's performance.)

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Audit and Risk Management Committee

The Audit and Risk Management Committee consists of the following members:

Name of Director	Designation	No. of Meetings Attended
Mahathir Bin Mahzan (Independent Non-Executive Director)	Chairperson	5/5
Ong Yee Ling @ Sharon (Independent Non-Executive Director)	Member	5/5
Low Ngai Yuen (Independent Non-Executive Director)	Member	5/5

The Chairperson of the Audit and Risk Management Committee is not the Chairman of the Board. In addition, the Audit and Risk Management Committee comprises wholly of Independent Non- Executive Directors. The Audit and Risk Management Committee Report is set out separately in this Annual Report. Full details of the Audit and Risk Management Committee's duties and responsibilities are stated in its Terms of Reference, which is available on the Company's website.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE B - EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

I. Audit and Risk Management Committee (Cont'd)

Oversight of External Auditors

The Group has always recognised the need to uphold independence. None of the members of the Board were former key audit partners within the cooling-off period of three (3) years. Hence, there is no such person being appointed as a member of the Audit and Risk Management Committee.

The Board, through its Audit and Risk Management Committee maintains a formal and transparent relationship with its External Auditors. The Board had delegated the responsibility to the Audit and Risk Management Committee for making recommendations on the appointment, re-appointment or removal of the External Auditors as well as on their remunerations. The Audit and Risk Management Committee ensured that the External Auditors work closely with the Internal Auditors to enhance the effectiveness of the overall audit process. The Audit and Risk Management Committee assessed the performance and effectiveness of the External Auditors annually, considering amongst others, their qualifications, effectiveness of the audit process, quality of service and their independence.

In the course of their audit, the External Auditors presented for the Audit and Risk Management Committee review its 2023 Audit Plan which outlined its engagement team, audit timeline, the areas of audit emphasis, and their focus on key audit matters. The External Auditors also highlighted to the Audit and Risk Management Committee matters pertaining to financial reporting. During the financial year, the private meetings between them were held twice without the presence of the Management and Executive Directors, to discuss any issues that may require the attention of the Audit and Risk Management Committee.

The full details of the role of the Audit and Risk Management Committee in relation to the External Auditors is set out in the Audit and Risk Management Committee Report of this Annual Report.

II. Risk Management and Internal Control Framework

The Board is of the view that the system of internal control and risk management of the Group is sound and sufficient to maintain effective governance and sharpen corporate strategy. Supported by the Management and internal audit function, the Group complies with all applicable provisions of law and regulations and appropriate risk management systems are in place throughout the Group.

Currently, the Board is assisted by the Audit and Risk Management Committee in fulfilling the oversight responsibilities of reviewing the control systems in general and assessing the adequacy and effectiveness of the risk management and internal control practices conducted by the Management. The Audit and Risk Management Committee and the management are responsible to identify, evaluate and manage significant risks facing the organisation in its businesses and operations. To facilitate effective monitoring, the Board regularly receives reports from the Management on any business risks related to its business activities that have impacted or likely to impact the Company from achieving of its objectives and strategies.

Compliance relating to risk recognition and management is presented in the Group's Statement on Risk Management and Internal Control as set out separately in this Annual Report.

Internal Audit Function

The Group outsources its internal audit function to a professional services firm, IA Essential Sdn. Bhd. The Head of the Internal Auditors is a member of the Institute of Internal Auditors Malaysia and possesses the skills, experience and competency to effectively carry out the internal audit work. The Internal Auditors provide an independent evaluation on the effectiveness of the risk management, control and governance processes in the Group. In addition, the Internal Auditors carry out a follow-up review of the issues raised in the previous internal audit and ensure that the proposed action plan has been implemented by the Management to mitigate the risk exposure of the Group.

Corporate Governance Overview Statement

(Cont'd)

PRINCIPLE B - EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

II. Risk Management and Internal Control Framework (Cont'd)

Internal Audit Function (Cont'd)

The independent internal audit function is reporting directly to the Audit and Risk Management Committee. To ensure that the responsibilities of internal auditors are fully discharged, the Audit and Risk Management Committee reviews the adequacy of the scope, functions and resources of the Internal Audit function as well as the competency of the Internal Auditors.

The scope of work covered by the internal audit function during the financial year, summary of activities carried out, including its observations and recommendations, is provided in the Audit and Risk Management Committee Report of this Annual Report.

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

Communication with Stakeholders

The Group is committed to ensure that its communication with the shareholders and various stakeholders is transparent, timely and with quality disclosure as each group of stakeholders expect a varying level of interaction from the Board based on their differing levels of interest in the Company. They expect the Company to communicate in a timely and open manner, adopt good corporate governance practices, prompt feedback and to engage stakeholders when making significant decisions.

In this respect, the Group has designed an Investor Relations Website and an Investor Relations Privacy Policy which provides guidance to the Management and employees on the Company's disclosure requirements, handling of material information, and in dealing with investors, analysts, media and the investing public. The Group also maintains comprehensive control of all important corporate information and prohibits any insider trading by any director or principal officer when he or she is in possession of price sensitive information.

Apart from that, the Group has in place the following initiatives to facilitate effective communication with its shareholders:

- a. Ensure the Annual Report consists of important information such as Management's Discussion and Analysis, financial statements, and information on the Audit and Risk Management Committee, Corporate Governance, Sustainability and Corporate Social Responsibility, and Risk Management and Internal Control;
- b. Timely announcements made to Bursa Securities via Bursa LINK, which include the release of financial results on a quarterly basis, changes in substantial shareholder's interest, changes in the Board and any other matters. Concurrent with the release of financial results, all the announcements will be uploaded on the Company's website, and press releases forwarded to major newspapers and public media;
- c. Attend to shareholders' and investors' emails and phone enquiries; and
- d. The Company's website at www.ock.com.my under Investor Relations section, which houses Board Charter, annual reports, quarterly report announcements, press releases, analyst briefings, analyst coverage and other corporate information.

The timely release of quarterly announcements and full year financial reports reflects the Board's accountability to its shareholders.

Corporate Governance Overview Statement

(Cont'd)

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

Integrated Reporting

The nature and pace of change in businesses today have evolved over time and stakeholders are now placing greater emphasis on the future performance and non-financial information of a company. In tandem with the growing demand, the Company would consider adopting integrated reporting in the near future; as such integrated reporting is still new in the current market. The Company will adopt integrated reporting based on a globally recognised framework. This framework would then be utilised in the preparation of Annual Report for the financial year ended 31 December 2023.

II. Conduct of General Meetings

Notice of General Meeting

General meetings are the important platform for the shareholders to exercise their rights in the Company, either in AGM or Extraordinary General Meetings.

Given the significance of general meetings, the notice of meeting together with the annual report is sent to the shareholders at least 28 days prior to the AGM, so as to maximise their attendance and to provide sufficient time to consider the resolutions that will be discussed and decided at the general meeting. Concurrently, the notice of AGM is advertised in a nationally circulated English daily newspaper. In order to facilitate informed decisions by the shareholders, notice of meeting is also accompanied by explanatory notes on the items of business to further explain the nature of business of the meeting.

Attendance of Directors at General Meetings

OCK's AGM is an important means of communicating with its shareholders. It enables the shareholders to interact directly with the Board and gain insights on the Company's business and financial position. It serves as a platform for shareholders to have a full understanding of the Company and of the Group.

Issues such as directors' remuneration, financial performance, and company direction are key areas which shareholders typically have a keen interest in. During the AGM, the Chairman ensures that shareholders are given the opportunity to comment or raise issues and questions whether pertaining to issues on the agenda, the annual report, the Group's strategy or developments. To this end, the communication between Board and shareholders can be enriched.

The Chairman plays a vital role in fostering constructive dialogue between the Board and the shareholders. All the members of the Board and the respective chairmen of the Board's Committees are present at the meetings to address queries raised by the shareholders which are relevant to their areas of responsibility. The Company's External Auditors also attend the AGM and are available to answer questions from the shareholders pertaining to the audit matters and the auditor's report.

Voting

In the event that shareholders are unable to attend the AGM in person, they are encouraged to appoint one (1) or up to two (2) proxies to attend and vote in his/her stead. The outcome of the meeting is announced to Bursa Securities on the same day, which is also accessible on the Company's website.

The Company conducts a poll voting on each resolution tabled during the general meetings to support shareholders' participation. As the number of shareholders of the Company is not large, the Company currently conducts manual poll voting instead of electronic poll voting. With the poll voting, each shareholder presents in person or represented by proxy at the general meeting will be entitled to vote on a one-share, one-vote basis. The results of the poll were validated by Strategic Capital Advisory Sdn. Bhd., the Independent Scrutineer appointed for the purpose.

Corporate Governance Overview Statement

(Cont'd)

ADDITIONAL COMPLIANCE INFORMATION

Statement of Directors' Responsibility in respect of the Financial Statements

The Board is committed to prepare the financial statements for each financial year which give a true and fair view of the state of affairs, and of the results of the operations of the Group and of the Company for the financial year then ended. As required by the Companies Act 2016 and the MMLR, the financial statements have been prepared in accordance with applicable approved financial accounting standards. The Board has applied appropriate accounting policies on a consistent basis and made judgements that are reasonable and prudent.

COMPLIANCE STATEMENT

The Board is satisfied that the Group has substantially complied with the majority of the practices of the MCCG throughout the financial year. In pursuit of safeguarding the interest of the shareholders and other stakeholders, the Board is committed and will continue to strengthen its application of the best practices in corporate governance.

This Corporate Governance Overview Statement is made in accordance with the resolution of the Board of Directors dated 29 April 2024.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

1. COMPOSITION AND DESIGNATION OF AUDIT AND RISK MANAGEMENT COMMITTEE

The Audit and Risk Management Committee comprises three (3) members of the Board, all of whom are Non-Executive Independent Directors. The members during financial year ended 31 December 2023 are as follows:-

Membership	Member	Designation
Chairman:	Encik Mahathir bin Mahzan	Independent Non-Executive Director
Members:	Ms. Low Ngai Yuen Ms. Ong Yee Ling @ Sharon	Independent Non-Executive Director Independent Non-Executive Director

2. AUDIT AND RISK MANAGEMENT COMMITTEE MEETINGS ATTENDANCE

During the financial year, the Audit and Risk Management Committee conducted 5 meetings all of which were duly convened with sufficient notices given to all Audit and Risk Management Committee members together with the agenda, report and proposals for deliberation at the meetings. The Executive Director was invited to all Audit and Risk Management Committee meetings to facilitate direct communication as well as to provide clarification on audit issues and the operations of the Group.

Representatives from the External Auditors and Internal Auditors, as the case may be, were in attendance to present the relevant reports and proposals to the Audit and Risk Management Committee at the meetings including, inter alia, the Auditors' audit plans and audit reports and the audited financial statements for the financial year ended 31 December 2023.

In the Audit and Risk Management Committee meetings, the members were given opportunities to raise any matters and were given unrestricted access to the External Auditors to contact them at any time should they become aware of incidents or matters during the course of their audits or reviews. Minutes of the Audit and Risk Management Committee meetings were tabled for confirmation at the following Audit and Risk Management Committee meeting and subsequently presented to the Board for notation.

Details of attendance of the Audit and Risk Management Committee members at the Audit and Risk Management Committee meetings during the financial year are as follows:

Name of Director	Designation	Attended
Encik Mahathir Bin Mahzan	Independent Non-Executive Director	5/5
Ms. Low Ngai Yuen	Independent Non-Executive Director	5/5
Ms. Ong Yee Ling @ Sharon	Independent Non-Executive Director	5/5

Audit and Risk Management Committee Report

(Cont'd)

3 ACTIVITIES OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

The Audit and Risk Management Committee's activities during the financial year under review comprised of the following:-

Quarterly Financial Statements and Audited Financial Statements

- Reviewed the audited financial statements of the Company prior to submission to the Board for their perusal and approval. This was to ensure compliance of the financial statements with the provisions of the Companies Act, 2016 and the applicable approved accounting standards as per Malaysian Accounting Standards Board; and
- Reviewed the unaudited financial results before recommending them for Board's approval, focusing particularly on:-
 - Any change in accounting policies
 - Significant adjustments arising from audit
 - Compliance with accounting standards and other legal requirements
- Took note of the progress update of the Transfer Pricing.

External Auditors

- Reviewed the External Audit plan, outlining the audit scope, audit process and areas of emphasis based on the external auditors' presentation of audit plan;
- Reviewed the external audit review memorandum and audit planning memorandum and the response from the management;
- Consideration and recommendation to the Board for approval of the audit fees payable to the External Auditors;
- Reviewed the performance and effectiveness of the External Auditors in the provision of statutory audit services and recommended to the Board for approval on the re-appointment of External Auditors; and
- Reviewed and evaluated the factors relating to the independence of the External Auditors.

At the Audit and Risk Management Committee Meeting held on 29 April 2024, the Audit and Risk Management Committee recommended to the Board for approval of the audit fee of RM532,800 in respect of the financial year ended 31 December 2023.

The Board at its meeting held on 29 April 2024, approved the audit fee based on the recommendation of the Audit and Risk Management Committee.

Internal Auditors

The Group outsources its Internal Audit Function to a professional services firm. The Internal Auditors were engaged to conduct regular reviews and appraisals of the effectiveness of the governance, risk management and internal control processes within the Company and the Group.

The Internal Auditor directly reports to the Audit and Risk Management Committee. The Internal Auditors are given full access to all the documents relating to the Company and Group's governance, financial statements and operational assessments.

The Audit and Risk Management Committee had reviewed the following:-

- Internal Audit Report on El Power Technologies Sdn. Bhd.
- Internal Audit Report on OCK Yangon Private Limited
- Internal Audit Report on Eastern Tower Company Limited ("ETC") & Global Infrastructure Investment Company Limited ("GII")
- Anti-Corruption and Bribery Preventive Procedures
- Corporate Governance Review
- Recurrent Related Party Transactions
- Updates on Group Oversight Framework
- Follow up Audit Report

The cost of the Internal Audit was RM80,000 (2022:RM71,250).

Audit and Risk Management Committee Report (Cont'd)

4. RELATED PARTY TRANSACTION AND CONFLICT OF INTEREST

At each quarterly meeting, the Audit and Risk Management Committee reviewed the Recurrent Related Party Transactions ("RPT") and conflict of interest situations that may arise within the Company and its Group including any transaction, procedure or course of conduct that may raise questions of management integrity.

The Audit and Risk Management Committee also ensured adequate oversight of controls on the identification of interested parties and possible conflict of interest situations before entering into such transaction.

The Audit and Risk Management Committee also requested the Internal Auditor to review the procedures and transactions of the Recurrent Related Parties Transactions carried out by the Group in the Financial Year Ended 31 December 2023.

The Internal Auditors' report was presented to the Audit and Risk Management Committee in Financial Year 2023.

5. INTERNAL AUDIT FUNCTION

The purpose of the Internal Audit function is to provide the Board, through the Audit and Risk Management Committee, with reasonable assurance of the adequacy and effectiveness of the risk management, control and governance processes reviewed in the Group.

To ensure that the responsibilities of Internal Auditors are fully discharged, the Audit and Risk Management Committee reviews the adequacy of the scope, functions and resources of the Internal Audit function as well as the competency of the Internal Auditors.

The Internal Auditors also highlighted to the Audit and Risk Management Committee the audit findings to be followed up and the outstanding audit issues which required corrective action plans to strengthen the internal control systems of the Group.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors ("Board") of OCK Group Berhad is pleased to present its Statement on Risk Management and Internal Control of the Company and its subsidiaries ("the Group") for the financial year ending 31 December 2023. The disclosure in this Statement is required under Paragraph 15.26(b) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad, and it is prepared in accordance with the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("Guidelines").

BOARD RESPONSIBILITIES

The Board, with a deep understanding of the business's principal risks, acknowledges its responsibilities to ensure a robust framework for internal controls and risk management. It accepts that business decisions necessitate the incurrence and balancing of risk and return to generate reasonable returns to the shareholders, instilling confidence in the Board's decision-making process.

In its role of overseeing the effectiveness of the systems of risk management and internal control, the Board diligently applies and uses the following processes and information during the financial year to derive its comfort on these systems:

- i. Review and consultation with the Management on the financial results, annual report and audited financial statements before and after the completion of a statutory yearly financial audit to assess the integrity of the financial information and performance;
- ii. Deliberation on audit findings reported by the External Auditors in the course of their annual financial audit and discussion with Management on critical audit matters and recommended corrective actions to be taken to address the audit matters;
- iii. Consideration of the adequacy and effectiveness of internal control based on internal audit findings and timeliness of improvement action plans taken by Management, reported by the Internal Auditors;
- iv. Reviews of related party and potential conflict of interest transactions and the control procedure thereof;
- v. Group Managing Director, Group CEO, and Group CFO briefings on business, financial and operational performances and updates during the board meetings;
- vi. Board and management discussions on the business and operational challenges and measures taken by the Group to mitigate and manage these challenges; and
- vii. Management's assurance that the Group's risk management and internal control systems are adequate and effective in all material respects.

Considering the number of entities, diverse business segments, and autonomous management controls in some entities in the Group, during the financial year, the Board established and formalised a group oversight framework to enable it to extend its oversight responsibilities effectively. This framework will be carried out in stages. The oversight areas are strategic business transactions, risk management, sustainability, financial and non-financial matters, and governance practices at the subsidiary level.

Under this framework, the Board has set a shared authority limit with the Group management in approving strategic business transactions covering business acquisition, financing, investing, divesting and joint venture. The Board also defined the information requirement for each oversight area to enable it to access timely, relevant and quality information for discharging its oversight responsibilities and decision-making defectively.

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

RISK MANAGEMENT

The Board acknowledges that risk management is an integral part of corporate governance, and effective risk oversight is critical to setting the right tone and culture in building robust risk management and internal control systems.

The Group's risk management is primarily driven and managed by all Executive Directors, Chief Executives and members of senior management. The Group has defined its Risk Policy with reference to the general principles of the international risk management framework. This risk management policy outlines the principles of risk management, the Board's and management's responsibilities, and the objectives that the Board expects to achieve by putting a risk management framework for the Group.

The Board oversight of subsidiaries' risk management starts from the review of the Group's management reports and deliberation of the effectiveness and timeliness of management in addressing significant financial performance deviations, if any, and the possibility of new and emerging risks that require additional controls and actions to be put in advance.

The Board has identified additional areas in the group oversight framework to strengthen its risk oversight further. Some of these areas are:

- i. SWOT Analysis and Business Competitiveness**
This review is to be conducted concurrently when the Board reviews and deliberates the annual business plan and budget of the Group.
- ii. Sustainability Risks and Opportunities**
This involves considering the sustainability risks and opportunities based on the priority of the material matters identified.
- iii. Compliance Exposures, Material Litigation and Status**
This review covers the updates by the respective division heads and overseas subsidiaries regarding the new business regulations, issues, and news in the related industries and their potential impact on the businesses, including changes in the political landscape, policy, and government.
- iv. Business Continuity and Recovery Plan**
At a minimum, the business continuity and recovery plan shall address the fire, information system and data breaches, safety and health and natural disasters at sites.

KEY INTERNAL CONTROLS

In addition to the Board risk management oversight mentioned above, the Group has implemented various control frameworks and procedures to ensure effective risk detection, prevention and mitigation. In summary, these key control frameworks and procedures are as follows:

- (i) Board comprising half of the non-executive and independent directors provide objective oversight on management performance and effectiveness;
- (ii) Management organisation structure defining the level of accountability and authority of the management functions in all subsidiaries;
- (iii) Head Office oversight on subsidiaries through monthly management reporting of financial performance, cash flow projection, projects status, procurement, business outlook, headcount and operating expenses;
- (iv) Annual Group Budget detailing the estimation of revenue and expenditures of the Group, which is used as a yardstick to control and identify performance deviations;
- (v) Periodic management review meeting monitoring the Group's performance against budget, business initiatives and other management and corporate issues. These meetings are attended by the Managing Director, Group Chief Executive Officer, Group Chief Financial Officer, Group Financial Controller, and Department Heads;

Statement on Risk Management and Internal Control

(Cont'd)

KEY INTERNAL CONTROLS (CONT'D)

In addition to the Board risk management oversight mentioned above, the Group has implemented various control frameworks and procedures to ensure effective risk detection, prevention and mitigation. In summary, these key control frameworks and procedures are as follows: (Cont'd)

- (vi) Business review meetings with the subsidiary's management team to review the budget and actual financial and operational performance, status and progress of the various projects;
- (vii) Internal audit function to assist the Audit and Risk Management Committee ("ARMC") and the Board in conducting an independent assessment of the governance practices, risk management and internal control;
- (viii) The ARMC's review of the Group's financial results, internal control observations, and the follow-up audit reviews to ensure that appropriate corrective action plans are implemented accordingly by Management;
- (ix) Insurances covering fire insurance, burglary insurance, vehicle, machine and equipment insurance, tender/performance bond insurance, contractor all risk insurance, workers' compensation insurance, public liability, consequential loss, personal accident insurance and hospitalisation and surgical insurance to protect the assets and interests of the Group;
- (x) Implementation of Quality Management System for supply and installation of telecommunication, mechanical and electrical systems and provision of related civil engineering works ensuring compliance with customers' security and safety requirements and minimisation of hazard risks during installation; and
- (xi) Establishment of the Anti-Corruption and Anti-Bribery Policy ("Policy") and whistleblowing reporting channel setting the responsibilities of the Group, the employees and business partners to comply with the corruption and bribery laws and whistleblowing procedures to be followed to deal with suspected corruption and bribery.

BOARD ASSURANCE AND LIMITATION

In concluding this Statement, the Board has received assurance from the Group Managing Director, Group CEO and Group CFO that the Group's risk management and internal control system are operating adequately and effectively in all material aspects.

No material losses resulted from significant control weaknesses for the financial year under review. The Board is also satisfied that the Group's existing risk management and internal control systems are adequate and effective in enabling the Group to achieve its business objectives. However, the Board wishes to point out that all risk management and internal control systems could only manage rather than eliminate risks of failure to achieve business objectives. Therefore, these systems of risk management and internal control in the Group provide only reasonable but not absolute assurance against material misstatements, frauds and losses.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As Paragraph 15.23 of the MMLR requires, the External Auditors have performed a limited assurance engagement on the 2023 Statement on Risk Management and Internal Control for inclusion in this Annual Report. This review is conducted in accordance with the Audit and Assurance Practice Guide 3 as issued by the Malaysia Institute of Accountants.

Based on its review, the External Auditors reported to the Board that nothing had come to their attention that was inconsistent with their understanding of the process adopted by the Board and the Management in reviewing the adequacy and integrity of the risk management and effectiveness of the internal control systems of the Group.

This Statement on Risk Management and Internal Control is made by a resolution of the Board dated 29 April 2024.

ADDITIONAL COMPLIANCE INFORMATION

STATEMENT OF DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors are responsible for ensuring that:

- (i) The annual audited financial statements of the Group and of the Company are drawn up in accordance with applicable Financial Reporting Standards, the provisions of the Companies Act 2016 and the MMLR so as to give a true and fair view of the state of affairs of the Group and of the Company for the financial year, and
- (ii) Proper accounting records are kept. The accounting records should disclose with reasonable accuracy the financial position of the Group and of the Company so as to enable the Directors to ensure that the financial statements comply with the Act. The Directors have the general responsibilities for taking such steps as are reasonably available to them to safeguard the assets of the Group and the Company and to detect and prevent fraud and other irregularities.

In the preparation of the financial statements for the financial year ended 31 December 2023, the Directors have adopted appropriate accounting policies and have consistently applied them in the financial statements with reasonable and prudent judgments and estimates. The Directors are also satisfied that all relevant approved accounting standards have been followed in the preparation of the financial statements.

MATERIAL CONTRACTS

No material contracts had been entered into for the financial year under review between the Group and the Directors and/or Major Shareholders.

RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

Details of transactions with related parties undertaken by the Group during the financial year under review are disclosed in Note 40 to the Financial Statements.

EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

The Employees' Share Option Scheme of the Company ("ESOS") was implemented on 8 January 2021 and will be in force for a period of five (5) years from 13 November 2020. The ESOS will expire on 12 November 2025.

The total number of options granted, exercised and outstanding under the ESOS, is set out in the table below:-

Description	Number of Options (Since commencement of ESOS to 31 December 2023)	
	Grand Total	Directors
(a) Granted	26,502,000	5,600,000
(b) Exercised	(253,600)	-
(c) Lapsed	-	-
(d) Outstanding	26,248,400	5,600,000

Additional compliance information (Cont'd)

EMPLOYEES' SHARE OPTION SCHEME ("ESOS") (CONT'D)

Percentages of options applicable to Directors and Senior Management under the ESOS:-

Directors and Senior Management	During the financial year 2023	Since commencement up to 31 December 2023
(a) Aggregate maximum allocation	45%	45%
(b) Actual granted	36.41%	36.41%

ADDITIONAL INFORMATION ON DIRECTORS

- None of the Directors has any family relationship with any Directors and/or Major Shareholders of the Company.
- None of the Directors has any conflict of interest with the Company or has any conviction for offences within the past ten (10) years other than traffic offences, if any.

AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees paid or payable to external auditors by the Group and the Company for the financial year ended 31 December 2023 are as follows:-

	Group RM'000	Company RM'000
- Audit fees	702	145
- Non-audit fees	173	16

Services rendered by Baker Tilly Monteiro Heng PLT are not prohibited by regulatory and other professional requirements and are based on globally practiced guidelines on auditors' independence.

FINANCIAL STATEMENTS

OCK GROUP BERHAD

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DIRECTORS' REPORT

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

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of its subsidiaries includes provision of turnkey telecommunications network services, provision of renewable energy and power solutions, provision of tower facilities, utilities and communication network for mobile and broadband operators and supply and commission of drone related apparatus, equipment, solutions and provisions of related supporting services.

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

RESULTS

	Group RM'000	Company RM'000
Profit/(Loss) for the financial year, net of tax	<u>43,121</u>	<u>(1,731)</u>
Attributable to:		
Owners of the Company	36,485	(1,731)
Non-controlling interests	<u>6,636</u>	<u>-</u>
	<u>43,121</u>	<u>(1,731)</u>

DIVIDEND

No dividend was paid or declared by the Company since the end of the previous financial year other than as disclosed below.

On 27 February 2024, the directors declared an interim single tier tax exempt dividend of RM0.01 per ordinary share in respect of the financial year ended 31 December 2023.

The financial statements for the current financial year do not reflect this interim dividend. This dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2024.

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

Directors' Report (Cont'd)

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 as 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.

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 and 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.

Directors' Report (Cont'd)

CHANGE OF CIRCUMSTANCES

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

ITEMS OF MATERIAL AND UNUSUAL NATURE

In the opinion of the directors,

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

AUDITORS' REMUNERATION

The auditors' remuneration of the Group and the Company during the financial year were RM1,031,000 and RM145,000 respectively.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company issued 186,000 new ordinary shares pursuant to the exercise of the Company's Employee Share Option Scheme ("ESOS") amounted to RM77,190.

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

During the financial year, the Company completed the first issuance of medium term notes with a nominal value of RM400 million under Sukuk Murabahah Programme. The profit rate for the RM100 million maturing in five years was priced at 5.21%, while the other seven-year RM300 million portion was priced at 5.38%.

TREASURY SHARES

Treasury shares relate to ordinary shares of the Company that are repurchased and held by the Company in accordance with the requirements of Section 127 of the Companies Act 2016 in Malaysia.

During the financial year, the Company repurchased 3,701,800 of its issued ordinary shares from the open market at an average price of RM0.42 per share. The net total consideration paid for repurchase including transaction costs was RM1,572,629.

As at 31 December 2023, the Company held 3,701,800 treasury shares out of its 1,054,693,858 issued and paid-up ordinary shares. Such treasury shares are held at carrying amount of RM1,572,629.

Directors' Report

(Cont'd)

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 ESOS.

On 16 November 2020, the Company's shareholders approved the establishment of an ESOS for directors and employees who meet the criteria of eligibility for participation.

The share options are granted to eligible directors and employees. The settlement of the option granted 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 five years. There are no cash settlement alternatives. The options carry neither rights to dividends nor voting rights. Options may be exercised any time from the date of vesting to the date of expiry.

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

Grant date	Expiry date	Exercise price	Number of option over ordinary shares			
			At 1.1.2023	Granted	Exercised	31.12.2023
13.11.2020	12.11.2025	RM0.37	26,434,400	-	(186,000)	26,248,400

WARRANTS

On 11 November 2020, the Company executed a deed poll pertaining to the creation and issuance of 122,264,591 of free detachable warrants ("the Warrants").

The Company issued 95,857,296 units of the Warrants to the shareholders of the Company on the basis of one (1) warrant for every one (1) right share subscribed for. The Warrants are listed on the Main Market of Bursa Malaysia Securities Berhad.

The salient features of the warrants are as follows:

- (i) Each warrant shall entitle the registered holder of the warrants to subscribe for one (1) new share at any time during the exercise period at the exercise price of RM0.42, subject to adjustments in accordance with the provisions of the Deed Poll;
- (ii) The close of business on the warrants is five (5) years from and including the date of issue of the warrants, provided that if such day falls on a day which is not a market day, then on the preceding market day;
- (iii) The warrants may be exercised at any time during the tenure of the warrants of five (5) years commencing on and including the date of issuance of the warrants until 5.00 p.m. on the expiry date. Warrants not exercised during the exercise period will thereafter lapse and cease to be valid;
- (iv) The new shares to be issued arising from the exercise of the warrants will, upon allotment and issuance, rank pari passu in all respects with the existing shares, save and except that the new shares to be issued arising from the exercise of the warrants will not be entitled to any dividends, rights, allotments and/ or any other forms of distribution that may be declared for which the entitlement date for the said distribution precedes the date of allotment and issuance of the new shares arising from the exercise of the warrants; and

Directors' Report

(Cont'd)

WARRANTS (continued)

The salient features of the warrants are as follows: (continued)

- (v) The holders of the warrants are not entitled to any voting right or to participate in any dividends, rights, allotments and/ or other forms of distribution and/ or offer of further securities in the Company other than on winding up, compromise or arrangement of the Company as set out in the Deed Poll governing the warrants until and unless such holders of the warrants exercise their warrants into new shares.

The warrants are quoted on the Main Market of Bursa Securities on 8 January 2021. The movements in the Group's and the Company's number of shares under warrants during the financial year are as follows:

	2021/2025			31.12.2023 Unit'000
	1.1.2023 Unit'000	Number of warrants of RM0.42 each Issued Unit'000	Exercised Unit'000	
Number of unissued shares under warrants	95,848	-	-	95,848

DIRECTORS

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

Dato' Indera Syed Norulzaman Bin Syed Kamarulzaman	
Datuk Wira Ooi Chin Khoo*	
Rear Admiral (R) Dato' Mohd Som Bin Ibrahim	
Abdul Halim Bin Abdul Hamid*	
Low Hock Keong*	
Chang Tan Chin*	
Mahathir Bin Mahzan	
Low Ngai Yuen	
Ong Yee Ling @ Sharon	
Ooi Inn Huei	(Appointed on 1 July 2023)
Nur Safwan Bin Mohamed Yusup	(Appointed as alternate director to Rear Admiral (R) Dato' Mohd Som Bin Ibrahim on 11 January 2024)
Chong Wai Yew*	(Resigned on 31 May 2023)
Saira Banu Binti Chara Din	(Resigned as alternate director to Rear Admiral (R) Dato' Mohd Som Bin Ibrahim on 11 January 2024)

* Directors of the Company and certain subsidiaries

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 the report are:

Baskaran A/L Raja Manickam
Chang Wan Siong
Chen Qiyuan, Julian
Chin Hon Leong
Chin Kong Tai
Chin Soon Hing

Directors' Report

(Cont'd)

DIRECTORS (continued)

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 the report are: (continued)

Chong Chin Siong	
Dhani Prayudi	
Hussin Bin Abu Bakar	
Lee Kong Jin	
Lim Hooi Seeh	
Mech Sokhem	
Nora Binti Ismail	
Omer Chappelart	
Seet Wan Chi	
Song Soo Hwa	
Tan Yew Tong	
Teh Teong Poh	
Teoh Ping Yong	
Wong Shau Yang @ Apollo	
Rajeev Kalra	(Appointed on 13 March 2023)
Tan Ping Wey	(Appointed on 3 March 2023)
Chai Chee Tak	(Resigned on 30 November 2023)
Levin Tan Eng Kien	(Resigned on 30 November 2023)

DIRECTORS' INTERESTS

According to the Registers of Directors' Shareholding 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, warrant and share option granted under ESOS in the Company and its related corporations during the financial year were as follows:

	Number of ordinary shares			At 31.12.2023
	At 1.1.2023	Bought	Sold	
Interests in the Company				
Direct interests				
Low Hock Keong	12,100,000	-	-	12,100,000
Chang Tan Chin	5,433,610	-	-	5,433,610
Datuk Wira Ooi Chin Khoon	409,500	-	-	409,500
Ooi Inn Huei	-	400,000	-	400,000
Indirect interests				
Datuk Wira Ooi Chin Khoon ²	368,480,839	5,000	-	368,485,839
Low Hock Keong ²	2,955,500	-	-	2,955,500

Directors' Report (Cont'd)

DIRECTORS' INTERESTS (continued)

According to the Registers of Directors' Shareholding 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, warrant and share option granted under ESOS in the Company and its related corporations during the financial year were as follows: (continued)

Interests in the Ultimate Holding Company

- Aliran Armada Sdn. Bhd.

	Number of ordinary shares			
	At 1.1.2023	Bought	Sold	At 31.12.2023
Direct interests				
Abdul Halim Bin Abdul Hamid ¹	36,000	-	-	36,000
Datuk Wira Ooi Chin Khoon ¹	1,622,700	-	-	1,622,700
Indirect interests				
Datuk Wira Ooi Chin Khoon ²	141,300	-	-	141,300
		Number of Warrants B		
	At 1.1.2023	Acquired	Disposed	At 31.12.2023
Warrants in the Company				
Direct interests				
Low Hock Keong	480,000	-	(105,200)	374,800
Datuk Wira Ooi Chin Khoon	37,200	-	-	37,200
Chang Tan Chin	510	-	-	510
Indirect interests				
Datuk Wira Ooi Chin Khoon ²	2,543,114	528,000	-	3,071,114
		Number of Share Options		
	At 1.1.2023	Granted	Exercised	At 31.12.2023
Share options in the Company				
Abdul Halim Bin Abdul Hamid	500,000	-	-	500,000
Chang Tan Chin	900,000	-	-	900,000
Dato' Indera Syed Norulzaman Bin Syed Kamarulzaman	200,000	-	-	200,000
Low Hock Keong	900,000	-	-	900,000
Rear Admiral (R) Dato' Mohd Som Bin Ibrahim	100,000	-	-	100,000
Datuk Wira Ooi Chin Khoon	2,000,000	-	-	2,000,000

¹ Deemed interested by virtue of Section 8 and Section 197 of the Companies Act 2016 in Malaysia.

² Deemed interested by virtue of Section 197 of the Companies Act 2016 in Malaysia.

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

Directors' Report

(Cont'd)

DIRECTORS' BENEFITS

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

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

	Group RM'000	Company RM'000
Directors of the Company		
- Salaries, allowances and bonuses	4,002	3,304
- Other emoluments	476	419
- Fees	216	216
- Benefits-in-kind	61	61
	<u>4,755</u>	<u>4,000</u>

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

INDEMNITY TO DIRECTORS AND OFFICERS

During the financial year, the total amount of indemnity coverage and insurance premium paid for the directors and officers of the Company were RM10,000,000 and RM11,685 respectively.

Directors' Report (Cont'd)

SUBSIDIARIES

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

Name of Company	Principal Place of Business/ Country of Incorporation	Equity Interest		Principal Activities
		2023	2022	
Direct subsidiaries:				
Milab Marketing Sdn. Bhd.	Malaysia	100%	100%	Provision of renewable energy and power solutions.
OCK International Sdn. Bhd.	Malaysia	100%	100%	Investment holding.
OCK Setia Engineering Sdn. Bhd.	Malaysia	100%	100%	Provision of turnkey telecommunications network services.
Agensi Pekerjaan OCK Ventures Sdn. Bhd.	Malaysia	100%	100%	Investment holding and general trading.
OCK Sea Towers Pte. Ltd.	Singapore	100%	100%	Provision of tower facilities, utilities and communication network for mobile and broadband operators.
Massive Connection Sdn. Bhd.	Malaysia	100%	100%	Provision of information technology services.
Avion Drone (Malaysia) Sdn. Bhd.	Malaysia	55%	55%	Supply and commission of drone related apparatus, equipment, solutions and provision of related supporting services.
EI Power Technologies Sdn. Bhd.	Malaysia	52%	-	Provision of green energy and power solutions.
Firatel Sdn. Bhd.	Malaysia	61%	-	Trading of telecommunications network equipment and materials.

Directors' Report

(Cont'd)

SUBSIDIARIES (continued)

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

Name of Company	Principal Place of Business/ Country of Incorporation	Equity Interest		Principal Activities
		2023	2022	
Subsidiaries of Milab Marketing Sdn. Bhd.				
Gabungan Milab Sdn. Bhd.	Malaysia	100%	100%	Provision of renewable energy and power solutions.
Azminas Sdn. Bhd.	Malaysia	100%	100%	Provision of electrical, mechanical, motor and generation of power including all forms of renewable energy generation.
Novel Energy Sdn. Bhd.	Malaysia	100%	100%	Provision of electrical, mechanical, motor and generation of power including all forms of renewable energy generation.
Suluk Damai Sdn. Bhd.	Malaysia	100%	100%	Provision of electrical, mechanical, motor and generation of power including all forms of renewable energy generation.
Epic Solartech Sdn. Bhd.	Malaysia	100%	100%	Provision of electrical, mechanical, motor and generation of power including all forms of renewable energy generation.
Energetic Sdn. Bhd.	Malaysia	100%	100%	Provision of electrical, mechanical, motor and generation of power including all forms of renewable energy generation.
Tanda Hebat Sdn. Bhd.	Malaysia	100%	100%	Provision of electrical, mechanical, motor and generation of power including all forms of renewable energy generation.

Directors' Report (Cont'd)

SUBSIDIARIES (continued)

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

Name of Company	Principal Place of Business/ Country of Incorporation	Equity Interest		Principal Activities
		2023	2022	
Subsidiaries of Milab Marketing Sdn. Bhd. (continued)				
Powerlator Sdn. Bhd.	Malaysia	100%	100%	Provision of electrical, mechanical, motor and generation of power including all forms of renewable energy generation.
Frontier Integrator (Sabah) Sdn. Bhd.	Malaysia	100%	100%	Provision of electrical, mechanical, motor and generation of power including all forms of renewable energy generation.
Solar System & Power Sdn. Bhd.	Malaysia	100%	100%	Provision of electrical, mechanical, motor and generation of power including all forms of renewable energy generation.
Green Leadership Sdn. Bhd.	Malaysia	100%	100%	Provision of electrical, mechanical, motor and generation of power including all forms of renewable energy generation.
Sinar Lebar Sdn. Bhd.	Malaysia	100%	100%	Provision of electrical, mechanical, motor and generation of power including all forms of renewable energy generation.
Aliran Tokoh Sdn. Bhd.	Malaysia	100%	-	Provision of electrical, mechanical, motor and generation of power including all forms of renewable energy generation.

Directors' Report

(Cont'd)

SUBSIDIARIES (continued)

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

Name of Company	Principal Place of Business/ Country of Incorporation	Equity Interest		Principal Activities
		2023	2022	
Subsidiaries of Green Leadership Sdn. Bhd.				
GL II Sdn. Bhd.	Malaysia	100%	100%	Provision of electrical, mechanical, motor and generation of power including all forms of renewable energy generation.
GL III Sdn. Bhd.	Malaysia	100%	100%	Provision of electrical, mechanical, motor and generation of power including all forms of renewable energy generation.
Subsidiaries of OCK International Sdn. Bhd.				
OCK Phnom Penh Pte. Ltd.	The Kingdom of Cambodia	100%	100%	Provision of consultants, deployment advisory and services relating to telecommunication network services.
PT Putra Mulia Telecommunication	The Republic of Indonesia	85%	85%	Provision of telecommunication solution services.
Well Synergy Resources Pte. Ltd.	Myanmar	-	100%	Provision of engineering services, rental business, market research and management services.
Subsidiary of PT Putra Mulia Telecommunication				
PT Harapan Utama Prima	The Republic of Indonesia	65%	65%	Provision of telecommunication solution services.

Directors' Report (Cont'd)

SUBSIDIARIES (continued)

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

Name of Company	Principal Place of Business/ Country of Incorporation	Equity Interest		Principal Activities
		2023	2022	
Subsidiaries of OCK Setia Engineering Sdn. Bhd.				
Delicom Sdn. Bhd.	Malaysia	100%	100%	Provision of telecommunications network services focusing on network deployment services.
Dynasynergy Services Sdn. Bhd.	Malaysia	51%	51%	Provision of operations, engineering and maintenance services in telecommunications sector and other sectors and maintenance and repair of motor vehicles.
EI Power Technologies Sdn. Bhd.	Malaysia	-	52%	Provision of green energy and power solutions.
Fortress Pte. Ltd.	Singapore	100%	100%	Provision of engineering services, rental business, market research and management services.
Firatel Sdn. Bhd.	Malaysia	-	61%	Trading of telecommunications network equipment and materials.
OCK M&E Sdn. Bhd.	Malaysia	100%	100%	Provision of mechanical and electrical engineering services.
Steadcom Sdn. Bhd.	Malaysia	51%	51%	Provision of telecommunications network services, primarily focusing on network planning, design and optimisation.
Gabungan Setia Sdn. Bhd.	Malaysia	100%	100%	Provision of building and facilities maintenance services.
Mercu Sepadu Sdn. Bhd.	Malaysia	51%	51%	Provision of engineering services and reseller of telecommunication equipment.

Directors' Report

(Cont'd)

SUBSIDIARIES (continued)

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

Name of Company	Principal Place of Business/ Country of Incorporation	Equity Interest		Principal Activities
		2023	2022	
Subsidiary of Fortress Pte. Ltd.				
Well Synergy Resources Pte. Ltd.	Myanmar	100%	-	Provision of engineering services, rental business, market research and management services.
Subsidiaries of Steadcom Sdn. Bhd.				
Device Vision Sdn. Bhd.	Malaysia	51%	51%	Provision of information technology services.
OCK Steadcom (Thailand) Co., Ltd.	Thailand	100%	100%	Provision of tower facilities, utilities and communication network for mobile and broadband operators.
Subsidiaries of Firatel Sdn. Bhd.				
Firatel Infra Sdn. Bhd.	Malaysia	100%	100%	Provision of civil and mechanical engineering services and telecommunication network services.
Sunvoltic Sdn. Bhd.	Malaysia	50%	50%	Provision of investing, design, construction, commissioning, operation and maintenance of renewable energy power generation facilities.
Subsidiary of Agensi Pekerjaan OCK Ventures Sdn. Bhd.				
OCK Industries Sdn. Bhd.	Malaysia	100%	100%	Provision of engineering services and general trading.

Directors' Report

(Cont'd)

SUBSIDIARIES (continued)

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

Name of Company	Principal Place of Business/ Country of Incorporation	Equity Interest		Principal Activities
		2023	2022	
Subsidiaries of OCK SEA Towers Pte. Ltd.				
OCK Indonesia Towers Pte. Ltd. (formerly known as OCK Myanmar Holdings Pte. Ltd.)	Singapore	100%	100%	Provision of tower facilities, utilities and communication network for mobile and broadband operators.
OCK Tower Infra Sdn. Bhd.	Malaysia	100%	100%	Investment holding.
OCK Vietnam Towers Pte. Ltd.	Singapore	60%	60%	Provision of tower facilities, utilities and communication network for mobile and broadband operators.
OCK Myanmar Towers Pte. Ltd. (formerly known as OCK Indonesia Towers Pte. Ltd.)	Singapore	100%	100%	Provision of tower facilities, utilities and communication network for mobile and broadband operators.
Subsidiary of OCK Myanmar Towers Pte. Ltd.				
OCK Yangon Private Limited	Myanmar	100%	100%	Provision of consultants, deployment advisory and services relating to telecommunication network services, tower facilities and leasing of telecommunication towers.

Directors' Report

(Cont'd)

SUBSIDIARIES (continued)

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

Name of Company	Principal Place of Business/ Country of Incorporation	Equity Interest		Principal Activities
		2023	2022	
Subsidiary of OCK Tower Infra Sdn. Bhd.				
OCK Telco Infra Sdn. Bhd.	Malaysia	100%	100%	Provision of civil, structural, electrical and mechanical engineering, telecommunication and industrial control equipment, and telecommunication network services and leasing of telecommunication towers.
Subsidiary of OCK Telco Infra Sdn. Bhd.				
Nexgen Ventures Sdn. Bhd.	Malaysia	60%	60%	Renting of telecommunication facilities and network service provider.
Subsidiaries of OCK Vietnam Towers Pte. Ltd.				
Southeast Asia Telecommunications Holdings Pte. Ltd.	Singapore	100%	100%	Telecommunication service provider.
OCK Vietnam Towers (Labuan) Ltd.	Federal Territory of Labuan	100%	100%	Investment holding.
Subsidiary of Southeast Asia Telecommunications Holdings Pte. Ltd.				
Eastern Tower Company Limited	Vietnam	100%	100%	Real estate consulting, management service, business management consulting service and investment holding.

Directors' Report

(Cont'd)

SUBSIDIARIES (continued)

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

Name of Company	Principal Place of Business/ Country of Incorporation	Equity Interest		Principal Activities
		2023	2022	
Subsidiaries of Eastern Tower Company Limited				
Global Infrastructure Investment Company Limited	Vietnam	100%	100%	Development, installation, ownership, operation and leasing out of base transceiver station ("BTS") towers, infrastructure and other assets.
Mobile Information Service Company Limited	Vietnam	100%	100%	Development, installation, ownership, operation and leasing out of BTS towers, infrastructure and other assets.
VNC-55 Infrastructure Investment Company Limited	Vietnam	100%	100%	Development, installation, ownership, operation and leasing out of BTS towers, infrastructure and other assets.
Subsidiaries of Global Infrastructure Investment Company Limited				
Truong Loc Telecom Trading and Service Joint Stock Company	Vietnam	100%	100%	Development, installation, ownership, operation and leasing out of BTS towers, infrastructure and other assets.
Global Technical Infrastructure One Member Company Limited	Vietnam	100%	100%	Development, installation, ownership, operation and leasing out of BTS towers, infrastructure and other assets.

Directors' Report

(Cont'd)

SUBSIDIARIES (continued)

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

Name of Company	Principal Place of Business/ Country of Incorporation	Equity Interest		Principal Activities
		2023	2022	
Subsidiary of Mobile Information Service Company Limited				
Zone II Mobile Information Services Joint Stock Company	Vietnam	100%	100%	Development, installation, ownership, operation and leasing out of BTS towers, infrastructure and other assets.
Subsidiary of Zone II Mobile Information Services Joint Stock Company				
Tan Phat Telecommunications Company Limited	Vietnam	100%	100%	Development, installation, ownership, operation and leasing out of BTS towers, infrastructure and other assets.
Subsidiary of VNC-55 Infrastructure Investment Company Limited				
T&A Company Limited	Vietnam	100%	100%	Development, installation, ownership, operation and leasing out of BTS towers, infrastructure and other assets.

Directors' Report (Cont'd)

INTERESTS IN HOLDING COMPANY AND OTHER RELATED CORPORATIONS

Other than as disclosed elsewhere in this report, the Company does not have any interest in shares in the holding company and its other related corporations during the financial year.

ULTIMATE HOLDING COMPANY

The directors regard Aliran Armada Sdn. Bhd., a company incorporated in Malaysia, as the ultimate holding company of the Company.

SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

- (a) On 25 October 2023, the Company's wholly owned subsidiary, OCK Setia Engineering Sdn. Bhd. ("OCKSE") had accepted the Letter Acceptance from the Ministry of Education Malaysia for the rental of eco-friendly ICT hardware that meet green requirements on a lease-to-use basis for teaching and learning needs in the Ministry of Education Malaysia ("KPM") school computer laboratories Phase 3 (Zone 9: Sarawak) ("the Contract").

The duration of the Contract is for a period of 65 months from 26 October 2023 to 25 March 2029, i.e. 4 months for the supply, installation, testing and hardware commissioning, 60 months for leasing of the laptops and 1 month return period. The total value of the Contract is RM48,730,110.00.

Subsequently, OCKSE had accepted and signed the Letter of Award from the Ministry of Education Malaysia on 21 February 2024.

- (b) During the financial year, the Company completed the first issuance of medium term notes with a nominal value of RM400 million under Sukuk Murabahah Programme. The profit rate for the RM100 million maturing in five years was priced at 5.21%, while the other seven-year RM300 million portion was priced at 5.38%.

The proceeds raised from the issuance of medium term notes are allowed to be utilised by the Group to finance general working capital, refinancing of existing Shariah-compliant financing, conventional borrowings, future Shariah-compliant financing and general corporate purposes.

- (c) On 24 April 2024, the Company had entered into the Islamic Commercial Papers ("ICPS") Programme of RM500 million in nominal value under Wakalah Bi Al-Istithmar ("ICP Programme").

The ICP Programme shall have a tenure of 7 years from the first issuance date.

The proceeds raised from the issuance of the ICP Programme are allowed to be utilised by the Group to finance general working capital, refinancing of existing Shariah-compliant financing, conventional borrowings, future Shariah-compliant financing and general corporate purposes.

Directors' Report (Cont'd)

AUDITORS

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

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

.....
DATUK WIRA OOI CHIN KHOON
Director

.....
ABDUL HALIM BIN ABDUL HAMID
Director

Date: 29 April 2024

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue	5	722,783	617,106	1,560	-
Cost of sales	6	(553,870)	(470,363)	-	-
Gross profit		168,913	146,743	1,560	-
Other income		13,272	7,403	19,933	12,869
Administrative expenses		(70,522)	(63,411)	(14,095)	(10,572)
Net (impairment loss)/reversal of impairment losses on financial assets		(1,410)	(1,668)	-	380
Other operating expenses		(12,696)	(10,565)	(3,118)	(2,723)
		(84,628)	(75,644)	(17,213)	(12,915)
Operating profit/(loss)		97,557	78,502	4,280	(46)
Finance costs	7	(40,574)	(30,043)	(6,095)	(2,155)
Share of results of associates		(7)	(20)	-	-
Profit/(Loss) before tax	8	56,976	48,439	(1,815)	(2,201)
Tax (expense)/credit	9	(13,855)	(9,987)	84	(57)
Profit/(Loss) for the financial year		43,121	38,452	(1,731)	(2,258)
Other comprehensive income/ (loss), net of tax					
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Actuarial gain/(loss) from employee benefits	34	75	(6)	-	-
Revaluation gain on right-of-use assets		14	14	-	-
Revaluation gain on property, plant and equipment		76	228	-	-
		165	236	-	-

Statements of Comprehensive Income

(Cont'd)

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Other comprehensive income/ (loss), net of tax (continued)					
<i>Items that may be reclassified subsequently to profit or loss</i>					
Foreign currency translation		31,616	12,623	-	-
Other comprehensive income for the financial year		31,781	12,859	-	-
Total comprehensive income/ (loss) for the financial year		74,902	51,311	(1,731)	(2,258)
Profit/(Loss) attributable to:					
Owners of the Company		36,485	32,769	(1,731)	(2,258)
Non-controlling interests		6,636	5,683	-	-
		43,121	38,452	(1,731)	(2,258)
Total comprehensive income/ (loss) attributable to:					
Owners of the Company		69,188	46,823	(1,731)	(2,258)
Non-controlling interests		5,714	4,488	-	-
		74,902	51,311	(1,731)	(2,258)
Earnings per share (sen):					
- Basic	10	3.46	3.11		
- Diluted	10	3.45	3.10		

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

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	11	815,963	758,189	-	-
Right-of-use assets	12	160,531	174,704	-	-
Investment properties	13	20,946	20,146	-	-
Intangible assets	14	192,246	186,756	-	-
Deferred tax assets	15	1,879	1,573	-	-
Investment in subsidiaries	16	-	-	643,749	618,792
Investment in associates	17	570	177	-	-
Trade and other receivables	19	8,334	12,395	107,558	14,983
Total non-current assets		1,200,469	1,153,940	751,307	633,775
Current assets					
Inventories	18	113,292	86,784	-	-
Trade and other receivables	19	297,787	268,203	1,532	1,404
Contract assets	20	68,217	65,951	-	-
Tax assets		2,380	1,205	432	423
Other investments	21	88,818	2,565	84,656	2,447
Cash and short-term deposits	22	232,733	70,019	121,909	14,678
		803,227	494,727	208,529	18,952
Non-current assets held for sale	23	2,822	-	-	-
Total current assets		806,049	494,727	208,529	18,952
TOTAL ASSETS		2,006,518	1,648,667	959,836	652,727

Statements of Financial Position

(Cont'd)

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	24	300,925	300,848	300,925	300,848
Treasury shares	25	(1,573)	-	(1,573)	-
Foreign currency translation reserve	26	32,522	(37)	-	-
Revaluation reserve	27	7,118	7,204	-	-
Reverse acquisition reserve		(17,007)	(17,007)	-	-
Warrant reserve	28	12,959	12,959	12,959	12,959
Share option reserve	29	1,289	1,277	1,289	1,277
Other reserve		208	208	-	-
Retained earnings		370,460	333,745	98,252	99,983
		706,901	639,197	411,852	415,067
Non-controlling interests		88,738	85,736	-	-
Total equity		795,639	724,933	411,852	415,067
Non-current liabilities					
Loans and borrowings	30	536,385	348,208	400,000	182,260
Lease liabilities	31	135,322	144,117	-	-
Deferred tax liabilities	15	22,592	20,706	-	-
Deferred income	32	1,561	1,686	-	-
Provision for liabilities	33	17,155	15,431	-	-
Post employment benefit liabilities	34	880	764	-	-
Total non-current liabilities		713,895	530,912	400,000	182,260
Current liabilities					
Contract liabilities	20	2,185	4,115	-	-
Trade and other payables	35	149,942	116,473	38,398	32,488
Loans and borrowings	30	293,573	228,067	109,586	22,912
Lease liabilities	31	44,950	40,998	-	-
Tax liabilities		6,334	3,169	-	-
Total current liabilities		496,984	392,822	147,984	55,400
Total liabilities		1,210,879	923,734	547,984	237,660
TOTAL EQUITY AND LIABILITIES		2,006,518	1,648,667	959,836	652,727

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Attributable to owners of the Company										
	Share capital	Foreign currency translation reserve	Revaluation reserve	Reverse acquisition reserve	Share option reserve	Warrant reserve	Other reserve	Retained earnings	Sub-total	Non-controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group											
At 1 January 2022	300,835	(13,855)	7,064	(17,007)	840	12,959	208	306,165	597,209	76,726	673,935
Total comprehensive income/(loss) for the financial year	-	-	-	-	-	-	-	32,769	32,769	5,683	38,452
Profit for the financial year	-	-	-	-	-	-	-	32,769	32,769	5,683	38,452
Actuarial loss from employee benefits	-	-	-	-	-	-	-	(6)	(6)	-	(6)
Foreign currency translation reserve	-	13,818	-	-	-	-	-	-	13,818	(1,195)	12,623
Revaluation gain	-	-	242	-	-	-	-	-	242	-	242
Total comprehensive income	-	13,818	242	-	-	-	-	32,763	46,823	4,488	51,311
Realisation of revaluation reserve	-	-	(102)	-	-	-	-	102	-	-	-

Statements of Changes in Equity

(Cont'd)

		Attributable to owners of the Company										
		Share capital	Foreign currency translation reserve	Revaluation reserve	Reverse acquisition reserve	Share option reserve	Warrant reserve	Other reserve	Retained earnings	Sub-total	Non-controlling interests	Total equity
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group												
	Transactions with owners											
	Issuance of ordinary shares pursuant to ESOS	13	-	-	-	(2)	-	-	-	11	-	11
	Share option issued	-	-	-	-	439	-	-	-	439	-	439
	Dividends paid on shares	-	-	-	-	-	-	-	(5,273)	(5,273)	(3,884)	(9,157)
	Changes in ownership interests in a subsidiary	-	-	-	-	-	-	-	(12)	(12)	12	-
	Subscription of shares by non-controlling interests in a subsidiary	-	-	-	-	-	-	-	-	-	8,394	8,394
	Total transactions with owners	13	-	-	-	437	-	-	(5,285)	(4,835)	4,522	(313)
	At 31 December 2022	300,848	(37)	7,204	(17,007)	1,277	12,959	208	333,745	639,197	85,736	724,933

Statements of Changes in Equity (Cont'd)

←----- Attributable to owners of the Company ----->												
	Share capital	Treasury shares	Foreign currency translation reserve	Revaluation reserve	Reverse acquisition reserve	Share option reserve	Warrant reserve	Other reserve	Retained earnings	Sub-total	Non-controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group												
At 1 January 2023	300,848	-	(37)	7,204	(17,007)	1,277	12,959	208	333,745	639,197	85,736	724,933
Total comprehensive income/(loss) for the financial year												
Profit for the financial year	-	-	-	-	-	-	-	-	36,485	36,485	6,636	43,121
Actuarial gain from employee benefits	-	-	-	-	-	-	-	-	54	54	21	75
Foreign currency translation reserve	-	-	32,559	-	-	-	-	-	-	32,559	(943)	31,616
Revaluation gain	-	-	-	90	-	-	-	-	-	90	-	90
Total comprehensive income	-	-	32,559	90	-	-	-	-	36,539	69,188	5,714	74,902
Realisation of revaluation reserve	-	-	-	(176)	-	-	-	-	176	-	-	-

Statements of Changes in Equity

(Cont'd)

		←----- Attributable to owners of the Company ----->											
Group	Note	Share capital	Treasury shares	Foreign currency translation reserve	Revaluation reserve	Reverse acquisition reserve	Share option reserve	Warrant reserve	Other reserve	Retained earnings	Sub-total	Non-controlling interests	Total equity
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Transactions with owners													
	24	77	-	-	-	-	(8)	-	-	-	69	-	69
		-	-	-	-	-	20	-	-	-	20	-	20
	25	-	(1,573)	-	-	-	-	-	-	-	(1,573)	-	(1,573)
		-	-	-	-	-	-	-	-	-	-	(3,536)	(3,536)
		-	-	-	-	-	-	-	-	-	-	824	824
		77	(1,573)	-	-	-	12	-	-	-	(1,484)	(2,712)	(4,196)
		300,925	(1,573)	32,522	7,118	(17,007)	1,289	12,959	208	370,460	706,901	88,738	795,639
		At 31 December 2023											

Statements of Changes in Equity

(Cont'd)

		<----- Attributable to owners of the Company ----->				
		Share	Share	Warrant	Retained	Total
		capital	option	reserve	earnings	equity
Note		RM'000	reserve	RM'000	RM'000	RM'000
		RM'000	RM'000	RM'000	RM'000	RM'000
Company						
At 1 January 2022		300,835	840	12,959	107,514	422,148
Total comprehensive loss for the financial year						
Loss for the financial year, representing total comprehensive loss		-	-	-	(2,258)	(2,258)
Transactions with owners						
	Issuance of ordinary shares pursuant to ESOS	13	(2)	-	-	11
24	Share option charged arising from ESOS granted	-	439	-	-	439
	Dividends paid on shares	-	-	-	(5,273)	(5,273)
36		-	-	-	(5,273)	(5,273)
Total transactions with owners		13	437	-	(5,273)	(4,823)
At 31 December 2022		300,848	1,277	12,959	99,983	415,067

Statements of Changes in Equity

(Cont'd)

		<----- Attributable to owners of the Company ----->					
		Share	Treasury	Share	Warrant	Retained	Total
		capital	shares	option	reserve	earnings	equity
Note		RM'000	RM'000	reserve	RM'000	RM'000	RM'000
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Company							
	At 1 January 2023	300,848	-	1,277	12,959	99,983	415,067
	Total comprehensive loss for the financial year						
	Loss for the financial year, representing total comprehensive loss	-	-	-	-	(1,731)	(1,731)
	Transactions with owners						
	Issuance of ordinary shares pursuant to ESOS	77	-	(8)	-	-	69
	Share option charged arising from ESOS granted	-	-	20	-	-	20
	Shares repurchased	-	(1,573)	-	-	-	(1,573)
	Total transactions with owners	77	(1,573)	12	-	-	(1,484)
	At 31 December 2023	300,925	(1,573)	1,289	12,959	98,252	411,852

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Note	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash Flows from Operating Activities				
Profit/(Loss) before tax	56,976	48,439	(1,815)	(2,201)
Adjustments for:				
Amortisation of intangible assets	2,964	4,032	-	-
Amortisation of government grants	(125)	(125)	-	-
Bad debts written off	116	230	7	-
Contract asset written off	298	-	-	-
Depreciation of property, plant and equipment	61,903	61,364	-	-
Depreciation of right-of-use assets	46,201	43,406	-	-
Dividend income	-	-	(1,560)	-
Gain on lease modification	-	(21)	-	-
Impairment loss on contract assets	577	-	-	-
Impairment loss on goodwill	-	200	-	-
Impairment losses on trade receivables	839	1,714	-	-
Income from short-term cash investments	(372)	(44)	(331)	(44)
Interest expense	39,799	29,535	6,095	2,155
Interest income	(1,437)	(165)	(1,381)	(590)
Inventories written off	65	-	-	-
Net fair value gain on investment properties	(800)	(366)	-	-
Net loss on disposal of property, plant and equipment	545	38	-	-
Net unrealised loss on foreign exchange	4,299	2,718	2,262	2,723
Property, plant and equipment written off	2,056	77	-	-
Provision for post employment benefits	169	31	-	-
Reversal of impairment losses on other receivable	-	-	-	(380)
Reversal of impairment losses on trade receivable	(6)	(46)	-	-
Share-based payment	15	439	156	100
Share of results of associates	7	20	-	-
Unwinding effect on provision for site restoration	775	508	-	-
Operating profit before working capital changes, balances brought forward	214,864	191,984	3,433	1,763

Statements of Cash Flows

(Cont'd)

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Operating profit before working capital changes, balances carried forward		214,864	191,984	3,433	1,763
Changes in working capital:					
Contract assets		(2,072)	3,609	-	-
Contract liabilities		(1,976)	(455)	-	-
Inventories		(26,510)	(23,374)	-	-
Receivables		(21,715)	(96,813)	(136)	(68)
Payables		23,674	(27,032)	2,372	31
Cash generated from operations		186,265	47,919	5,669	1,726
Interest paid		(10,326)	(10,455)	-	-
Interest received		1,437	165	1,381	590
Tax paid		(11,502)	(7,929)	(319)	(68)
Tax refunded		984	538	394	74
Net cash from operating activities		166,858	30,238	7,125	2,322
Cash Flows from Investing Activities					
Acquisition of subsidiaries, net of cash acquired	16(i)	(644)	(16,784)	-	-
Advances to related parties		(977)	(30)	-	-
Advances to subsidiaries		-	-	(117,284)	(61,318)
Advances to ultimate holding company		(8)	(26)	-	(21)
Change in pledged deposits	22	(1,039)	18,329	(252)	-
Dividend received		-	-	1,560	-
Income from short-term cash investments		372	44	331	44
Investment in associates	17	(400)	-	-	-
Investment in subsidiaries	16	-	-	(696)	(138,504)
Net (increase)/decrease in other investments		(86,253)	14,458	(82,209)	14,378
Proceeds from disposal of property, plant and equipment		247	401	-	-
Purchase of property, plant and equipment	(a)	(97,169)	(87,287)	-	-
Net cash used in investing activities		(185,871)	(70,895)	(198,550)	(185,421)

Statements of Cash Flows

(Cont'd)

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash Flows from Financing Activities					
(b) Advances from/(Repayment to) a related party		6,200	(2,564)	5,423	(3,076)
Advances from/(Repayments to) minority shareholders of subsidiaries		181	(8,065)	-	-
Dividends paid to:					
- non-controlling interests		(3,536)	(3,884)	-	-
- owners		-	(5,273)	-	(5,273)
Drawdown of medium term notes		400,000	-	400,000	-
Drawdown of term loans		49,454	329,747	18,372	199,250
Interest paid		(29,473)	(19,080)	(6,095)	(2,155)
Net (repayment)/drawdown of bankers' acceptance		(817)	17,756	-	-
Net (repayment)/drawdown of project financing		(16,846)	27,957	-	-
Net drawdown of revolving projects loan		7,267	18,199	-	-
Net payments of hire purchase payables		(1,607)	(1,216)	-	-
Net proceeds from issuance of shares pursuant to:					
- ESOS		69	11	69	11
Net (repayment)/drawdown of revolving credit		(22,703)	(7,615)	(10,000)	10,000
Payments of lease liabilities		(39,697)	(36,647)	-	-
Repayment of term loans		(161,257)	(273,991)	(103,958)	(4,078)
Repayment to subsidiaries		-	-	(2,662)	(1,497)
Repayment to directors of subsidiaries		-	(889)	-	-
Repurchase of treasury shares		(1,573)	-	(1,573)	-
Subscription of shares by non-controlling interests in subsidiaries					
- ordinary shares		273	470	-	-
- preference shares		551	7,923	-	-
Net cash from financing activities		186,486	42,839	299,576	193,182
Net increase in cash and cash equivalents		167,473	2,182	108,151	10,083
Cash and cash equivalents at the beginning of the financial year		35,195	35,907	14,678	4,142
Effect of exchange rate changes on cash and cash equivalents		263	(2,894)	(1,172)	453
Cash and cash equivalents at the end of the financial year	22	202,931	35,195	121,657	14,678

Statements of Cash Flows (Cont'd)

(a) Purchase of property, plant and equipment:

	Group	
	2023	2022
	RM'000	RM'000
Purchase of property, plant and equipment	99,268	92,428
Financed by way of finance lease arrangements	(1,622)	(1,683)
Provision for liabilities	(477)	(3,458)
	<hr/>	<hr/>
Cash payments on purchase of property, plant and equipment	<u>97,169</u>	<u>87,287</u>

Statements of Cash Flows (Cont'd)

(b) Reconciliation of liabilities arising from financing activities:

Group	1.1.2023 RM'000	Cash flows RM'000	Non-cash			31.12.2023 RM'000
			Acquisition of new leases RM'000	Others RM'000	Foreign exchange movement RM'000	
Amounts owing to minority shareholders of subsidiaries	3,512	181	-	-	-	3,693
Amounts owing to directors of subsidiaries	102	-	-	-	-	102
Amount owing to a related party	8,100	6,200	-	-	-	14,300
Lease liabilities	185,115	(39,697)	29,837	353	4,664	180,272
Medium term notes	-	400,000	-	-	-	400,000
Term loans	396,984	(111,803)	-	-	4,365	289,546
Bankers' acceptance	41,712	(817)	-	-	-	40,895
Revolving projects loan	38,589	7,267	-	-	266	46,122
Revolving credit	31,051	(22,703)	-	-	-	8,348
Hire purchase payables	3,130	(1,607)	1,622	-	-	3,145
Project financing	40,380	(16,846)	-	-	-	23,534
	<u>748,675</u>	<u>220,175</u>	<u>31,459</u>	<u>353</u>	<u>9,295</u>	<u>1,009,957</u>

Statements of Cash Flows

(Cont'd)

(b) Reconciliation of liabilities arising from financing activities (continued):

Group	1.1.2022 RM'000	Cash flows RM'000	Non-cash			31.12.2022 RM'000
			Acquisition of new leases RM'000	Others RM'000	Foreign exchange movement RM'000	
Amounts owing to minority shareholders of subsidiaries	11,577	(8,065)	-	-	-	3,512
Amounts owing to directors of subsidiaries	991	(889)	-	-	-	102
Amount owing to a related party	10,664	(2,564)	-	-	-	8,100
Lease liabilities	160,913	(36,647)	56,526	(199)	4,522	185,115
Term loans	326,462	55,756	-	-	14,766	396,984
Bankers' acceptance	23,956	17,756	-	-	-	41,712
Revolving projects loan	20,722	18,199	-	-	(332)	38,589
Revolving credit	38,666	(7,615)	-	-	-	31,051
Hire purchase payables	2,663	(1,216)	1,683	-	-	3,130
Project financing	12,423	27,957	-	-	-	40,380
	<u>609,037</u>	<u>62,672</u>	<u>58,209</u>	<u>(199)</u>	<u>18,956</u>	<u>748,675</u>

Statements of Cash Flows

(Cont'd)

(b) Reconciliation of liabilities arising from financing activities (continued):

Company	1.1.2023 RM'000	Cash flows RM'000	Non-cash	31.12.2023 RM'000
			Foreign exchange movement RM'000	
Amounts owing to subsidiaries	24,073	(2,662)	-	21,411
Amount owing to a related party	8,100	5,423	776	14,299
Revolving credit	10,000	(10,000)	-	-
Medium term notes	-	400,000	-	400,000
Term loans	195,172	(85,586)	-	109,586
	237,345	307,175	776	545,296

	1.1.2022 RM'000	Cash flows RM'000	Non-cash	31.12.2022 RM'000
			Foreign exchange movement RM'000	
Amounts owing to subsidiaries	25,570	(1,497)	-	24,073
Amount owing to a related party	10,664	(3,076)	512	8,100
Revolving credit	-	10,000	-	10,000
Term loans	-	195,172	-	195,172
	36,234	200,599	512	237,345

(c) Total cash outflows for leases as a lessee:

	Note	Group	
		2023 RM'000	2022 RM'000
Included in net cash from operating activities:			
Payment relating to short-term leases	8	5,549	7,547
Payment relating to leases of low-value assets	8	39	63
Interest paid in relation to lease liabilities		10,326	10,455
Included in net cash from financing activities:			
Payment of lease liabilities		39,697	36,647
Total cash outflows for leases		55,611	54,712

Statements of Cash Flows (Cont'd)

(c) Total cash outflows for leases as a lessee: (continued)

		Company	
	Note	2023	2022
		RM'000	RM'000
Included in net cash from operating activities:			
Payment relating to short-term leases	8	<u>123</u>	<u>87</u>

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

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The Company is a public listed company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are set out in Note 16 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

The registered office and the principal place of business of the Company is located at No. 18, Jalan Jurunilai U1/20, Sekysen U1, Hicom Glenmarie Industrial Park, 40150 Shah Alam, Selangor Darul Ehsan.

The ultimate holding company of the Company is Aliran Armada Sdn. Bhd., a company incorporated and domiciled in Malaysia.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 29 April 2024.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

2.2 Adoption of new MFRS and amendments to MFRSs

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

New MFRS

MFRS 17	Insurance Contracts
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Amendments to MFRSs

MFRS 101	Presentation of Financial Statements
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
MFRS 112	Income Taxes

Notes to the Financial Statements

(Cont'd)

2. BASIS OF PREPARATION (continued)

2.2 Adoption of new MFRS and amendments to MFRSs (continued)

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

Amendments to MFRS 101 Presentation of Financial Statements

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

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

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

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

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

- (b) The Group and the Company plan to adopt the above applicable amendments to MFRSs when they become effective. The initial application of the applicable amendments to MFRSs is not expected to have material impact to the current and prior periods financial statements.

Notes to the Financial Statements

(Cont'd)

2. BASIS OF PREPARATION (continued)

2.3 Amendments to MFRSs that have been issued, but yet to be effective (continued)

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 the entity operates (“the functional currency”). The consolidated financial statements are presented in Ringgit Malaysia (“RM”), which is also the Company’s functional currency, and has been rounded to the nearest RM’000, unless otherwise stated.

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.

3. MATERIAL ACCOUNTING POLICY INFORMATION

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

3.1 Basis of consolidation

(a) Subsidiaries and business combination

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

(b) Non-controlling interests

At the acquisition date, components of non-controlling interests of the Group are measured at the non-controlling interest’s proportionate share of the acquiree’s identifiable net assets.

(c) Associates

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

Notes to the Financial Statements (Cont'd)

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Separate financial statements

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

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

3.3 Revenue and other income

(a) Revenue from telecommunication network services

The Group generally entered into master agreement with its customers for the telecommunication network and related services.

The Group recognises revenue when a contractual performance obligation is fulfilled through the acceptance of the customer via the job acceptance certificate when the promised services or products have been completed and agreed by the customer. These performance obligations are generally met at a point in time as control is only transferred to the customers upon the acceptance by the customers.

Billings to the customers are based on specified milestones and acceptance of customers. A contract asset is recognised when the Group has satisfied its performance obligation under the contract but have yet to bill the customer. Sales are made with a credit term of 30 to 150 days, therefore, no element of financing is deemed present.

(b) Revenue from renewable energy

The Group provides green energy and power solutions which includes the system design and installations and also selling of electricity through its own solar plants to Tenaga Nasional Berhad and Sabah Electricity Sdn. Bhd. under a renewable energy power purchase agreement. The sales from the supply of electricity are based on a fixed tariff rates.

The promise to supply electricity represents a promise to transfer a series of distinct goods that are substantially the same and that have the same pattern of transfer to the customer. The performance obligation for the supply of electricity is satisfied over time as the customers simultaneously received and consumed the benefits provided. Hence, revenue from renewable energy is recognised over time.

Sales are made with a credit term of 30 to 150 days, therefore, no element of financing is deemed present. A receivable is recognised when the customer accepts the delivery of the goods as the consideration is unconditional other than the passage of time before the payment is due.

Notes to the Financial Statements

(Cont'd)

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.3 Revenue and other income (continued)

(c) Construction contracts

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 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 ranging from 30 to 90 days, therefore, no element of financing is deemed present. The Group becomes entitled to invoice customers based on achieving a series of performance-related milestones.

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

(d) Dividend income

Dividend income is recognised when the right to receive payment is established.

(e) Interest income

Interest income is recognised using the effective interest method.

(f) Lease of telecommunication towers or rental income

Lease or rental income is recognised over the lease term in accordance with the substance of the relevant agreements.

(g) Income from short term funds

Income from short term funds is recognised when the right to receive payment is established.

(h) Management fees income

Revenue is recognised at a point in time when services are rendered.

Notes to the Financial Statements (Cont'd)

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.4 Deferred tax

Where investment properties are carried at fair value in accordance with the material accounting policy information as disclosed in Note 3.8, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date unless the property is depreciable and is held within the business model whose objective is to consume substantially all the economic benefits embodied in the property over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

3.5 Financial instruments

Financial assets - subsequent measurement and gains and losses

Financial assets at fair value through profit or loss

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

Debt instruments at amortised cost

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

Financial liabilities - subsequent measurement and gains and losses

The Group and the Company classify the financial liabilities at amortised cost.

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

Derivatives

The Group and the Company use forward exchange contracts to hedge the exposure of foreign currency. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to the profit or loss.

Notes to the Financial Statements

(Cont'd)

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.6 Property, plant and equipment

Property, plant and equipment (other than land and buildings) are measured at cost less accumulated depreciation and any accumulated impairment losses.

Freehold and leasehold land and buildings are measured using revaluation model, based on valuations by external independent valuers, less accumulated depreciation on buildings and leasehold land and any accumulated impairment losses recognised after the date of revaluation. Any accumulated depreciation as at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

The revaluation reserve is transferred to retained earnings as the assets are used. The amount of revaluation reserve transferred is the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost.

Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to retained earnings.

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

All other property, plant and equipment are depreciated on the straight-line basis by allocating their depreciable amounts over their remaining useful lives. The principal depreciation rates are as follows:

Freehold building	2%
Leasehold building	2%
Furniture and fittings	10% to 20%
Computers and software equipment	33 1/3%
Office equipment	10% to 20%
Motor vehicles	12.5% to 20%
Renovation	10%
Engineering equipment	6.25% to 33 1/3%
Network facilities	4% to 6.67%
Plant and machinery	4% and 20%

Notes to the Financial Statements (Cont'd)

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.7 Leases

(a) Lessee accounting

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

Short-term leases and leases of low value assets

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

Right-of-use assets

The right-of-use assets is measured at cost less accumulated depreciation and any accumulated impairment losses, and adjust for any remeasurement of the lease liabilities. The right-of-use assets 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 assets or the end of the lease term.

Lease liabilities

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

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

(b) Lessor accounting

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

3.8 Investment properties

Investment properties are measured at fair value with gains and losses arising from changes in the fair value of investment properties recognised in profit or loss for the period in which they arise.

3.9 Intangible assets

Intangible assets, other than goodwill, that are acquired by the Group, which have finite useful lives, are measured at cost less any accumulated amortisation and any accumulated impairment losses. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of 8 to 20 years.

Notes to the Financial Statements

(Cont'd)

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.10 Inventories

Inventories are measured at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- Consumables and trading goods: the actual costs of purchase and incidentals in bringing the inventories into store. These costs are assigned on a weighted average cost basis.
- Work-in-progress: cost of materials, labour, including supervisory personnel and attributable overheads.

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 goodwill

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires an estimation of the value-in-use of the cash generating units to which goodwill is allocated. When value-in-use calculations are undertaken, the directors use their judgement to decide the discount rates to be applied in the recoverable amount calculation and assumptions supporting the underlying cash flow projections, including forecast growth rates and gross profit margin. Cash flows that are projected based on those inputs or assumptions may have a significant effect on the Group's financial position and results if the actual cash flows are less than the expected.

The carrying amount of the Group's goodwill and key assumptions used to determine the recoverable amount for different cash-generating units, including sensitivity analysis, are disclosed in Note 14.

Notes to the Financial Statements (Cont'd)

4. **SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS** (continued)

(b) **Impairment of trade receivables and contract assets**

The impairment provisions for trade receivables and contract assets are based on assumptions about risk of default and expected loss rate. The Group uses judgement in making these assumptions and selecting inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

The Group uses a provision matrix to calculate expected credit losses for trade receivables and contract assets. The provision rates depends on the number of days that a trade receivable is past due.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

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

The information about the impairment losses on the Group's and the Company's trade receivables and contract assets are disclosed in Note 43(a).

(c) **Impairment of investment in subsidiaries**

The Company performs impairment review on the investment in subsidiaries whenever the events or changes in circumstances indicate that the carrying amount of the investment in subsidiaries may not be recoverable in accordance with its accounting policy. Reviews are performed if events indicate that this is necessary. Where such indication exists, the Company determines the recoverable amount based on present value of the estimated future cash flows expected to be generated by the subsidiaries.

Significant judgement is required in the estimation of the present value of future cash flows generated by the subsidiaries, which involve uncertainties and are significantly affected by assumptions used and judgement made regarding estimates of future cash flows and discount rates. Changes in assumptions could significantly affect the results of the Company's tests for impairment of investment in subsidiaries.

The carrying amounts of investment in subsidiaries are disclosed in Note 16.

(d) **Impairment of amounts owing by subsidiaries**

The Company performs impairment review based on assumptions about risk of default and expected loss rate.

Significant judgement is required over assumptions about risk of default and expected loss rate. In making the assumptions, the Company selected inputs to the impairment calculation, existing market conditions as well as forward looking estimates at the end of the reporting period.

The carrying amounts of amounts owing by subsidiaries are disclosed in Note 19.

Notes to the Financial Statements (Cont'd)

5. REVENUE

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Revenue from contracts with customers:				
At a point in time:				
Telecommunication network services	432,852	373,227	-	-
Sales of goods	21,607	5,825	-	-
	<u>454,459</u>	<u>379,052</u>	<u>-</u>	<u>-</u>
Over time:				
Green energy and power solutions	54,322	50,034	-	-
M&E engineering services	16,355	7,250	-	-
	<u>70,677</u>	<u>57,284</u>	<u>-</u>	<u>-</u>
Revenue from other source:				
Dividend income	-	-	1,560	-
Lease income of telecommunication towers	197,647	180,770	-	-
	<u>197,647</u>	<u>180,770</u>	<u>1,560</u>	<u>-</u>
	<u>722,783</u>	<u>617,106</u>	<u>1,560</u>	<u>-</u>

The Group does not have performance obligations that are unsatisfied for contracts that have an original duration of more than one year at the reporting date.

The Group applies the practical expedient in paragraph 121(a) of MFRS 15 and accordingly, do not disclose information about remaining performance obligations that have original expected durations of one year or less.

6. COST OF SALES

	Group	
	2023	2022
	RM'000	RM'000
Telecommunication network services	366,102	327,947
Lease of telecommunication towers	116,693	96,470
Green energy and power solutions	38,851	36,971
Sales of goods	19,405	3,498
M&E engineering services	12,819	5,477
	<u>553,870</u>	<u>470,363</u>

Notes to the Financial Statements

(Cont'd)

7. FINANCE COSTS

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Bank overdrafts	1,384	1,585	-	-
Hire purchase interest	251	207	-	-
Lease liabilities	10,326	10,455	-	-
Medium term notes	2,279	-	2,279	-
Revolving project loan	4,511	3,046	-	-
Revolving credit	1,812	1,428	734	388
Term loans	13,729	9,937	-	-
Trade financing	1,934	751	-	-
Project financing	2,504	1,624	-	-
Unwinding of discount on payables	775	508	-	-
Interest on loan from a related party	1,069	502	1,069	502
Interest on intercompany loans	-	-	2,013	1,265
	<u>40,574</u>	<u>30,043</u>	<u>6,095</u>	<u>2,155</u>

8. 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	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Amortisation of intangible assets	2,964	4,032	-	-
Amortisation of government grants	(125)	(125)	-	-
Auditors' remuneration - statutory audit				
- Baker Tilly Monteiro Heng PLT	521	491	145	131
- Member firms of Baker Tilly International	181	121	-	-
- Other auditors	329	186	-	-
Other services				
- Baker Tilly Monteiro Heng PLT	8	7	8	7
- Member firms of Baker Tilly International	165	198	8	7
Bad debts written off	116	230	7	-
Contract asset written off	298	-	-	-
Depreciation of property, plant and equipment	61,903	61,364	-	-
Depreciation of right-of-use assets	46,201	43,406	-	-
Directors' remuneration (Note (a))	5,972	5,337	3,939	3,178

Notes to the Financial Statements (Cont'd)

8. PROFIT/(LOSS) BEFORE TAX (continued)

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

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Employee benefits expenses (Note (b))	149,181	142,670	4,969	3,390
Fair value gain on derivatives	(7,358)	-	(7,358)	-
Gain on lease modification	-	(21)	-	-
Impairment loss on goodwill	-	200	-	-
Impairment losses on:				
- trade receivables	839	1,714	-	-
- contract assets	577	-	-	-
Income from short-term cash investments	(372)	(44)	(331)	(44)
Interest income	(1,437)	(165)	(1,381)	(590)
Inventories written off	65	-	-	-
Net fair value gain on investment properties	(800)	(366)	-	-
Net loss on disposal of property, plant and equipment	545	38	-	-
Net loss/(gain) on foreign exchange:				
- realised	3,007	1,109	849	(3,007)
- unrealised	4,299	2,718	2,262	2,723
Property, plant and equipment written off	2,056	77	-	-
Provision for post employment benefits	169	31	-	-
Reversal of impairment losses on:				
- trade receivables	(6)	(46)	-	-
- other receivables	-	-	-	(380)
Expenses relating to short-term lease:				
- equipment	219	3,059	-	-
- premises	2,424	2,385	123	87
- sites	572	137	-	-
- vehicles	1,933	1,881	-	-
- warehouse	401	85	-	-
Expenses relating to low-value assets:				
- equipment	12	56	-	-
- premises	27	7	-	-
Rental income from:				
- premises	(1,116)	(1,081)	-	-
Unwinding effect on provision for site restoration	775	508	-	-

Notes to the Financial Statements

(Cont'd)

8. PROFIT/(LOSS) BEFORE TAX (continued)

- (a) The aggregate amount of emoluments received and receivable by the directors of the Group and the Company during the financial year are as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Directors of the Company				
Executive Directors:				
- salaries, allowances and bonuses	3,970	3,485	3,272	2,638
- other emoluments	476	421	419	317
	4,446	3,906	3,691	2,955
Non-executive Directors:				
- fees	216	198	216	198
- allowances	32	25	32	25
	248	223	248	223
Directors of the subsidiaries				
Executive Directors:				
- fees	23	54	-	-
- salaries, allowances and bonuses	1,130	1,037	-	-
- other emoluments	125	117	-	-
	1,278	1,208	-	-
Total directors' remuneration	5,972	5,337	3,939	3,178

The estimated monetary value of benefit-in-kind received by executive and non-executive directors otherwise than in cash from the Group and the Company amounted to RM61,225 (2022: RM61,225) and RM61,225 (2022: RM61,225) respectively.

Notes to the Financial Statements (Cont'd)

8. PROFIT/(LOSS) BEFORE TAX (continued)

(b) Employee benefits expenses are:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Salaries, allowances and bonuses	138,979	133,640	4,292	2,951
Contributions to defined contribution plans and Socso	8,164	7,463	519	338
Other benefits	2,023	1,128	2	1
Share-based payment	15	439	156	100
	<u>149,181</u>	<u>142,670</u>	<u>4,969</u>	<u>3,390</u>

9. TAX EXPENSE/(CREDIT)

The major components of tax expense/(credit) for the financial years ended 31 December 2023 and 31 December 2022 are as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Statements of comprehensive income				
Current income tax:				
- Current income tax charge	11,667	8,939	-	84
- Adjustment in respect of prior years	775	21	(84)	(27)
	12,442	8,960	(84)	57
Deferred tax (Note 15):				
- Origination of temporary differences	1,983	2,505	-	-
- Adjustment in respect of prior years	(570)	(1,478)	-	-
	1,413	1,027	-	-
Tax expense/(credit)	<u>13,855</u>	<u>9,987</u>	<u>(84)</u>	<u>57</u>

Domestic income tax is calculated at the Malaysian statutory income tax rate of 24% (2022: 24%) of the estimated assessable profit/(loss) for the financial year.

Notes to the Financial Statements

(Cont'd)

9. TAX EXPENSE/(CREDIT) (continued)

The reconciliations from the tax amount at statutory income tax rate to the Group's and the Company's tax expense/(credit) are as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Profit/(Loss) before tax	56,976	48,439	(1,815)	(2,201)
Tax at Malaysian statutory income tax rate of 24%	13,674	11,625	(436)	(528)
Tax effects arising from:				
- non-deductible expenses	15,859	17,506	1,605	1,375
- non-taxable income	(15,238)	(13,989)	(2,170)	(763)
- income exempted from tax under Myanmar Investment Law	-	(3,207)	-	-
Effect of different tax rates in foreign jurisdictions	(1,795)	(249)	-	-
Deferred tax not recognised on tax losses and temporary differences	1,422	21	1,001	-
Utilisation of previously unrecognised tax losses and capital allowances	(242)	(263)	-	-
Utilisation of tax incentive	(30)	-	-	-
Adjustments in respect of prior years:				
- income tax	775	21	(84)	(27)
- deferred tax	(570)	(1,478)	-	-
Tax expense/(credit)	13,855	9,987	(84)	57

10. EARNINGS PER SHARE

Basic earnings per ordinary share

Basic earnings per share are based on the profit for the financial year attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the financial year, calculated as follows:

	Group	
	2023 RM'000	2022 RM'000
Profit attributable to owners/ordinary shareholders of the Company	36,485	32,769
Weighted average number of ordinary shares for basic earnings per share	1,054,653	1,054,506
Basic earnings per ordinary share (sen)	3.46	3.11

Notes to the Financial Statements (Cont'd)

10. EARNINGS PER SHARE (continued)

Diluted earnings per ordinary share

Diluted earnings per share are based on the profit for the financial year attributable to ordinary shareholders 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, calculated as follows:

	Group	
	2023	2022
	RM'000	RM'000
Profit attributable to owners/ordinary shareholders of the Company	36,485	32,769
Weighted average number of ordinary shares for basic earnings per share	1,054,653	1,054,506
Effect of dilution from:		
- Warrants	#	#
- Share option	2,503	2,520
Weighted average number of ordinary shares for diluted earnings per share	1,057,156	1,057,026
Diluted earnings per ordinary share (sen)	3.45	3.10

The calculation of diluted earnings per share does not assume the potential exercise of warrants as the effect on earnings per share is anti-dilutive.

There have been no transactions involving ordinary shares or potential ordinary shares since the reporting date and before the authorisation of these financial statements other than the issuance of 6,252,311 ordinary shares pursuant to the exercise of ESOS.

Notes to the Financial Statements

(Cont'd)

11. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land and building	Leasehold building		Furniture and fittings	Computer and software equipment	Office equipment	Motor vehicles	At cost				Plant and machinery	Capital work-in-progress	Total	
		RM'000	RM'000					RM'000	RM'000	RM'000	RM'000				RM'000
Cost / Valuation															
At 1.1.2022	17,021	500	517	6,876	2,677	5,097	6,665	27,568	761,097	131,027	65,084	1,024,129			
Additions	-	-	21	1,403	296	781	519	5,241	26,234	3,779	54,154	92,428			
Disposals	-	-	(8)	(58)	-	(449)	-	(763)	(3,051)	-	-	(4,329)			
Written off	-	-	-	(422)	-	(143)	-	(6,588)	-	-	-	(7,153)			
Adjustments	-	-	-	-	-	-	-	(44)	5,676	-	(2)	5,630			
Reclassifications	-	-	346	105	(377)	-	-	(541)	53,645	467	(53,645)	-			
Acquisition of a subsidiary (Note 16)	-	-	-	-	-	-	-	-	22,837	-	-	22,837			
Translation differences	-	-	19	17	(6)	(12)	-	(430)	28,999	216	3,357	32,160			
At 31.12.2022	17,021	500	895	7,921	2,590	5,274	7,184	24,443	895,437	135,489	68,948	1,165,702			
Additions	-	-	116	1,341	174	2,074	290	8,850	15,187	5,187	66,049	99,268			
Disposals	-	-	(1)	-	(55)	(257)	-	(403)	(4,301)	(11)	-	(5,028)			
Written off	-	-	-	-	-	-	-	-	(2,517)	-	(67)	(2,584)			
Adjustments	-	-	-	-	-	-	-	-	(201)	-	(7)	(208)			
Transfer to assets held for sale (Note 23)	-	(500)	-	-	-	-	-	-	-	-	-	(500)			
Reclassifications	-	-	-	-	-	-	259	-	69,107	5,787	(75,153)	-			
Translation differences	1	-	-	71	79	25	-	872	30,642	339	2,570	34,599			
At 31.12.2023	17,022	-	1,010	9,333	2,788	7,116	7,733	33,762	1,003,354	146,791	62,340	1,291,249			

Notes to the Financial Statements (Cont'd)

11. PROPERTY, PLANT AND EQUIPMENT (continued)

Group	Freehold land and building	Leasehold building	Furniture and fittings	Computer and software equipment	Office equipment	Motor vehicles	At cost				Capital work-in-progress	Total	
							RM'000	RM'000	RM'000	RM'000			RM'000
Accumulated depreciation													
At 1.1.2022	221	35	400	5,647	1,729	3,842	4,691	19,137	259,673	47,065	-	342,440	
Charge for the financial year	100	13	70	787	122	513	677	3,606	46,770	8,706	-	61,364	
Disposals	-	-	(6)	(58)	-	(449)	-	(762)	(2,615)	-	-	(3,890)	
Written off	-	-	-	(420)	-	(143)	-	(6,513)	-	-	-	(7,076)	
Adjustments	-	-	-	-	-	-	-	-	(34)	-	-	(34)	
Revaluation	(300)	-	-	-	-	-	-	-	-	-	-	(300)	
Reclassifications	-	-	124	102	(226)	-	-	-	-	-	-	-	
Acquisition of a subsidiary (Note 16)	-	-	-	-	-	-	-	-	8,393	-	-	8,393	
Translation differences	-	-	7	2	(9)	(5)	-	(353)	6,887	87	-	6,616	
At 31.12.2022	21	48	595	6,060	1,616	3,758	5,368	15,115	319,074	55,858	-	407,513	
Charge for the financial year	100	7	75	1,182	469	811	744	4,290	44,015	10,210	-	61,903	
Disposals	-	-	(1)	-	(55)	(257)	-	(403)	(3,518)	(2)	-	(4,236)	
Written off	-	-	-	-	-	-	-	-	(528)	-	-	(528)	
Adjustments	-	-	-	-	-	-	-	-	(142)	-	-	(142)	
Transfer to assets held for sale (Note 23)	-	(55)	-	-	-	-	-	-	-	-	-	(55)	
Revaluation	(100)	-	-	-	-	-	-	-	-	-	-	(100)	
Reclassifications	-	-	-	-	-	-	-	-	-	-	-	-	
Translation differences	1	-	-	51	51	18	-	559	10,072	179	-	10,931	
At 31.12.2023	22	-	669	7,293	2,081	4,330	6,112	19,561	368,973	66,245	-	475,286	
Net carrying amount													
At 31.12.2022	17,000	452	300	1,861	974	1,516	1,816	9,328	576,363	79,631	68,948	758,189	
At 31.12.2023	17,000	-	341	2,040	707	2,786	1,621	14,201	634,381	80,546	62,340	815,963	

* The Group leases all of its network facilities to third parties.

Notes to the Financial Statements

(Cont'd)

11. PROPERTY, PLANT AND EQUIPMENT (continued)

- (a) The carrying amount of property, plant and equipment of the Group pledged to the licensed banks for credit facilities granted to subsidiaries are as follows (Note 30):

	Group	
	2023	2022
	RM'000	RM'000
Freehold land and building	17,000	17,000
Leasehold building	-	452
Network facilities	52,367	47,696
Plant and machinery	6,171	6,586
	<u>75,538</u>	<u>71,734</u>

- (b) Fair value information

The fair value of the land and buildings is categorised as Level 3. There is no transfer between Level 1 and Level 2 fair values during the financial year. The fair value has been derived using sales comparison approach based on the valuation performed by independent firms of professional valuers. Sales prices of comparable land and buildings in close proximity 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 the land and buildings.

- (c) Had the revalued land and buildings been carried at historical cost less accumulated depreciation, the net carrying amount of the land and buildings that would have been included in the financial statements of the Group are as follows:

	Group	
	2023	2022
	RM'000	RM'000
Freehold land and building	13,184	13,283
Leasehold building	-	322
	<u>-</u>	<u>322</u>

Notes to the Financial Statements

(Cont'd)

12. RIGHT-OF-USE ASSETS

The Group leases several assets including leasehold land, plant and machinery, offices and warehouses, sites and premises.

Information about leases for which the Group is lessee is presented below:

Group	Leasehold land RM'000 At valuation	Plant and machinery RM'000	Offices and warehouse RM'000 At cost	Sites and premises RM'000	Total RM'000
Cost/Valuation					
At 1.1.2022	3,830	176	744	244,303	249,053
Additions	-	-	1,462	55,064	56,526
Revaluation loss	(30)	-	-	-	(30)
Termination	-	-	(707)	(1,689)	(2,396)
Translation differences	-	-	-	6,264	6,264
At 31.12.2022	3,800	176	1,499	303,942	309,417
Acquisition of a subsidiary (Note 16)	-	-	-	408	408
Additions	-	-	-	29,837	29,837
Transfer to assets held for sale (Note 23)	(2,500)	-	-	-	(2,500)
Termination	-	-	(37)	(8,782)	(8,819)
Translation differences	-	-	-	6,957	6,957
At 31.12.2023	1,300	176	1,462	332,362	335,300

Notes to the Financial Statements

(Cont'd)

12. RIGHT-OF-USE ASSETS (continued)

Information about leases for which the Group is lessee is presented below: (continued)

Group	Leasehold	Plant and	Offices and	Sites and	Total
	land	machinery	warehouse	premises	
	RM'000	RM'000	RM'000	RM'000	RM'000
	At valuation	At cost			
Accumulated depreciation					
At 1.1.2022	107	76	539	91,006	91,728
Depreciation for the financial year	43	35	411	42,917	43,406
Revaluation	(44)	-	-	-	(44)
Termination	-	-	(530)	(1,689)	(2,219)
Translation differences	-	-	-	1,842	1,842
At 31.12.2022	106	111	420	134,076	134,713
Acquisition of a subsidiary (Note 16)	-	-	-	93	93
Depreciation for the financial year	36	35	527	45,603	46,201
Revaluation	(19)	-	-	-	(19)
Transfer to assets held for sale (Note 23)	(123)	-	-	-	(123)
Termination	-	-	(37)	(8,782)	(8,819)
Translation differences	-	-	-	2,723	2,723
At 31.12.2023	-	146	910	173,713	174,769
Net carrying amount					
At 31.12.2022	3,694	65	1,079	169,866	174,704
At 31.12.2023	1,300	30	552	158,649	160,531

Notes to the Financial Statements (Cont'd)

12. RIGHT-OF-USE ASSETS (continued)

- (a) The Group mainly leases sites and premises for solar panel, network facilities and telecommunication towers (as lessee). The leases for premises and site properties generally have lease terms between 2 to 30 years (2022: 2 to 30 years).
- (b) The remaining useful life of leasehold land is generally 72 to 78 years (2022: 73 to 85 years).
- (c) During the financial year, leasehold land with net carrying amount of RM1,300,000 (2022: RM1,300,000) was held in trust by a director of the Group.
- (d) The carrying amount of right-of-use assets of the Group pledged to the licensed banks for credit facilities granted to subsidiaries are as follows (Note 30):

	Group	
	2023	2022
	RM'000	RM'000
Leasehold land	1,300	3,694

- (e) Fair value information

The fair value of the land is categorised as Level 3. There is no transfer between Level 1 and Level 2 fair values during the financial year. The fair value has been derived using sales comparison approach based on the valuation performed by independent firms of professional valuers. Sales prices of comparable land in close proximity 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 the land.

- (f) Had the revalued land been carried at historical cost less accumulated depreciation, the net carrying amount of the land that would have been included in the financial statements of the Group is as follows:

	Group	
	2023	2022
	RM'000	RM'000
Leasehold land	1,099	2,100

Notes to the Financial Statements

(Cont'd)

13. INVESTMENT PROPERTIES

Group	Freehold land and buildings RM'000	Leasehold land and building RM'000	Total RM'000
At 1 January 2022	17,630	2,150	19,780
Net gain arising from fair value adjustment	<u>366</u>	<u>-</u>	<u>366</u>
At 31 December 2022	17,996	2,150	20,146
Net gain arising from fair value adjustment	<u>550</u>	<u>250</u>	<u>800</u>
At 31 December 2023	<u><u>18,546</u></u>	<u><u>2,400</u></u>	<u><u>20,946</u></u>

Included in the above are:

	Group	
	2023 RM'000	2022 RM'000
At fair value		
Freehold land and buildings	17,445	16,895
Leasehold land and building	2,400	2,150
At cost		
Building under construction	<u>1,101</u>	<u>1,101</u>
	<u><u>20,946</u></u>	<u><u>20,146</u></u>

(a) Investment properties of the Group with an aggregate carrying amount of RM19,100,000 (2022: RM18,300,000) are pledged to the licensed banks for credit facilities granted to the subsidiaries (Note 30).

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

	Group	
	2023 RM'000	2022 RM'000
Rental income	969	969
Direct operating expenses	<u>(55)</u>	<u>(55)</u>

Notes to the Financial Statements (Cont'd)

13. INVESTMENT PROPERTIES (continued)

(c) Fair value information

Fair value of investment properties are categorised as follows:

	Group			Total RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
2023				
Freehold land and buildings	-	-	17,445	17,445
Leasehold land and building	-	-	2,400	2,400
	<u>-</u>	<u>-</u>	<u>19,845</u>	<u>19,845</u>
2022				
Freehold land and buildings	-	-	16,895	16,895
Leasehold land and building	-	-	2,150	2,150
	<u>-</u>	<u>-</u>	<u>19,045</u>	<u>19,045</u>

The valuation of investment properties as at 31 December 2023 and 31 December 2022 has been revalued by an accredited independent valuer. The valuations are based on the comparison and open market value method that makes reference to comparable properties that were transacted within reasonable time frame, close proximity and similar nature of properties.

There are no Level 1 and Level 3 investment properties or transfer between Level 1 and Level 2 during the financial years ended 31 December 2023 or 31 December 2022.

Notes to the Financial Statements (Cont'd)

14. INTANGIBLE ASSETS

Group	Goodwill RM'000	Other intangible assets RM'000	Total RM'000
Cost			
At 1 January 2022	140,777	64,302	205,079
Translation differences	6,539	718	7,257
	<u>147,316</u>	<u>65,020</u>	<u>212,336</u>
At 31 December 2022	147,316	65,020	212,336
Acquisition of a subsidiary (Note 16)	1,077	-	1,077
Translation differences	6,660	1,759	8,419
	<u>155,053</u>	<u>66,779</u>	<u>221,832</u>
At 31 December 2023	155,053	66,779	221,832
Accumulated amortisation and impairment loss			
At 1 January 2022	400	21,121	21,521
Charge for the financial year	-	4,032	4,032
Impairment loss	200	-	200
Translation differences	-	(173)	(173)
	<u>600</u>	<u>24,980</u>	<u>25,580</u>
At 31 December 2022	600	24,980	25,580
Charge for the financial year	-	2,964	2,964
Translation differences	-	1,042	1,042
	<u>600</u>	<u>28,986</u>	<u>29,586</u>
At 31 December 2023	600	28,986	29,586
Net carrying amount			
At 31 December 2022	<u>146,716</u>	<u>40,040</u>	<u>186,756</u>
At 31 December 2023	<u>154,453</u>	<u>37,793</u>	<u>192,246</u>

Notes to the Financial Statements

(Cont'd)

14. INTANGIBLE ASSETS (continued)

(a) Goodwill

Management reviews the business performance based on the type of products and services of the strategic business units which represent its reportable operating segments. For the purpose of impairment testing, goodwill acquired through business combinations is allocated to the following Group's cash generating units ("CGUs") which are also reportable operating segments, which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes.

The carrying amounts of goodwill allocated to the CGUs are as follows:

	Group	
	2023	2022
	RM'000	RM'000
Telecommunication network services - CGU 1	151,751	145,091
Green energy and power solutions - CGU 2	<u>2,702</u>	<u>1,625</u>
	<u><u>154,453</u></u>	<u><u>146,716</u></u>

CGU 1

The estimated recoverable amount of the CGU 1 exceeds the carrying amount of the CGU 1. As a result of the analysis, management did not identify an impairment for this CGU. Based on the sensitivity analysis performed, management believes that there is no reasonably possible change in key assumptions that would cause the carrying values of the CGU to exceed its recoverable amounts.

CGU 2

In the previous financial year, the estimated recoverable amount of the CGU 2 is lower than its carrying amount. As a result of the analysis, the management had recognised a goodwill impairment of RM200,000 for this CGU.

Notes to the Financial Statements (Cont'd)

14. INTANGIBLE ASSETS (continued)

(a) Goodwill (continued)

Key assumptions used in value-in-use calculations

Goodwill is tested for impairment on an annual basis by comparing the carrying amount with the recoverable amount of the CGU based on its value-in-use. Value-in-use is determined by discounting the future cash flows based on financial budgets approved by the directors covering a 5 to 20 years period. The key assumptions used for value-in-use calculations of each CGU are:

	Group	
	CGU 1	CGU 2
2023		
Average gross profit margin	32%	32%
Average revenue growth rate	8%	1%
Pre-tax discount rate	10%	12%
	<u> </u>	<u> </u>
2022		
Average gross profit margin	38%	32%
Average revenue growth rate	9%	1%
Pre-tax discount rate	11%	12%
	<u> </u>	<u> </u>

The calculations of value-in-use for each CGU are most sensitive to the following assumptions:

(i) Average gross profit margin

Average gross profit margin is the forecasted margin as a percentage of revenue over the projection period.

(ii) Average revenue growth rate

Average revenue growth rate is based on assessment of the impact of aggressive marketing and sales activities to be carried out as well as the historical growth rate for each CGU.

(iii) Pre-tax discount rate

Discount rate is based on the estimated industry weighted average cost of capital that reflects the industry assessment of the risks.

(b) Other intangible assets

Other intangible assets represent customer contracts and related customer relationship arising from acquisition of PT Putra Mulia Telecommunication ("PMT") and Southeast Asia Telecommunications Holdings Pte. Ltd. and its subsidiaries ("SEATH Group") as well as Renewable Energy Power Purchase Agreement ("REPPA") with Tenaga Nasional Berhad and Sabah Electricity Sdn. Bhd. arising from acquisition of subsidiaries of Milab Marketing Sdn. Bhd. based on valuations performed by professional valuers.

An amortisation amounting to RM2,964,000 (2022: RM4,032,000) relating to the customer contracts, related customer relationship and REPPA has been recognised during the financial year based on estimated useful life of 8 to 20 years.

Notes to the Financial Statements
(Cont'd)

15. DEFERRED TAX ASSETS/(LIABILITIES) (continued)

(a) Deferred tax relates to the following:

Group	←-----Recognised in-----→		←-----Recognised in-----→		Group	
	At 1.1.2022 RM'000	Profit or loss (Note 9) RM'000	At 31.12.2022 RM'000	Other comprehensive income RM'000	Profit or loss (Note 9) RM'000	Other comprehensive income At 31.12.2023 RM'000
Deferred tax assets						
Post employment benefits	166	20	186	-	40	226
Unused tax losses	80	(24)	56	-	(15)	41
Provisions	-	4	4	-	(2)	2
Lease liabilities	6,709	1,859	8,374	(194)	152	8,388
	6,955	1,859	8,620	(194)	175	8,657
Deferred tax liabilities						
Differences between the carrying amounts of property, plant and equipment and their tax base	(9,244)	(2,546)	(11,790)	-	(2,537)	(14,327)
Fair value changes arising from investment properties	11	17	28	-	4	32
Fair value changes arising from property, plant and equipment	-	-	(72)	(72)	(17)	(118)
Deferred tax relating to intangible assets	(9,785)	913	(8,872)	-	693	(8,179)
Right-of-use assets	(5,777)	(1,270)	(7,047)	-	269	(6,778)
	(24,795)	(2,886)	(27,753)	(72)	(1,588)	(29,370)

Notes to the Financial Statements (Cont'd)

15. DEFERRED TAX ASSETS/(LIABILITIES) (continued)

(b) Presented after appropriate off-setting as follows:

	Group	
	2023	2022
	RM'000	RM'000
Deferred tax assets	1,879	1,573
Deferred tax liabilities	<u>(22,592)</u>	<u>(20,706)</u>
	<u><u>(20,713)</u></u>	<u><u>(19,133)</u></u>

(c) The estimated amount of temporary differences for which no deferred tax assets are recognised in the financial statements are as follows:

	Group	
	2023	2022
	RM'000	RM'000
Deductible temporary differences	64	-
Unabsorbed capital allowances	2,393	2,401
Unused tax losses	<u>14,855</u>	<u>9,996</u>
	<u><u>17,312</u></u>	<u><u>12,397</u></u>

The availability of unused tax losses for offsetting against future taxable profits of the respective subsidiaries in Malaysia are subject to requirements under Income Tax Act, 1967 and guidelines issued by the tax authority.

The unused tax losses are available indefinitely for offset against future taxable profits of the Group except for certain unused tax losses which are available for utilisation up to the following financial years:

	Group	
	2023	2022
	RM'000	RM'000
2028	1,671	1,659
2029	5,790	-
2030	3,489	1,705
2031	208	4,733
2032	347	-
2033	<u>174</u>	<u>-</u>

Notes to the Financial Statements (Cont'd)

16. INVESTMENT IN SUBSIDIARIES

	Company	
	2023 RM'000	2022 RM'000
Unquoted shares, at cost		
At beginning of the financial year	260,250	121,746
Additions	696	138,504
	260,946	260,250
Loans that are part of net investments	381,947	357,551
Equity contribution in respect of ESOS	856	991
At end of the financial year	643,749	618,792

The details of the subsidiaries are as follows:

Name of Company	Principal Place of Business/ Country of Incorporation	Equity Interest		Principal Activities
		2023	2022	
Direct subsidiaries:				
Milab Marketing Sdn. Bhd.	Malaysia	100%	100%	Provision of renewable energy and power solutions.
OCK International Sdn. Bhd.	Malaysia	100%	100%	Investment holding.
OCK Setia Engineering Sdn. Bhd.	Malaysia	100%	100%	Provision of turnkey telecommunications network services.
Agensi Pekerjaan OCK Ventures Sdn. Bhd. ⁽⁵⁾	Malaysia	100%	100%	Investment holding and general trading.
OCK SEA Towers Pte. Ltd. ⁽¹⁾⁽³⁾	Singapore	100%	100%	Provision of tower facilities, utilities and communication network for mobile and broadband operators.
Massive Connection Sdn. Bhd.	Malaysia	100%	100%	Provision of information technology services.
Avion Drone (Malaysia) Sdn. Bhd.	Malaysia	55%	55%	Supply and commission of drone related apparatus, equipment, solutions and provision of related supporting services.
EI Power Technologies Sdn. Bhd. ⁽⁸⁾	Malaysia	52%	-	Provision of green energy and power solutions.
Firatel Sdn. Bhd. ⁽⁹⁾	Malaysia	61%	-	Trading of telecommunications network equipment and materials.

Notes to the Financial Statements (Cont'd)

16. INVESTMENT IN SUBSIDIARIES (continued)

The details of the subsidiaries are as follows: (continued)

Name of Company	Principal Place of Business/ Country of Incorporation	Equity Interest		Principal Activities
		2023	2022	
Subsidiaries of Milab Marketing Sdn. Bhd.				
Gabungan Milab Sdn. Bhd. ⁽⁵⁾	Malaysia	100%	100%	Provision of renewable energy and power solutions.
Azminas Sdn. Bhd.	Malaysia	100%	100%	Provision of electrical, mechanical, motor and generation of power including all forms of renewable energy generation.
Novel Energy Sdn. Bhd.	Malaysia	100%	100%	Provision of electrical, mechanical, motor and generation of power including all forms of renewable energy generation.
Suluk Damai Sdn. Bhd.	Malaysia	100%	100%	Provision of electrical, mechanical, motor and generation of power including all forms of renewable energy generation.
Epic Solartech Sdn. Bhd.	Malaysia	100%	100%	Provision of electrical, mechanical, motor and generation of power including all forms of renewable energy generation.
Energetic Sdn. Bhd.	Malaysia	100%	100%	Provision of electrical, mechanical, motor and generation of power including all forms of renewable energy generation.
Tanda Hebat Sdn. Bhd.	Malaysia	100%	100%	Provision of electrical, mechanical, motor and generation of power including all forms of renewable energy generation.
Powerlator Sdn. Bhd.	Malaysia	100%	100%	Provision of electrical, mechanical, motor and generation of power including all forms of renewable energy generation.

Notes to the Financial Statements (Cont'd)

16. INVESTMENT IN SUBSIDIARIES (continued)

The details of the subsidiaries are as follows: (continued)

Name of Company	Principal Place of Business/ Country of Incorporation	Equity Interest		Principal Activities
		2023	2022	
Subsidiaries of Milab Marketing Sdn. Bhd. (continued)				
Frontier Integrator (Sabah) Sdn. Bhd.	Malaysia	100%	100%	Provision of electrical, mechanical, motor and generation of power including all forms of renewable energy generation.
Solar System & Power Sdn. Bhd.	Malaysia	100%	100%	Provision of electrical, mechanical, motor and generation of power including all forms of renewable energy generation.
Green Leadership Sdn. Bhd.	Malaysia	100%	100%	Provision of electrical, mechanical, motor and generation of power including all forms of renewable energy generation.
Sinar Lebar Sdn. Bhd.	Malaysia	100%	100%	Provision of electrical, mechanical, motor and generation of power including all forms of renewable energy generation.
Aliran Tokoh Sdn. Bhd.	Malaysia	100%	-	Provision of electrical, mechanical, motor and generation of power including all forms of renewable energy generation.

Notes to the Financial Statements (Cont'd)

16. INVESTMENT IN SUBSIDIARIES (continued)

The details of the subsidiaries are as follows: (continued)

Name of Company	Principal Place of Business/ Country of Incorporation	Equity Interest		Principal Activities
		2023	2022	
Subsidiaries of Green Leadership Sdn. Bhd.				
GL II Sdn. Bhd.	Malaysia	100%	100%	Provision of electrical, mechanical, motor and generation of power including all forms of renewable energy generation.
GL III Sdn. Bhd.	Malaysia	100%	100%	Provision of electrical, mechanical, motor and generation of power including all forms of renewable energy generation.
Subsidiaries of OCK International Sdn. Bhd.				
OCK Phnom Penh Pte. Ltd.	The Kingdom of Cambodia	100%	100%	Provision of consultants, deployment advisory and services relating to telecommunication network services.
PT Putra Mulia Telecommunication ⁽¹⁾	The Republic of Indonesia	85%	85%	Provision of telecommunication solution services.
Well Synergy Resources Pte. Ltd. ⁽¹⁾⁽¹⁰⁾	Myanmar	-	100%	Provision of engineering services, rental business, market research and management services.
Subsidiary of PT Putra Mulia Telecommunication				
PT Harapan Utama Prima ⁽¹⁾	The Republic of Indonesia	65%	65%	Provision of telecommunication solution services.

Notes to the Financial Statements (Cont'd)

16. INVESTMENT IN SUBSIDIARIES (continued)

The details of the subsidiaries are as follows: (continued)

Name of Company	Principal Place of Business/ Country of Incorporation	Equity Interest		Principal Activities
		2023	2022	
Subsidiaries of OCK Setia Engineering Sdn. Bhd.				
Delicom Sdn. Bhd.	Malaysia	100%	100%	Provision of telecommunications network services focusing on network deployment services.
Dynasynergy Services Sdn. Bhd.	Malaysia	51%	51%	Provision of operations, engineering and maintenance services in telecommunications sector and other sectors and maintenance and repair of motor vehicles.
EI Power Technologies Sdn. Bhd. ⁽⁸⁾	Malaysia	-	52%	Provision of green energy and power solutions.
Fortress Pte. Ltd. ⁽¹⁾⁽³⁾	Singapore	100%	100%	Provision of engineering services, rental business, market research and management services.
Firatel Sdn. Bhd. ⁽⁹⁾	Malaysia	-	61%	Trading of telecommunications network equipment and materials.
OCK M&E Sdn. Bhd.	Malaysia	100%	100%	Provision of mechanical and electrical engineering services.
Steadcom Sdn. Bhd.	Malaysia	51%	51%	Provision of telecommunications network services, primarily focusing on network planning, design and optimisation.
Gabungan Setia Sdn. Bhd.	Malaysia	100%	100%	Provision of building and facilities maintenance services.
Mercu Sepadu Sdn. Bhd.	Malaysia	51%	51%	Provision of engineering services and reseller of telecommunication equipment.

Notes to the Financial Statements (Cont'd)

16. INVESTMENT IN SUBSIDIARIES (continued)

The details of the subsidiaries are as follows: (continued)

Name of Company	Principal Place of Business/ Country of Incorporation	Equity Interest		Principal Activities
		2023	2022	
Subsidiary of Fortress Pte. Ltd.				
Well Synergy Resources Pte. Ltd. ⁽¹⁾⁽¹⁰⁾	Myanmar	100%	-	Provision of engineering services, rental business, market research and management services.
Subsidiaries of Steadcom Sdn. Bhd.				
Device Vision Sdn. Bhd.	Malaysia	51%	51%	Provision of information technology services.
OCK Steadcom (Thailand) Co., Ltd. ⁽¹⁾⁽³⁾	Thailand	100%	100%	Provision of tower facilities, utilities and communication network for mobile and broadband operators.
Subsidiaries of Firatel Sdn. Bhd.				
Firatel Infra Sdn. Bhd.	Malaysia	100%	100%	Provision of civil and mechanical engineering services and telecommunication network services.
Sunvoltic Sdn. Bhd. ⁽³⁾⁽⁷⁾	Malaysia	50%	50%	Provision of investing, design, construction, commissioning, operation and maintenance of renewable energy power generation facilities.
Subsidiary of Agensi Pekerjaan OCK Ventures Sdn. Bhd.				
OCK Industries Sdn. Bhd. ⁽⁵⁾	Malaysia	100%	100%	Provision of engineering services and general trading.

Notes to the Financial Statements

(Cont'd)

16. INVESTMENT IN SUBSIDIARIES (continued)

The details of the subsidiaries are as follows: (continued)

Name of Company	Principal Place of Business/ Country of Incorporation	Equity Interest		Principal Activities
		2023	2022	
Subsidiaries of OCK SEA Towers Pte. Ltd.				
OCK Indonesia Towers Pted. Ltd. ⁽¹⁾⁽³⁾ (formerly known as OCK Myanmar Holdings Pte. Ltd.)	Singapore	100%	100%	Provision of tower facilities, utilities and communication network for mobile and broadband operators.
OCK Tower Infra Sdn. Bhd.	Malaysia	100%	100%	Investment holding.
OCK Vietnam Towers Pte. Ltd. ⁽¹⁾⁽³⁾	Singapore	60%	60%	Provision of tower facilities, utilities and communication network for mobile and broadband operators.
OCK Myanmar Towers Pte. Ltd. ⁽¹⁾⁽³⁾ (formerly known as OCK Indonesia Towers Pte. Ltd.)	Singapore	100%	100%	Provision of tower facilities, utilities and communication network for mobile and broadband operators.
Subsidiary of OCK Myanmar Towers Pte. Ltd.				
OCK Yangon Private Limited ⁽¹⁾	Myanmar	100%	100%	Provision of consultants, deployment advisory and services relating to telecommunication network services, tower facilities and leasing of telecommunication towers.

Notes to the Financial Statements

(Cont'd)

16. INVESTMENT IN SUBSIDIARIES (continued)

The details of the subsidiaries are as follows: (continued)

Name of Company	Principal Place of Business/ Country of Incorporation	Equity Interest		Principal Activities
		2023	2022	
Subsidiary of OCK Tower Infra Sdn. Bhd.				
OCK Telco Infra Sdn. Bhd.	Malaysia	100%	100%	Provision of civil, structural, electrical and mechanical engineering, telecommunication and industrial control equipment, and telecommunication network services and leasing of telecommunication towers.
Subsidiary of OCK Telco Infra Sdn. Bhd.				
Nexgen Ventures Sdn. Bhd.	Malaysia	60%	60%	Renting of telecommunication facilities and network service provider.
Subsidiaries of OCK Vietnam Towers Pte. Ltd.				
Southeast Asia Telecommunications Holdings Pte. Ltd. ⁽¹⁾⁽³⁾⁽⁴⁾	Singapore	100%	100%	Telecommunication service provider.
OCK Vietnam Towers (Labuan) Ltd. ⁽¹⁾	Federal Territory of Labuan	100%	100%	Investment holding.
Subsidiary of Southeast Asia Telecommunications Holdings Pte. Ltd.				
Eastern Tower Company Limited ⁽²⁾	Vietnam	100%	100%	Real estate consulting, management service, business management consulting service and investment holding.

Notes to the Financial Statements

(Cont'd)

16. INVESTMENT IN SUBSIDIARIES (continued)

The details of the subsidiaries are as follows: (continued)

Name of Company	Principal Place of Business/ Country of Incorporation	Equity Interest		Principal Activities
		2023	2022	
Subsidiaries of Eastern Tower Company Limited				
Global Infrastructure Investment Company Limited ⁽²⁾	Vietnam	100%	100%	Development, installation, ownership, operation and leasing out of base transceiver station (“BTS”) towers, infrastructure and other assets.
Mobile Information Service Company Limited ⁽²⁾	Vietnam	100%	100%	Development, installation, ownership, operation and leasing out of BTS towers, infrastructure and other assets.
VNC-55 Infrastructure Investment Company Limited ⁽²⁾	Vietnam	100%	100%	Development, installation, ownership, operation and leasing out of BTS towers, infrastructure and other assets.
Subsidiaries of Global Infrastructure Investment Company Limited				
Truong Loc Telecom Trading and Service Joint Stock Company ⁽²⁾	Vietnam	100%	100%	Development, installation, ownership, operation and leasing out of BTS towers, infrastructure and other assets.
Global Technical Infrastructure One Member Company Limited ⁽²⁾	Vietnam	100%	100%	Development, installation, ownership, operation and leasing out of BTS towers, infrastructure and other assets.
Subsidiary of Mobile Information Service Company Limited				
Zone II Mobile Information Services Joint Stock Company ⁽²⁾	Vietnam	100%	100%	Development, installation, ownership, operation and leasing out of BTS towers, infrastructure and other assets.

Notes to the Financial Statements (Cont'd)

16. INVESTMENT IN SUBSIDIARIES (continued)

The details of the subsidiaries are as follows: (continued)

Name of Company	Principal Place of Business/ Country of Incorporation	Equity Interest		Principal Activities
		2023	2022	
Subsidiary of Zone II Mobile Information Services Joint Stock Company				
Tan Phat Telecommunications Company Limited ⁽²⁾	Vietnam	100%	100%	Development, installation, ownership, operation and leasing out of BTS towers, infrastructure and other assets.
Subsidiary of VNC-55 Infrastructure Investment Company Limited				
T&A Company Limited ⁽²⁾	Vietnam	100%	100%	Development, installation, ownership, operation and leasing out of BTS towers, infrastructure and other assets.

(1) Audited by auditors other than Baker Tilly Monteiro Heng PLT.

(2) Audited by an independent member firm of Baker Tilly International.

(3) Consolidated using unaudited management financial statements, auditors' report is not available.

(4) Shares pledged to a bank for term loan facilities granted to subsidiaries (Note 30).

(5) Yet to commence operation.

(6) Consolidated using unaudited management financial statements, no statutory requirement for the financial statements to be audited at financial year end.

(7) In the previous financial years, Firatel Sdn. Bhd. ("Firatel") and EI Power Technologies Sdn. Bhd. ("EIPT") had entered into a joint investment and incorporated Sunvoltic Sdn. Bhd. ("Sunvoltic") with an issued and paid-up capital of 1,000,001 ordinary shares of RM1 each. Upon incorporation of Sunvoltic, Firatel and EIPT are 50:50 shareholders in Sunvoltic. Sunvoltic is deemed to be a subsidiary of the Company by virtue of its power to exercise control over the financial and operating policies of the subsidiary. On 6 October 2022, the shareholders of Sunvoltic have approved a voluntary winding-up and have commenced Members' Voluntary Winding-Up process.

(8) On 14 December 2023, the equity interest held by OCK Setia Engineering Sdn. Bhd. ("OCKSE") in EIPT was transferred to the Company. In consequence thereof, EIPT is now a direct subsidiary of the Company.

(9) On 14 December 2023, the equity interest held by OCKSE in Firatel was transferred to the Company. In consequence thereof, Firatel is now a direct subsidiary of the Company.

(10) On 29 December 2023, the equity interest held by OCK International Sdn. Bhd. ("OCK International") in Well Synergy Pte. Ltd. ("Well Synergy") was transferred to Fortress. In consequence thereof, Well Synergy is now a direct subsidiary of Fortress.

Notes to the Financial Statements

(Cont'd)

16. INVESTMENT IN SUBSIDIARIES (continued)

(i) Acquisition/Incorporation of subsidiaries

2023

(a) On 17 May 2023, the Company's wholly-owned subsidiary, Milab Marketing Sdn. Bhd. had acquired entire equity interest in Aliran Tokoh Sdn. Bhd. ("Aliran Tokoh") for cash consideration of RM650,000. The principal activity of Aliran Tokoh is the provision of electrical, mechanical, motor and generation of power including all forms of renewable energy generation.

(i) The fair value of the identifiable assets and liabilities of Aliran Tokoh as at the date of acquisition were as follows:

	Aliran Tokoh RM'000
Assets	
Right-of-use assets (Note 12)	315
Trade and other receivables	363
Cash and cash equivalents	6
Tax asset	1
	685
Liabilities	
Trade and other payables	(759)
Lease liabilities	(353)
	(427)
Total identifiable net liabilities acquired	(427)
Goodwill arising from acquisition (Note 14)	1,077
	650
Fair value of consideration paid	650

(ii) The effects of the acquisition of Aliran Tokoh on cash flows of the Group were as follows:

	Aliran Tokoh RM'000
Total consideration paid in cash by the Group	650
Less: Cash and cash equivalents of the subsidiary acquired	(6)
	644
Net cash outflow on acquisition	644

Notes to the Financial Statements (Cont'd)

16. INVESTMENT IN SUBSIDIARIES (continued)

(i) Acquisition/Incorporation of subsidiaries (continued)

2023 (continued)

(a) (continued)

(iii) 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:

	Aliran Tokoh RM'000
Revenue	226
Profit for the financial year	<u>6</u>

If the acquisition had occurred on 1 January 2023, the consolidated results for the financial year ended 31 December 2023 would have been as follows:

	RM'000
Revenue	722,878
Profit for the financial year	<u>43,144</u>

2022

- (a) On 26 January 2022, the Company had incorporated a 55% owned subsidiary, namely Avion Drone (Malaysia) Sdn. Bhd. ("Avion Drone") with an issued and paid-up capital of 55 ordinary shares of RM1 each. The intended principal activity of Avion Drone is the supply and commission of drone related apparatus, equipment, solutions and provision of related supporting services.
- (b) On 11 May 2022, the Company's wholly-owned subsidiary, OCKSE had acquired 51% equity interest in Mercu Sepadu Sdn. Bhd. ("Mercu Sepadu") for cash consideration of RM1. The intended principal activity of Mercu Sepadu is the provision of engineering services and reseller of telecommunication equipment.

Notes to the Financial Statements (Cont'd)

16. INVESTMENT IN SUBSIDIARIES (continued)

(i) Acquisition/Incorporation of subsidiaries (continued)

2022 (continued)

(c) On 31 March 2022, the Company's wholly-owned subsidiary, Global Infrastructure Investment Company Limited ("GII") had acquired entire equity interest in Global Technical Infrastructure One Member Ltd. ("GTI") for cash consideration of RM16,808,129. The principal activity of GTI is the development, installation, ownership, operation and leasing out of BTS towers, infrastructure and other assets.

(i) The fair value of the identifiable assets and liabilities of GTI as at the date of acquisition were as follows:

	GTI RM'000
Assets	
Property, plant and equipment (Note 11)	14,444
Trade and other receivables	3,379
Cash and cash equivalents	24
Inventories	18
	17,865
Liabilities	
Trade and other payables	(871)
Tax liabilities	(186)
Total identifiable net liabilities acquired, representing fair value of consideration paid	16,808

(ii) The effects of the acquisition of GTI on cash flows of the Group were as follows:

	GTI RM'000
Total consideration paid in cash by the Group	16,808
Less: Cash and cash equivalents of the subsidiary acquired	(24)
Net cash outflow on acquisition	16,784

Notes to the Financial Statements (Cont'd)

16. INVESTMENT IN SUBSIDIARIES (continued)

(i) Acquisition/Incorporation of subsidiaries (continued)

2022 (continued)

(c) (continued)

(iii) 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:

	GTI RM'000
Revenue	4,405
Profit for the financial year	<u>677</u>

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:

	RM'000
Revenue	618,574
Profit for the financial year	<u>38,677</u>

(ii) Subscription for additional interests in subsidiaries

2023

Firatel Sdn. Bhd.

On 20 January 2023, the Company's wholly owned-subsiidiary, OCKSE had subscribed for an additional 427,000 ordinary shares at the price of RM1.00 each in the share capital of a subsidiary, Firatel Sdn. Bhd..

2022

Avion Drone (Malaysia) Sdn. Bhd.

On 14 July 2022, the Company had subscribed for an additional 274,945 ordinary shares at the price of RM1.00 each in the share capital of a subsidiary, Avion Drone (Malaysia) Sdn. Bhd..

Mercu Sepadu Sdn. Bhd.

On 11 May 2022, the Company's wholly owned-subsiidiary, OCKSE had subscribed for an additional 50 ordinary shares at the price of RM1.00 each in the share capital of a subsidiary, Mercu Sepadu Sdn. Bhd..

On 27 July 2022, the Company's wholly owned-subsiidiary, OCKSE had subscribed for an additional 254,949 ordinary shares at the price of RM1.00 each in the share capital of a subsidiary, Mercu Sepadu Sdn. Bhd..

Notes to the Financial Statements

(Cont'd)

16. INVESTMENT IN SUBSIDIARIES (continued)

(ii) Subscription for additional interests in subsidiaries (continued)

2022 (continued)

OCK SEA Towers Pte. Ltd.

On 31 May 2022, the Company had subscribed for an additional 30,400,000 ordinary shares at the price of USD1.00 each in the share capital of a subsidiary, OCK SEA Towers Pte. Ltd. by way of capitalising the amount owing by OCKSEA of USD30,400,000 (equivalent to RM138,228,800).

OCK Industries Sdn. Bhd.

On 27 June 2022, the Company's wholly owned-subsiidiary, Agensi Pekerjaan OCK Ventures Sdn. Bhd. ("Ventures") had subscribed for an additional 35 ordinary shares at the price of RM1.00 each in the share capital of a subsidiary, OCK Industries Sdn. Bhd..

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

	RM'000
Fair value of consideration transferred	-
Increase in share of net assets	<u>(12)</u>
Excess charged directly to equity	<u><u>(12)</u></u>

(iii) Changes in ownership interest

2023

- (a) On 14 December 2023, the Company acquired 52% equity interest in EIPT from its subsidiary, namely OCKSE for a total cash consideration of RM208,000. In consequence thereof, EIPT is now a direct subsidiary of the Company.
- (b) On 14 December 2023, the Company acquired 61% equity interest in Firatel from its subsidiary, namely OCKSE for a total cash consideration of RM488,000. In consequence thereof, Firatel is now a direct subsidiary of the Company.
- (c) On 29 December 2023, the Company's indirect subsidiary, Fortress acquired entire equity interest in Well Synergy from OCK International Sdn. Bhd. ("OCK International") for a total cash consideration of RM105,475. In consequence thereof, Well Synergy is now a direct subsidiary of Fortress.

(iv) Members' voluntary winding-up and striking-off of subsidiaries

2023 and 2022

Sunvoltic Sdn. Bhd.

On 6 October 2022, the shareholders of the Company's indirect subsidiary, Sunvoltic have approved a voluntary winding-up and have commenced Members' Voluntary Winding-Up process. As at 31 December 2023, Sunvoltic is still in the process of winding up.

Notes to the Financial Statements
(Cont'd)**16. INVESTMENT IN SUBSIDIARIES (continued)**
(v) Non-controlling interests in subsidiaries

The financial information of the Group's subsidiaries that have material non-controlling interests ("NCI") are as follows:

2023	PT Putra Mulia Tele- communication RM'000	Dynasynergy Services Sdn. Bhd. RM'000	EI Power Technologies Sdn. Bhd. RM'000	Steadcom Sdn. Bhd. RM'000	Firatel Sdn. Bhd. RM'000	OCK Vietnam Towers Pte. Ltd. RM'000	SEATH Group RM'000	Others RM'000	Total RM'000
NCI Percentage of ownership interest and voting interest									
Carrying amount of NCI	4,042	5,602	4,285	3,505	6,748	46,965	9,350	8,241	88,738
Profit/(Loss) allocated to NCI	672	983	2,154	55	1,000	(668)	(304)	2,744	6,636
Total comprehensive income/(loss) allocated to NCI	887	983	2,154	55	1,000	(607)	(1,668)	2,910	5,714
2022									
NCI Percentage of ownership interest and voting interest	15%	49%	48%	49%	39%	40%	40%		
Carrying amount of NCI	3,557	5,109	3,571	4,185	5,865	47,021	11,019	5,409	85,736
Profit/(Loss) allocated to NCI	575	526	1,395	674	224	(1,116)	1,166	2,239	5,683
Total comprehensive income/(loss) allocated to NCI	450	526	1,395	674	224	(524)	(263)	2,006	4,488

Notes to the Financial Statements
(Cont'd)

16. INVESTMENT IN SUBSIDIARIES (continued)

(vi) Summarised financial information of Group's subsidiaries that have non-controlling interests

The summarised financial information (before intra-group elimination) of the Group's material subsidiaries that have NCI are as follows:

	PT Putra Mulia Tele- Communication RM'000	Dynasynergy Services Sdn. Bhd. RM'000	EI Power Technologies Sdn. Bhd. RM'000	Steadcom Sdn. Bhd. RM'000	Firatel Sdn. Bhd. RM'000	OCK Vietnam		SEATH Group RM'000
						Towers Pte. Ltd. RM'000	Towers Pte. Ltd. RM'000	
2023								
Summarised statements of financial position								
Non-current assets	4,028	1,519	1,139	1,541	7,517	293,098		166,401
Current assets	36,700	12,394	24,058	11,183	16,161	5,301		242,806
Non-current liabilities	(631)	(104)	(377)	(847)	(28)	-		(125,651)
Current liabilities	(13,973)	(2,340)	(16,394)	(4,902)	(6,341)	(164,069)		(98,762)
Net assets	26,124	11,469	8,426	6,975	17,309	134,330		184,794
Summarised statements of comprehensive income								
Revenue	69,926	27,714	42,067	16,209	24,122	1,252		65,102
Profit/(Loss) for the financial year	4,479	2,006	4,488	112	2,564	(1,669)		904
Total comprehensive income/(loss)	5,809	2,006	4,488	112	2,564	(1,518)		904
Summarised cash flow information								
Cash flows from/(used in):								
- operating activities	312	1,039	13,488	3,032	1,644	5,839		50,075
- investing activities	(1,356)	510	(113)	22	934	-		(12,495)
- financing activities	1,812	(1,028)	(5,897)	(2,210)	(2,967)	729		32,692
Net increase/(decrease) in cash and cash equivalents	768	521	7,478	844	(389)	6,568		70,272
Dividends paid to non-controlling interests	401	490	1,440	735	390	-		-

Notes to the Financial Statements
(Cont'd)

16. INVESTMENT IN SUBSIDIARIES (continued)

(vi) Summarised financial information of Group's subsidiaries that have non-controlling interests (continued)

The summarised financial information (before intra-group elimination) of the Group's material subsidiaries that have NCI are as follows: (continued)

2022	PT Putra Mulia Tele- Communication		Dynasynergy Services Sdn. Bhd.		EI Power Technologies Sdn. Bhd.		Steadcom Sdn. Bhd.		Firatel Sdn. Bhd.		OCK Vietnam Towers Pte. Ltd.		SEATH Group	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Summarised statements of financial position														
Non-current assets	2,952	110	1,219	1,573	7,538	280,725	170,847							
Current assets	28,364	12,263	24,974	12,356	13,660	549	184,856							
Non-current liabilities	(565)	(17)	(488)	(1,036)	(25)	-	(136,545)							
Current liabilities	(7,787)	(1,871)	(18,768)	(4,526)	(6,126)	(152,513)	(42,437)							
Net assets	22,964	10,485	6,937	8,367	15,047	128,761	176,721							
Summarised statements of comprehensive income														
Revenue	57,877	15,952	39,510	21,375	12,696	-	62,130							
Profit/(Loss) for the financial year	4,663	1,074	2,906	1,375	573	(2,789)	4,568							
Total comprehensive income	3,808	1,074	2,906	1,375	573	2,655	3,403							
Summarised cash flow information														
Cash flows from/(used in):														
- operating activities	9,149	(410)	2,720	1,214	3,222	40,438	25,054							
- investing activities	(604)	(573)	(400)	1,363	1,693	(39,577)	(8,531)							
- financing activities	(8,161)	(1,483)	(1,997)	(3,324)	(1,182)	5,269	(4,680)							
Net increase/(decrease) in cash and cash equivalents	384	(2,466)	323	(747)	3,733	6,130	11,843							
Dividends paid to non-controlling interests	129	735	960	1,470	390	-	-							

OCK Vietnam Towers Pte. Ltd. is restricted from declaring any dividends to the Group unless prior written consent is obtained from the non-controlling interests shareholder.

Notes to the Financial Statements (Cont'd)

17. INVESTMENT IN ASSOCIATES

	Group	
	2023 RM'000	2022 RM'000
Unquoted shares, at cost		
At beginning of the financial year	422	422
Addition	400	-
At end of the financial year	822	422
Share of post-acquisition losses		
At beginning of the financial year	(245)	(225)
Share of results	(7)	(20)
At end of the financial year	(252)	(245)
	<u>570</u>	<u>177</u>

The associates are accounted for using the equity method in the consolidated financial statements.

Details of the associates are as follows:

Name of Company	Principal Place of Business/ Country of Incorporation	Proportion Equity Interest		Principal Activities
		2023	2022	
Irat Civil Works Sdn. Bhd. ⁽¹⁾⁽²⁾	Malaysia	40%	40%	Provision of engineering services.
OCK Digital Infra (Sarawak) Sdn. Bhd.	Malaysia	20%	20%	Provision of turnkey telecommunication network services.
Eastern Digital Infra Sdn. Bhd. ⁽¹⁾⁽²⁾	Malaysia	20%	-	Dormant.

(1) Equity accounted using unaudited management financial statements, auditors' report is not available.

(2) Audited by auditors other than Baker Tilly Monteiro Heng PLT.

Notes to the Financial Statements
(Cont'd)

17. INVESTMENT IN ASSOCIATES (continued)

The following table illustrates the summarised financial information of the Group's associates and reconciles the information to the carrying amount of the Group's interests in the associates:

	OCK Digital Infra (Sarawak) Sdn. Bhd. RM'000	Irat Civil Works Sdn. Bhd. RM'000	Eastern Digital Infra Sdn. Bhd. RM'000	Total RM'000
2023				
Assets and Liabilities				
Current assets	-	544	1,915	2,459
Current liabilities	(29)	(15)	(2)	(46)
Net (liabilities)/assets	(29)	529	1,913	2,413
Results:				
Loss for the financial year	(9)	(8)	(19)	(36)
Total comprehensive loss	(9)	(8)	(19)	(36)
Reconciliation of net assets to carrying amount:				
Share of net assets at the acquisition date	20	402	400	822
Fair value adjustments	-	-	-	-
Cost of investment	20	402	400	822
Share of post-acquisition losses	(20)	(228)	(4)	(252)
Carrying amount in the statements of financial position	-	174	396	570
Group's share of results				
Group's share of loss, representing Group's share of total comprehensive loss	-	(3)	(4)	(7)

Notes to the Financial Statements
(Cont'd)

17. INVESTMENT IN ASSOCIATES (continued)

The following table illustrates the summarised financial information of the Group's associates and reconciles the information to the carrying amount of the Group's interests in the associates: (continued)

	OCK Digital Infra (Sarawak) Sdn. Bhd. RM'000	Irat Civil Works Sdn. Bhd. RM'000	Total RM'000
2022			
Assets and Liabilities			
Current assets	2	550	552
Current liabilities	(22)	(12)	(34)
Net (liabilities)/assets	(20)	538	518
Results:			
Loss for the financial year	(6)	(51)	(57)
Total comprehensive loss	(6)	(51)	(57)
Reconciliation of net assets to carrying amount:			
Share of net assets at the acquisition date	20	402	422
Fair value adjustments	-	-	-
Cost of investment	20	402	422
Share of post-acquisition losses	(20)	(225)	(245)
Carrying amount in the statements of financial position	-	177	177
Group's share of results			
Group's share of loss, representing Group's share of total comprehensive loss	-	(20)	(20)

Notes to the Financial Statements

(Cont'd)

17. INVESTMENT IN ASSOCIATES (continued)

The Group has not recognised its share of losses of OCK Digital Infra (Sarawak) Sdn. Bhd. amounting to RM1,827 (2022: RM1,243) because the Group's cumulative share of losses has exceeded its interest in that associate and the Group has no obligation in respect of these losses. The Group's cumulative accumulated losses not recognised were RM5,831 (2022: RM4,004).

18. INVENTORIES

	Group	
	2023 RM'000	2022 RM'000
At lower of cost and NRV:		
Raw materials	9,286	12,750
Work-in-progress	103,167	72,529
Finished goods	839	1,505
	<u>113,292</u>	<u>86,784</u>
Inventories recognised as cost of sales during the financial year	<u>342,504</u>	<u>253,074</u>
Inventories written off recognised as an expense in cost of sales during the financial year	<u>65</u>	<u>-</u>

19. TRADE AND OTHER RECEIVABLES

		Group		Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Non-current:					
Trade receivable					
- Trade receivable from contract with a customer	(a)	3,656	7,656	-	-
Other receivables					
- Third parties		2,055	1,804	-	-
- Prepayments		2,480	2,302	-	-
- Deposits		143	633	-	-
- Amounts owing by subsidiaries	(d)	-	-	119,891	27,316
		4,678	4,739	119,891	27,316
Less: Allowance for impairment loss					
- Amounts owing by subsidiaries		-	-	(12,333)	(12,333)
	(b)	<u>4,678</u>	<u>4,739</u>	<u>107,558</u>	<u>14,983</u>
Total trade and other receivables (non-current)		<u>8,334</u>	<u>12,395</u>	<u>107,558</u>	<u>14,983</u>

Notes to the Financial Statements

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19. TRADE AND OTHER RECEIVABLES (continued)

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Current:					
Trade receivables					
- Trade receivables from contract with customers		133,891	147,383	-	-
- Trade receivable from other sources		26,438	24,362	-	-
- Retention sum	(c)	2,518	932	-	-
		162,847	172,677	-	-
Less: Allowance for impairment loss					
- Third parties		(3,261)	(2,585)	-	-
	(b)	159,586	170,092	-	-
Other receivables					
- Third parties		20,541	11,807	10	18
- Amount owing by ultimate holding company	(e)	591	583	532	532
- Amounts owing by related parties	(e)	1,127	150	-	-
- Amount owing by an associate	(e)	6	6	-	-
		22,265	12,546	542	550
Less: Allowance for impairment loss					
- Third party		-	(11)	-	-
Total other receivables, net		22,265	12,535	542	550
Deposits		16,797	16,339	-	-
Advances to sub-contractors		40,887	26,046	-	-
GST refundable		1,147	812	-	-
Prepayments	(f)	57,105	42,379	990	854
		138,201	98,111	1,532	1,404
Total trade and other receivables (current)		297,787	268,203	1,532	1,404
Total trade and other receivables (non-current and current)		306,121	280,598	109,090	16,387

- (a) Included in trade receivables of the Group is an amount of RM3,656,080 (2022: RM7,656,080) owing from a customer which is unsecured, interest-bearing at a rate of 5.50% (2022: 5.50%), repayable over 5 years and is expected to be settled in cash.

Notes to the Financial Statements

(Cont'd)

19. TRADE AND OTHER RECEIVABLES (continued)

(b) Credit term of trade receivables

Trade receivables are non-interest bearing and the Group's normal trade credit terms extended to customers ranging from 30 to 150 days (2022: 30 to 150 days). Other credit terms are assessed and approved on a case-by-case basis. The credit period varies from customers to customers after taking into consideration their payment track record, financial background, length of business relationship and size of transactions.

The movements in the impairment of trade and other receivables are as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Trade receivables				
At beginning of the financial year	2,585	985	-	-
Charge for the financial year (Note 8)				
- individually assessed	819	1,714	-	-
- collectively assessed	20	-	-	-
Reversal of impairment loss	(6)	(46)	-	-
Written off	(184)	(63)	-	-
Translation differences	27	(5)	-	-
At end of the financial year	<u>3,261</u>	<u>2,585</u>	<u>-</u>	<u>-</u>
Other receivables				
At beginning of the financial year	11	15	12,333	12,713
Reversal of impairment loss	-	-	-	(380)
Written off	(11)	(4)	-	-
At end of the financial year	<u>-</u>	<u>11</u>	<u>12,333</u>	<u>12,333</u>

- (c) Included in trade receivables of the Group are retention sum of RM2,518,375 (2022: RM932,308) relating to construction work-in-progress. Retention sums are unsecured, interest-free and are expected to be collected within the period of normal operating cycle.
- (d) Amounts owing by subsidiaries are non-trade in nature, unsecured, not expected to be settled within the next 12 months, bear interest at rates ranging from 5.05% to 8.22% (2022: 3.50%) per annum and expected to be settled in cash.
- (e) Amounts owing by ultimate holding company, related parties and an associate are non-trade in nature, unsecured, interest-free and repayable upon demand in cash.

Notes to the Financial Statements (Cont'd)

19. TRADE AND OTHER RECEIVABLES (continued)

- (f) Included in prepayments of the Group are:
- (i) transaction costs of RM79,366 (2022: RM73,164) in relation to the undrawn loan facilities of the Group; and
 - (ii) down payments to suppliers of RM37,153,295 (2022: RM19,777,923) for the purchase of goods and equipment.
- (g) The foreign currency exposure profile of the trade and other receivables of the Group is as follows:

	Group	
	2023	2022
	RM'000	RM'000
Myanmar Kyat	53,095	32,586
Singapore Dollar	433	2,075
United States Dollar	1,635	2,017
	<u>1,635</u>	<u>2,017</u>

- (h) The information about the credit exposures are disclosed in Note 43(a).

20. CONTRACT ASSETS/(LIABILITIES)

	Group	
	2023	2022
	RM'000	RM'000
Contract assets relating to construction service contracts	64,238	63,331
Contract assets relating to unbilled services	4,556	2,620
	<u>68,794</u>	<u>65,951</u>
Less: Accumulated impairment loss (Note (e))	(577)	-
	<u>68,217</u>	<u>65,951</u>
Contract liabilities relating to construction service contracts	(2,185)	(4,115)

(a) Contract assets

The contract assets represent the Group's rights to consideration for the work performed but yet to be billed. Contract assets are transferred to receivables when the Group issued billing to the customers. Typically, the amount will be billed within 7 to 180 days (2022: 7 to 180 days) and payments is expected within 20 to 60 days (2022: 20 to 60 days).

(b) Contract liabilities

The contract liabilities represent progress billings and deposits received for construction contracts for which performance obligations have not been satisfied. The contract liabilities are expected to be recognised as revenue over a period of 30 to 90 days (2022: 30 to 90 days).

Notes to the Financial Statements

(Cont'd)

20. CONTRACT ASSETS/(LIABILITIES) (continued)

(c) Significant changes in contract balances

	2023		2022	
	Contract assets increase/ (decrease) RM'000	Contract liabilities (increase)/ decrease RM'000	Contract assets increase/ (decrease) RM'000	Contract liabilities (increase)/ decrease RM'000
Group				
Revenue recognised that was included in contract liability at the beginning of the financial year	-	4,024	-	3,966
Increases due to cash received, excluding amounts recognised as revenue during the period	-	(2,048)	-	(3,511)
Increase due to revenue recognised for unbilled goods or services transferred to customers	56,899	-	56,018	-
Increases as a result of changes in the measure of progress	1,150	-	-	-
Transfers from contract assets recognised at the beginning of the period to receivables	(56,275)	-	(65,365)	-
Translation difference	1,069	(46)	(143)	(33)
Impairment losses of contract assets	(577)	-	-	-

(d) Revenue recognised in relation to contract balances

	Group	
	2023 RM'000	2022 RM'000
Revenue recognised that was included in contract liability at the beginning of the financial year	<u>4,024</u>	<u>3,966</u>

Revenue recognised that was included in the contract liability balance at the beginning of the year represented primarily revenue from the construction contracts when percentage of completion increases.

Notes to the Financial Statements (Cont'd)

20. CONTRACT ASSETS/(LIABILITIES) (continued)

(e) Impairment

The movements in the impairment of contract assets are as follows:

	Group	
	2023	2022
	RM'000	RM'000
At beginning of the financial year	-	-
Charge for the financial year (Note 8)		
- individually assessed	577	-
At end of the financial year	577	-

21. OTHER INVESTMENTS

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Financial assets at fair value through profit or loss ("FVPL")				
At fair value:				
Short-term cash investments				
- Money market fund	88,818	2,565	84,656	2,447

22. CASH AND SHORT-TERM DEPOSITS

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances	220,853	58,952	121,657	14,678
Short-term deposits placed with licensed banks	11,880	11,067	252	-
Cash and short-term deposits as presented in statements of financial position	232,733	70,019	121,909	14,678

Notes to the Financial Statements (Cont'd)

22. CASH AND SHORT-TERM DEPOSITS (continued)

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

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Short-term deposits placed with licensed banks	11,880	11,067	252	-
Less: Pledged deposits	<u>(11,434)</u>	<u>(10,395)</u>	<u>(252)</u>	<u>-</u>
	446	672	-	-
Cash and bank balances	220,853	58,952	121,657	14,678
Less: Bank overdrafts (Note 30)	<u>(18,368)</u>	<u>(24,429)</u>	<u>-</u>	<u>-</u>
Cash and short-term deposits as presented in statements of cash flows	<u>202,931</u>	<u>35,195</u>	<u>121,657</u>	<u>14,678</u>

- (a) Deposits placed with licensed banks amounting to RM11,434,371 (2022: RM10,935,319) and RM251,901 (2022: Nil) of the Group and the Company are pledged as security for banking facilities granted to subsidiaries (Note 30).
- (b) Deposits placed with licensed banks of the Group and the Company earn interest at rates ranging from 0.25% to 3.20% (2022: 0.25% to 2.70%) and at a rate of 2.25% (2022: Nil) per annum with a maturity of three months or less.
- (c) The foreign currency exposure profile of cash and short term deposits of the Group and of the Company are as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Myanmar Kyat	5,758	6,825	-	-
Singapore Dollar	26	1	-	-
United States Dollar	<u>119,922</u>	<u>13,811</u>	<u>118,097</u>	<u>12,618</u>

Notes to the Financial Statements (Cont'd)

23. NON-CURRENT ASSETS HELD FOR SALE

	Group	
	2023	2022
	RM'000	RM'000
At beginning of the financial year	-	-
Transfer from property, plant and equipment (Note 11)	445	-
Transfer from right-of-use assets (Note 12)	2,377	-
	<u>2,822</u>	<u>-</u>
At end of the financial year	<u>2,822</u>	<u>-</u>

On 7 August 2023, the Group had entered into a sale and purchase agreement ("SPA") for the disposal of leasehold land and building for a total consideration of RM3,300,000. The transaction is yet to be completed as at the end of the financial year.

24. SHARE CAPITAL

	Group and Company			
	Number of ordinary shares		<----- Amounts ----->	
	2023	2022	2023	2022
	Unit'000	Unit'000	RM'000	RM'000
Issued and fully paid up (no par value):				
At beginning of the financial year	1,054,508	1,054,480	300,848	300,835
Issuance of shares pursuant to:				
- ESOS	186	28	77	13
At end of the financial year	<u>1,054,694</u>	<u>1,054,508</u>	<u>300,925</u>	<u>300,848</u>
	<u>1,054,694</u>	<u>1,054,508</u>	<u>300,925</u>	<u>300,848</u>

The holders of ordinary shares (except treasury 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 regard to the Company's residual assets.

During the financial year, the Company issued 186,000 (2022: 28,000) new ordinary shares pursuant to the exercise of the Company's Employee Share Option Scheme ("ESOS") as disclosed in Note 29 to the financial statements which amounted to RM77,190 (2022: RM12,264).

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

Notes to the Financial Statements (Cont'd)

25. TREASURY SHARES

Treasury shares comprises cost of acquisition of the Company's own shares. At 31 December 2023, the Group held 3,701,800 of the Company's own shares.

26. FOREIGN CURRENCY TRANSLATION RESERVE

The translation reserve is used to record foreign currency exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

27. REVALUATION RESERVE

	Group	
	2023	2022
	RM'000	RM'000
At beginning of the financial year	7,204	7,064
Revaluation of property, plant and equipment and right-of-use assets	114	314
Revaluation loss on right-of-use assets	(24)	(72)
Realisation of revaluation reserve	<u>(176)</u>	<u>(102)</u>
At end of the financial year	<u><u>7,118</u></u>	<u><u>7,204</u></u>

The revaluation reserve relates to revaluation of freehold and leasehold land and buildings, net of tax.

Notes to the Financial Statements

(Cont'd)

28. WARRANT RESERVE

The warrants were constituted under the Deed Poll dated 24 November 2020.

The salient features of the warrants are as follows:

- (i) Each warrant shall entitle the registered holder of the warrants to subscribe for one (1) new share at any time during the exercise period at the exercise price of RM0.42, subject to adjustments in accordance with the provisions of the Deed Poll;
- (ii) The close of business on the warrants is five (5) years from and including the date of issue of the warrants, provided that if such day falls on a day which is not a market day, then on the preceding market day;
- (iii) The warrants may be exercised at any time during the tenure of the warrants of five (5) years commencing on and including the date of issuance of the warrants until 5.00 p.m. on the expiry date. Warrants not exercised during the exercise period will thereafter lapse and cease to be valid;
- (iv) The new shares to be issued arising from the exercise of the warrants will, upon allotment and issuance, rank pari passu in all respects with the existing shares, save and except that the new shares to be issued arising from the exercise of the warrants will not be entitled to any dividends, rights, allotments and/ or any other forms of distribution that may be declared for which the entitlement date for the said distribution precedes the date of allotment and issuance of the new shares arising from the exercise of the warrants; and
- (v) The holders of the warrants are not entitled to any voting right or to participate in any dividends, rights, allotments and/ or other forms of distribution and/ or offer of further securities in the Company other than on winding up, compromise or arrangement of the Company as set out in the Deed Poll governing the warrants until and unless such holders of the warrants exercise their warrants into new shares.

The warrants are quoted on the Main Market of Bursa Securities on 8 January 2021. The movements in the Group's and the Company's number of shares under warrants during the financial year are as follows:

	2021/2025	
	Number of warrants of	
	RM0.42 each	
	2023	2022
	Unit'000	Unit'000
Number of unissued shares under warrants		
At beginning/end of the financial year	<u>95,848</u>	<u>95,848</u>

Notes to the Financial Statements (Cont'd)

28. **WARRANT RESERVE** (continued)

The fair value of warrants is measured using the binomial option pricing model with the following inputs:

	2021
Fair value of warrants and assumptions	
Fair value at grant date (RM)	<u>0.1352</u>
Warrant life (years)	5
Risk-free rate (%)	2.10
Expected volatility (%)	<u>31.8</u>

29. **SHARE OPTION RESERVE**

The share option reserve comprises the cumulative value of services received from directors and employees 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.

Vesting period of the share option offered:

- (i) First 15%: Year 2021
- (ii) Remaining 85% are subjected to the allotment of shares between 20% to 65% per year over vesting periods of 2 to 3 years.

Share options are granted to eligible directors and employees. The settlement of the option granted 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 five years. There are no cash settlement alternatives. The options carry neither rights to dividends nor voting rights. Options may be exercised any time from the date of vesting to the date of expiry.

Notes to the Financial Statements (Cont'd)

29. SHARE OPTION RESERVE (continued)

Movement of share options during the year

The following table illustrates the number and weighted average exercise prices ("WAEP") of, and movement in, share options:

	Group and Company			
	Number 2023 Unit'000	WAEP 2023	Number 2022 Unit'000	WAEP 2022
At beginning of the financial year	26,434	RM0.37	26,462	RM0.37
Exercised during the year	(186)	RM0.37	(28)	RM0.37
At end of the financial year	<u>26,248</u>	<u>RM0.37</u>	<u>26,434</u>	<u>RM0.37</u>
Exercisable at end of the year	<u>26,248</u>	<u>RM0.37</u>	<u>26,434</u>	<u>RM0.37</u>

The options outstanding at 31 December 2023 have exercise price of RM0.37 (2022: RM0.37) and the weighted average remaining contractual life for the share options outstanding as at 31 December 2023 is 1.99 years (2022: 2.99 years).

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

	2021
Fair value of share options and assumptions	
Weighted average fair value of share option at grant date (RM)	<u>0.06</u>
Weighted average share price (RM)	0.47
Option life (years)	5
Risk-free rate (%)	2.12%
Expected volatility (%)	<u>30.45%</u>

The expected volatility reflected the assumption that the historical volatility was an indicative of future trends, which may also not necessarily be the actual outcome.

Notes to the Financial Statements

(Cont'd)

30. LOANS AND BORROWINGS

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Non-current:					
Secured					
Medium-term notes	(a)	400,000	-	400,000	-
Term loans	(b)	134,635	344,594	-	182,260
Revolving projects loan	(d)	-	1,639	-	-
Hire purchase payables	(g)	1,750	1,975	-	-
		536,385	348,208	400,000	182,260
Current:					
Secured					
Bankers' acceptance	(c)	40,895	41,712	-	-
Revolving projects loan	(d)	46,122	36,950	-	-
Bank overdrafts (Note 22)	(e)	18,368	24,429	-	-
Term loans	(b)	154,911	52,390	109,586	12,912
Revolving credit	(f)	8,348	31,051	-	10,000
Hire purchase payables	(g)	1,395	1,155	-	-
Project financing	(h)	23,534	40,380	-	-
		293,573	228,067	109,586	22,912
		829,958	576,275	509,586	205,172
Total loans and borrowings:					
Medium-term notes	(a)	400,000	-	400,000	-
Term loans	(b)	289,546	396,984	109,586	195,172
Bankers' acceptance	(c)	40,895	41,712	-	-
Revolving projects loan	(d)	46,122	38,589	-	-
Bank overdrafts (Note 22)	(e)	18,368	24,429	-	-
Revolving credit	(f)	8,348	31,051	-	10,000
Hire purchase payables	(g)	3,145	3,130	-	-
Project financing	(h)	23,534	40,380	-	-
		829,958	576,275	509,586	205,172

(a) Medium-term notes

During the financial year, the Company completed the first issuance of medium term notes with a nominal value of RM400 million under Sukuk Murabahah Programme. The medium term notes were issued with tenure between five to seven years with interest rates ranging from 5.21% to 5.38% per annum.

The proceeds raised from the issuance of medium term notes are allowed to be utilised by the Group to finance general working capital, refinancing of existing Shariah-compliant financing, conventional borrowings, future Shariah-compliant financing and general corporate purposes.

Notes to the Financial Statements

(Cont'd)

30. LOANS AND BORROWINGS (continued)

(a) Medium-term notes (continued)

Under the Sukuk Murabahah Programme, the Group may, at its sole discretion, redeem the medium term notes pursuant to certain redemption events.

The Sukuk Murabahah Programme has been accorded an indicative credit rating of AA-IS by MARC Ratings Berhad.

(b) Term loans - secured

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Term loan I	4,422	5,241	-	-
Term loan II	656	744	-	-
Term loan III	-	1,596	-	-
Term loan IV	2,668	2,129	-	-
Term loan V	7,437	10,244	-	-
Term loan VI	1,363	1,443	-	-
Term loan VII	23	824	-	-
Term loan VIII	2,372	4,558	-	-
Term loan IX	898	1,525	-	-
Term loan X	-	2,378	-	-
Term loan XI	298	1,290	-	-
Term loan XII	2,967	5,688	-	-
Term loan XIII	-	320	-	-
Term loan XIV	-	8,143	-	-
Term loan XV	27,143	30,141	-	-
Term loan XVI	8,870	10,149	-	-
Term loan XVII	6,084	6,516	-	-
Term loan XVIII	4,450	2,425	-	-
Term loan XIX	532	580	-	-
Term loan XX	2,327	1,912	-	-
Term loan XXI	1,466	1,574	-	-
Term loan XXII	6,786	7,546	-	-
Term loan XXIII	4,428	5,728	-	-
Term loan XXIV	10,593	1,705	-	-
Term loan XXV	12,140	12,998	-	-
Term loan XXVI	4,505	3,816	-	-
Term loan XXVII	3,456	4,040	-	-
Term loan XXVIII	58,610	66,559	-	-
Term loan XXIX- United States Dollar	109,586	195,172	109,586	195,172
Term loan XXX	2,667	-	-	-
Term loan XXXI	1,020	-	-	-
Term loan XXXII	1,779	-	-	-
	<u>289,546</u>	<u>396,984</u>	<u>109,586</u>	<u>195,172</u>

Notes to the Financial Statements

(Cont'd)

30. LOANS AND BORROWINGS (continued)

(b) Term loans - secured (continued)

The term loans are repayable as follows:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Non-current liabilities:				
- due more than 1 year but not later than 5 years	120,397	277,812	-	131,769
- due after 5 years	14,238	66,782	-	50,491
	134,635	344,594	-	182,260
Current liabilities:				
- due within 1 year	154,911	52,390	109,586	12,912
	<u>289,546</u>	<u>396,984</u>	<u>109,586</u>	<u>195,172</u>

- (i) The term loans bear interest at rates ranging from 3.76% to 12.50% (2022: 3.60% to 12.50%) per annum and are secured and supported as follows:
- Legal charge over the investment properties of the Group (Note 13);
 - Assignment over all rents and other monies;
 - Corporate guarantee from the Company and a subsidiary of the Company;
 - Legal charge over the freehold and leasehold land and buildings of the Group (Notes 11 and 12);
 - Joint and several guarantees by certain directors of the Company and a subsidiary;
 - Legal charge over a property of a director of the subsidiary;
 - Debenture creating a first rank fixed and floating charge over subsidiaries's present and future assets relating to the loan;
 - Memorandum of deposit or cash collateral agreement;
 - Deed assignment over the sales proceeds of the metered renewable energy from Tenaga Nasional Berhad;
 - Assignment of all rights, interest and benefits of the subsidiary over all Takaful/insurance(s) issued in relation to the project;
 - Assignment of performance bond/bank guarantee by the contractor of the solar power;
 - Fiduciary security over asset of a subsidiary;
 - Irrevocable payment instruction from the subsidiary to the Company for the financial obligation;
 - Assignment over the revenue account by virtue of the dividend payment;
 - Assignment over the Finance Service Reserve Account ("FSRA");
 - Letter of Undertaking from the Company to cover any shortfall in the revenue account and FSRA;
 - Pledge over the shares in its sub-subsidiaries owned by the subsidiaries (Note 16);
 - Irrevocable and Unconditional Power of Attorney to attend general meeting of shareholders of its sub-subsidiary and to cast vote with respect to the shares from the subsidiary;
 - Irrevocable and Unconditional Power of Attorney to be granted by the subsidiary;

Notes to the Financial Statements (Cont'd)

30. LOANS AND BORROWINGS (continued)

(b) Term loans - secured (continued)

- (i) The term loans bear interest at rates ranging from 3.76% to 12.50% (2022: 3.60% to 12.50%) per annum and are secured and supported as follows: (continued)
- (t) Assignment of Dividend arising from the Shares to be granted by the subsidiary;
 - (u) Irrevocable standing instruction from the subsidiary to the sub-sub-subsidiary so that all dividend payable to the subsidiary shall be paid by the sub-sub-subsidiary to an account nominated by the bank;
 - (v) Power of Attorney to receive dividend to be granted by the subsidiary to the bank;
 - (w) Irrevocable payment instruction from the subsidiary to the sub-sub-subsidiary for the financial obligation;
 - (x) Fiduciary receivables;
 - (y) Assignment of contracts;
 - (z) Master security agreement;
 - (aa) Charge over Onshore Accounts;
 - (ab) Letters of Undertaking;
 - (ac) Debentures;
 - (ad) Share Pledge;
 - (ae) Assignment of Contracts; and
 - (af) Charge over Revenue Account.
- (ii) The foreign currency exposure profile of the Group's and the Company's term loans is as follows:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
United States Dollar	109,586	195,172	109,586	195,172

(c) Bankers' acceptance

The bankers' acceptance are secured by way of:

- (i) First party legal charge over properties of a subsidiary (Note 11);
- (ii) Joint and several guarantees by certain directors of the Company and its subsidiaries;
- (iii) Personal guarantee executed by a director of the Company;
- (iv) Blanket 2-party Deed of Assignment of all contract proceeds/receivables for the contracts/transactions financed by the bank;
- (v) Pledged of Fixed Deposit of a subsidiary (Note 22);
- (vi) All monies legal charge or all monies Deed of Assignment and Power of attorney over a property of a subsidiary;
- (vii) Corporate guarantee from the Company;
- (viii) Assignment over all rents and other monies; and
- (ix) Assignment of contract.

The bankers' acceptance bears interest rates ranging from 3.89% to 6.81% (2022: 3.17% to 6.81%) per annum.

Notes to the Financial Statements (Cont'd)

30. LOANS AND BORROWINGS (continued)

(d) Revolving projects loan

The revolving projects loan is secured by way of:

- (i) All monies debenture incorporating fixed and floating charge over all present and future assets and undertaking of a subsidiary;
- (ii) Assignment of all contract proceeds arising from contracts of a subsidiary;
- (iii) Assignment of all contract proceeds and/or receivables of a subsidiary to be received from a frame agreement for provision of services of a subsidiary;
- (iv) Pledged of fixed deposits of a subsidiary (Note 22);
- (v) Joint and several guarantees from certain directors of the Company and its subsidiaries;
- (vi) Deed of Assignment of all contract proceeds/receivables for the contracts /transactions financed by the bank;
- (vii) Third Party Specific Debenture over the assets or equipment to be financed by the bank for the project;
- (viii) Corporate guarantee from the Company;
- (ix) Assignment of all rights, interest and benefits of the subsidiary over all Takaful/insurance(s) issued in relation to the project; and
- (x) Memorandum of Charge over a Third Party Project Account in the name of a subsidiary.

The revolving projects loan bears interest rates ranging from 7.00% to 17.12% (2022: 7.00% to 9.60%) per annum.

(e) Bank overdrafts

The bank overdrafts are secured by way of:

- (i) First party legal charge over properties of a subsidiary (Note 11);
- (ii) Joint and several guarantees by certain directors of the Company and its subsidiaries;
- (iii) Personal guarantee executed by directors of the subsidiaries;
- (iv) Blanket 2-party Deed of Assignment of all contract proceeds/receivables for the contracts/transactions financed by the bank;
- (v) All monies legal charge or all monies Deed of Assignment and Power of attorney over a property of a subsidiary;
- (vi) Assignment over all rents and other monies;
- (vii) Pledge of fixed deposits of the subsidiaries with licensed banks;
- (viii) Corporate guarantee from the Company; and
- (ix) Letter of negative pledge from a subsidiary.

The bank overdrafts bear effective interest rates ranging from 6.01% to 8.40% (2022: 6.64% to 8.40%) per annum.

(f) Revolving credit

The revolving credit is secured by way of:

- (i) Corporate guarantee from the Company and a subsidiary; and
- (ii) Master security agreement.

The revolving credit bears effective interest rates ranging from 5.10% to 6.76% (2022: 5.10% to 6.51%) per annum.

Notes to the Financial Statements

(Cont'd)

30. LOANS AND BORROWINGS (continued)

(g) Hire purchase payables

Hire purchase payables of the Group of RM3,145,000 (2022: RM3,130,000) bears interest ranging from 2.06% to 4.80% (2022: 2.13% to 4.80%) per annum and are secured by the Group's motor vehicles under hire purchase arrangements as disclosed in Note 11.

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

	Group	
	2023	2022
	RM'000	RM'000
Future minimum payments	3,389	3,461
Less: Future finance charges	(244)	(331)
Total present value of minimum payments	3,145	3,130
Payable within one year		
Future minimum payments	1,535	1,346
Less: Future finance charges	(140)	(191)
Present value of minimum payments	1,395	1,155
Payable more than 1 year but not more than 5 years		
Future minimum payments	1,808	2,054
Less: Future finance charges	(100)	(135)
Present value of minimum payments	1,708	1,919
Payable more than 5 years		
Future minimum payments	46	61
Less: Future finance charges	(4)	(5)
Present value of minimum payments	42	56
Total present value of minimum payments	3,145	3,130

(h) Project financing

The project financing is secured by way of:

- (i) An assignment and a fixed charge over receivables;
- (ii) A fixed charge over designated collections account;
- (iii) A charge over goods;
- (iv) A charge over all payments or deposits from time to time paid or deposited into accounts opened or to be opened or maintained by the subsidiary with any branch of the bank which the bank requires to be charged to the bank for all monies owing or payable under the facility; and
- (v) Corporate guarantee from the Company.

The project financing bears effective interest rates ranging from 6.01% (2022: 6.01%) per annum.

Notes to the Financial Statements (Cont'd)

31. LEASE LIABILITIES

	Group	
	2023	2022
	RM'000	RM'000
Non-current:		
Lease liabilities	135,322	144,117
Current:		
Lease liabilities	44,950	40,998
	<u>180,272</u>	<u>185,115</u>

The incremental borrowing rates applied to the lease liabilities ranging from 4.23% to 8.93% (2022: 4.23% to 8.93%) per annum.

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

	Group	
	2023	2022
	RM'000	RM'000
Future minimum lease payments	212,133	222,313
Less: Future finance charges	<u>(31,861)</u>	<u>(37,198)</u>
Total present value of minimum lease payments	<u>180,272</u>	<u>185,115</u>
Payable within one year		
Future minimum lease payments	53,150	50,015
Less: Future finance charges	<u>(8,200)</u>	<u>(9,017)</u>
Present value of minimum lease payments	44,950	40,998
Payable more than 1 year but not more than 5 years		
Future minimum lease payments	111,806	114,367
Less: Future finance charges	<u>(17,076)</u>	<u>(19,587)</u>
Present value of minimum lease payments	94,730	94,780
Payable more than 5 years		
Future minimum lease payments	47,177	57,931
Less: Future finance charges	<u>(6,585)</u>	<u>(8,594)</u>
Present value of minimum lease payments	<u>40,592</u>	<u>49,337</u>
Total present value of minimum lease payments	<u>180,272</u>	<u>185,115</u>

Notes to the Financial Statements

(Cont'd)

32. DEFERRED INCOME

	Group	
	2023	2022
	RM'000	RM'000
Non-current		
Government grants:		
At beginning of the financial year	1,686	1,811
Released to profit or loss (Note 8)	(125)	(125)
	1,561	1,686
At end of the financial year	1,561	1,686

Government grants related to assets

Government grants have been received for the purchase of certain items of property, plant and equipment by a subsidiary. There are no unfulfilled conditions or contingencies attached to these grants.

33. PROVISION FOR LIABILITIES

	Group	
	2023	2022
	RM'000	RM'000
Site restoration costs		
At beginning of the financial year	15,431	11,119
Additions	477	3,458
Unwinding of discount (Note 8)	775	508
Translation difference	472	346
	17,155	15,431
At end of the financial year	17,155	15,431

The provision for liabilities comprises site restoration costs which are estimated using the assumption that decommissioning will take place at the end of the lease terms based on the current condition of the sites, at the estimated costs to be incurred upon the expiry of the lease terms and discounted at the current market interest rate available to the Group.

A provision of RM476,660 (2022: RM3,458,000) was made during the financial year ended 31 December 2023 and 31 December 2022 respectively in respect of the Group's obligation to dismantle and remove the items and restore the site on which the network facilities located in Malaysia and Myanmar after the end of 19 to 22 years (2022: 19 to 22 years) tenure periods. The Group has estimated a range of reasonably possible outcomes of the total cost of RM24,780,000 (2022: RM23,126,000), reflecting different assumptions about the pricing of the individual components of cost. The provision has been calculated using a discount rate ranging from 1.11% to 6.00% (2022: 2.12% to 6.00%), which is the risk-free rate in the jurisdiction of the liability.

Notes to the Financial Statements (Cont'd)

34. POST EMPLOYMENT BENEFIT LIABILITIES

	Group	
	2023	2022
	RM'000	RM'000
At beginning of the financial year	764	753
Recognised in profit or loss (Note 8)	169	31
Actuarial (gain)/loss recognised in other comprehensive income	(75)	6
Translation differences	22	(26)
	<u>880</u>	<u>764</u>
At end of the financial year	<u>880</u>	<u>764</u>

- (a) This is in respect of provision for employees' benefits related to retirement, separation fee, service fee, compensation payments and other benefits recognised.
- (b) The provision is made based on the actuarial valuation performed by an independent actuary on its report dated 23 January 2024 (2022: 26 January 2023) using the projected unit credit method.
- (c) Principal actuarial assumptions used at the reporting date are as follows:

	Group	
	2023	2022
Discount rate	6.37% to 7.10%	5.52% to 7.43%
Normal retirement age	55 years	55 years
Salary increase rate	<u>10%</u>	<u>10%</u>

Assumptions on future mortality are determined based on the published past statistics and actual experience. The measurements assume an average life expectancy of 30 years for an employee retiring at age 55.

Sensitivity analysis

The sensitivity of the defined benefit obligation to the significant actuarial assumptions at the end of the reporting period are shown below:

Group	Reasonably possible change in assumption	Effect on defined benefit obligation	
		Increase RM'000	Decrease RM'000
2023			
Discount rate	1.0%	(82)	95
Future salary growth	1.0%	96	(85)
		<u>96</u>	<u>(85)</u>
2022			
Discount rate	1.0%	(70)	81
Future salary growth	1.0%	83	(74)
		<u>83</u>	<u>(74)</u>

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in significant actuarial assumptions occurring at the end of reporting period.

Notes to the Financial Statements (Cont'd)

34. POST EMPLOYMENT BENEFIT LIABILITIES (continued)

(d) The expected payments or contributions to the defined plan in future years are shown below:

	Group	
	2023 RM'000	2022 RM'000
Within the next 12 months (next annual reporting period)	95	82
Between 2 to 5 years	17	67
Between 5 to 10 years	784	399
Beyond 10 years	12,336	12,233
Total expected payments	13,232	12,781

35. TRADE AND OTHER PAYABLES

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Trade payables					
- Third parties		67,560	54,818	-	-
- Accruals		31,968	18,954	-	-
- Retention sum		1,171	2,286	-	-
(a) (b)		100,699	76,058	-	-
Other payables					
Other payables		6,174	4,149	16	53
Accruals		18,063	19,342	2,672	262
Deposits		6,911	5,210	-	-
Amounts owing to minority shareholders of subsidiaries	(c)	3,693	3,512	-	-
Amounts owing to subsidiaries	(d)	-	-	21,411	24,073
Amount owing to a related party	(e)	14,300	8,100	14,299	8,100
Amounts owing to directors of subsidiaries	(f)	102	102	-	-
		49,243	40,415	38,398	32,488
Total trade and other payables		149,942	116,473	38,398	32,488

Notes to the Financial Statements

(Cont'd)

35. TRADE AND OTHER PAYABLES (continued)

- (a) Trade payables of the Group are non-interest bearing and the normal trade credit terms granted to the Group ranging from 30 to 90 days (2022: 30 to 90 days). The retention sum which is payable upon the expiry of defect liability period is expected to be settled as follows:

	Group	
	2023	2022
	RM'000	RM'000
Within one year	1,171	2,286

- (b) The foreign currency exposure profile of the trade payables of the Group is as follows:

	Group	
	2023	2022
	RM'000	RM'000
Myanmar Kyat	12,026	6,830
United States Dollar	12,680	14,080

- (c) Amounts owing to minority shareholders of subsidiaries are non-trade in nature, unsecured, interest-free and repayable upon demand in cash.
- (d) Amounts owing to subsidiaries are non-trade in nature, unsecured, bears interest rates ranging from 5.05% to 8.24% (2022: 3.50% to 7.89%) and repayable upon demand in cash.
- (e) Amount owing to a related party is non-trade in nature, unsecured, bears interest at rate of 4.00% (2022: 4.00%) and repayable upon demand in cash.
- (f) Amounts owing to directors of subsidiaries are non-trade in nature, unsecured, interest-free and repayable upon demand in cash.
- (g) For explanation on the Group's and the Company's liquidity risk management processes, refer to Note 43(b).

36. DIVIDEND

	Group and Company	
	2023	2022
	RM'000	RM'000
Recognised during the financial year:		
Single-tier interim dividend of RM0.005 per ordinary share in respect of the financial year ended 31 December 2021	-	5,273

Notes to the Financial Statements (Cont'd)

37. FINANCIAL GUARANTEES

	Company	
	2023	2022
	RM'000	RM'000
Corporate guarantees given to licensed banks for outstanding banking facilities granted to subsidiaries	252,372	313,135

38. CAPITAL COMMITMENTS

	Group	
	2023	2022
	RM'000	RM'000
In respect of capital expenditure:		
Property, plant and equipment:		
- approved and contracted for	135,592	191,274
- approved but not contracted for	289,650	205,973

39. LEASE COMMITMENTS

(a) The Group as lessee

The Group had entered into a commercial lease for its sites, office premises, factory and hostels. These leases had tenure 1 to 3 years with a renewal option included in the contract. There were no restrictions placed upon the Group by entering into these leases.

Future minimum rental payable under the non-cancellable operating lease at the reporting date is as follows:

	Group	
	2023	2022
	RM'000	RM'000
Not later than one year	7,200	1,785
Later than one year and not later than five years	4,669	1,727
	11,869	3,512

Notes to the Financial Statements

(Cont'd)

39. LEASE COMMITMENTS (continued)

(b) The Group as lessor

The Group has entered into non-cancellable lease arrangements by leasing its telecommunication towers and sub-letting its equipment, factory, warehouse and shop offices. The leases include a clause to enable upward revision of the rental charge depending on prevailing market conditions during or upon the expiry of these agreements.

Future minimum lease receivables as at the end of the reporting date is as follows:

	Group	
	2023	2022
	RM'000	RM'000
Not later than one year	166,438	165,953
Later than one year and not later than five years	470,809	535,618
Later than five years	130,001	477,012
	<u>767,248</u>	<u>1,178,583</u>

40. RELATED PARTY TRANSACTIONS

(a) Identification of related parties

For the purpose of these financial statements, parties are considered to be related to the Group and the Company if the Group and the Company have the ability to directly control the party or exercise significant influence over the party in making financial and operating decision, or vice versa, or where the Group and the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Group and the Company have related party relationships with its ultimate holding company, their subsidiaries, related parties, directors of the Company and key management personnel. Related parties of the Group are as follows:

Related parties	Relationship
Dynamec Sdn. Bhd. (formerly known as Dynasynergy Sdn. Bhd.)	A company in which a shareholder of a subsidiary (Dynasynergy Services Sdn. Bhd.) is a director and a substantial shareholder
Dynasynergy Technology Sdn. Bhd.	A company in which a shareholder of a subsidiary (Dynasynergy Services Sdn. Bhd.) is a director and a substantial shareholder
PLY Technology	A company in which a director and shareholder of a subsidiary (Steadcom Sdn. Bhd.) is a director and a substantial shareholder
Profit Hover Limited	A company in which a director of the Company is a director

Notes to the Financial Statements (Cont'd)

40. RELATED PARTY TRANSACTIONS (continued)

(b) Transactions with related parties are as follows:

	Group	
	2023	2022
	RM'000	RM'000
Ultimate holding company		
<i>Aliran Armada Sdn. Bhd.</i>		
Finance charges received/receivable	(8)	(5)
Related parties		
<i>Dynamec Sdn. Bhd. (formerly known as Dynasynergy Sdn. Bhd.)</i>		
Sales received/receivable	-	(8)
<i>Dynasynergy Technology Sdn. Bhd.</i>		
Sales received/receivable	(3)	-
Purchases paid/paable	507	230
<i>PLY Technology</i>		
Consultancy fees paid/payable	287	246
<i>Profit Hover Limited</i>		
Interest expense paid/payable	<u>1,069</u>	<u>502</u>
	Company	
	2023	2022
	RM'000	RM'000
Received and receivable from subsidiaries		
Dividend income	(1,560)	-
Management fees	(10,836)	(9,228)
Interest income	<u>(920)</u>	<u>(531)</u>
Paid and payable to subsidiaries		
Interest expense	2,013	1,265
Administration expenses	<u>1,391</u>	<u>1,427</u>
Paid and payable to a related party		
Interest expense	<u>1,069</u>	<u>502</u>

Significant outstanding balances with related parties at the end of the reporting period are as disclosed in Notes 19 and 35.

Notes to the Financial Statements (Cont'd)

40. RELATED PARTY TRANSACTIONS (continued)

(c) Compensation of key management personnel

Key management personnel includes personnel having authority and responsibility for planning, directing and controlling the activities of the entities, directly or indirectly, including any director of the Group and of the Company.

The remuneration of the key management personnel is as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Directors of the Company				
Executive Directors:				
- salaries, allowances and bonuses	3,970	3,485	3,272	2,638
- other emoluments	476	421	419	317
	4,446	3,906	3,691	2,955
Non-executive Directors:				
- fees	216	198	216	198
- allowances	32	25	32	25
	248	223	248	223
Total directors' remuneration	4,694	4,129	3,939	3,178
Other key management personnel				
Short-term employee benefits	3,063	2,866	1,653	1,641
Post employment benefits	378	352	202	200
	3,441	3,218	1,855	1,841
	8,135	7,347	5,794	5,019

Notes to the Financial Statements

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41. SEGMENT INFORMATION

The Group has five reporting segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies.

For each of the strategic business units, the Group's Chief Executive Officer (the chief operating decision maker) reviews internal management reports at least on a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

- (i) Telecommunication Network Services;
- (ii) Green Energy and Power Solutions;
- (iii) Trading;
- (iv) M&E Engineering Services; and
- (v) Investment Holding.

There are varying levels of integration between reportable segments, the Telecommunication Network Services and M&E Engineering Services reportable segments. This integration includes transfer of raw materials and providing engineering services. Inter-segment pricing is determined on a negotiated basis.

Segment performance is evaluated based on operating profit or loss which in certain respects, is measured differently from operating profit or loss in the consolidated statement of comprehensive income.

Notes to the Financial Statements
(Cont'd)

41. SEGMENT INFORMATION (continued)

Group	Note	Tele-communication Network Services RM'000	Green Energy and Power Solutions RM'000	Trading RM'000	M&E Engineering Services RM'000	Investment Holding RM'000	Adjustments and Eliminations RM'000	Consolidated RM'000
Revenue								
External revenue	a	630,499	54,322	21,607	16,355	-	-	722,783
Inter-segment revenue	a	39,078	3,223	2,515	(105)	3,821	(48,532)	-
		669,577	57,545	24,122	16,250	3,821	(48,532)	722,783
Results								
Interest income	a	(10,279)	(2,341)	(408)	-	(1,716)	12,935	(1,809)
Finance costs	a	40,743	3,177	120	583	6,547	(10,596)	40,574
Depreciation and amortisation		100,665	6,282	72	25	-	4,024	111,068
Other non-cash expenses	b	5,955	70	304	1,078	(5,093)	(739)	1,575
Segment profit/(loss) after tax	c	47,470	6,510	2,564	(115)	(98)	(13,210)	43,121
Segment Assets								
Additions to non-current assets	d	95,630	3,584	52	2	-	-	99,268
Segment assets	e	3,163,239	155,887	23,679	33,897	980,375	(2,350,559)	2,006,518
Segment Liabilities	f	1,586,522	68,439	6,370	28,297	555,066	(1,033,815)	1,210,879

Notes to the Financial Statements
(Cont'd)

41. SEGMENT INFORMATION (continued)

Group	Note	Tele-communication Network Services RM'000	Green Energy and Power Solutions RM'000	Trading RM'000	M&E Engineering Services RM'000	Investment Holding RM'000	Adjustments and Eliminations RM'000	Consolidated RM'000
2022								
Revenue								
External revenue	a	553,997	50,034	5,825	7,250	-	-	617,106
Inter-segment revenue	a	38,402	4,137	6,872	26	732	(50,169)	-
		592,399	54,171	12,697	7,276	732	(50,169)	617,106
Results								
Interest income	a	(11,915)	(1,165)	(344)	-	(639)	13,854	(209)
Finance costs	a	36,583	2,485	177	330	2,742	(12,274)	30,043
Depreciation and amortisation		97,853	5,885	69	42	-	4,953	108,802
Other non-cash expenses	b	5,213	238	235	338	2,722	(3,663)	5,083
Segment profit/(loss) after tax	c	43,883	4,202	573	(129)	(2,179)	(7,898)	38,452
Segment Assets								
Additions to non-current assets	d	82,682	9,694	52	-	-	-	92,428
Segment assets	e	2,895,084	161,874	21,198	23,999	673,401	(2,126,889)	1,648,667
Segment Liabilities	f	1,442,506	77,505	6,151	18,290	246,499	(867,217)	923,734

Notes to the Financial Statements

(Cont'd)

41. SEGMENT INFORMATION (continued)

- (a) Inter-segment revenue and interest are eliminated on consolidation.
- (b) Other material non-cash expenses/(income) consist of the following items as presented in the respective notes:

	2023 RM'000	2022 RM'000
Bad debts written off	116	230
Contract asset written off	298	-
Fair value gain on derivatives	(7,358)	-
Gain on lease modification	-	(21)
Inventories written off	65	-
Impairment loss on goodwill	-	200
Impairment losses on:		
- trade receivables	839	1,714
- other receivables	577	-
Net fair value gain on investment properties	(800)	(366)
Net loss on disposal of property, plant and equipment	545	38
Net unrealised loss on foreign exchange	4,299	2,718
Property, plant and equipment written off	2,056	77
Provision for post employment benefits	169	31
Reversal of impairment loss on trade receivables	(6)	(46)
Unwinding effect on provision for site restoration	775	508
	<u>1,575</u>	<u>5,083</u>

- (c) Inter-segment transactions eliminated on consolidation.
- (d) Additions to non-current assets (excluding financial instruments, intangible assets, right-of-use assets and deferred tax assets) consist of:

	2023 RM'000	2022 RM'000
Property, plant and equipment	<u>99,268</u>	<u>92,428</u>

- (e) The following items are deducted from segment assets to arrive at total assets reported in the consolidated statement of financial position:

	2023 RM'000	2022 RM'000
Inter-segment assets	<u>(2,350,559)</u>	<u>(2,126,889)</u>

Notes to the Financial Statements (Cont'd)

41. SEGMENT INFORMATION (continued)

- (f) The following items are deducted from segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

	2023	2022
	RM'000	RM'000
Deferred tax liabilities	8,179	8,872
Inter-segment liabilities	<u>(1,041,994)</u>	<u>(876,089)</u>
	<u><u>(1,033,815)</u></u>	<u><u>(867,217)</u></u>

- (g) Geographical information

Revenue information based on the geographical location of customers is as follows:

	Revenue	
	2023	2022
	RM'000	RM'000
Malaysia	430,541	363,283
Myanmar	86,509	85,947
Indonesia	134,863	99,121
Singapore	5,772	7,222
Vietnam	<u>65,098</u>	<u>61,533</u>
	<u><u>722,783</u></u>	<u><u>617,106</u></u>

The following is the analysis of non-current assets other than financial instruments and deferred tax assets analysed by the Group's geographical location:

	Non-current assets	
	2023	2022
	RM'000	RM'000
Malaysia	289,599	299,889
Myanmar	592,864	533,975
Indonesia	14,411	13,545
Vietnam	293,215	292,086
Thailand	<u>167</u>	<u>477</u>
	<u><u>1,190,256</u></u>	<u><u>1,139,972</u></u>

- (h) Major customers

During the financial year, revenue from a major customer in the Telecommunication Network Services segment represented approximately RM77,052,136 (2022: RM67,242,836) or 11% (2022: 11%) of the Group's revenue.

Notes to the Financial Statements

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42. 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”)
- (ii) Fair value through profit or loss (“FVPL”)

	Carrying amount RM'000	AC RM'000	FVPL RM'000
2023			
Financial assets			
Group			
Trade and other receivables, net of GST refundable, advances to sub-contractors and prepayments	204,502	204,502	-
Cash and short-term deposits	232,733	232,733	-
Other investments	88,818	-	88,818
	<u>526,053</u>	<u>437,235</u>	<u>88,818</u>
Company			
Other receivables, net of prepayments	108,100	108,100	-
Cash and short-term deposits	121,909	121,909	-
Other investments	84,656	-	84,656
	<u>314,665</u>	<u>230,009</u>	<u>84,656</u>
Financial liabilities			
Group			
Trade and other payables	149,942	149,942	-
Loans and borrowings	829,958	829,958	-
	<u>979,900</u>	<u>979,900</u>	<u>-</u>
Company			
Other payables	38,398	38,398	-
Loans and borrowings	509,586	509,586	-
	<u>547,984</u>	<u>547,984</u>	<u>-</u>

Notes to the Financial Statements (Cont'd)

42. FINANCIAL INSTRUMENTS (continued)

(a) Categories of financial instruments (continued)

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

	Carrying amount RM'000	AC RM'000	FVPL RM'000
2022			
Financial assets			
Group			
Trade and other receivables, net of GST refundable, advances to sub-contractors and prepayments	209,059	209,059	-
Cash and short-term deposits	70,019	70,019	-
Other investments	2,565	-	2,565
	<u>281,643</u>	<u>279,078</u>	<u>2,565</u>
Company			
Other receivables, net of prepayments	15,533	15,533	-
Cash and short-term deposits	14,678	14,678	-
Other investments	2,447	-	2,447
	<u>32,658</u>	<u>30,211</u>	<u>2,447</u>
Financial liabilities			
Group			
Trade and other payables	116,473	116,473	-
Loans and borrowings	576,275	576,275	-
	<u>692,748</u>	<u>692,748</u>	<u>-</u>
Company			
Other payables	32,488	32,488	-
Loans and borrowings	205,172	205,172	-
	<u>237,660</u>	<u>237,660</u>	<u>-</u>

Notes to the Financial Statements (Cont'd)

42. FINANCIAL INSTRUMENTS (continued)

(b) Fair value of financial instruments

The carrying amounts of cash and cash equivalents, short-term receivables and payables are reasonable approximation to their fair value due to relatively short-term nature of these financial instruments.

The carrying amount of long-term and short-term floating rate borrowings approximates their fair value as the borrowings will be re-priced to market interest rate on or near reporting date.

The fair value of other investments is determined by reference to the redemption price at the end of the reporting period.

There have been no transfers between Level 1 and Level 2 during the financial year (2022: no transfers between Level 1 and Level 2).

Notes to the Financial Statements
(Cont'd)42. **FINANCIAL INSTRUMENTS** (continued)(b) **Fair value of financial instruments** (continued)

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

Group	Carrying amount RM'000	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value			Total RM'000
		Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
2023								
Financial assets								
Other investments	88,818	88,818	-	-	-	-	-	-
Financial liabilities								
Hire purchase payables	3,145	-	-	-	-	-	3,145	3,145
2022								
Financial assets								
Other investments	2,565	2,565	-	-	-	-	2,565	-
Financial liabilities								
Hire purchase payables	3,130	-	-	-	-	-	3,130	3,130
Company								
2023								
Financial assets								
Other investments	84,656	84,656	-	-	-	-	84,656	-
Amounts owing by subsidiaries	107,558	-	-	-	-	-	107,558	107,558
2022								
Financial assets								
Other investments	2,447	2,447	-	-	-	-	2,447	-
Amounts owing by subsidiaries	14,983	-	-	-	-	-	14,983	14,983

Notes to the Financial Statements (Cont'd)

42. FINANCIAL INSTRUMENTS (continued)

(b) Fair value of financial instruments (continued)

Level 3 fair value

Fair value of financial instruments not carried at fair value

The fair value of amounts owing by subsidiaries 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.

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The operations of the Group and of the Company are exposed to a variety of financial risks arising from their operations and the use of financial instruments, including credit risk, liquidity risk, foreign currency risk and interest rate risk. The Group and the Company have formulated a financial risk management framework whose principal objective is to minimise the Group's and the Company's exposure to risks and/or costs associated with the financing, investing and operating activities of the Group and of the Company.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to the credit risk arises primarily from trade and other receivables. For cash and bank balances and deposits with licensed bank, the Group and the Company minimises credit risk by dealing exclusively with high credit rating financial institutions.

The Group's and the Company's objective are to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. In addition, receivables balances are monitored on an on-going basis with the result that the Group's and the Company's exposure to bad debt is not significant.

Trade receivables and contract assets

At the reporting date, the maximum exposure to credit risk arising from trade receivables and contract assets is represented by the 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.

Notes to the Financial Statements (Cont'd)

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(a) Credit risk (continued)

Trade receivables and contract assets (continued)

Credit risk concentration profile

At the end of the reporting period, approximately 11% (2022: 35%) of the Group's trade receivables was due from one (2022: three) major customer(s) who was involved in telecommunication network services industry.

The Group applies the simplified approach to providing for impairment losses prescribed by MFRS 9, 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 risk characteristics and the days past due.

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

	Expected credit loss rate %	Gross carrying amount at default RM'000	Impairment losses RM'000
2023			
Contract assets	0%	68,217	-
Impaired - individually		577	577
		68,794	577
Trade receivables			
Current	0%	80,822	-
1 to 30 days past due	0%	17,470	-
31 to 60 days past due	0%	9,641	-
61 to 90 days past due	0%	5,686	-
91 to 120 days past due	0%	3,895	-
More than 121 days past due	0%	45,728	20
		163,242	20
Impaired - individually		3,261	3,261
		166,503	3,281
		235,297	3,858

Notes to the Financial Statements (Cont'd)

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(a) Credit risk (continued)

Trade receivables and contract assets (continued)

Credit risk concentration profile (continued)

The information about the credit risk exposure on the Group's trade receivables and contract assets using the provision matrix are as follows: (continued)

	Expected credit loss rate %	Gross carrying amount at default RM'000	Impairment losses RM'000
2022			
Contract assets	0%	65,951	-
Trade receivables			
Current	0%	76,642	-
1 to 30 days past due	0%	24,148	-
31 to 60 days past due	0%	22,992	-
61 to 90 days past due	0%	5,487	-
91 to 120 days past due	0%	9,272	-
More than 121 days past due	0%	39,207	-
		177,748	-
Impaired - individually		2,585	2,585
		180,333	2,585
		<u>246,284</u>	<u>2,585</u>

Other receivables and other financial assets

For other receivables and other financial assets (including cash and short-term deposits and other investments), 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 is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

Notes to the Financial Statements

(Cont'd)

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(a) Credit risk (continued)

Other receivables and other financial assets (continued)

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 from the credit term in making a contractual payment.

Some intercompany loans between the 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 borrower 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.

As at the end of the reporting date, the Group and the Company consider the other receivables and other financial assets as low credit risk and any loss allowance would be negligible.

Financial guarantee contracts

The Company is exposed to credit risk in relation to financial guarantees given to banks in respect of loans 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 is representing by the maximum amount the Company could pay if the guarantee is called on is disclosed in Note 37. 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.

Notes to the Financial Statements

(Cont'd)

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet its financial obligations as they fall due. The Group's and the Company's exposures to liquidity risk arises principally from its various payables, loans and borrowings.

The Group and the Company maintain a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

Maturity analysis

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

	<----- Contractual undiscounted cash flows ----->				
	Carrying amount RM'000	On demand or within 1 year RM'000	Between 1 to 5 years RM'000	More than 5 years RM'000	Total RM'000
2023					
Group					
Financial liabilities					
Trade and other payables	149,942	149,942	-	-	149,942
Bankers' acceptance	40,895	40,895	-	-	40,895
Revolving projects loan	46,122	46,122	-	-	46,122
Revolving credit	8,348	8,348	-	-	8,348
Bank overdrafts	18,368	18,368	-	-	18,368
Lease liabilities	180,272	53,150	111,806	47,177	212,133
Medium term notes	400,000	21,467	185,400	332,192	539,059
Term loans	289,546	157,566	115,526	21,841	294,933
Hire purchase payables	3,145	1,535	1,808	46	3,389
Project financing	23,534	23,534	-	-	23,534
	1,160,172	520,927	414,540	401,256	1,336,723
Company					
Financial liabilities					
Other payables	38,398	38,398	-	-	38,398
Medium term notes	400,000	21,467	185,400	332,192	539,059
Term loans	109,586	109,664	-	-	109,664
Financial guarantee contracts	-	252,372	-	-	252,372
	547,984	421,901	185,400	332,192	939,493

Notes to the Financial Statements (Cont'd)

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Liquidity risk (continued)

Maturity analysis (continued)

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

	<----- Contractual undiscounted cash flows ----->				
	Carrying amount RM'000	On demand or within 1 year RM'000	Between 1 to 5 years RM'000	More than 5 years RM'000	Total RM'000
2022					
Group					
Financial liabilities					
Trade and other payables	116,473	116,473	-	-	116,473
Bankers' acceptance	41,712	41,712	-	-	41,712
Revolving projects loan	38,589	36,950	1,639	-	38,589
Revolving credit	31,051	31,051	-	-	31,051
Bank overdrafts	24,429	24,429	-	-	24,429
Lease liabilities	185,115	50,015	114,367	57,931	222,313
Term loans	396,984	70,487	316,407	74,874	461,768
Hire purchase payables	3,130	1,346	2,054	61	3,461
Project financing	40,380	40,380	-	-	40,380
	877,863	412,843	434,467	132,866	980,176
Company					
Financial liabilities					
Other payables	32,488	32,488	-	-	32,488
Revolving credit	10,000	10,000	-	-	10,000
Term loans	195,172	28,216	172,496	52,898	253,610
Financial guarantee contracts	-	313,135	-	-	313,135
	237,660	383,839	172,496	52,898	609,233

Notes to the Financial Statements

(Cont'd)

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group has transactional currency exposure arising from sales, purchases, deposits and borrowings that are denominated in a currency other than the respective functional currency of the Group's entities, primarily RM. The foreign currencies in which these transactions are denominated are mainly United States Dollar ("USD"), Myanmar Kyat ("MMK") and Singapore Dollar ("SGD").

The Group and the Company also hold cash and cash equivalents denominated in foreign currencies for working capital purposes. At the reporting date, such foreign currency balances (mainly in USD and MMK) amounted to RM119,921,595 (2022: RM13,811,313) and RM5,758,417 (2022: RM6,824,883) respectively.

The Group is also exposed to currency translation risk arising from its investments in foreign operations. The Group's investments in Singapore, Indonesia, China, Cambodia, Thailand, Myanmar, British Virgin Islands and Vietnam are not hedged as currency positions in the functional currency of respective countries are considered to be long-term in nature.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's and the Company's profit net of tax to a reasonably possible change in the USD, MMK and SGD exchange rates against the respective functional currency of the Group's entities, with all other variables held constant:

		Group	
		Profit net of tax	
		2023	2022
		RM'000	RM'000
USD/RM	- strengthen by 5% (2022: 5%)	(27)	(7,350)
	- weaken by 5% (2022: 5%)	27	7,350
MMK/RM	- strengthen by 5% (2022: 5%)	1,779	1,238
	- weaken by 5% (2022: 5%)	(1,779)	(1,238)
SGD/RM	- strengthen by 5% (2022: 5%)	16	79
	- weaken by 5% (2022: 5%)	(16)	(79)
		<u> </u>	<u> </u>
		Company	
		Profit net of tax	
		2023	2022
		RM'000	RM'000
USD/RM	- strengthen by 5% (2022: 5%)	(4,164)	(7,417)
	- weaken by 5% (2022: 5%)	4,164	7,417
		<u> </u>	<u> </u>

Notes to the Financial Statements

(Cont'd)

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arises primarily from:

(i) Interest bearing financial assets

Cash deposits are short-term in nature and are not held for speculative purposes.

The Group manages its interest rate yield by prudently placing deposits with varying maturity periods.

(ii) Interest bearing financial liabilities

The Group and the Company manages their interest rate exposure by maintaining a prudent mix of fixed and floating borrowings. The Group and the Company actively reviews its debt portfolio, taking into account the investment holding period and the nature of its assets. This strategy allows it to capitalise on cheaper funding in a low interest rate environment and achieve a certain level of protection against rate hikes.

Sensitivity analysis for interest rate risk

At the end of the financial year, if average interest rates increased/decreased by 1% with all other variable held constant, the Group's and the Company's profit net of tax for the financial year ended 31 December 2023 will be lower/higher by RM3,180,332 (2022: RM4,119,916) and RM832,856 (2022: RM1,483,308) as a result of exposure to floating rate borrowings.

44. CAPITAL MANAGEMENT

The primary objective of the Group's and the Company's capital management is to build and maintain a strong capital base so as to maintain healthy capital ratios and at the same time be able to leverage on the capital to provide the funds to fund their expansion and growth.

The Group and the Company manage their capital structure, and make adjustment to it, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust dividend payment to shareholders, return capital to shareholders or issue new shares, raise new debts and reduce existing debts.

The Group and the Company monitor the level of dividends to be paid to shareholders. The Company's objectives are to pay out regular dividends to the shareholders based on the level of the Group's and the Company's profitability and cash flows. No changes were made in the objectives, policies and processes during the financial years ended 31 December 2023 and 31 December 2022.

The capital structure of the Group and of the Company consists of equity attributable to owners of the Company, comprising share capital, retained earnings and total debts.

Notes to the Financial Statements (Cont'd)

44. CAPITAL MANAGEMENT (continued)

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Loan and borrowings	829,958	576,275	509,586	205,172
Lease liabilities	180,272	185,115	-	-
Trade and other payables	149,942	116,473	38,398	32,488
Contract liabilities	2,185	4,115	-	-
Less: Cash and short-term deposits	<u>(232,733)</u>	<u>(70,019)</u>	<u>(121,909)</u>	<u>(14,678)</u>
Net debt	929,624	811,959	426,075	222,982
Total equity	<u>795,639</u>	<u>724,933</u>	<u>411,852</u>	<u>415,067</u>
	<u>1,725,263</u>	<u>1,536,892</u>	<u>837,927</u>	<u>638,049</u>
Gearing ratio	<u>54%</u>	<u>53%</u>	<u>51%</u>	<u>35%</u>

The Group is not subject to any externally imposed capital requirements other than a subsidiary which is required to maintain a finance service cover ratio of not less than 1.5 times.

45. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

- (a) On 25 October 2023, the Company's wholly owned subsidiary, OCK Setia Engineering Sdn. Bhd. ("OCKSE") had accepted the Letter Acceptance from the Ministry of Education Malaysia for the rental of eco-friendly ICT hardware that meet green requirements on a lease-to-use basis for teaching and learning needs in the Ministry of Education Malaysia ("KPM") school computer laboratories Phase 3 (Zone 9: Sarawak) ("the Contract").

The duration of the Contract is for a period of 65 months from 26 October 2023 to 25 March 2029, i.e. 4 months for the supply, installation, testing and hardware commissioning, 60 months for leasing of the laptops and 1 month return period. The total value of the Contract is RM48,730,110.00.

Subsequently, OCKSE had accepted and signed the Letter of Award from the Ministry of Education Malaysia on 21 February 2024.

- (b) During the financial year, the Company completed the first issuance of medium term notes with a nominal value of RM400 million under Sukuk Murabahah Programme. The profit rate for the RM100 million maturing in five years was priced at 5.21%, while the other seven-year RM300 million portion was priced at 5.38%.

The proceeds raised from the issuance of medium term notes are allowed to be utilised by the Group to finance general working capital, refinancing of existing Shariah-compliant financing, conventional borrowings, future Shariah-compliant financing and general corporate purposes.

- (c) On 24 April 2024, the Company had entered into the Islamic Commercial Papers ("ICPS") Programme of RM500 million in nominal value under Wakalah Bi Al-Istithmar ("ICP Programme").

The ICP Programme shall have a tenure of 7 years from the first issuance date.

The proceeds raised from the issuance of the ICP Programme are allowed to be utilised by the Group to finance general working capital, refinancing of existing Shariah-compliant financing, conventional borrowings, future Shariah-compliant financing and general corporate purposes.

STATEMENT BY **DIRECTORS**

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, **DATUK WIRA OOI CHIN KHOON** and **ABDUL HALIM BIN ABDUL HAMID**, being two of the directors of OCK GROUP BERHAD, do hereby state that in the opinion of the directors, the accompanying financial statements set out on pages 125 to 238 are drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and of their financial performance and cash flows for the financial year then ended.

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

.....
DATUK WIRA OOI CHIN KHOON

Director

.....
ABDUL HALIM BIN ABDUL HAMID

Director

Kuala Lumpur

Date: 29 April 2024

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1) OF THE COMPANIES ACT 2016

I, **ANTHONY THONG YEONG SHYAN**, being the officer primarily responsible for the financial management of OCK GROUP BERHAD, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 125 to 238 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.

.....
ANTHONY THONG YEONG SHYAN
(MIA Membership No: 6179)

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 29 April 2024.

Before me,

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF OCK GROUP BERHAD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of OCK Group Berhad, which comprise the statements of financial position as at 31 December 2023 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 125 to 238.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

Independent Auditors' Report

(Cont'd)

Key Audit Matters (continued)

Group

Goodwill (Note 4(a) and Note 14 to the financial statements)

The Group has significant balances of goodwill arising from the acquisition of subsidiaries. The accounting policy of the Group is to test goodwill for impairment annually. The goodwill amount is required to be allocated to the cash generating units ("CGU") for impairment testing purposes.

We focused on this area because the Group's determination of recoverable amount of the CGU to which the goodwill is allocated requires the exercise of significant judgement to be made by the directors, especially in determining the assumptions to be applied in supporting the underlying cash flow projections in the recoverable amount calculation. These judgements and assumptions are inherently uncertain.

Our audit response:

Our audit procedures included, among others:

- understanding the methodology and method adopted by the directors in measuring the recoverable amount;
- comparing the actual results with previous budget to understand the performance of the business;
- discussing with the Group on their assessment and consideration of the current economic and business environment in relation to key inputs such as discount rates, forecast growth rates, inflation rates and gross profit margins;
- testing the mathematical computation of the impairment assessment; and
- performing the sensitivity analysis of key assumptions and the impacts of these key assumptions and inputs that are expected to be most sensitive to the recoverable amount.

Independent Auditors' Report

(Cont'd)

Key Audit Matters (continued)

Group (continued)

Trade receivables and contract assets (Note 4(b) and Note 19 to the financial statements)

The Group has significant trade receivables and contract assets as at 31 December 2023.

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

Our audit response:

Our audit procedures included, among others:

- understanding the design and implementation of controls associated with monitoring of outstanding trade receivables and contract assets and impairment calculation;
- understanding the significant credit exposures which were overdue or deemed to be in default through analysis of ageing reports and other collection or legal reports prepared by the Group;
- obtaining confirmation of balances from selected receivables;
- checking subsequent receipts, customer correspondence, and explanation on recoverability with significantly past due balances; and
- testing the mathematical computation of impairment losses as at the end of the reporting period.

Independent Auditors' Report (Cont'd)

Key Audit Matters (continued)

Company

Investment in subsidiaries (Note 4(c) and Note 16 to the financial statements)

The Company has a significant balance of investment in subsidiaries. At the end of the financial year, the directors are required to determine if there is any indication of impairment in investment in the subsidiaries. If such an indication of impairment exists, the directors are required to determine the recoverable amount of these investments.

We focused on this area because the Company's determination of the recoverable amount requires significant judgement to be made by the directors, especially in determining the assumptions to be applied in supporting the underlying cash flow projections in the recoverable amount calculation. These judgements and assumptions are inherently uncertain.

Our audit response:

Our audit procedures included, among others:

- comparing the actual results with previous budget to assess the performance of the business and reliability of the forecasting process;
- comparing the directors' key assumptions to our assessments in relation to key assumptions to assess their reasonableness;
- testing the mathematical computation of the impairment assessment; and
- performing the sensitivity analysis around the key assumptions.

Independent Auditors' Report

(Cont'd)

Key Audit Matters (continued)

Company (continued)

Amounts owing by subsidiaries (Note 4(d) and Note 19 to the financial statements)

We focused on this area because the Company made significant judgement over assumption about risk of default and expected loss rate. Significant judgement is required over assumptions about risk of default and expected loss rate. In making the assumptions, the Company selected inputs to the impairment calculation, existing market conditions as well as forward looking estimates at the end of the reporting period.

Our audit response:

Our audit procedures included, among others:

- understanding the design and implementation of controls associated with monitoring of outstanding amounts by subsidiaries;
- obtaining confirmation of balances from subsidiaries;
- checking subsequent receipts, correspondence and considering explanation on recoverability with significantly past due balances; and
- understanding the reasonableness and calculation of expected credit loss as at the end of the reporting period.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Independent Auditors' Report (Cont'd)

Responsibilities of Directors for the Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

Independent Auditors' Report (Cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

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: (continued)

- 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, related safeguards.

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

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we also report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 16 to the financial statements.

