

OCR GROUP BERHAD

Registration No. 199701025005 (440503-K)
(Incorporated in Malaysia)

MINUTES OF THE FULLY VIRTUAL TWENTY-FIFTH (25TH) ANNUAL GENERAL MEETING (“AGM”) OF OCR GROUP BERHAD (“OCR” OR “THE COMPANY”) CONDUCTED VIA REMOTE PARTICIPATION AND VOTING THROUGH AN ONLINE MEETING PLATFORM AT www.swsb.com.my ON TUESDAY, 30 MAY 2023 AT 2.00 P.M.

Directors present

1. Tunku Azudinshah Ibni Tunku Annuar (Independent Non-Executive Chairman)
2. En. Hj. Abdullah Bin Abdul Rahman (Independent Non-Executive Director)
3. Mr. Julian Koh Lu Ern (Independent Non-Executive Director)

Absent with Apology

1. Mr. Ong Kah Hoe (Group Managing Director)

In Attendance:

1. Ms. Tan Pooi Fan (Head of Corporate Finance)
2. Mr. Soo Win Ning (Group Financial Controller)
3. Mr. Patrick Lee (Manager of Corporate Finance)
4. Ms. Yeoh Hui Qiong (Senior Executive of Corporate Finance)
5. Mr. Tan Tong Lang (Company Secretary)
6. Mr. Ong Teng Yan (Audit Engagement Partner – Baker Tilly Monteiro Heng PLT)
7. Ms. Ng Chiew Woon (Audit Engagement Director – Baker Tilly Monteiro Heng PLT)
8. Mr. Soo Wei Kai (Audit Engagement Senior – Baker Tilly Monteiro Heng PLT)

Shareholders/ Proxies

As per the Attendance List

1.0 CONVENING OF MEETING

- 1.1 The Chairman chaired the meeting and welcomed the shareholders and proxies (“**Members**”) who participated in the meeting remotely from various locations through live streaming, to the 25th AGM of the Company.
- 1.2 There being a quorum present at the meeting, the Chairman declared the meeting duly convened at 2.02 p.m.
- 1.3 The Chairman introduced the Directors, Head of Corporate Finance, External Auditors and Company Secretary present, and drew attention to some housekeeping matters including manner of posing questions, and poll voting, which would be conducted during the deliberations of all agenda items for the five (5) resolutions in accordance with Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”). The Members were informed that Messrs ShareWorks Sdn. Bhd. was appointed as the Poll Administrator to conduct the polling process, whilst Messrs SharePolls Sdn. Bhd. was appointed as the Scrutineers to verify the poll results.
- 1.4 The Chairman informed the Members that their questions would be addressed at the Question & Answer session later. For questions that could not be addressed during the Question & Answer session, the Company would email the response after the 25th AGM.
- 1.5 With the consent of the Members, the notice convening the AGM was taken as read. The Chairman then proceeded to the official business of the AGM.

2.0 AUDITED FINANCIAL STATEMENTS OF THE COMPANY AND OF THE GROUP FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 TOGETHER WITH THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON

- 2.1 The Chairman informed that the audited financial statements of the Company and of the Group for the financial year ended 31 December 2022 together with the Reports of the Directors and Auditors thereon ("**Audited Financial Statements**") was meant for discussion only, and therefore, it would not be put forward for voting in accordance with Section 340(1)(a) of the Companies Act 2016. Thereafter, the Chairman declared that the Audited Financial Statements were received.

**3.0 ORDINARY RESOLUTION 1
TO APPROVE THE PAYMENT OF DIRECTORS' FEES AND BENEFITS OF NOT EXCEEDING RM500,000 FOR THE PERIOD FROM THE CONCLUSION OF THE 25TH AGM UNTIL THE CONCLUSION OF THE 26TH AGM TO BE HELD IN YEAR 2024**

- 3.1 The Chairman informed that the next agenda of the AGM was to approve the payment of Directors' fees and benefits of not exceeding RM500,000 for the period from the conclusion of the 25th AGM until the conclusion of the 26th AGM to be held in year 2024.

*[At this junction, the Chairman declared his interest in respect of the next agenda which was related to himself, and invited Mr. Julian Koh Lu Ern ("**Mr. Julian**") to facilitate the said agenda]*

**4.0 ORDINARY RESOLUTION 2
TO RE-ELECT YAM TUNKU AZUDINSHAH IBNI TUNKU ANNUAR, WHO RETIRES IN ACCORDANCE WITH CLAUSE 77(2) OF THE CONSTITUTION OF THE COMPANY**

- 4.1 Mr. Julian informed that the next agenda of the AGM was to re-elect YAM Tunku Azudinshah Ibni Tunku Annuar, who retires in accordance with Clause 77(2) of the Constitution of the Company and being eligible, had offered himself for re-election.
- 4.2 The Chairman proceeded with the next agenda of the AGM.

**5.0 ORDINARY RESOLUTION 3
TO RE-APPOINT MESSRS. BAKER TILLY MONTEIRO HENG PLT AS AUDITORS OF THE COMPANY AND TO HOLD OFFICE UNTIL THE CONCLUSION OF THE NEXT AGM AT SUCH REMUNERATION TO BE DETERMINED BY THE DIRECTORS OF THE COMPANY.**

- 5.1 The Chairman informed that the next agenda of the AGM was to re-appoint Messrs. Baker Tilly Monteiro Heng PLT as Auditors of the Company and to hold office until the conclusion of the next AGM at such remuneration to be determined by the Directors of the Company. Messrs Baker Tilly Monteiro Heng PLT had expressed their willingness to accept the re-appointment as the Company's auditors for the ensuing year.
- 5.2 The Chairman proceeded with the next agenda of the AGM.

6.0 ORDINARY RESOLUTION 4

PROPOSED AUTHORITY TO DIRECTORS TO ALLOT AND ISSUE NEW ORDINARY SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016

- 6.1 The Chairman informed that the next agenda of the AGM under special business was to seek shareholders' approval to authorise the Directors to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016.
- 6.2 The Chairman explained that upon passing this resolution, the authority would provide the Directors the flexibility to allot and issue shares from time to time for such purposes at the Directors' absolute discretion consider to be in the best interest of the Company, without having to convene separate general meetings, subject to the limitation that the shares to be allotted and issued do not exceed 10% of the total number of issued shares of the Company or such higher percentage as Bursa Securities allowed for the time being and this authority, unless revoked or varied by the Company in general meeting, shall be in force until the conclusion of the next AGM of the Company. And in connection with the above, pursuant to Section 85 of the Companies Act 2016 to be read together with Clause 12(3) of the Constitution of the Company, the shareholders of the Company do hereby waive their pre-emptive rights over all new shares, options over or grants of new shares or any other convertible securities in the Company and/or any new shares to be issued pursuant to such options, grants or other convertible securities, such new shares when issued, to rank pari passu with existing issued shares in the Company.
- 6.3 The Chairman proceeded with the next agenda of the AGM.

7.0 ORDINARY RESOLUTION 5

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

- 7.1 The Chairman informed that the next agenda of the AGM under special business was to seek shareholders' approval for the proposed renewal shareholders' mandate for recurrent related party transactions of a revenue or trading nature ("**Proposal**").
- 7.2 The Chairman informed that the details and rationale of the said Proposal was stated in the Circular to Shareholders dated 28 April 2023, which had already been provided to the shareholders prior to the AGM.
- 7.3 The Chairman proceeded with the next agenda of the AGM.

8.0 ANY OTHER BUSINESS

- 8.1 The Chairman informed the Meeting that the Company had not received any due notice to transact any other business in accordance with the Companies Act 2016 and the Company's Constitution.

9.0 QUESTION & ANSWER SESSION

- 9.1 The Chairman proceeded with the Question & Answer session of the AGM and the following were the key matters discussed at the AGM:-

Question 1

What is the Group's strategy and plans on delivering sustainable profit going forward?

The Chairman responded that the Group is a boutique property developer and construction group focused on providing and building innovative homes in Klang Valley and strategic growth cities in Malaysia. The Group would remain so in the coming years.

Currently, the Group had unbilled sales of RM170 million and a remaining order book of RM69 million. The key priorities in 2023 were to complete the construction and deliver vacant possession for Isola, Priya, Yolo, and the Mate for the Group to crystallize some of these unbilled sales and order books into revenue. Stellar – the latest launch which was 52% taken up and in the early stage of construction – would also contribute to the earnings that year, and sell the remaining unsold units of these projects.

The Chairman added that with RM2 billion projects in the pipeline, the Group was well on track to deliver a sustainable income base moving forward.

The Grade A Logistic Hub in Shah Alam with a Gross Development Value (“**GDV**”) of RM800 million was the maiden venture into industrial development. This project enabled the Group to diversify from the sectoral dependence on residential properties and positioned them to benefit from the strong growth of the commercial real estate segment.

Secondly, with a 50% equity interest in Stack Builder Sdn Bhd, it would strengthen the Group's foothold in the affordable homes segment. The Group intended to launch the largest-ever affordable housing scheme in Shah Alam with a GDV of at least RM805 million. The project would consist of 2,892 affordable units priced from RM250,000 along with some retail spaces.

Lastly, the mixed development project in Kuantan comprising 34 retail outlets and 978 units of apartments had a GDV of RM338 million. This project was within walking distance from the renowned East Coast Mall, Stadium Darul Makmur, and the five-star Zenith Hotel.

The Group expected to launch these projects in phases, taking into account market demand. The Group was also on the lookout for potential value-accretive opportunities across its property development, construction, and project management consultation businesses.