Independent Auditors' Report (Cont'd)

Other Matters

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

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

Heng Fu Joe
No. 02966/11/2024 J
Chartered Accountant

Kuala Lumpur

Date: 29 April 2024

LIST OF PROPERTIES

Registered/ Beneficial Owner	Title/Address	Description/ Existing Use	Tenure	Land Area/ Built-up Area sq ft	Audited Net Book Value as at 31 December 2023 RM'000	Market Value/ Date RM'000	Issuance Date of Certificate of Fitness/ Certificate of Completion and Compliance
OCK Setia Engineering Sdn. Bhd.	Title: PT No. 366 held under Title No. H.S.(D) 292524 Mukim Pekan Hicom District of Petaling State of Selangor (formerly known as PT No. 629 & 630 held under Title No. H.S.(D) 63627 & 63628 respectively Mukim Damansara District of Petaling State of Selangor) Address: No. 79 & 80, Hicom Sector B, Jalan Teluk Gadung 27/93A, Seksyen 27, 40000 Shah Alam, Selangor Darul Ehsan	Single (1) storey detached warehouse annexed with a three (3) storey office building and a double laboratory/ Rented to third party	Freehold	55,984 / 47,084	14,500	14,500 / December 2023	20.06.1995
OCK Setia Engineering Sdn. Bhd.	Title: PT. No. 703 held under Title No. H.S.(D) 194910 Town of Sunway District of Petaling State of Selangor Address: No. 21, Jalan PJS 8/18, Dataran Mentari 2, Bandar Sunway, 46150 Petaling Jaya, Selangor Darul Ehsan	Three (3) storey terrace intermediate shop office/ Rented to third parties	99 years lease expiring 06.11.2102	1,765 / 5,228	2,400	2,400 / December 2023	18.08.2008
OCK Setia Engineering Sdn. Bhd.	Title: Geran 46092/M1/21/94, Petak No. 94, Tingkat No.21, Bangunan No. M1, Lot No 70, Seksyen 70, Town and District Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur Address: No 18-02, Q Sentral, 2A, Jalan Stesen Sentral 2, Kuala Lumpur Sentral, 50470 Kuala Lumpur	Office unit/ Rented to third parties	Freehold	1,711	2,200	2,200 / December 2023	14.09.2016

List of Properties

(Cont'd)

Registered/ Beneficial Owner	Title/Address	Description/ Existing Use	Tenure	Land Area/ Built-up Area sq ft	Audited Net Book Value as at 31 December 2023 RM'000	Market Value/ Date RM'000	Issuance Date of Certificate of Fitness/ Certificate of Completion and Compliance
OCK Setia Engineering Sdn. Bhd.	Title: PT.No. 84 held under Title No. 215172, Lot No. 61777 (formerly known as H.S.(D) No. 225932, PT No. 84, Bandar Glenmarie, District of Petaling, State of Selangor Address: No. 18, Jalan Jurunilai U1/20, Hicom Glenmarie Industrial Park, Seksyen U1, 40150 Shah Alam, Selangor Darul Ehsan	A double storey warehouse with an annexed 3-storey office building/ Head office of OCK	Freehold	46,016 / 52,398	17,000	17,000 / December 2023	25.11.1995
OCK M&E Sdn. Bhd.	Title: PT.No. 41553 held under Title No. H.S.(M) 19182, Mukim Dengkil, District of Sepang, State of Selangor Address: No. 6, Jalan PTP 1/1 Taman Perindustrian Tasik Perdana @ Puchong, 47120 Puchong, Selangor Darul Ehsan	One and a half storey (1 1/2 semi-detached factory)/ Asset held for sale	99 years lease expiring 4.11.2107	8,125 / 4,043	2,822	3,000 / December 2023	Asset held for sale
OCK M&E Sdn. Bhd.	Title: PT.No. 15689 held under Title No. H.S.(D) 120418, PT15687, GM 1216 Lot 1589 and GM1217 Lot 1590 Mukim Petaling, District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur Address: Parcel No. 15-15 (accessory Parcel L2-36 & L2-36A)(Type B2 Mirror) Storey No.46 forming part of development provisionally known as Residensi Kuchai Timur (Kuchai East)	15-15 (Kuchai East)	Freehold	6,989 / 678	478	478 / December 2023	In Progress

List of Properties (Cont'd)

Registered/ Beneficial Owner	Title/Address	Description/ Existing Use	Tenure	Land Area/ Built-up Area sq ft	Audited Net Book Value as at 31 December 2023 RM'000	Market Value/ Date RM'000	Issuance Date of Certificate of Fitness/ Certificate of Completion and Compliance
OCK M&E Sdn. Bhd.	Title: P.T. No. 15689 held under Title No. H.S.(D) 120418, PT15687, GM 1216 Lot 1589 and GM1217 Lot 1590 Mukim Petaling, District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur Address: Parcel No. 46-12 (Accessory Parcel L2-36 & L2-36A)(Type B2 Mirror) Storey No. 46 forming part of development provisionally known as Residensi Kuchai Timur (Kuchai East)	46-12 (Kuchai East)	Freehold	6,989 / 822	623	623 / December 2023	In Progress
OCK M&E Sdn. Bhd.	Title: P.T. No. 47703 held under Title No. H.S.(M) 28780, No PT 41462, Mukim Dengkil, District of Sepang, State of Selangor Address: H1204A ,Block H, Mutiara Ville, Persiaran Sepang, Cyber 11, 63300 Cyberjaya, Selangor	H1402A (Cyberjaya)	Freehold	839,476 / 935	370	370 / December 2023	30.12.2016
OCK M&E Sdn. Bhd.	Title: P.T. No. 47703 held under Title No. H.S.(M) 28780, No PT 41462, Mukim Dengkil, District of Sepang, State of Selangor Address: J1412, Block J, Mutiara Ville, Persiaran Sepang, Cyber 11, 63300, Cyberjaya, Selangor	J1412 (Cyberjaya)	Freehold	839,476 / 935	375	375 / December 2023	30.12.2016

List of Properties

(Cont'd)

Registered/ Beneficial Owner	Title/Address	Description/ Existing Use	Tenure	Land Area/ Built-up Area sq ft	Audited Net Book Value as at 31 December 2023 RM'000	Market Value/ Date RM'000	Issuance Date of Certificate of Fitness/ Certificate of Completion and Compliance
Milab Marketing Sdn. Bhd.	Title: P.T. No. 2422 held under Title No. H.S.(M) 15/90, Mukim Semarak Pasir Puteh, State of Kelantan P.T. No. 6757 held under Title No. H.S.(M) 1751, Mukim Semarak Pasir Puteh, State of Kelantan Address: Kawasan Ltn Semarak, Tok Bali 46400, Pasir Puteh, Kelantan Darul Naim	1 MWP Solar Power Plant	99 years lease expiring 17.12.2089	195,257	1,300	1,300 / December 2023	25.11.2013
			99 years lease expiring 15.4.2094	197,087			

ANALYSIS OF SHAREHOLDINGS

Issues and fully paid-up Share Capital	:	RM 316,292,500
Class of Shares	:	Ordinary Share
Voting Rights	:	One (1) vote per shareholder on a show of hands or one vote per ordinary share on poll.
Number of shareholders	:	8,295

ANALYSIS OF SHAREHOLDINGS

Size of Holdings	No. of holders	%	No. of shares	%
1 - 99	147	1.772	6,229	0.000
100 - 1,000	753	9.077	440,980	0.041
1,001 - 10,000	3,757	45.292	22,411,327	2.124
10,001 - 100,000	3,068	36.986	103,375,730	9.798
100,001 - 52,751,992 (*)	566	6.823	479,872,514	45.483
52,751,993 and above (**)	4	0.048	448,933,089	42.551
TOTAL :	8,295	100.000	1,055,039,869	100.000

Remark : * - Less than 5% of Issued Shares
 ** - 5% and above of Issued Shares

SUBSTANTIAL SHAREHOLDERS

As per the Register of Substantial Shareholders

Name of Shareholders	Direct	Shareholdings		%
		%	Indirect	
AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ALIRAN ARMADA SDN. BHD.	173,918,115	16.484	-	-
LEMBAGA TABUNG ANGKATAN TENTERA	101,273,825	9.599	-	-
HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ALIRAN ARMADA SDN BHD (SIN 45387)	97,196,000	9.212	-	-
CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR ALIRAN ARMADA SDN BHD (PB)	76,545,149	7.255	-	-

Analysis of Shareholdings (Cont'd)

DIRECTORS' INTERESTS IN SHARES As per the Register of Directors Shareholdings

Directors	Shareholdings			
	Direct No. of Shares	%	Indirect No. of Shares	%
YBhg. Datuk Wira Ooi Chin Khoon	409,200	0.0388	368,485,839	34.9262
Low Hock Keong	13,496,800	1.2793	3,205,500	0.3038
Chang Tan Chin	5,023,610	0.4762	-	-
Ooi Inn Huei (Appointed on 1 July 2023)	400,000	0.0379	-	-
YBhg. Dato' Indera Syed Norulzaman Bin Syed Kamarulzaman	-	-	-	-
Abdul Halim Bin Abdul Hamid	-	-	-	-
Mahathir Bin Mahzan	-	-	-	-
Rear Admiral (R) Dato' Mohd Som Bin Ibrahim	-	-	-	-
Low Ngai Yuen	-	-	-	-
Ong Yee Ling @ Sharon	-	-	-	-
Nur Safwan Bin Mohamed Yusup (Alternate Director to Rear Admiral (R) YBhg. Dato' Mohd Som Bin Ibrahim) (Appointed on 11 Jan 2024)	-	-	-	-

Notes:

* Deemend interested by virtue of his brothers, Ooi Cheng Wah's direct shareholding in OCK Group Berhad and Deemend interested by virtue of his shareholding in Aliran Armada Sdn Bhd under Section 8 of the Companies Act, 2016

Deemed interested in his Mother, Hoh Moh Ying's direct shareholdings in OCK Group Berhad

Analysis of Shareholdings (Cont'd)

LIST OF TOP 30 HOLDERS AS AT 1 APRIL 2024

No.	Name of Shareholders	No. of Shares Held	%
1.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ALIRAN ARMADA SDN.BHD.	173,918,115	16.484
2.	LEMBAGA TABUNG ANGKATAN TENTERA	101,273,825	9.599
3.	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ALIRAN ARMADA SDN BHD (SIN 45387)	97,196,000	9.212
4.	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR ALIRAN ARMADA SDN BHD (PB)	76,545,149	7.255
5.	UNIVERSAL TRUSTEE (MALAYSIA) BERHAD KAF CORE INCOME FUND	20,033,000	1.898
6.	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ALIRAN ARMADA SDN BHD	19,600,000	1.857
7.	HE SWEE HONG	19,080,000	1.808
8.	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR ALLIANZ LIFE INSURANCE MALAYSIA BERHAD (MEF)	18,619,600	1.764
9.	PHILLIP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR PHILLIP CAPITAL MANAGEMENT SDN BHD	16,161,631	1.531
10.	MAYBANK NOMINEES (TEMPATAN) SDN BHD NATIONAL TRUST FUND (IFM KAF) (446190)	12,890,300	1.221
11.	AMANAH RAYA BERHAD KUMPULAN WANG BERSAMA	12,802,300	1.213
12.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LOW HOCK KEONG	10,186,800	0.965
13.	CITIGROUP NOMINEES (ASING) SDN BHD UBS AG	8,767,600	0.831
14.	LEE MEI SIANG	8,413,185	0.797
15.	SONG CHIN YEW	8,300,796	0.786
16.	PHILLIP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR PHILLIP CAPITAL MANAGEMENT SDN BHD	8,202,300	0.777
17.	UNIVERSAL TRUSTEE (MALAYSIA) BERHAD KAF TACTICAL FUND	8,000,000	0.758
18.	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHONG WAI YEW	7,715,700	0.731
19.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (KENANGAESG)	7,135,800	0.676

Analysis of Shareholdings (Cont'd)

LIST OF TOP 30 HOLDERS AS AT 1 APRIL 2024 (CONT'D)

No.	Name of Shareholders	No. of Shares Held	%
20	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN TAKAFUL BERHAD (MEKAR)	6,272,000	0.594
21	LEE ENG HOCK & CO. SENDIRIAN BERHAD	6,004,900	0.569
22	CARTABAN NOMINEES (TEMPATAN) SDN BHD ICAPITAL.BIZ BERHAD	5,909,900	0.560
23	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR PETROLIAM NASIONAL BERHAD (ACF-KENANGA-EQ)	5,541,200	0.525
24	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SONG CHIN YEW (CCTS)	5,136,100	0.486
25	PHILLIP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR PHILLIP CAPITAL MANAGEMENT SDN BHD	4,781,248	0.453
26	QUEK MEU SAN	4,435,180	0.420
27	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD FOR KENANGA GROWTH OPPORTUNITIES FUND (50154 TR01)	4,100,100	0.388
28	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LEEF)	4,072,100	0.385
29	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHEN KHAI VOON	4,004,000	0.379
30	CARTABAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR BARCLAYS CAPITAL SECURITIES LTD (SBL/PB)	4,000,653	0.379
Total		689,099,482	65.351

ANALYSIS OF WARRANTS

No. of warrants in issue	:	95,848,046
Exercise price of warrants	:	RM0.42
Voting Rights	:	One (1) vote per warrant holder on a show of hands or one (1) vote per warrant on poll in the meeting of warrant holders.
Number of warrant holders	:	2,030

ANALYSIS OF WARRANTHOLDINGS

Size of Holdings	No. of Warrantholders	%	No. of Warrants	%
1 - 99	65	3.201	2,601	0.002
100 - 1,000	515	25.369	287,257	0.299
1,001 - 10,000	685	33.743	3,127,783	3.263
10,001 - 100,000	592	29.162	24,544,876	25.608
100,001 - 4,792,401 (*)	173	8.522	67,885,529	70.826
4,792,402 AND ABOVE (**)	0	0.000	0	0.000
TOTAL :	2,030	100.000	95,848,046	100.000

Remark : * - Less Than 5% of Issued Warrants
 ** - 5% and Above of Issued Warrants

DIRECTORS' INTEREST IN WARRANTS As per the Register of Directors Warrantholdings

Name of Directors	Warrantholdings			
	Direct No. of Warrants	%	Indirect No. of Warrants	%
YBhg. Datuk Wira Ooi Chin Khoon	37,200	0.039	3,071,114	3.204
Low Hock Keong	50,000	0.052	-	-
Chang Tan Chin	510	0.001	-	-
Ooi Inn Huei (Appointed on 1 July 2023)	-	-	-	-
YBhg. Dato' Indera Syed Norulzaman Bin Syed Kamarulzaman	-	-	-	-
Abdul Halim Bin Abdul Hamid.	-	-	-	-
Mahathir Bin Mahzan	-	-	-	-
Rear Admiral (R) Dato' Mohd Som Bin Ibrahim	-	-	-	-
Low Ngai Yuen	-	-	-	-
Ong Yee Ling @ Sharon	-	-	-	-
Nur Safwan Bin Mohamed Yusup (Alternate Director to Rear Admiral (R))	-	-	-	-
YBhg. Dato' Mohd Som Bin Ibrahim (Appointed on 11 Jan 2024)	-	-	-	-

Analysis of Warrants

(Cont'd)

LIST OF TOP 30 HOLDERS AS AT 03/04/2023

No.	Name of Warrants	No. of Warrantsholders Held	%
1	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHEN KHAI VOON	2,952,000	3.079
2	NEOH GUAN KIE	2,200,000	2.295
3	LIM KIAN KAK	2,089,500	2.180
4	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR ALIRAN ARMADA SDN BHD (PB)	1,963,549	2.048
5	KENANGA NOMINEES (TEMPATAN) SDN BHD RAKUTEN TRADE SDN BHD FOR ALLAN GAN CHIN YONG	1,800,000	1.877
6	GOH KIM KEONG	1,700,000	1.773
7	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEE BOON CHAI (E-KLG)	1,500,000	1.564
8	HO CHUN SIONG	1,450,000	1.512
9	LIONG HONG HOH	1,300,000	1.356
10	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR BEH LEE FONG (E-SS2)	1,055,900	1.101
11	MING KAY HOONG	1,040,000	1.085
12	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LIM TEONG ENG (PENANG-CL)	991,100	1.034
13	CHIANG SIONG CHIEW @ CHIONG SIONG CHIEW	953,000	0.994
14	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN MENG SENG (MY1542)	850,000	0.886
15	LOW TEONG KEONG	820,000	0.855
16	LIM KENG ANN	816,500	0.851
17	LIM JYH HORNG	800,000	0.834
18	LEE MEI SIANG	764,835	0.797
19	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD FOR TAN MOOI KIM	740,000	0.772
20	THOONG KAM WAH	700,000	0.730
21	TAY KA KEON @ TAY KAH TAIT	676,700	0.706
22	LAI KIM LOONG	652,700	0.680

Analysis of Warrants (Cont'd)

LIST OF TOP 30 HOLDERS AS AT 03/04/2023 (CONT'D)

No.	Name of Warrants	No. of Warrantsholders Held	%
23	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LIM HENG CHUAN (ML00233)	650,000	0.678
24	YAP YONG SING	649,900	0.678
25	GO SET YUN	637,700	0.665
26	LIM TECK HEE	600,000	0.625
27	LIM KUANG YEE	595,500	0.621
28	HENG AI LI	577,500	0.602
29	FOO ER XIAN	570,000	0.594
30	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ALIRAN ARMADA SDN BHD	550,000	0.573
Total		32,646,384	34.060

NOTICE OF THE THIRTEENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirteenth Annual General Meeting of **OCK GROUP BERHAD** Registration No.: 201101027780 (955915-M) will be conducted at the Zamrud Room, The Saujana Hotel Saujana Resort, Jalan Lapangan Terbang SAAS 40150 Shah Alam, Selangor, Malaysia on Wednesday, 5 June 2024 at 10.00 a.m. for the following purposes: -

ORDINARY BUSINESS:-

- | | | |
|----|---|-------------------------------|
| 1. | To receive the Audited Financial Statements for the year ended 31 December 2023 together with the Reports of the Directors and Auditors thereon. | <i>Please refer to Note 1</i> |
| 2. | To approve the payment of Directors' fees and benefits amounting to RM261,300 for the financial year ended 31 December 2023. | <i>Resolution 1</i> |
| 3. | To approve the payment of Directors' fees and benefits of up to RM500,000 for the period from 1 January 2024 until the conclusion of the next Annual General Meeting. | <i>Resolution 2</i> |
| 4. | To re-elect the following Directors who retire by rotation pursuant to Clause 97 of the Company's Constitution: - | |
| | a) YBhg. Datuk Wira Ooi Chin Khoon | <i>Resolution 3</i> |
| | b) YBhg. Dato' Syed Norulzaman Bin Syed Kamarulzaman | <i>Resolution 4</i> |
| | c) Ms. Low Ngai Yuen | <i>Resolution 5</i> |
| 5. | To re-elect Mr. Ooi Inn Huei who retires pursuant to Clause 104 of the Company's Constitution. | <i>Resolution 6</i> |
| 6. | To re-appoint Messrs. BakerTilly Monteiro Heng PLT as the Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. | <i>Resolution 7</i> |

SPECIAL BUSINESS:-

To consider and, if thought fit, pass with or without modifications, the following Ordinary Resolutions:-

- | | | |
|----|--|---------------------|
| 7. | ORDINARY RESOLUTION | <i>Resolution 8</i> |
| | <ul style="list-style-type: none"> • Authority for Directors to allot and issue shares pursuant to Section 75 & 76 of the Companies Act, 2016 and Waiver of Pre-Emptive Rights | |

The ordinary resolution set out below shall be proposed to the Members for approval: -

"THAT pursuant to Section 75 & 76 of the Companies Act, 2016 and subject always to the approvals of the relevant authorities, the Directors be and are hereby authorised to allot and issue shares in the Company from time to time at such price, upon such terms and conditions, for such purposes and to such person or persons whomsoever as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company for the time being **AND THAT** the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company.

Notice of the Thirteenth Annual General Meeting (Cont'd)

AND FURTHER THAT pursuant to Section 85 of the Companies Act, 2016 read together with Clause 54 of the Company's Constitution, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company and to offer new shares arising from the issuance and allotment of the new shares pursuant to Sections 75 and 76 of the Companies Act 2016 **AND THAT** the Board of Directors of the Company is exempted from the obligation to offer such new shares first to the existing shareholders of the Company."

8. **ORDINARY RESOLUTION**

Resolution 9

• **Proposed Renewal of Shareholders' Mandate for Share Buy-Back of OCK Group Berhad**

"THAT subject to the Companies Act 2016 ("Act"), the Company's Constitution, the Main Market Listing Requirements of Bursa Securities ("MMLR") and all other prevailing laws, rules, regulations and orders issued and/or amended from time to time by the relevant regulatory authorities, the Company be and is hereby authorised to purchase and/or hold up to ten percent (10%) of the total number of issued shares of the Company ("Proposed Share Buy-Back") as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors of the Company may deem fit and expedient in the best interest of the Company and an amount not exceeding the retained profits of the Company, be allocated by the Company for the Proposed Share Buy-Back.

AND THAT upon completion of the purchase by the Company of its own shares, the Directors of the Company be and are hereby authorised to cancel such shares or retain such shares as Treasury Shares or a combination of both. The Directors of the Company are further authorised to resell the Treasury Shares on Bursa Securities or distribute the Treasury Shares as dividends to the shareholders of the Company or subsequently cancel the Treasury Shares or any combination of the three.

AND FURTHER THAT the Directors of the Company be and are hereby authorised to carry out the Proposed Share Buy-Back immediately upon the passing of this resolution until:-

- (a) the conclusion of the next Annual General Meeting of the Company at which time the authority shall lapse, unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to the conditions; or
- (b) the expiration of the period within which the next Annual General Meeting is required by law to be held; or
- (c) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting

whichever occur first but not so as to prejudice to the completion of purchase(s) by the Company before the aforesaid expiry date and to take all steps as are necessary and/or to do all such acts and things as the Directors of the Company deem fit and expedient in the interest of the Company to give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, amendments and/or variations as may be imposed by the relevant authorities."

Notice of the Thirteenth Annual General Meeting (Cont'd)

9. **ORDINARY RESOLUTION**

Resolution 10

• **Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**

"THAT the Company and its subsidiaries shall be mandated to enter into the category of recurrent related party transactions of a revenue or trading nature which are necessary for the day to day operations as set out in the Circular to Shareholders dated 30 April 2024 subject to the following :

- (a) the transactions are in the ordinary course of business and are on normal commercial terms which are not more favourable to the related parties than those generally available to the public and not to the detriment of the minority shareholders; and
- (b) disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year including amongst others, the following information :
 - (i) the type of recurrent related party transaction and;
 - (ii) the names of the related parties involved in each recurrent party transaction entered into and their relationship with the Company;

AND THAT such approval shall continue to be in force until :

- (a) the conclusion of the next AGM of the Company; or
- (b) the expiration of the period within which the next AGM 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 ordinary resolution passed by the shareholders at a General Meeting;

whichever is the earlier,

AND FURTHER THAT the Directors of the Company be authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary or give effect to the transactions contemplated and/or authorised by this ordinary resolution."

ANY OTHER BUSINESS: -

- 10. To transact any other business for which due notice shall have been given in accordance with the Company's Constitution and the Companies Act, 2016.

BY ORDER OF THE BOARD

WONG YOUN KIM (MAICSA 7018778)

SSM PC No.: 201908000410

Company Secretary

Kuala Lumpur

Date: 30 April 2024

Notice of the Thirteenth Annual General Meeting

(Cont'd)

Notes:-

1. *This Agenda item is meant for discussion only as the provision of Section 248(2) of the Companies Act, 2016 does not require a formal approval of the shareholders and hence, is not put forward for voting.*
2. *A member of the Company shall not be entitled to appoint more than two (2) proxies to attend, participate, speak and vote at the same meeting and where the member appoints two (2) proxies to attend, participate, speak and vote at the same meeting, such appointment shall be invalid unless the member specifies the proportion of his/her holdings to be represented by each proxy.*
3. *The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or executed must be deposited at the Company's Registered Office at Unit No. EL-11-01, Amcorp Business Suite, Menara Melawangi, Pusat Perdagangan Amcorp, No. 18, Jalan Persiaran Barat, 46050 Petaling Jaya, Selangor not less than 24 hours before the time appointed for holding the meeting or any adjournment thereof.*
4. *Where a member of the Company is an exempt authorized nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as defined under the Securities Industry (Central Depositories) Act, 1991, there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds.*
5. *In respect of deposited securities, only members whose names appear on the Record of Depositors on 29 May 2024 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his/her behalf.*

6. **Explanatory Notes on Special Business**

6.1 **Resolution 6 - To re-elect Mr. Ooi Inn Huei who retires pursuant to Clause 104 of the Company's Constitution.**

The proposed Resolution 6 under item 5 is to seek the approval for re-election of Mr. Ooi Inn Huei, who appointed on 1 July 2023.

The Clause 104 of the Company's Constitution states that the Directors shall have power at any time, and from time to time, to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors, but the total number of Directors shall not at any time exceed the maximum number fixed in accordance with this Constitution. Any Director so appointed shall hold office only until the next following annual general meeting, and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting.

6.2 **Resolution 8 - Authority for Directors to allot and issue shares pursuant to Section 75 & 76 of the Companies Act, 2016 and Waiver of Pre-Emptive Rights**

The proposed Resolution 8 under item 7 above, if passed, will empower the Directors of the Company, from the date of the above Annual General Meeting, with the authority to issue and allot shares in the Company up to an amount not exceeding 10% of the total number of issued shares of the Company for such purposes as the Directors consider would be in the best interest of the Company. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting.

This general mandate is a renewal of the mandate that was approved by the Shareholders at the Twelfth Annual General Meeting held on 28 June 2023. The renewal of this general mandate is to provide flexibility to the Company to issue new shares without the need to convene a separate general meeting to obtain shareholders' approval so as to avoid incurring cost and time. The purpose of this general mandate is for fund raising exercises including but not limited to further placement of shares for the purpose of funding current and/or future investment projects, working capital and/or acquisitions. As at the date of this notice of meeting, no shares have been issued pursuant to the general mandate granted at the Twelfth AGM of the Company.

Notice of the Thirteenth Annual General Meeting (Cont'd)

Notes:- (Cont'd)

6. **Explanatory Notes on Special Business (Cont'd)**

6.2 **Resolution 8 - Authority for Directors to allot and issue shares pursuant to Section 75 & 76 of the Companies Act, 2016 and Waiver of Pre-Emptive Rights (Cont'd)**

The approval of the issuance and allotment of the new shares under Sections 75 and 76 of the Companies Act 2016 shall have the effect of the shareholders having agreed to waive their statutory pre-emptive rights pursuant to Section 85 of the Companies Act, 2016 and Clause 54 of the Constitution of the Company, the shareholders of the Company hereby agree to waive and are deemed to have waived their statutory pre-emptive rights pursuant to Section 85 of the Companies Act, 2016 and Clause 54 of the Constitution of the Company pertaining to the issuance and allotment of new shares under Sections 75 and 76 of the Companies Act 2016, which will result in a dilution to their shareholding percentage in the Company.

6.3 **Resolution 9 - Proposed Renewal of Shareholders' Mandate for Share Buy-Back of OCK Group Berhad**

The proposed Resolution 9 under item 8 above is to seek the authority for the Company to purchase its own shares up to 10% of the total number of issued shares of the Company on Bursa Securities. For further information on the Proposed Renewal of Shareholders' Mandate for Share Buy-Back, please refer to the Part A of Circular to Shareholders dated 30 April 2024.

6.4 **Resolution 10 - Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transaction of a Revenue or Trading Nature**

The proposed Ordinary Resolution is intended to enable the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature which are necessary for the Company's day-to-day operations to facilitate transactions in the normal course of business of the Company with the specified classes of related parties, provided that they are carried out on an arms' length basis and on normal commercial terms and are not prejudicial to the shareholders on terms not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company.

Please refer to the Part B of Circular to Shareholders dated 30 April 2024 for further information.

STATEMENT ACCOMPANYING NOTICE OF THE THIRTEENTH ANNUAL GENERAL MEETING

1. The Directors seeking for re-election/re-appointment at the Thirteenth Annual General Meeting of OCK Group Berhad are as follows:

Clause 97

YBhg. Datuk Wira Ooi Chin Khoon
YBhg. Dato' Syed Norulzaman Bin Syed Kamarulzaman
Ms. Low Ngai Yuen

The profiles of the Directors who are standing for re-election is set out on pages 18, 19 and 21 of this Annual Report.

2. The details of attendance of the Directors of the Company at Board of Directors' Meetings held during the financial year ended 31 December 2023 are disclosed in the respective profiles of the Directors.
3. The details of the Thirteenth Annual General Meeting are as follows:

Date of Meeting	Time of Meeting	Place of Meeting
Wednesday, 05/06/2024	10.00 a.m.	Zamrud Room, The Saujana Hotel Saujana Resort, Jalan Lapangan Terbang SAAS 40150 Shah Alam, Selangor, Malaysia

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OCK GROUP BERHAD
(Registration No. 201101027780 (955915-M))
(Incorporated in Malaysia)

FORM OF PROXY

*I/We,
(FULL NAME IN BLOCK LETTERS)

of
(ADDRESS)

being a member(s) of OCK GROUP BERHAD, hereby appoint
(FULL NAME)

of
(ADDRESS)

or failing him/her,
(FULL NAME)

.....
(ADDRESS)

or failing him/her, the Chairman of the Meeting as *my/our proxy(ies) to vote for *me/us on *my/our behalf at the Thirteenth Annual General Meeting of the Company to be conducted at Zamrud Room, The Saujana Hotel Saujana Resort, Jalan Lapangan Terbang SAAS 40150 Shah Alam, Selangor, Malaysia on Wednesday, 5 June 2024 at 10.00 a.m. or at any adjournment thereof and to vote as indicated below:

(*Strike out whichever is not desired)

(Should you desire to direct your Proxy as to how to vote on the Resolution set out in the Notice of Meeting, please indicate an "X" in the appropriate space. Unless otherwise instructed, the proxy may vote or abstain from voting at his discretion.)

Resolutions		For	Against
ORDINARY BUSINESS			
1.	To approve the payment of Directors' fees and benefits amounting to RM261,300 for the financial year ended 31 December 2023		
2.	To approve the payment of Directors' fees and benefits of up to RM500,000 for the period from 1 January 2024 until the conclusion of the next Annual General Meeting		
3.	Re-election of Director - YBhg. Datuk Wira Ooi Chin Khoo		
4.	Re-election of Director - YBhg. Dato' Syed Norulzaman Bin Syed Kamarulzaman		
5.	Re-election of Director - Ms. Low Ngai Yuen		
6.	Re-election of Director - Mr. Ooi Inn Huei		
7.	To re-appoint Messrs. Baker Tilly Monteiro Heng PLT as the Auditors of the Company and to authorise the Board of Directors to fix their remuneration		
SPECIAL BUSINESS			
8.	Authority to Issue Shares Pursuant to Section 75 & 76 of the Companies Act, 2016 and Waiver of Pre-Emptive Rights		
9.	Proposed Renewal of Share Buy-Back of up to 10% of the total number of issued shares of OCK Group Berhad		
10.	Proposed Renewal and Shareholders' Mandate for Recurrent Related Party Transaction of a Revenue or Trading Nature		

Dated this _____ day of _____ 2024

No of Ordinary Shares Held:	
CDS Account No.:	
Tel No. (during office hours):	

For appointment of two proxies, percentage of shareholding to be represented by the proxies:-		
	No. of shares	Percentage
Proxy 1		%
Proxy 2		%
Total		100%

Signature/Common Seal of Shareholder
[* Delete if not applicable]



Notes:-

1. A member of the Company shall not be entitled to appoint more than two (2) proxies to attend, participate, speak and vote at the same meeting and where the member appoints two (2) proxies to attend, participate, speak and vote at the same meeting, such appointment shall be invalid unless the member specifies the proportion of his/her holdings to be represented by each proxy.
2. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or executed must be deposited at the Company's Registered Office at Unit No. EL-11-01, Amcorp Business Suite, Menara Melawangi, Pusat Perdagangan Amcorp, No. 18, Jalan Persiaran Barat, 46050 Petaling Jaya, Selangor not less than 24 hours before the time appointed for holding the meeting or any adjournment thereof.
3. Where a member of the Company is an exempt authorized nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as defined under the Securities Industry (Central Depositories) Act, 1991, there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds.
4. In respect of deposited securities, only members whose names appear on the Record of Depositors on 29 May 2024 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his/her behalf.
5. A member of the Company shall not be entitled to appoint more than two (2) proxies to attend, participate, speak and vote at the same meeting and where the member appoints two (2) proxies to attend, participate, speak and vote at the same meeting, such appointment shall be invalid unless the member specifies the proportion of his/her holdings to be represented by each proxy.

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AFFIX
STAMP

OCK GROUP BERHAD

REGISTRATION NO. 201101027780 (955915-M)

UNIT NO. EL-11-01,

AMCORP BUSINESS SUITE,

MENARA MELAWANGI, PUSAT PERDAGANGAN AMCORP,

NO. 18, JALAN PERSIARAN BARAT,

46050 PETALING JAYA, SELANGOR

2nd Fold Here

Fold This Flap For Sealing



OCK GROUP BERHAD

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Hicom Glenmarie Industrial Park,
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