Overall, the Group remained cautiously optimistic about growth prospects and would continue to exercise prudence in business dealings and manage operational efficiency to generate positive returns in the current financial year.

Question 2

Who are the target market and has sales picked up for the company's projects?

The Chairman responded that for the ISOLA project, which was currently 71% sold, the target market was mainly foreign investors. With borders reopening, the sales leads were generally improving for ISOLA. There had been an increase in inquiries on premium properties. However, the KLCC area was also populated with a lot of high-rise residences. With the introduction of new sales packages and the support of the end-financiers, the Group saw an increase in the number of bookings, which expected would lead to conversion this quarter.

As for THE MATE, which was currently 77% sold, it was catered to young homeowners as well as professionals. The Group was pleased that all the small units (<500 sq ft) had been taken up, and the Group was currently introducing new sales packages to clear the larger units (>500 sq ft). The packages were designed to ease the cost of homeownership.

Lastly, Stellar Damansara, which was 52% sold, located in the matured township of Damansara, catered to the demand for large affordably priced condominiums. The Group had seen a good take-up rate for Stellar Damansara, which was launched in January 2023 and was currently assessing repricing to further improve the project's margin.

Question 3

How has inflation & rising interest rate impact the group's profit margin? What is the company doing to mitigate rising costs?

The Chairman responded that, as explained in the Chairman's Statement, the challenging landscape, chiefly the escalated raw material prices, especially steel and cement, supply chain disruptions, and the persistent manpower shortage, had resulted in a deterioration in the Group's overall margin. The Group undertook numerous measures to negate the negative impact, such as:

- a. Working with the consultants to perform value engineering to achieve cost efficiency;
- b. Sourcing substitute raw materials to fulfill the same functions; and
- c. Expanding the network of suppliers to ensure competitive market rates and reduce dependency on a handful of suppliers.

In addition, the Group maintained stringent internal cost discipline and continued to focus on cost efficiency and competency in cost management.

The Group also able to mitigate construction delays by adopting new construction technologies and methodologies to optimize overall speed and efficiency. Among them were the Alform Aluminum Formwork System and Plytec Self-Climbing Platform System Equipment.

The Chairman emphasized that, despite this challenging landscape, the Group maintained a track record of delivering the work on time. During FY2022, the Group topped up YOLO.

Question 4

What is the company's strategy for managing and mitigating potential risks of declining sales due to oversupply of residential condominiums in current market?

Mr. Julian responded that the Group's products catered to a diverse target market, property segment, and property class. The Group endeavored to tailor the products to address the emerging needs of homebuyers so that the Group would be less affected by the oversupply.

For example, the Group addressed the shortage of affordable homes. The maiden venture in affordable homes (Priya) was fully sold, and the upcoming RSKU project (Kyra) in Shah Alam, with 2,892 apartment units, would strengthen the Group's foothold in the affordable homes segment. In addition, the Group's portfolio also expanded to industrial products. OCR Selayang Industrial Park had been a successful venture for the Group, and the Group would be launching the first integrated Grade A logistic hub in Shah Alam. The Group also observed the demand for low-density large units in Klang Valley and launched Stellar in the matured township of Damansara Jaya to meet the demand, which was now 52% taken up.

10.0 VOTING SESSION

- 10.1 On the conclusion of the Question & Answer session, the Chairman advised the shareholders to proceed to submit their vote via the Remote Participation and Voting Facility as the polling process would conclude after 5 minutes; followed by recess for the verification of the poll votes by the Scrutineers.

The Chairman then adjourned the Meeting.

11.0 DECLARATION OF RESULTS

- 11.1 Upon completion of the verification of poll results, the Chairman resumed the Meeting and declared that all the following resolutions set out in the Notice of AGM dated 28 April 2023 were carried, as attached hereto marked as “Annexure I”: -

“Ordinary Resolution 1

To approve the payment of Directors’ fees and benefits of not exceeding RM500,000 for the period from the conclusion of the 25th AGM until the conclusion of the 26th AGM to be held in year 2024.

Ordinary Resolution 2

To re-elect YAM Tunku Azudinshah Ibni Tunku Annuar, who retires in accordance with Clause 77(2) of the Constitution of the Company.

Ordinary Resolution 3

To re-appoint Messrs. Baker Tilly Monteiro Heng PLT as Auditors of the Company and to hold office until the conclusion of the next AGM at such remuneration to be determined by the Directors of the Company.

Ordinary Resolution 4

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

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

Ordinary Resolution 5

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

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

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

whichever is the earlier.

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

12.0 CLOSURE

- 12.1 There being no other business, the AGM was closed at 2.59 p.m. with a vote of thanks to the Chairman.

**Confirmed as a correct record of
the proceedings held thereat**

TUNKU AZUDINSHAH IBNI TUNKU ANNUAR
Chairman

Date: