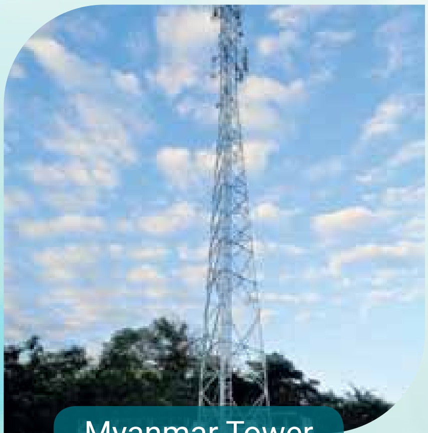
OCK GROUP BERHAD

ANNUAL REPORT 2021

FULL-FLEDGED

NETWORK SERVICES PROVIDER



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COMPANY PROFILE

OCK Group Berhad ("OCK" or the "Group") has four major business divisions that drives our business, namely Telecommunication Network Services, Trading of Telco and Network Products, Green Energy and Power Solutions, as well as M&E Engineering Services.

OCK is principally involved in the provision of telecommunication services equipped with the ability to provide full turnkey services. Our service offering comprehensively covers services from all the telecommunication network services market: network planning, design and optimisation, network deployment, network operations and maintenance, energy management, infrastructure management, and other professional services. As a Network Facilities Provider ("NFP") Licensee, we are able to build, own and lease telecommunication towers and rooftop structures to the telecommunication operators in Malaysia.

With the Group's expertise in the telecommunications business, the Group has expanded its regional footprint with presence in Myanmar, Vietnam, Indonesia and Cambodia.

To date, the Group is focusing on developing an independent ASEAN tower company and currently has a telecommunication tower portfolio of more than 4,800 telecommunication towers. The Group's ambitions as a telecommunication tower company were demonstrated when the Group successfully penetrated into two high-growth telecommunication tower markets in Myanmar and Vietnam within a short period of 14 months.

Moving forward, the Group will remain vigilant despite the successes that it has achieved through the implementation of our regional plans. The Group will remain assertive in executing the next phase of business growth in its aspirations to be an independent ASEAN telecommunication tower company.

OCK also has a trading division that trades telecommunication hardware and equipment materials such as antennas, feeder cables and connectors. This business division complements the core business of the Group with other telecommunication network service providers and operators. As our businesses expand, OCK Group has ventured into Green Energy and Power Solutions, an imminent and rapidly increasing industry in Malaysia. Concurrently, we are active in the construction of solar farms as well as supplying power generation equipment for commercial, retail and factory buildings, and inclusive of installation, commissioning and testing services. M&E is one of the core businesses of OCK that provides mechanical and electrical services to housing development projects, commercial high-rise buildings, factories, infrastructures, airports, medical centres and hotels. We are capable of providing project management, supply and installation of most mechanical and electrical services.

VISION

To be an innovative and leading provider of Telecommunication Network Services and Green Renewable Energy

MISSION

Exceeding customer expectations through timely delivery of our value added solutions and services

CORPORATE INFORMATION

BOARD OF DIRECTORS

DATO' INDERA SYED NORULZAMAN BIN SYED KAMARULZAMAN
Senior Independent Non-Executive Chairman

ABDUL HALIM BIN ABDUL HAMID
Deputy Chairman

OOI CHIN KHOON
Group Managing Director

LOW HOCK KEONG
Group Chief Executive Officer & Executive Director

CHANG TAN CHIN
Executive Director

CHONG WAI YEW
Executive Director

MAHATHIR BIN MAHZAN
Independent Non-Executive Director

REAR ADMIRAL (R) DATO' MOHD SOM BIN IBRAHIM
Non-Independent & Non-Executive Director

LOW NGAI YUEN
Independent Non-Executive Director
(Appointed on 11 May 2021)

KHAIRUL ANWAR BIN ISMAIL
(Alternate Director to Rear Admiral (R) Dato' Mohd Som Bin Ibrahim)
Non-Independent & Non-Executive Director

YM SYED HAZRAIN BIN SYED RAZLAN JAMALULLAIL
Independent Non-Executive Director
(Resigned on 11 May 2021)

AUDIT AND RISK MANAGEMENT COMMITTEE

Chairman
Mahathir Bin Mahzan

Members
Dato' Indera Syed Norulzaman Bin Syed Kamarulzaman
Low Ngai Yuen
(Appointed on 11 May 2021)
YM Syed Hazrain Bin Syed Razaln Jamalullail
(Resigned on 11 May 2021)

NOMINATION COMMITTEE

Chairman
Dato' Indera Syed Norulzaman Bin Syed Kamarulzaman

Members
Mahathir Bin Mahzan
Low Ngai Yuen
(Appointed on 11 May 2021)
YM Syed Hazrain Bin Syed Razaln Jamalullail
(Resigned on 11 May 2021)

REMUNERATION COMMITTEE

Chairman
Dato' Indera Syed Norulzaman Bin Syed Kamarulzaman

Members
Ooi Chin Khoon
Mahathir Bin Mahzan

REGISTERED OFFICE

Level 2, Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur
Tel : (603) 2241 5800
Fax : (603) 2282 5022

CORPORATE OFFICE

No. 18, Jalan Jurunilai U1/20
Seksyen U1, Hicom Glenmarie
Industrial Park, 40150 Shah Alam
Selangor Darul Ehsan, Malaysia
Tel : (603) 5565 9688
Fax : (603) 5565 9699
website : www.ock.com.my

AUDITORS

Baker Tilly Monteiro Heng PLT
201906000600 (LLP0019411-LCA) & AF 0117
Baker Tilly Tower
Level 10, Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur
Tel : (603) 2297 1000
Fax : (603) 2282 9980

COMPANY SECRETARY

Wong Youn Kim
(MAICSA 7018778)

SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn Bhd
[197101000970 (11324-H)]
Level 17, The Gardens
North Tower, Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Tel : (603) 2264 3883
Fax : (603) 2282 1886

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
[197601004668 (30632-P)]
Stock Name : OCK
Stock Code : 0172

PRINCIPAL BANKERS

OCBC Bank (Malaysia) Bhd
[199401009721 (295400-W)]
12th Floor, Wisma Lee Rubber1
Jalan Melaka, 50100 Kuala Lumpur

United Overseas Bank (Malaysia) Bhd
[199301017069 (271809-K)]
Kuala Lumpur Main Branch
Menara UOB, Jalan Raja Laut
50350 Kuala Lumpur

Hong Leong Bank Berhad
[193401000023 (97141-X)]
KL Business Centre
Level 9, Menara Hong Leong
No.6, Jalan Damanlela
Bukit Damansara
50490 Kuala Lumpur

Malayan Banking Berhad
[196001000142 (3813-K)]
Level 37, Menara Maybank
100 Jalan Tun Perak
50050 Kuala Lumpur

RHB Bank Berhad
[196501000373 (6171-M)]
Jalan Kenanga, Lot LGF
019-021 Kenanga Wholesale City 28
Jalan Gelugor Off Jalan Kenanga
55800 Kuala Lumpur

Malaysia Debt Ventures Berhad
[200201010450 (578113-A)]
Level 5, Menara Bank Pembangunan
1016, Jalan Sultan Ismail
50250 Kuala Lumpur

CORPORATE MILESTONES

2021

- Awarded project by Numix Sdn Bhd
- Awarded project to deliver 18 rooftop solar farms with a total capacity of 1.8MW in Kuala Terengganu under the Net Energy Metering Scheme.
- Announced ESOS share scheme
- Proposed rights issue with warrants, involving 95.9 million shares with warrants

2020

- Acquired 100% equity interest in Solar System & Power Sdn. Bhd.
- Owns more than 4,300 telecommunication sites across Malaysia, Myanmar and Vietnam.
- Owns and operates 17 solar farms with a combined capacity of 11.3MW in Malaysia.
- Proposed rights issue with warrants, involving 122.26 million shares on the basis of one rights share for every 10 existing shares held and 122.26 million free detachable warrants on the basis of one warrant B for every one rights share subscribed.

2019

- Signed MOU with China Information Technology Designing & Consulting Institute Co. Ltd.
- Acquired 100% equity interest in Green Leadership Sdn. Bhd.
- Acquired 4 solar farms in Sabah.

2018

- Owns more than 3,800 telecommunication sites across Malaysia, Myanmar and Vietnam.
- Bestowed the CIMB.
- Sin Chew Regional Excellence Award by Sin Chew Business Excellence Award 2018.
- Mr. Ooi Chin Khoon was presented the Best CEO Award by Focus Malaysia Best Under Billion Awards.
- Entered into a MoU with ISOC Infrastructures, INC., to pursue tower business opportunities in the Philippines.
- Secured built-to-suit and co-location contracts with all four Mobile Network Operators in Myanmar.
- Participated in the telecommunication industry in Nepal.
- Participated in regional telecommunication forums and conferences, keeping the Group up to date with the latest information and technology that is being used in the market.

2017

- Completion of the SPA for the 100% equity interest in Southeast Asia Telecommunications Holding Pte. Ltd. ("SEATH").
- Signed Master Lease Agreement with Mytel and MPT for colocation and new build site.
- Awarded Asia Most Impactful Service Award from Asia Success Inc. Group.
- Awarded a full turnkey contract from one of the mobile operators in Malaysia.

2016

- Awarded NFP license Malaysia for OCK Telco Infra Sdn. Bhd.
- Completed 10% private placement.
- Signed conditional SPA for the acquisition of SEATH. Completed the acquisition in Jan 2017.

2015

- Massive Connection was granted MSC status by MDEC.
- Rights Issue of 1 right share for every 2 existing shares, 1 free detachable warrants for every 1 right share subscribed.
- Secured 920 telecommunications towers contract from Telenor Myanmar.
- Relocation to New HQ at Shah Alam.

2012 - 2014

- Listed on the ACE Market of Bursa Malaysia Securities Berhad in Year 2012
- Lembaga Tabung Angkatan Tentera ("LTAT") emerged as substantial shareholders with more than 15% stake.
- Launch of RM150 million SUKUK Programme for the expansion plan in the Telecommunication Network Services.
- Emerged as RHB's Top 5 Malaysia Small Cap Jewels.
- Private placement of 20% paid up share capital.
- Bonus Issue of 176,053,636 new shares on 1 for 2 basis
- Completed 85% acquisition of PT Putra Mulia Telecommunications, Indonesia.
- Transfer of listing from the ACE Market to the Main Market of Bursa Malaysia Securities Bhd.

2000 - 2011

- Registered as Approved Service Provider ("ASP") with Ericsson and Alcatel-Lucent.
- OCK Setia Engineering Sdn. Bhd. was established.
- Inflow of contracts awarded by various cellular Telecommunication operators and Telecommunication equipment vendors.
- Awarded Network Facilities Provider ("NFP") license from MCMC to be a Tower Leasing Company.

CORPORATE STRUCTURE

OCK GROUP BERHAD

OCK Setia Engineering Sdn. Bhd.

- **Delicom Sdn. Bhd. - (100%)** Telecommunications Network & Network Deployment Services
- **OCK M&E Sdn. Bhd. - (100%)** Mechanical & Electrical Engineering Services
- **Fortress Pte. Ltd. - (100%)** Network Security Products and Solutions
- **Gabungan Setia Sdn Bhd - (100%)** Provision of Building and Facilities Maintenance Services. - (wef 5 May 2021)
- **Firatel Sdn. Bhd. - (61%)** Trading of Equipment & Materials Network Security Products and Solutions
  - **Firatel Infra Sdn. Bhd. - (100%)** Engineering Services (Civil, Structural, Mechanical and Electrical) and Telecommunication Equipment, Infrastructure and Network Services. - (wef 30 April 2021)
  - **Sunvoltic Sdn. Bhd. - (50%)** Green Renewable Energy & Turnkey Engineering, Procurement, Construction and Commissioning Service Provider - (wef 20 January 2021)
- **EI Power Technologies Sdn. Bhd. - (52%)** Green Energy & Power Solutions
  - **Sunvoltic Sdn. Bhd. - (50%)** Green Renewable Energy & Turnkey Engineering, Procurement, Construction and Commissioning Service Provider - (wef 20 January 2021)
- **Steadcom Sdn. Bhd. - (51%)** Network Planning, Design & Optimisation
  - **Device Vision Sdn. Bhd. - (51%)** Provision of information technology services
  - **OCK Steadcom (Thailand) Co., Ltd. - (100%)** Networking Planning, Design & Optimisation
- **Dynasynergy Services Sdn. Bhd. - (51%)** Operations, Engineering & Maintenance Services
- **OCK Digital Infra (Sarawak) Sdn. Bhd. - (20%)** (Associate) Telecommunication Network Services
- **Irat Civil Works Sdn. Bhd. - (40%)** (Associate) Engineering Services

OCK International Sdn. Bhd.

- **OCK Phnom Penh Pte. Ltd. - (100%)** Telecommunications Network & Network Deployment Services
- **Well Synergy Resources Pte. Ltd. - (100%)** Engineering Services, Rental Business, Market Research and Management Services
- **PT Putra Mulia Telecommunication - (85%)** Telecommunications Network & Network on Deployment Services
  - **PT Harapan Utama Prima Telecommunication - (65%)** Network & Network Deployment Services

Agensi Pekerjaan Ock Ventures Sdn. Bhd.

- **OCK Industries Sdn. Bhd. - (65%)** Investment Holding & General Trading

Milab Marketing Sdn. Bhd.

- **Azminas Sdn. Bhd. - (100%)** Green Renewable Energy
- **Novel Energy Sdn. Bhd. - (100%)** Green Renewable Energy
- **Suluk Damai Sdn. Bhd. - (100%)** Green Renewable Energy
- **Epic Solartech Sdn. Bhd. - (100%)** Green Renewable Energy
- **Gabungan Milab Sdn. Bhd. - (100%)** (f.k.a Seri Kuasa Sdn. Bhd.) Green Renewable Energy
- **Energenetic Sdn. Bhd. - (100%)** Green Renewable Energy
- **Tanda Hebat Sdn. Bhd. - (100%)** Green Renewable Energy
- **Powerlator Sdn. Bhd. - (100%)** Green Renewable Energy
- **Frontier Integrator (Sabah) Sdn. Bhd. - (100%)** Green Renewable Energy
- **Solar System & Power Sdn. Bhd. - (100%)** Green Renewable Energy
- **Green Leadership Sdn. Bhd. - (100%)** Green Renewable Energy
  - **GL II Sdn. Bhd. - (100%)** Green Renewable Energy
  - **GL III Sdn. Bhd. - (100%)** Green Renewable Energy
- **Sinar Lebar Sdn Bhd - (100%)** Green Renewable Energy - (wef 18 June 2021)
- **OCK Energy Venture Sdn Bhd - (100%)** Green Renewable Energy - (wef 22 April 2021)

Corporate Structure
(Cont'd)

- **OCK Sea Towers Pte. Ltd.**
  - **OCK Tower Infra Sdn. Bhd. - (100%)** Investment Holding
    - **OCK Telco Infra Sdn. Bhd. - (100%)** Tower facilities, utilities and communication network for mobile and broadband operators
      - **Nexgen Ventures Sdn. Bhd. - (60%)** Tower facilities, utilities and communication network for mobile and broadband operators
  - **OCK Myanmar Holdings Pte. Ltd. - (100%)** Mobile Cellular and other Wireless Telecommunications Network Operation
  - **OCK Myanmar Towers Pte. Ltd. - (100%)** Tower facilities, utilities and communication network for mobile and broadband operators
    - **OCK Yangon Private Limited - (100%)** Tower facilities, utilities and communication network for mobile and broadband operators
  - **OCK Vietnam Towers Pte. Ltd. - (60%)** Tower facilities, utilities and communication network for mobile and broadband operators
    - **OCK Vietnam Towers (Labuan) Ltd. - (100%)** Tower facilities, utilities and communication network for mobile and broadband operators
    - **Southeast Asia Telecommunications Holdings Pte. Ltd. ("Seath") - (100%)** Vietnam Tower Operator
      - **Eastern Tower Company Limited - (100%)** Investment Holding
        - **Global Infrastructure Investment Company Limited - (100%)** Vietnam Tower Operator
          - **Truong Loc Telecom Trading and Service Joint Stock Company - (100%)** Vietnam Tower Operator
        - **Mobile Information Service Company Limited ("MIS") - (100%)** Vietnam Tower Operator
          - **Zone II Mobile Information Services Joint Stock Company - (100%)** Vietnam Tower Operator
            - **Tan Phat Telecommunications Company Limited - (100%)** Vietnam Tower Operator
        - **VNC-55 Infrastructure Investment Company Limited - (100%)** Vietnam Tower Operator
          - **T&A Company Limited - (100%)** Vietnam Tower Operator
- **Massive Connection Sdn. Bhd.** Provision of information technology services
- **Avion Drone (Malaysia) Sdn. Bhd.** - (Incorporated on 28 Jan 2022) Trading of drone & related equipment and related supporting services.

FINANCIAL HIGHLIGHTS

REVENUE

RM488.2 MILLION

GROSS PROFIT

RM124.2 MILLION

PROFIT BEFORE TAXATION

RM38.0 MILLION

PROFIT AFTER TAXATION

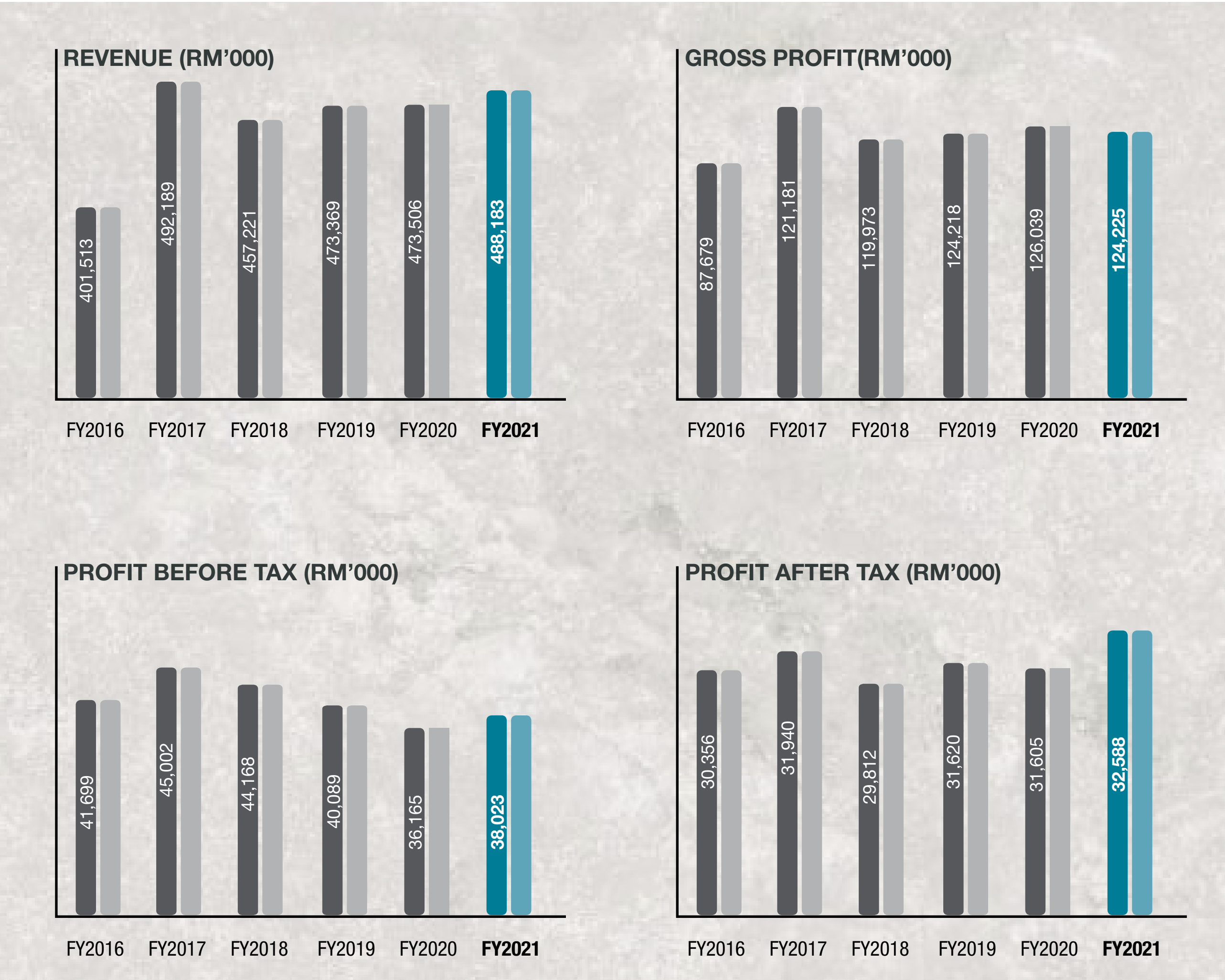
RM32.6 MILLION

TOTAL EQUITY

RM674.0 MILLION

Financial Highlights
(Cont'd)

For Financial Year Ended 31 December		AUDITED 2016	AUDITED 2017	AUDITED 2018	AUDITED 2019	RESTATED AUDITED 2020	AUDITED 2021
Revenue	RM'000	401,513	492,189	457,221	473,369	473,506	**488,183**
Gross Profit	RM'000	87,679	121,181	119,973	124,218	126,039	**124,225**
Profit Before Taxation (PBT)	RM'000	41,699	45,002	44,168	40,089	36,165	**38,023**
Profit After Taxation (PAT)	RM'000	30,356	31,940	29,812	31,620	31,605	**32,588**
Profit For The Year Attributable To Equity Holders	RM'000	26,574	24,629	24,242	28,521	27,028	**25,393**
GP Margin	%	21.84	24.62	26.24	26.24	26.62	**25.45**
PBT Margin	%	10.39	9.14	9.66	8.47	7.64	**7.79**
PAT Margin	%	7.56	6.49	6.52	6.68	6.67	**6.68**
Basic Earnings Per Share	Sen	3.23	2.83	2.79	3.22	2.82	**2.41**



MALAYSIA
17 Solar Farms

To Date
REGIONAL
PRESENCE
of more than
4,800 Towers in ASEAN

NEWS HIGHLIGHTS

OCK could benefit from DNB's partnership with Ericsson in 5G rollout

Stronger earnings momentum seen for OCK

PETALING JAYA: OCK Group Bhd is viewed as a key contender for telecommunications site leasing and new fifth-generation (5G) site deployments under the phased 5G rollout that is being undertaken by Digital Nasional Bhd (DNB).

The group is currently conducting site survey works for DNB under phase one of the rollout in the Klang Valley and Putrajaya involving 500 sites, which are set to go live by year-end.

RHB Research expects stronger earnings momentum for the group in the financial year 2022 (FY22) on the back of new 4G contracts and 5G rollout.

Kenanga Research concurs, saying: "OCK is also poised to benefit from DNB's assignment of Ericsson to roll out Malaysia's 5G network.

"Having worked with Ericsson in Malaysia for over 15 years and being a familiar business partner, OCK should be able to win jobs from Ericsson to help build the 5G infrastructure."

Apart from that, the site leasing business will continue to exhibit steady growth from new-builds in Myanmar and brownfield acquisitions in Vietnam, RHB said.

Kenanga said OCK would continue to see growth in its telecom network services (TNS) and renewable energy (RE) segments.

It said the growth in TNS would likely be driven by the rolling out and maintenance of more infrastructure to achieve Jendela's aspiration of nationwide Internet coverage.

As for RE, it said growth would likely be driven by the number of solar farms it owns and operates, both organically and inorganically.

Kenanga has maintained its FY21 and FY22 earnings forecasts for OCK.

RHB maintains its "buy" call on the stock with a target price of 59 sen a share. Kenanga has an "outperform" call with the same target price.

"The stock trades at a compelling below five times FY22 enterprise value/earnings before interest tax depreciation and amortisation, which is not reflective of the prospects of its towerco business and improving domestic contracting works," RHB said.

RHB said key risks are weaker-than-expected earnings/margin and execution. Upside risks are positive earnings surprises and towerco value unlocking.

OCK to continue expanding its green energy segment

PETALING JAYA: OCK Group Bhd's strategy in increasing streams of recurring income has kept it resilient during the pandemic.

Moving ahead, the group will continue to expand its green energy segments through acquisitions of solar farms with good feed-in tariff rates and build on its telecoms business.

This will contribute different streams of revenue from a multi-business portfolio, group managing director Sam Ooi Chin Khoon said in OCK's newly released 2020 Annual Report.

He added that the group plans to participate in large scale tenders in the future.

OCK is involved in telecom network services and products, green energy and power solutions and mechanical and engineering services.

Apart from Malaysia, its regional footprint stretches to Indonesia, Myanmar, Cambodia, China and Vietnam.

For the financial year 2020 (FY20), the company reported revenue of RM473mil, almost the same as a year earlier. Net profit stood at RM30mil.

The group's recurring revenue contributed a total of 65.9% of its total revenue for FY20 versus 50.4% in FY19.

FY20's total recurring revenue increased by 38.8% to RM312mil.

Ooi said OCK is heavily involved in building infrastructure networks to complement high demand for data such as fiberisation which helps upgrade telecommunication sites to 4G as well as increase the number of towers for nationwide coverage in preparation for the transition to 5G.

As at end FY20, OCK owned more than 4,300 telco sites across the Asean region, with 500 sites in Malaysia, 1,100 in Myanmar and another 2,700 in Vietnam.

On managed services, it manages 5,300 sites in Malaysia and 44,000 sites in Indonesia, giving it a market share of 15% and 44.7% respectively.

The segment was the second largest contributor to its recurring income for FY20.

"We will continue to expand our services to various telecom operators, providing them value add by reducing their operational expenses in managing these towers," Ooi said.

Its green energy and power solutions business contributed approximately 6% of the group's overall revenue. It owns 17 solar farms, generating 11.3MW in Malaysia.

Its total expenditure in FY20 was RM139mil, used for expansion in the towerco and solar farm acquisitions.

News Highlight
(Cont'd)

走出大马扩大海外版图
OCK集团5G时代求突破

現看漲信號　OCK集團料續反彈

移動裝置表現更強　OCK集團盈利看漲

券商　：兴业投银研究
投资建议　：买进
目标价　：63仙
闭市价　：44.5仙（截至1月13日）
每股盈利　：2仙（2020财年估计）
本益比　：18.40倍（2020财年估计）
股息收益率：–

News Highlight
(Cont'd)

TELCOS + ANALYSIS

OCK Group's towering business

Firm to benefit from 5G deployment, Jendela initiatives

"The revised tender documents released by the telecoms industry regulator allow for more companies to bid for the jobs instead of limiting it to only mobile players."

OCK eyes more solar assets to fuel revenue

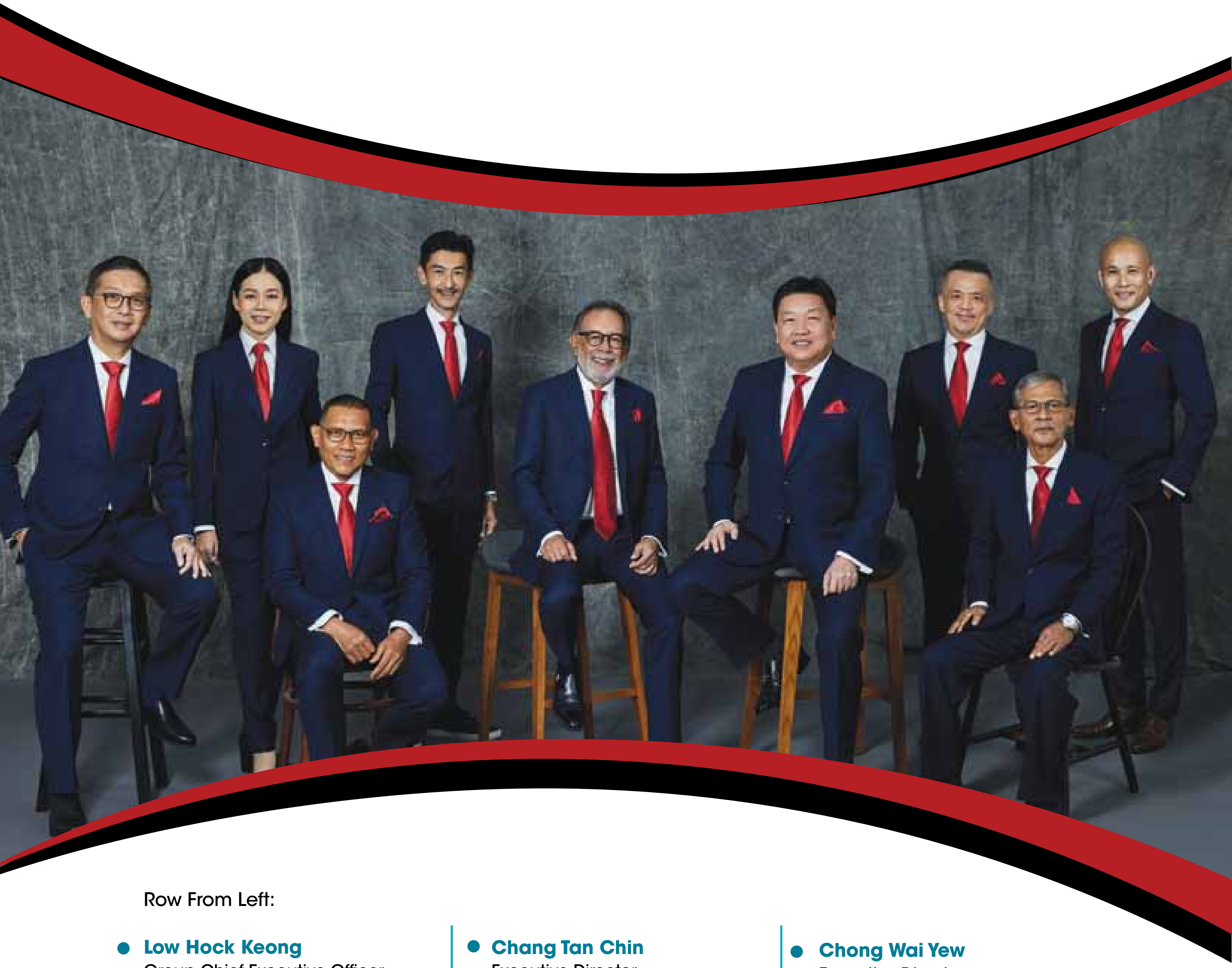
► OCK GROUP BHD

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
TOTAL TURNOVER	[illegible]	[illegible]	[illegible]	[illegible]
RECURRING NET PROFIT	[illegible]	[illegible]	[illegible]	[illegible]
RECURRING P/E	[illegible]	[illegible]	[illegible]	[illegible]
EV/EBITDA	[illegible]	[illegible]	[illegible]	[illegible]

EVENT HIGHLIGHTS

Event Highlights
(Cont'd)

BOARD OF DIRECTORS



Row From Left:

- **Low Hock Keong**
  Group Chief Executive Officer
  & Executive Director
- **Low Ngai Yuen**
  Independent Non-Executive Director
- **Abdul Halim Bin Abdul Hamid**
  Deputy Chairman
- **Chang Tan Chin**
  Executive Director
- **Dato' Indera Syed Norulzaman Bin Syed Kamarulzaman**
  Senior Independent
  Non-Executive Chairman
- **Ooi Chin Khoon**
  Group Managing Director
- **Chong Wai Yew**
  Executive Director
- **Rear Admiral (R) Dato' Mohd Som Bin Ibrahim**
  Non-Independent &
  Non-Executive Director
- **Mahathir Bin Mahzan**
  Independent Non-Executive Director

BOARD OF DIRECTORS' PROFILE

DATO' INDERA SYED NORULZAMAN BIN SYED KAMARULZAMAN

Senior Independent
Non-Executive Chairman
Malaysian I Aged 73
(Appointed on 3 January 2013)

Dato' Indera Syed Norulzaman Bin Syed Kamarulzaman is our Senior Independent Non-Executive Chairman. Dato' Indera Syed Norulzaman holds a Bachelor of Arts (Honours) Degree from the University of Malaya.

Upon graduation from the University of Malaya, Dato' Indera Syed Norulzaman Bin Syed Kamarulzaman joined the Administrative and Diplomatic Service of the Malaysian Government in 1973 and was assigned to the Ministry of Foreign Affairs. Dato' Indera Syed Norulzaman Bin Syed Kamarulzaman served in different capacities in the Ministry's Political and Administration divisions as well as in Malaysia's diplomatic mission in Geneva, Baghdad, Ottawa and Jakarta. In September 1994, Dato' Indera Syed Norulzaman Bin Syed Kamarulzaman was appointed as Malaysia's Ambassador to Spain where he served for 3 years. On returning to Kuala Lumpur in November 1997, he assumed the post of Undersecretary for East-Asia and South-Asia at the Ministry of Foreign Affairs, prior to his appointment to head the Institute of Diplomacy and Foreign Relations, Prime Minister's Department, as its Director General in June 1999. He returned to the Ministry of Foreign Affairs in November 2001 before his appointment as Malaysia's Ambassador to the Kingdom of Thailand, a position he held until January 2005. He was subsequently appointed as Malaysia's Ambassador to the People's Republic of China, based in Beijing where he served for 5 years till December 2009 before returning to Malaysia to retire from government service.

Upon his return to Malaysia, Dato' Indera Syed Norulzaman Bin Syed Kamarulzaman was appointed as Public Interest Director at the Federation of Investment Managers Malaysia ("FIMM") and Advisor (China Business) at IJM Corporation Berhad. He is currently the Chairman of Yong Tai Berhad, Pelikan International Corporation Berhad and Mah Sing Foundation.

He is the Chairman of the Nomination Committee and Remuneration Committee of the Company.

Number of Board Meetings attended during the financial year: 5 out of 5.

Board Of Directors' Profile
(Cont'd)

Abdul Halim Bin Abdul Hamid
Deputy Chairman

Nationality : **Malaysian**
Age/Gender : **55/Male**
Date of Appointment : **31 October 2011**

Abdul Halim Bin Abdul Hamid is our Group Deputy Chairman. Encik Halim completed his secondary education at Sekolah Menengah Tuanku Abdul Rahman Putra, Selangor in 1985.

Encik Halim has more than 20 years' experience in the telecommunications engineering services industry. Prior to his venture into the telecommunications industry, he commenced his business ventures in the food and beverage sector by offering local cuisine in various locations in the state of Selangor, such as food courts and school canteens from 1986 to 1991.

Encik Halim started his career in the telecommunications industry as a supervisor with Mognas Communication Sdn. Bhd. ("Mognas"). Mognas was one of the pioneering network deployment companies in Malaysia in the 1990s. He subsequently moved to Rank Liberty Sdn. Bhd. in 1996 as a Senior Supervisor before joining Prospective Goals Sdn. Bhd. as its Project Manager in 1997. Accordingly, Encik Halim is also one of the pioneers who contributed in the telecommunications industry whereby he had contributed in terms of introducing various kinds of telecommunication structures and equipment in Malaysia. In 2007, Encik Halim acquired shares in the Group's subsidiary companies, namely OCK Setia Engineering Sdn. Bhd. and Delicom Sdn. Bhd. Since then, Encik Halim progressively develops his contribution in OCK by overseeing the day to day technical aspect of OCK.

He is also an Executive Director for OCK Group of Companies as well as Safety Health and Environment committee to ensure OCK's daily activities conform to related regulations. He also assists OCK in dealing with Government bodies.

Number of Board Meetings attended during the financial year: 5 out of 5.

Ooi Chin Khoon
Group Managing Director

Nationality : **Malaysian**
Age/Gender : **54/Male**
Date of Appointment : **31 October 2011**

Ooi Chin Khoon is our Group Managing Director. Mr. Ooi graduated from Tri-State University, now known as Trine University, Indiana, United States of America, with a Bachelor's Degree in Electrical and Electronics Engineering in 1996. Prior to that, he obtained a Diploma in Electrical and Electronic Engineering from TAFE College in Negeri Sembilan in 1992.

Mr. Ooi began his career in 1992 as an Electrical Engineer at Cobrain Holding Sdn. Bhd. and was promoted as its Project Manager in 1994. He left the industry briefly to continue his studies in electrical and electronic engineering and rejoined the company in 1996 as a Senior Project Manager and was promoted to the position of Contract Manager in 1998 whereby he was tasked with the responsibility of customer contracts management. In 1999, Mr. Ooi founded OCK Setia Engineering Services as sole proprietorship and later expanded the business with the incorporation of OCK Setia Engineering Sdn. Bhd. ("OCK Setia") in 2000. Currently, Mr. Ooi is the Managing Director of our Group. Apart from managing the operations of our Group, he is also responsible for formulating and executing the business strategies of our Group. He plays a key role in driving the growth, development, transformation and strategic direction of our Group.

Mr. Ooi is a member of the Remuneration Committee.

Number of Board Meetings attended during the financial year: 5 out of 5.

Board Of Directors' Profile
(Cont'd)

Low Hock Keong
Group Chief Executive Officer & Executive Director

Nationality : **Malaysian**
Age/Gender : **51/Male**
Date of Appointment : **31 October 2011**

Low Hock Keong is also our Group Chief Executive Officer & Executive Director. In 1994, Mr. Low graduated from Monash University, Melbourne, Australia with First Class Honours in his Bachelor's Degree of Electrical and Computing. In 1997, he completed his Master of Engineering Science from University of Malaya.

Mr. Low began his career with Mutiara Telecommunication Sdn. Bhd., now known as DiGi, as a Transmission Engineer in 1995. After two (2) years, he joined Andersen Consulting Sdn. Bhd., now known as Accenture Solutions Sdn. Bhd. as an analyst focusing on Software System Development and Telecommunications. In 1999, Mr. Low joined Alcatel Network System (M) Sdn. Bhd., now known as Nokia, as a Radio Frequency Planning and Optimisation Engineer. He was later promoted to the position of Regional Radio Frequency Manager before he took up the role to head and lead the Radio Planning and Optimisation team that supports various projects in the region. In 2006, Mr. Low joined the group as our General Manager.

In 2017, he was redesignated as the Group Chief Executive Officer and is responsible for overseeing the Group's overall daily operations.

Number of Board Meetings attended during the financial year: 5 out of 5.

Chang Tan Chin
Executive Director

Nationality : **Malaysian**
Age/Gender : **54/Male**
Date of Appointment : **31 October 2011**

Chang Tan Chin is our our Group Technical Director. Mr. Chang graduated from University of Hertfordshire, United Kingdom in 1995 with a Bachelor's Degree in Electrical and Electronic Engineering. In 2000, he became a member of the Institution of Engineers Malaysia. In the same year, he was a recognised Professional Engineer by Board of Engineers in Malaysia.

Mr. Chang started his career with Perunding KDI Sdn. Bhd. as an Electrical Engineer after graduating in 1995. In 1997, he joined Technic Delta M&E Engineering Sdn. Bhd. as an Electrical Engineer before joining Transframe Sdn. Bhd. as Project Manager in 1998. In 2003, he joined SRL Electrical Engineering Sdn. Bhd. as its Project Manager prior to accepting the position of Technical Director at OCK M&E Sdn. Bhd. In 2005 where he monitors the overall project planning and implementation, manages procurement planning and delivery and project cash flow projections. He is currently the head of our M&E division to monitor all projects QA and QC requirements and standards.

Number of Board Meetings attended during the financial year: 5 out of 5.

Board Of Directors' Profile
(Cont'd)

Chong Wai Yew
Executive Director

Nationality : **Malaysian**
Age/Gender : **52/Male**
Date of Appointment : **31 October 2011**

Chong Wai Yew is also one of the Group's Project Management Directors. Mr. Chong graduated from University of East London with a Bachelor's Degree in Electrical and Electronic Engineering in 1996. Mr. Chong began his employment in 1996 with United Perunding & Associate Sdn. Bhd. in Kuala Lumpur, where he worked as a Consultant Engineer. Subsequently, he joined OCK Setia Engineering Sdn. Bhd. in 2002 as our Project Director and was subsequently promoted to be our Project Management Director in 2008. He is responsible for overseeing the Network Facilities Provider ("NFP") division and the renewable energy division.

Mr. Chong plays a key role in OCK's green renewable energy business division. In 2013, the Group ventured into owning a 1-megawatt solar farm. To date, the Group owns up to 17 solar farms with a combined total of 11.3 megawatts in Malaysia.

He is also in charge and oversees OCK's involvement in the Net Energy Metering Scheme ("NEM") which aims to encourage Malaysia's renewable energy uptake and boost the usage of solar energy. Currently, the Group has secured 18 solar farms under the NEM which amounts to a total of 1.8 megawatts.

Number of Board Meeting attended during the financial year: 5 out of 5.

Mahathir Bin Mahzan
Independent Non-Executive Director

Nationality : **Malaysian**
Age/Gender : **44/Male**
Date of Appointment : **25 November 2015**

Mahathir Bin Mahzan is a Fellow member of Chartered Accountants Ireland (previously known as the Institute of Chartered Accountants in Ireland) and a member of the Malaysian Institute of Accountants ("MIA"). He is also registered as an ASEAN Chartered Professional Accountant (ASEAN CPA).

Mr. Mahathir graduated with honours from University College London with a Bachelor's of Engineering Degree in the field of Electronic and Electrical Engineering. He then pursued his accountancy training with a medium sized audit firm in Dublin, Ireland. After successful completion of his professional examinations and practical training, he was admitted as a member of Chartered Accountants Ireland.

Mr. Mahathir returned to Malaysia after spending 15 years in the United Kingdom and Ireland and worked for Binafikir, a local strategic advisory firm and a subsidiary company of Maybank Investment Bank.

Mr. Mahathir is currently the Managing Partner of Mahzan Sulaiman PLT, a firm of Chartered Accountants and Advisors.

Throughout his professional career, Mr. Mahathir has accumulated significant experience in areas of audit, accounting, tax, corporate finance and investor relations.

Mr. Mahathir is the Chairman of the Audit and Risk Management Committee of the Company.

Number of Board Meetings attended during the financial year: 5 out of 5.

Board Of Directors' Profile
(Cont'd)

Rear Admiral (R) Dato' Mohd Som Bin Ibrahim
Non-Independent & Non-Executive Director

Nationality	**: Malaysian**
Age/Gender	**: 68/Male**
Date of Appointment	**: 9 December 2013**

Rear Admiral Dato' Mohd Som Bin Ibrahim ("RADM Dato' Mohd Som") began his career in the Royal Malaysia Navy ("RMN") as a Cadet Officer in September 1973. He received his Naval Training in the Britannia Royal Naval College Dartmouth, United Kingdom ("UK") in 1974 and was commissioned as a Sub-Lieutenant in January 1977. Eventually he became a specialist in Navigation in 1980 in the UK. After which, RAMD Dato' Mohd Som continued to attend many courses both local and abroad.

With more than 37 years of service, RADM Dato' Mohd Som served on board many ships and shore jobs. He commanded 5 RMN warships from 1981-2004, including the 4400 tons Multirole Support ship KD MAHAWANGSA.

Besides the sea service, he also held several shore appointments in the Malaysian Armed Forces. Among the notable ones are as Assistant Defense Advisor Embassy of Malaysia in Jakarta (1990-1993), Director of Operations (1998-2002) and as Deputy Head of Mission to the Malaysia Lead International Monitoring Team in Mindanao (2006). RADM Dato' Mohd Som held the post of Assistant Chief of Staff Communications and Electronics of the Armed Forces in 2007. Before his retirement in February 2011, he was appointed as The Naval Region Commander Area 1, based in Tanjung Gelang, Kuantan. In this capacity, he was involved in many inter agency cooperation maritime security and communications market of South East Asia countries.

Number of Board Meetings attended during the financial year: 5 out of 5.

Low Ngai Yuen
Independent Non-Executive Director

Nationality	**: Malaysian**
Age/Gender	**: 46/Female**
Date of Appointment	**: 11 May 2021**

Low Ngai Yuen is currently a member of the Audit and Risk Management Committee and the Nomination Committee. Ms Low is also currently an independent director of GDEX Berhad, an express delivery and logistics services company as well as being the Group Chief Merchandise and Marketing Officer at AEON Co (M) Berhad, an innovative retailer.

A passionate activist, she is the President of the 22-year-old Persatuan Kakiseni that champions the arts and its advocacy; and in 2013 founded Pertubuhan Pembangunan Kendiri Wanita Dan Gadis, WOMENgirls; an NGO dedicated to program interventions to remind women as role models to younger girls to achieve their potentials. Additionally, Ms. Low is the founding member who then led as the Executive Director from 2016 to 2021 of Global Entrepreneurship Movement Association, GEMA that is about enabling tech transfer, bridging the technology gap to overlooked communities for market access as well as building online resources for cross-border entrepreneurship.

Known to the public as a multiple award-winning content producer, film director and TV veteran; Ms. Low's acclaimed social film on humanity called Orang Itu was released on Netflix in October 2021. The film scored a 10/10 from film critic, Tan Sri Johan Jaafar in The Star and was named the Top 5 must watch Malaysian films.

In 2021, Ms. Low served on the Health and Sciences Covid-19 Advisory Group of Experts (EAG) for community engagement and subsequently for the Greater Klang Valley Special COVID-19 Taskforce (GKV STF). Ms. Low was also appointed consecutively from 2019 to sit on the Committee To Culturalise Productivity for Malaysia Productivity Corporation, MPC.

Number of Board Meetings attended during the financial year: 3 out of 3.

Board Of Directors' Profile
(Cont'd)

KHAIRUL ANWAR BIN ISMAIL

Alternate Director to Rear Admiral (R)
Dato' Mohd Som Bin Ibrahim
Non-Independent & Non-Executive Director

Nationality	:	**Malaysian**
Age/Gender	:	**52/Male**
Date of Appointment	:	**4 August 2021**

Encik Khairul Anwar Bin Ismail started his career as an investment analyst in Permodalan Nasional Berhad in January 1993. He then joined Inter Pacific Asset Management Sdn. Bhd. in January 2006 as a senior fund manager. Thereafter, he joined Public Investment Bank in June 2007 as a senior manager. In July 2012, Encik Khairul joined Lembaga Tabung Angkatan Tentera (LTAT) as an Assistant General Manager and was promoted as Head of Private Equity in January 2020. He is currently the Head of Contributors Management Department in LTAT.

Encik Khairul holds a Degree in Business Administration from Western Michigan University, United States, an MBA from Universiti Teknologi MARA and is a Certified Financial Planner.

KEY MANAGEMENT TEAM

Anthony Thong Yeong Shyan
Group Chief Financial Officer
Male, Age 56

- Certified Practicing Accountants ("CPA")
- Chartered Accountant with the Malaysia Institute of Accountants ("MIA")

Jes Tan Chin Hong
Financial Controller
Female, Aged 47

- Member of Malaysian Institute of Accountants ("MIA")
- Member of Association of Chartered Certified Accountants ("ACCA")

How Ting Hiang
Director of Group Human Resources ("HR") & Administration Manager
Male, Aged 53

- Master of Business Administration University of Hertfordshire
- Bachelor of Business in Business Administration, RMIT University

Tan Yew Tong
Group Chief Marketing Officer
Male, Aged 53

- Bachelor's Degree (Hons) in Electrical & Electronics Engineering and Communications System, The University of Queensland, Australia

Apollo Wong Shau Yang
Director
Business Development Director
Male, Aged 53

- Bachelor's Degree in Electrical Engineering, University of Alberta, Edmonton, Alberta, Canada

Omer Chappelart
Chief Executive Officer
OCK Yangon Pte. Ltd., Myanmar
Male, Aged 66

- Master Degree in Telecommunication (Engineering) from France Certified Project Manager Professional ("PMP")

Martin Wong
Chief Executive Officer
OCK Vietnam Towers Pte. Ltd.
Male, Aged 40

- Bachelor's Degree in Accounting & Finance, Curtin University
- Certified Chartered Accountant with Malaysia Institute of Accountants

Lim Hooi Seeh
Chief Executive Officer
OCK Setia Engineering Sdn. Bhd. Malaysia; and
PT Putra Mulia Telecommunication, Indonesia
Male, Aged 54

- Master of Business Administration ("MBA"), Nottingham Trent University, United Kingdom

Foo See Liang
Chief Programme Officer
Male, Aged 54

- Bachelor's Degree (Hons) in Electronics Engineering, Oxford Brookes University, England
- Certified Project Management Institute

Hussin Bin Abu Bakar
Head of Regulatory and Government Liaison
Male, Aged 57

- Diploma in Estate Management (Property), Universiti Teknologi Mara, Shah Alam, Selangor

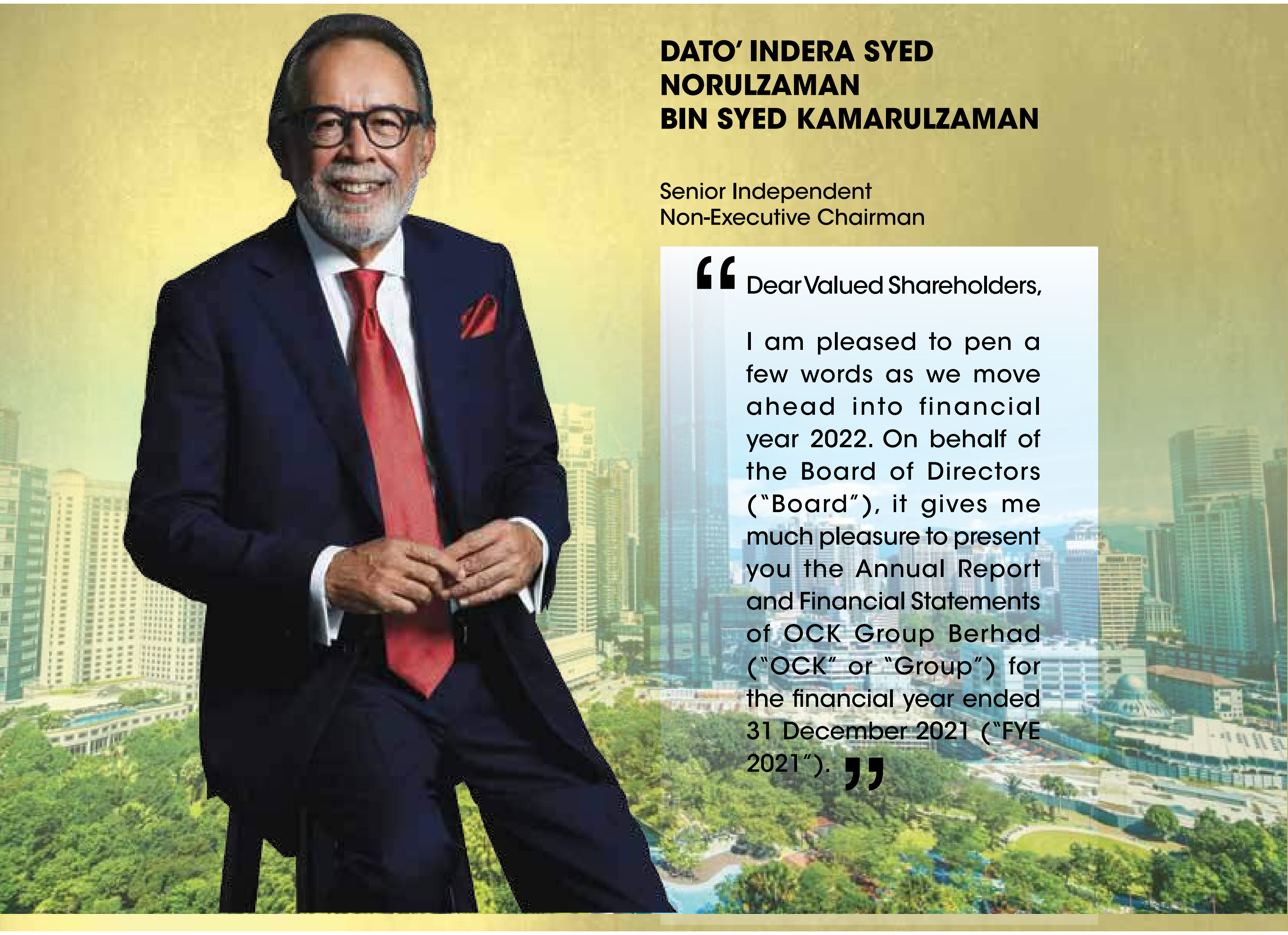
Lee Kong Jin
Director
Firatel Sdn. Bhd.
Male, Aged 52

- Masters Degree in Electrical Engineering, Majoring in Computer Engineering
- Accredited Project Manager ("PMP") of Project Management Institute

Sharon Mak May Cheng
Director
EI Power Technologies Sdn. Bhd.
Female, Aged 44

- Bachelor's Degree of Commerce Majoring in Accounts and Finance, Monash University
- Member of Certified Practicing Accountants ("CPA") Australia

CHAIRMAN'S STATEMENT



DATO' INDERA SYED NORULZAMAN BIN SYED KAMARULZAMAN

Senior Independent Non-Executive Chairman

"Dear Valued Shareholders,

I am pleased to pen a few words as we move ahead into financial year 2022. On behalf of the Board of Directors ("Board"), it gives me much pleasure to present you the Annual Report and Financial Statements of OCK Group Berhad ("OCK" or "Group") for the financial year ended 31 December 2021 ("FYE 2021")."

OPERATING ENVIRONMENT

The COVID-19 pandemic, spanning over two years now, persisted to wreak havoc on the economy and people's lives across the world in 2021. Movement restrictions, which were implemented to curtail the virus spread, were gradually relaxed once the infectivity rates dipped.

However, the relaxed movement restrictions caused a resurgence in infection numbers, leading to a re-tightening of the restrictions. It is inevitable that governments around the world have to make difficult decisions in balancing between saving lives and livelihood when opening up the economy. The oscillation between tightened and relaxed movement restrictions caused widespread disruptions to businesses and the overall trajectory of the global economic recovery.

Nevertheless, the acceleration of mass vaccination programmes and booster jabs in many countries has improved consumer and business confidence despite the uncertainty.

As one of the largest telecommunications service providers in Malaysia and regionally, OCK was not exempted from the uncertainty caused by the pandemic. Notwithstanding the said fact, OCK's existing business remained intact and delivered a commendable post-tax profit during FYE 2021.

Chairman's Statement
(Cont'd)

FINANCIAL HIGHLIGHTS

Against the backdrop of this highly challenging environment, I am heartened to report that our Group posted a profit after tax of RM32.6 million in FYE 2021 which exceeded the RM31.6 million recorded in FYE 2020.

For FYE 2021, the Group's revenue totalled RM488.2 million, RM14.7 million higher than the RM473.5 million recorded in FYE 2020:-

- Telecommunication Network Services segment remained as the core contributor to the Group. This segment accounted for 90.5% of OCK's FYE 2021 revenue;
- Green Energy and Power Solutions business segment contributed 7.5% of FYE 2021's revenue;
- Trading business segment contributed 1.7%; and
- Mechanical and Engineering business segment made up the remaining 0.3% of FYE 2021's revenue.

The Group has remained resilient as proven by its ability to report a commendable performance for FYE 2021. A more in-depth review of our financial and operational performance is reported under "Management Discussion and Analysis" in this Annual Report.

OPERATIONAL HIGHLIGHTS

OCK is an advanced ASEAN independent tower company. Its operations in Indonesia continued to make a significant advancement in FYE 2021 wherein revenue increased by 16.3%. OCK is one of the largest independent managed services providers in Indonesia with 49,200 telecommunication sites, which is made up of approximately 45% of the total telecommunication sites in Indonesia.

OCK also owns more than 4,600 telecommunication sites in Myanmar, Vietnam and Malaysia. We will continue to build up our tower portfolio through both greenfield and brownfield telecommunication tower opportunities in these countries, including exploring opportunities beyond the South-East Asia region.

Green Energy and Power Solutions continued to be one of the key drivers of our business growth. As such, we have achieved a significant revenue contribution from our green energy business segment with double digit revenue growth of 25.3% in FYE 2021. This is consistent with the global trend of reducing carbon emission and building a more sustainable economy.

It is worth noting that OCK is also actively participating in the Government's Small Renewable Energy Program (SREP) that allows projects with up to 10 Megawatt ("MW") of capacity to sell the power they generated to Tenaga Nasional Berhad. In addition to that, we also take part in the Government's Large Scale Solar (LSS) program, a competitive bidding program for the development of large scale solar photovoltaic plants.

Moving ahead, we will continue to expand the green energy business segment. To date, we own a total of 11.3 MW solar farms in Malaysia.

CORPORATE GOVERNANCE

OCK is committed to uphold the highest standards of corporate governance and has taken various steps to implement the guidelines under the Malaysia Code on Corporate Governance (MCCG). This is an on-going exercise for the Group and we continue to make improvements in this area. The Group has taken cognizance of the changes in the MCCG announced on 28 April 2021 and is proceeding to institute some changes to the composition of the Board and its Committees to ensure that there is a sound check and balance mechanism.

We recognise that a general meeting is an important platform for interaction between OCK and the shareholders. Hence, we are always striving to provide seamless and meaningful engagement experiences between the Board, senior management and our shareholders. Further details are provided in the Corporate Governance Overview Statement in this Annual Report as well as in the Corporate Governance Report which is available on the Company's Website. The Group welcomes all efforts to enhance the level of corporate governance and looks forward to more improvements.

DIVIDEND

Sustainable long-term shareholder returns and value creation remain top of our priority list. Amidst the unprecedented macroeconomic and global uncertainties, our stable operational performance and prudent cost management efforts have enabled us to reward our shareholders with a single-tier interim dividend of RM0.005 per share, paid on 25 March 2022. This, in turn, translates to a pay-out of RM5.3 million to our shareholders.

We look forward to continuing to reward our loyal shareholders with an attractive dividend yield to allow our shareholders to participate in our profits while also exercising financial prudence to enable us to reinvest into our business.

MOVING FORWARD

With the COVID-19 pandemic not subsiding any time soon and the emergence of new variants, the global outlook is far from being certain. Despite this, OCK remains positive on the prospects for the telecommunication industry. The pandemic and the corresponding rise in both remote work and education is increasing network demand, advancing the need for more robust and reliable networks. The need for stronger networks and new technologies such as 5G has accelerated by at least a couple of years requiring us to improve the telecommunications infrastructure to support the technology. 5G, which is the latest generation of cellular technology, can provide faster connectivity in terms of speed and reliability as compared to the earlier generations.

OCK will continue to pursue its goal of expanding its regional operations and maintain its status as one of ASEAN's leading tower company. OCK's tower portfolio is expected to hit more than 5,000 mark in the coming years. It is also our goal to continue the expansion of our managed services segment to provide value added expertise to all of our customers.

On the local front, as one of the largest telecommunication services providers, OCK is well positioned to benefit from the initiatives under the Government's National Digital Infrastructure Plan, or JENDELA, which aims to expand 4G network coverage in the country and prepare the country's transition to 5G technology.

State-owned Digital Nasional Berhad ("DNB") has awarded the 5G infrastructure deployment contract to Ericsson (Malaysia) Sdn. Bhd. ("Ericsson) under the 10-year 5G partnership between Ericsson and DNB. Being a familiar business partner that has worked with Ericsson for more than 15 years, OCK is therefore poised to benefit directly from the impending 5G network rollout. OCK has already been engaged by DNB to conduct site survey works for 5G.

ACKNOWLEDGEMENT

On behalf of the Board of the Company, I take this opportunity to express our greatest appreciation and gratitude to our shareholders for their trust and confidence in our Group. I would also like to convey my deep appreciation to the management team and the entire workforce of OCK for your dedication and commitment in contributing to the Group's perseverance and success.

I also would like to thank our business associates, customers, contractors and the relevant government and regulatory agencies for their invaluable support and advice throughout FYE 2021.

I hereby record my gratitude and appreciation to our former Independent Director, Yang Mulia Syed Hazrain Bin Syed Razlan Jamalullail for his dedication and commitment during his tenure of service as Independent Director of the Group. I would like to wish him all the best in his future endeavours.

At the same time, we warmly welcome Miss Low Ngai Yuen and Mr Khairul Anwar Bin Ismail who joined the Board recently. We are confident that their experience and skill set will engender a more robust exchange of ideas and viewpoints which will be of significant benefit to the Board. Their appointments have strengthen our Board's composition.

Last but not least, I wish to place on record my appreciation for the commitment, understanding and wise counsel which I have received from my fellow Directors to-date. We remain committed to create substantial value for our shareholders in the years to come and over the long term, and I look forward to report on our continued progress.

DATO' INDERA SYED NORULZAMAN BIN SYED KAMARULZAMAN

Senior Independent Non-Executive Chairman

MANAGEMENT DISCUSSION & ANALYSIS

SAM OOI CHIN KHOON

GROUP MANAGING DIRECTOR
OCK GROUP BERHAD

OVERVIEW OF THE GROUP'S BUSINESS AND OPERATIONS

OCK Group Berhad ("OCK" or the "Group") has four major business divisions that drives OCK's career path, namely Telecommunication Network Services ("TNS"), Trading of Telecommunication and Network Products, Green Energy and Power ("GEP") Solutions, as well as Mechanical & Electrical ("M&E") Engineering Services.

OCK is principally involved in the provision of telecommunication services equipped with the ability to provide full turnkey services. Our services offering comprehensively cover services from all the TNS market:

- network planning;
- design and optimisation;
- network deployment;
- network operations and maintenance;
- energy management;
- infrastructure management; and
- other professional services.

As a Network Facilities Provider (NFP) Licensee, we build, own and lease telecommunication towers and rooftop structures for the telecommunication operators in Malaysia.

Management Discussion & Analysis
(Cont'd)

TELECOMMUNICATION NETWORK SERVICES

The Group's TNS segment consists of tower company ("towerco") business, contract business as well as managed services. This segment remained as the core contributor to the Group which accounted for 90.5% of OCK's financial year ended 31 December ("FYE") 2021's revenue;

(i) Towerco Business

Leveraging on our expertise in full turnkey services, we have expanded into the business of building and owning telecommunication towers which will be leased to telecommunication operators. In this segment of our business, we have penetrated markets in Vietnam and Myanmar apart from establishing ourselves in our home country.

As at FYE 2021, OCK owns more than 4,600 telecommunication sites across the ASEAN region, with 2,800 in Vietnam, 1,200 in Myanmar and another 600 sites in Malaysia. Notably, our towerco business was the largest contributor to our recurring income in FYE 2021. This is due to our long term contracts with telecommunication operators and we are optimistic of the growth in this business segment as we progressively continue to increase our tower portfolio.

- **Vietnam Towerco Updates** - In Vietnam, OCK owns more than 2,800 sites with a tenancy ratio of 1.27x, of which the Group has completed the acquisition of approximately 500 towers in FYE 2021. OCK targets to have approximately 3,200 towers in Vietnam by FYE 2022, primarily through acquisition of towers.

- **Myanmar Towerco Updates** - In Myanmar, OCK owns more than 1,200 sites with a tenancy ratio of 1.38x, of which the Group has delivered more than 70 towers in FYE 2021. OCK targets to have approximately 1,300 towers in Myanmar by FYE 2022, primarily through new built to suit towers.

- **Malaysia Towerco Updates** - In Malaysia, OCK owns 600 sites with a tenancy ratio of 1.16x. OCK targets to have approximately 800 towers in Malaysia by FYE 2022 through a combination of built to suit towers and acquiring towers.

(ii) Contract Business

As a reputable TNS provider, OCK has completed 5G trials in Malaysia with our own developed smart-pole design. With OCK's experience and capabilities, the Group will be able to support large-scale rollout of the 5G network. Meanwhile, OCK is heavily involved in building infrastructure networks to complement high demand for data such as fiberisation which helps in upgrading telecommunication sites to 4G as well as increasing the number of towers for nationwide coverage in preparation for the transition to 5G.

(iii) Managed Services / Operations Business

To date, OCK manages approximately 5,300 sites in Malaysia and 49,200 sites in Indonesia, giving a market share of approximately 15% and 45% respectively. OCK is currently the largest managed services / operations operator in Indonesia where the revenue contributed by Indonesia market increased by 16.3% in FYE 2021 as compared to FYE 2020.

This sub-segment was the second largest contributor to our recurring income for FYE 2021. We will continue to expand our services to various telecommunication operators, providing them value-add by reducing their operational expenses in managing the towers.

Management Discussion & Analysis
(Cont'd)

GREEN ENERGY AND POWER SOLUTIONS

The GEP Solutions segment contributed 7.5% of the Group's overall revenue. OCK presently owns 17 solar farms, generating 11.3 Megawatt ("MW") in Malaysia. On a year-on-year ("YoY") comparison between FYE 2021 and FYE 2020, the Group's GEP Solutions segment reported a commendable double digit growth of 25.3% in revenue.

TRADING

The trading division reported a revenue of RM8.4 million for FYE 2021.The increase in revenue as compared to FYE 2020 was mainly due to its synergistic nature, where the trading business provides ample support to OCK's TNS division. OCK trades products under the brand name of "Rosenburger". Apart from that, OCK has the leading market share in the Indoor Distributed Antenna System, with majority coverage of key buildings in Malaysia.

M&E ENGINEERING SERVICES

The division reported a revenue of RM1.3 million in FYE 2021, which was a significant decrease compared to FYE 2020. OCK M&E prioritises on completing existing contracts and puts a pause on tendering for new contracts in this business segment in view of the uncertainties in business operation due to the COVID-19.

YEAR-ON-YEAR FINANCIAL REVIEW

Amid the backdrop of Malaysia's challenging economic conditions and global market uncertainties, OCK reported a consolidated revenue of RM488.2 million in FYE 2021, compared to RM473.5 million in FYE 2020.

The Group's earnings before interest, tax, depreciation and amortisation ("EBITDA") and profit after tax and minority interest ("PATAMI") stood at RM156.0 million and RM25.4 million respectively, translating to a 0.7% YoY increase in EBITDA and 6.1% YoY decrease in PATAMI. Despite the widespread disruptions to business operations as a result of the oscillation between tightened and relaxed movement restrictions, the profit after tax of the Group remained resilient with the growth in bottom line mainly contributed by the GEP Solutions as well as the Trading business segment.

	Audited FYE 2021	Restated Audited FYE 2020	Variance	
Our financial performance	**RM'000**	**RM'000**	**RM'000**	**%**
Revenue	488,183	473,506	14,677	3.1
Gross profit ("GP")	124,225	126,039	(1,814)	(1.4)
Profit before tax ("PBT")	38,023	36,165	1,858	5.1
Profit after tax ("PAT")	32,588	31,605	983	3.1
GP margin (%)	25.4%	26.6%	(1.2 bp)	(4.5)
PBT margin (%)	7.8%	7.6%	0.2 bp	2.6
PAT margin (%)	6.7%	6.7%	0.0 bp	-

Management Discussion & Analysis
(Cont'd)

Revenue

Revenue by segment	Audited FYE 2021 RM'000	Restated Audited FYE 2020 RM'000	Variance RM'000	Variance %
TNS	441,989	429,149	12,840	3.0
GEP Solution	36,428	29,084	7,344	25.3
Trading	8,444	5,167	3,277	63.4
M&E Engineering Services	1,322	10,106	(8,784)	(86.9)
Revenue	**488,183**	**473,506**	**14,677**	**3.1**

Our Group's revenue increased from RM473.5 million in FYE 2020 to RM488.2 million in FYE 2021, representing a YoY increase of RM14.7 million or 3.1%. Our increase in revenue was contributed by TNS, GEP Solutions and Trading business segments, however the increase was offset by a RM8.8 million revenue drop in M&E Engineering Services.

49.9% of OCK's revenue in FYE 2021 was derived from the regional business as compared to 53.7% in FYE 2020. Whilst we continue to expand the regional business, we are more focused on increasing our recurring income which is mainly derived from tower leasing, managed services and solar renewable energy. Despite the challenges, OCK's recurring income streams have shown resilience, championing the Group's financials during this pandemic. The Group's recurring revenue contributed a total of 68.0% of the Group's total revenue for FYE 2021 as compared to 66.0% in FYE 2020. FYE 2021's total recurring revenue has also increased by 6.2% to RM331.8 million as compared to FYE 2020.

Gross profit

In congruence with the increase in revenue, the Group recorded a GP of RM124.2 million in FYE 2021 as compared to RM126.0 million recorded in FYE 2020 with a YoY marginal decrease of RM1.8 million or 1.4%. Notwithstanding the challenges for the year, the GP margin for FYE 2021 remained resilient and recorded a slight deduction of 1.2 basis point ("bp") when compared to FYE 2020 as the Group continued to be mindful of cost discipline and optimisation through leveraging on our operational excellence and cost optimisation initiatives.

Profit before tax

In furtherance to the abovementioned analysis, our PBT increased by RM1.9 million or 5.1%, to RM38.0 million in FYE 2021 when compared to FYE 2020 of RM36.2 million. This was substantially resulted from a reduction in finance cost of RM3.7 million due to a lower interest rate in FYE 2021.

Profit after tax

The Group reported PAT of RM32.6 million in FYE 2021 as compared to RM31.6 million in FYE 2020 with a growth rate of 3.2% that was lower than the growth rate for PBT in FYE 2021. This is due to the increase in effective tax rate for FYE 2021 of 14.3% as compared to 12.6% for FYE 2020.

Profit net of tax attributable to the equity holders of the Company

Despite the increase in the above mentioned PAT, the share of profit to non-controlling interest has increased by 57.2% to RM7.2 million in FYE 2021, hence the Group achieved a PATAMI of RM25.4 million in FYE 2021 which was lower as compared to FYE 2020. This has translated to our basic earnings per share for FYE 2021 at 2.41 sen, which was 0.41 sen lower than that of 2.82 sen attained in FYE 2020.

Management Discussion & Analysis
(Cont'd)

Our financial performance	Audited As at 31 December 2021 RM'000	Restated Audited As at 31 December 2020 RM'000	Variance RM'000	Variance %
Non-current assets	1,059,095	993,259	65,836	6.6
Current assets	406,101	412,299	(6,198)	(1.5)
Non-current liabilities	343,326	398,251	(54,925)	(13.8)
Current liabilities	447,935	384,719	63,216	16.4
Equity attributable to owners of the Company	673,935	622,588	51,347	8.2

Assets

Non-current assets comprising largely by property, plant and equipment, right-of-use assets, intangible assets and others. The non-current assets increased from RM993.3 million as at 31 December 2020 to RM1,059.1 million as at 31 December 2021 which was largely due to the addition on property, plant and equipment and investment properties of RM116.9 million, cushioned by the current year depreciation charges of RM86.7 million.

The additions on property, plant and equipment of RM105.8 million during FYE 2021 were primarily invested in telecommunications sites and solar assets to continue to drive our revenue stream generated from TNS as well as GEP solutions.

Current assets decreased from RM412.3 million as at 31 December 2020 to RM406.1 million as at 31 December 2021 which was mainly contributed by the lower trade and other receivables in FYE 2021.

Liabilities

Non-current liabilities comprising loan and borrowings, lease liabilities, deferred tax liabilities, provision and others which decreased by RM54.9 million or 13.8% YoY to RM343.3 million as at 31 December 2021 (31 December 2020: RM398.3 million) mainly due to the RM262.4million of loan and borrowings is expected to due within the next 12 months.

Current liabilities comprising mainly short-term loan and borrowings, trade and other payables, lease liabilities and others, which increased by RM63.2 million or 16.4% YoY to RM447.9 million as at 31 December 2021 (31 December 2020: RM384.7 million). The said increase was largely due to the increase in short-term loan and borrowings of RM58.0 million as explained above. In addition to that, trade and other payables increased from RM144.7 million as at 31 December 2020 to RM148.9 million as at 31 December 2021 which was in tandem with the increase in cost of sales.

Liquidity, capital resources and gearing

As at 31 December 2021, cash and cash equivalents decreased by RM23.2 million or 49.7% to RM23.5 million compared to RM46.6 million as at 31 December 2020.

We generated a lower net cash inflow from operating activities from RM179.9 million in FYE 2020 to RM167.9 million in FYE 2021, recorded a YoY decrease of RM12.0 million mainly due to the lower receivables reported as opposed to FYE 2020.

On the other hand, net cash used in investing activities increased by RM49.9 million to RM148.7 million as at 31 December 2021 mainly due to investment made on property, plant and equipment and other investment.

The Group has undertaken corporate exercise of issuing rights issue with warrants on 8 December 2020 with the intention to utilise the proceeds for repayment of bank borrowings and for working capital purpose.

Management Discussion & Analysis
(Cont'd)

Meanwhile, net cash used in financing activities decreased by RM15.1 million, from RM60.6 million as at 31 December 2020 to RM45.5 million as at 31 December 2021, which mainly contributed by proceeds generated from the issuance of new shares of RM19.3 million in FYE 2021 as stated above coupled with the lower payments of lease liabilities and interest.

Given the above analysis, our net gearing ratio improved from 0.83 times as at 31 December 2020 to 0.77 times as at 31 December 2021 due to the reduction in lease liabilities coupled with the increase in the Group's total equity.

Our business operations are financed by a combination of internal and external sources of funds. Internal sources of funds comprise mainly shareholders' equity and cash generated from our operations, while the external source of funds comprises bank borrowings as well as credit terms granted by our suppliers. Credit terms granted to us by our suppliers range from 30 to 90 days.

The management believes that after considering our cash and bank balance as well as the funds envisaged to be generated from our business operations, we will have adequate working capital to meet our present and foreseeable day-to-day business operation requirements. Save as aforementioned, we are not aware of any other known trends and events that are reasonably likely to have a material effect on our operations, performance, financial condition and liquidity.

Whereas for capital commitments, we entered into a capital agreement to invest in telecommunication towers and solar farms of approximately RM308.4 million and RM2.6 million respectively.

REVIEW OF OPERATING ACTIVITIES

Telecommunications Landscape

The COVID-19 pandemic has demonstrated the critical importance that telecommunications infrastructure plays in keeping businesses, governments and societies connected and running. Due to the economic and social disruption caused by the pandemic, people across the globe rely on technology for information, for social distancing and working from home.

(i) Malaysia

On 1 March 2021, the Ministry of Finance announced Digital Nasional Berhad ("DNB") as the Government's Special Purchase Vehicle ("SPV") to own, implement and manage 5G infrastructure and network nationwide. The SPV was announced by Prime Minister of Malaysia in February 2021 when the MyDIGITAL initiative and the Malaysia Digital Economy Blueprint was unveiled to accelerate the digitalisation of the Malaysian economy which includes bringing 5G to Malaysians in stages.

Under the National Digital Infrastructure plan (JENDELA), the Malaysian government through Malaysian Communications and Multimedia Commission laid the foundation to provide wider coverage and better broadband experiences. This two-phase initiative aims to provide wider connectivity and a better internet experience across the country. Initially, the approach in the first phase was to gradually shut down the existing 3G networks, improve existing 4G networks to support the deployment of 5G. It also included targets to widen 4G coverage to reach all populated areas with higher average mobile broadband speeds. More modern network technologies like 4G and 5G offer a better mobile experience and can support more users and more mobile data usage than 3G.

OCK has been engaged by DNB to conduct site survey works for 5G. OCK is also involved in other 5G activities such as site installation and commissioning in Central Kuala Lumpur, Putrajaya and Cyberjaya as Malaysia is set to have 3,500 sites of 5G wholesale network by end of 2022 and subsequently extended to cover 80% by end 2024.

Management Discussion & Analysis
(Cont'd)

(ii) Vietnam

Vietnam plans to issue licenses for 5G wireless service in 2022 following pandemic delays, with coverage to start in Hanoi, Ho Chi Minh City and other urban areas. As such, Vietnam is among the first countries to adopt 5G with a plan for commercialisation in 2022. This involves increasing the number of digital enterprises from 58,000 to 100,000 by 2025 as part of the National Digital Transformation Plan, aiming to build a digital government and economy and eventually a digital society. The ability to offer all citizens highspeed internet connection at low cost, is a priority of national significance according to the Vietnam authority of communication. According to the Vietnamese government, the rollout of 5G will start in major urban areas, followed by industrial parks, research zones and universities to aid innovation and creation of new technologies. Telecommunication infrastructure, including mobile and fixed broadband infrastructure, is defined as one pillar of the digital economy.

The development of broadband infrastructure enabled the development of all economic sectors. 5G promises to deliver broadband-level speed, wirelessly, to millions of phone users. Improvements to Vietnam's mobile and fixed broadband infrastructure will continue to contribute to the country's development. Telecom infrastructure is key for development of the digital economy. Bleeding edge technologies like Internet of Things (IoT), Artificial Intelligence (AI), Big Data, network security, digital identity, digital government, and electronic payment platforms all rely on widespread, fast, and affordable connectivity.

(iii) Myanmar

Since the coup in February 2021, Myanmar has accelerated toward a surveillance state. Nationwide interruptions to Myanmar's telecommunication sector has begun since then. The military coup led to mobile operators shutting down internet access, including access to social media platforms. Nonetheless, despite the coup, OCK will continue to build and deliver order book on hand in the region of Myanmar.

Solar Renewable Energy ("RE") Landscape

The Malaysian government's RE target for 2025 has risen from 20% in the 2018 National Energy Plan to 31% in its recent Twelfth Malaysia Plan. It is expected that solar RE growth will be the main driver of the revised renewables target as solar renewable capacity growth is expected to outgrow hydropower capacity growth. Malaysia has implemented several programmes and schemes to spur solar renewable energy growth in hopes to reach its 2025 target, namely Large Scale Solar ("LSS") programme and the Net Energy Metering ("NEM") 3.0 scheme.

Under the LSS programme, the government issued solar project tenders in 2020 and 2021. The programme met great interest despite being launched during the COVID-19 pandemic as there were 112 bids for 20 projects. Through its NEM 3.0 scheme, the Ministry of Energy and Natural Resources is encouraging locals, businesses and government agencies to install solar panels on their properties. It allows participants to offset their electricity bills by sending excess solar power to the grid. The scheme will increase solar power growth by at least 500 MW. Additionally, Malaysia's Green Electricity Tariff programme, which was launched in November 2021, will contribute to renewables growth. Its objective is for consumers to reduce carbon emissions by purchasing renewable energy. The government has set aside 4,500 gigawatt hours to be distributed to the programme.

Management Discussion & Analysis
(Cont'd)

RISK PROFILES

Amid the backdrop of the COVID-19 pandemic, we highlight below the key anticipated or known risks that our Group is exposed to that may have a material effect on our operations, performance, financial condition and liquidity. Our plans and strategies to mitigate these risks have also been disclosed below:-

(i) Business risks

Our Group is principally involved in the provision of telecommunication services equipped with the ability to provide full turnkey services. Our Group is also involved in GEP solutions, M&E engineering services as well as trading of telecommunication and network products.

Hence, we are susceptible to the risks inherent to our industries. These include, amongst others, any outbreaks of diseases affecting local and global markets, rising costs of labour and raw materials, availability of skilled personnel, changes in laws and regulations applicable to our business, business and credit conditions, as well as fluctuations in foreign exchange rates. There can be no assurance that any material changes to these factors will not have a material adverse effect on the business operations of our Group.

Nevertheless, our Group has been taking effective measures to mitigate the aforementioned risks such as prudent financial management and efficient operating procedures. Further, we constantly keep abreast of economic and regulatory changes relating to our business.

(ii) Operational risks

Due to the nature of our Group's operations, interruptions in our Group's operating capabilities through disruption in electricity supply and failure or damage of tower and solar farm infrastructure or other disruptions to our business operations due to any outbreaks of diseases including pandemics may have an adverse effect on our Group's business and financial performance.

In year 2021, we continued to implement strict safety measures and Standard Operating Procedures ("SOPs") to ensure that everyone could return to work safely. We encouraged staff to be vaccinated and as of 31 December 2021, 100% of our employees are fully vaccinated and we are in the process of ensuring all our employees complete their booster doses. We also have been providing self-test kits to our employees once a week as we continue to be vigilant and encourage adherence to SOPs, while providing a safe workplace for our employees.

To avoid major breakdowns and disruptions to our operations, electricity supply and relevant equipment are constantly monitored and our production machinery undergoes scheduled maintenance.

(iii) Credit risks

The COVID-19 pandemic has affected our Group's business as we are exposed to credit risk due to slowdown in the collection of payments.

The Group evaluated the likelihood of the severity and impact of COVID-19 pandemic and concluded that the COVID-19 pandemic would not significantly affect the expected credit loss of financial assets.

(iv) Foreign exchange risks

49.85% of OCK's revenue in FYE 2021 was derived from the regional business such as Vietnam, Myanmar, Indonesia, Singapore and Thailand. We also purchase raw materials from suppliers in China. As such, we are exposed to foreign exchange risks. There is no assurance that any foreign exchange fluctuation will not have an adverse impact on our earnings.

Although we do not actively hedge our Group's foreign currency exposure, we will continue to assess the need to utilise financial instruments to hedge our currency exposure, taking into consideration factors such as foreign currency, exposure period and transaction costs. For FYE 2021, our Group has not encountered any significant foreign currency exchange fluctuation that has resulted in material adverse impact on our Group's financials.

Management Discussion & Analysis
(Cont'd)

(v) Competition risks

The Group's revenue and profitability are exposed to the risk of uncertainty arising from global and local economic conditions affected by the COVID-19 pandemic. Furthermore, we continue to face competition from existing and new competitors who may be capable of offering similar services and products. Whilst we strive to remain competitive, there can be no assurance that any changes in the competitive environment would not have any material and adverse impact on our business and financial performance.

Nevertheless, our Group strives to maintain our competitive edge by ensuring the quality of our products through stringent quality assurance procedures. We also continuously place importance on improving our products by investing in market research and product development activities.

FORWARD-LOOKING STATEMENT

Telecommunications Landscape

The National Recovery Plan was announced by the Prime Minister on 17 June 2021 and further reopening plans triggered by achieving a 90% vaccine adoption rate. However, the COVID-19 pandemic continues to raise concern despite high vaccination rate as a result of the emergence of new variants and it remains hard to reliably predict the ongoing impact it will have on the Malaysian and the global economy.

Despite the ongoing pandemic, OCK remains optimistic on the prospects of telecommunication industry. The pandemic has undeniably accelerated the demand for more robust and reliable networks globally. The need for stronger networks and new technologies such as 5G has accelerated by at least a couple of years and as we progress, we will need to improve the telecommunications infrastructure to support the technology.

At home, the Malaysian government continues to strive to achieve its digital aspirations as outlined in the government's MyDIGITAL blueprint, which plans to transform Malaysia into a digitally driven, high income nation and a leader in digital content, cyber security and digital economy in the Southeast Asia region. State-owned DNB has awarded the 5G infrastructure deployment contract to Ericsson (Malaysia) Sdn. Bhd. ("Ericsson"). Being a familiar business partner that has worked with Ericsson for more than 15 years, OCK is therefore poised to benefit directly from the impending 5G network rollout. OCK has already been engaged by DNB to conduct site survey works for 5G. OCK is also involved in other 5G activities such as site installation and commissioning in Kuala Lumpur central, Putrajaya and Cyberjaya. This is in line with DNB's plan to set up 500 sites for Phase 1 of the 5G programme covering Putrajaya, Cyberjaya and parts of Kuala Lumpur. Phase 1 targets to cover approximately 40% of the populated areas by end of 2022 as Malaysia is set to have 3,500 sites of 5G wholesale network by end of 2022 under DNB and subsequently extended to cover 80% by end 2024.

Vietnam plans to issue licenses for 5G wireless service in 2022 following pandemic delays, with coverage to start in Hanoi, Ho Chi Minh City and other urban areas. The nation's top three carriers, military-owned Viettel, Vinaphone and MobiFone, will enter the market, having operated trial services in 16 provinces and cities. In addition to major cities, service initially will be offered in high-demand areas such as industrial parks. 5G wireless communication is up to 100 times as fast as 4G and is expected to spur Vietnam's digital economy as the government promotes a shift to high-tech manufacturing.

Following the overthrow of the civilian government by a military junta in February 2021, the Myanmar telecoms market has been plunged into chaos. However the impact is expected to be manageable as communication services are deemed essential and mobile operators are bound by the long-term master lease agreements with committed site rentals.

Management Discussion & Analysis
(Cont'd)

Solar Renewable Energy Landscape

OCK is actively participating in the government agencies' initiatives on large scale solar projects to expand its renewable energy footprint, including opportunities under the NEM 3.0 scheme with large corporations and local authorities. To date, OCK owns 17 solar farms in Malaysia with total capacity of 11.3MW. Under this NEM programme, the Group will be constructing 18 rooftop solar farms in Kuala Terengganu.

On 30 December 2021, Ministry of Energy and Natural Resources launched the Malaysia Renewable Energy Roadmap ("MyRER") to achieve the national aspiration of 31% RE capacity by 2025 and 40% by 2035. MyRER prepared by Sustainable Energy Development Authority (SEDA) Malaysia outlines a strategic framework to achieve the country's RE development vision, namely 'Towards a Low Carbon Energy System', through the implementation of four technology-based pillars, namely solar, bioenergy, hydro and new sources. This will be implemented from 2022 to 2035.

OCK is fully supporting of the objective of MyRER and we remain committed to play our part actively to support sustainable economy by addressing environmental issues and has established a long-term vision to venture into green energy segments since 2012. Moving forward, OCK will continue to expand its green energy segments through acquisitions of solar farms with good feed in tariff rates which will contribute different streams of revenue from a multi-business portfolio. OCK also plans to participate in large scale tenders in the future.

Business Operations & Plans

As proven in FYE 2021, OCK's strategies in increasing streams of recurring income kept the Group resilient during the pandemic. As a towerco, OCK targets to increase our tower portfolio to more than 5,000 telecommunication sites in 2022 via greenfield and brownfield strategies as well as increasing tenancy ratios in the countries that OCK is already in operations namely Malaysia, Myanmar and Vietnam. In addition, OCK is one of the largest managed services companies in Malaysia and Indonesia with a combined portfolio of more than 54,500 sites under management and will continue to provide this operational expenditure value proposition to telecommunication operators.

We also highlight sustainability as a key driver of our business growth whereby we intend to grow our energy business segment by increasing our ownership of solar farms across Malaysia. This has been one of OCK's goals since listing in 2012 which is in line with the global trends of reducing carbon emission and building a more sustainable business.

Apart from our strong recurring income, OCK also targets growth through our non-recurring income stream via our contracting business as a TNS provider. Our goal is to maintain our position as the largest TNS provider in Malaysia and continue to provide connectivity nationwide and transition to 5G technologies which is in line with the Malaysian government's plans.

SAM OOI CHIN KHOON
Group Managing Director

SUSTAINABILITY STATEMENT

THE REPORT

Since the first Sustainability Statement ("Statement") was first released in December 2017, OCK Group Berhad ("OCK" or the "Company") has issued the Statement for five consecutive years. The Statement elaborates the Group's concepts, practices and achievements of its sustainable development and social responsibility during the financial year ended 31 December ("FYE") 2021 from the economic, environmental and social ("EES") as well as governance aspects.

SCOPE OF THE REPORT

The Statement covers OCK and its subsidiaries ("the Group"). Information disclosed in this Statement encompasses our core activities related to Telecommunication ("telco") Network Services ("TNS"), Trading of Telco and Network Products, Green Energy and Power ("GEP") Solutions as well as Mechanical and Electrical ("M&E") Engineering services. Although the Group is also a telco contractor, this Statement is not disclosing any of this segment's contributions. This Statement also excludes joint ventures or associates and partner's assets.

OCK GROUP BERHAD

TNS	GEP Solutions	Trading of Telco and Network Products	M&E Engineering Services
- Telco services equipped with ability to provide full turnkey services - Network Facilities Provider Licensee	- Construction of solar farms - Supplying power generation equipment and inclusive of installation, commissioning and testing services	- Trading of telco hardware and equipment materials such as antennas, feeder cables and connectors	- Provision of M&E services - Project management - Supplying and installation of M&E services

This Statement covers data which had been compiled internally from 1 January 2021 to 31 December 2021. Where available and relevant, historical data of the preceding year has been included for comparison.

ROAD MAP

We continue our focus of sustainability framework on the headquarters in Malaysia and this remains the nucleus of the Group's sustainability efforts. While we have expanded our regional footprint with a presence in Vietnam, Myanmar, Indonesia and Cambodia, this year's Statement will be extended to cover Indonesia in addition to Vietnam and Myanmar that were in the scope in prior years.

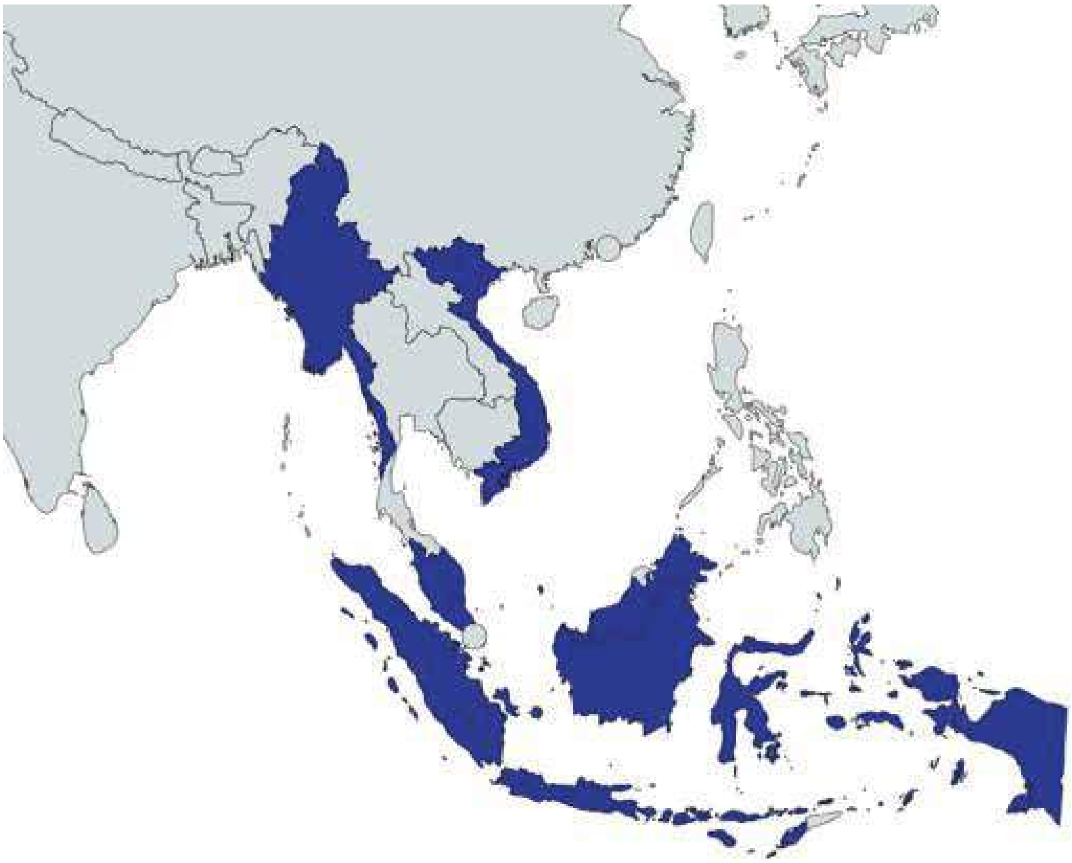
2018
Where we were
Scope - Malaysia

2019
Where we were
Scope - Malaysia & Vietnam

2020
Where we were
Scope - Malaysia, Vietnam & Myanmar

2021
Where we are
Scope - Malaysia, Vietnam Myanmar & Indonesia

Sustainability Statement
(Cont'd)



REPORTING PRINCIPLES

The Statement is prepared in accordance with the requirements of:

- Bursa Malaysia Securities Berhad ("Bursa Securities")'s Sustainability Reporting Guide (2nd Edition);
- Listing Requirements of Bursa Malaysia Securities Berhad [Paragraph 29, Part A of Appendix 9C of the Main Market Listing Requirements (supplemented by Practice Note 9)]; and
- Sustainability Reporting Standards ("GRI Standards") core option published by Global Reporting Initiative (GRI).

The Statement follows the reporting principles of:

Sustainability Statement
(Cont'd)

COMMITMENT TO SUSTAINABILITY DEVELOPMENT

Sustainability has always been a pillar of OCK's culture as we strive to achieve continuing growth and profitability in a safe, caring and sustainable environment. We recognise that sustainability practices are one of the important criteria in investors' investment decisions.

In line with Bursa Securities' Sustainability Reporting Guide (2nd Edition), the Group's sustainability practices are to ensure that EES risks and opportunities are tied in with our governance framework and social responsibilities. This enables our corporate success and behaviour to be judged and measured by the public.

In this respect, our mission, as a responsible corporate citizen, is to ensure high standards of governance across our business to promote responsible business practices, manage environmental impacts, and meet the social needs of the community in which we operate, which is in line with our corporate culture.

OUR POLICY ON SUSTAINABILITY

- Embrace Sustainability in Organisation Culture
- Capitalise on Latest Technology and Information
- Strengthen the Core Business
- Build Regional Global Connectivity
- Foster a High Performance Partnership

The Group continued success in maintaining a sustainable business and generating long-term shareholders' value is influenced by several internal and external factors. Each material factor presents unique risks and opportunities to our organisation and is a key consideration in our approach to strategies formulation and execution as it substantially influences the assessments and decisions of our stakeholders. We regularly review these factors to assess their impacts on our business model over the near, medium and long term.

Sustainability Statement
(Cont'd)

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

SOCIAL

Building a resilient workforce

Ensuring a positive workplace for our employees

Serving our community

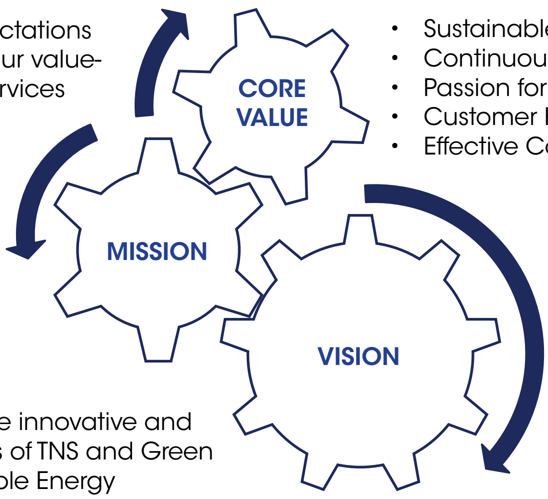
Contributing to the well-being of the community around us

GOVERNANCE FRAMEWORK

Vision, Mission and Core Value

Our vision and mission are the cornerstones of our commitment to the sustainability of the Group. Our core values are the guiding principles that we uphold in day-to-day operations and conduct ourselves to support our vision and shape our culture.

Exceeding customer expectations through timely delivery of our value-added solutions and services



- Sustainable Profitability
- Continuous Improvement
- Passion for Performance
- Customer Focus
- Effective Communication

To be one of the innovative and leading providers of TNS and Green Renewable Energy

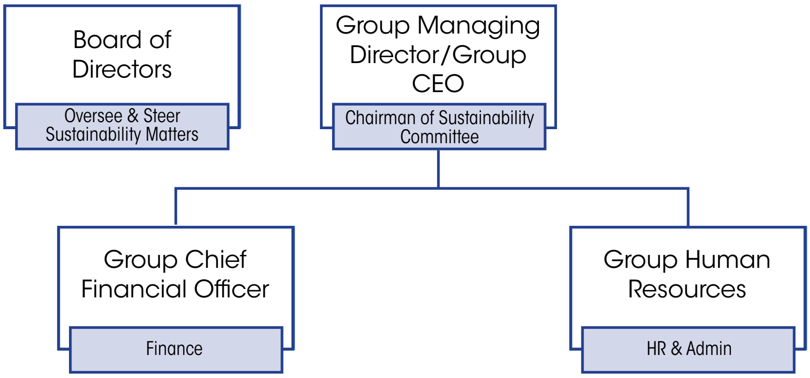
Sustainability Statement
(Cont'd)

GOVERNANCE FRAMEWORK (CONT'D)

Corporate Governance

Sustainability is embedded in our organisational approach and is led from the top. The Board of Directors ("Board") plays a vital guidance and oversight role in advancing sustainability across the organisation. The Board must have an overall fluency in sustainability so that they can connect sustainability issues to the strategic decision making for the business. The Board must have a basic understanding of sustainability to ask the right questions and ultimately tie sustainability back to the business and strategic decision making.

Hence, the Group has formed a Sustainability Committee ("the Committee") which is directly accountable to the Board that is chaired by Group Managing Director ("MD") and with different department heads as members. The Committee meets the Board quarterly to deliberate on the focus areas of our strategic sustainability developments, its direction and goals. The driving principle behind is to develop specific policy recommendations, enhance efficiency, minimize costs and engage staff in sustainability. For each of us to pull the weight to integrate sustainability into our daily business operations, our sustainability governance structure also aims to create accountability for sustainability at every level 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

The Committee also cascades sustainability matters to their respective teams in the form of policies, internal memos and updates to the Group's Standard Operating Procedures ("SOPs") to continue embedding sustainability in every aspect of the Group's daily operation.

The Board also acknowledges that risk management and internal control are integral to our corporate governance and it is responsible for establishing a sound risk management framework and internal control system as well as to ensure their adequacy and effectiveness. The review of the adequacy and effectiveness of the risk management framework and the system of internal control is delegated by the Board to the Audit and Risk Management Committee.

The Group's performance is also tracked with the assistance of the Nomination and Remuneration Committee. Performance evaluation of the Board and Senior Management include a review of the performance of the Group in addressing the Group's material sustainability risks and opportunities.

Sustainability Statement
(Cont'd)

GOVERNANCE FRAMEWORK (CONT'D)

Ethical Business Practices and Anti-Corruption & Anti-Bribery Policy

The Board recognises the importance of ethical business conduct across the operations to maintain our stakeholders' trust. Our businesses are conducted with integrity through good governance as mentioned by the Group's Code of Business Conduct and Ethics.

Good governance is the bedrock of our business, led by ethical business practices and integrity. We have embedded the highest standards of governance in our business not only by complying with the law but through processes and directives that continue to reinforce the principles.

The Group has established and adopted Anti-Corruption and Anti-Bribery Policy as we are committed to a zero-tolerance approach in our efforts to prevent corrupt and bribery practices. We are committed to conduct our business ethically, as well as in conformity with all applicable laws. This Anti-Corruption and Anti-Bribery Policy is applicable to the Board, our employees as well as any third parties associated with us.

The Group inducts all new employees on the Company's Anti-Corruption and Anti-Bribery Policy as well as Code of Business Conduct and Ethics, during the dedicated in-house orientation programme. Any updates to the Employee Handbook are done through the internal network and all employees sign off on the Company's policies on confidentiality and conflict of interest, integrity and prevention of staff fraud once they have attended the Group's internal briefings.

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 EES 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 helping 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 at varying degrees and we are already contributing to many of these goals. In prior years, we have been focusing on supporting four (4) goals where we can make the greatest contribution.

During the current year under review, OCK has extended the focus to also include SDG 5 - Gender Equality, that is in line with one of the changes in the Malaysian Code on Corporate Governance ("MCCG") announced on 28 April 2021, whereby the Board is required to have at least 30% women directors. This is to boost gender diversity to encourage constructive debates in order to equip the company to face challenges in an ever-changing environment.

RESPONSES TO SUSTAINABLE DEVELOPMENT GOALS ("SDG(s)") (CONT'D)

Sustainability Statement
(Cont'd)

RESPONSES TO SUSTAINABLE DEVELOPMENT GOALS ("SDG(s)") (CONT'D)

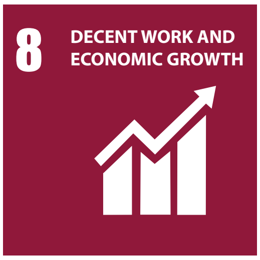
ENSURE ACCESS TO AFFORDABLE, RELIABLE, SUSTAINABLE AND MODERN ENERGY FOR ALL

If we don't tackle climate change, economic growth and progress against all the SDGs will be severely hampered. We want our business to play a leading role in achieving SDG 7. Green Renewable Energy creates clean, renewable power from the sun and benefits the environment as an alternative to fossil fuels. That's why it is our vision to be one of the innovative and leading providers of Green Renewable Energy in order to reduce the dependence on non-renewable energy sources.

We set ourselves the bold ambition of achieving significant revenue contribution from green energy business segment. Since then, we have been making real progress, we have acquired four (4) companies, namely Solar System & Power Sdn. Bhd., Green Leadership Sdn. Bhd., GL II Sdn. Bhd., and GL III Sdn. Bhd. that are in the business of renewable power generation. To date, the Group owns a total of 11.3 megawatts ("MW") solar farms.

In FYE 2021, we have achieved a significant revenue contribution from our green energy business segment with double digit revenue growth of 25.3%. This is consistent with the global trend of reducing carbon emission and building a more sustainable economy.

In addition, we incorporate the usage of on-site solar photovoltaic ("PV") solutions in our headquarters of which more detail will be discussed under the Energy Savings of Material Sustainability Matters. We have also proudly extended the Go Green Vision of OCK Group to OCK Yangon. 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 the carbon emission. To-date, OCK Yangon has two hundred forty (240) sites with solar hybrid power solution and we aspire to replace an additional one hundred (100) sites in 2022.



PROMOTE SUSTAINED, INCLUSIVE AND SUSTAINABLE ECONOMIC GROWTH, FULL AND PRODUCTIOVE EMPLOYMENT AND DECENT WORK FOR ALL

One of the most obvious ways a regional business like OCK Group can contribute to the SDGs is by helping to stimulate economic growth, by growing our own business. As a fundamental principle, growth must not come at the expense of the planet or people – especially vulnerable employees. Four (4) out of the ten (10) Material Sustainability Matters that the Group has identified are in relation to our employees because our employees are essential to OCK Group's success.

We work to maintain a productive and healthy organisation by employing and developing talented people, continually strengthening our leadership, and enhancing employee performance by fostering strong engagement. We promote a safe and healthy workplace for our people and provide equal opportunity in recruitment, career development, promotion, training and reward for all employees, regardless of gender, ethnicity, or physical ability.

We aim to work with suppliers and vendors that behave in an economically, environmentally and socially responsible manner. Our approach to suppliers and vendors is clearly set out in our Supplier Code of Conduct. These principles cover requirements such as no corruption or bribery, human rights and fair labour practices, safe and healthy working environment as well as compliance to environmental laws and regulations. Our suppliers and vendors are critical to our ability to run our business. They are involved in almost every step of our operations – and are often key to achieving successful outcomes and having a positive impact on the community.

Sustainability Statement
(Cont'd)

RESPONSES TO SUSTAINABLE DEVELOPMENT GOALS ("SDG(s)") (CONT'D)

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

BUILD RESILIENT INFRASTRUCTURE, PROMOTE INCLUSIVE AND SUSTAINABLE INDUSTRIALIZATION AND FOSTER INNOVATION

To fulfil this SDG's goal, our main business activity of being a telco and tower company ("towerco") is a key driver of building tomorrow's communities today.

Where industrialisation needs are concerned, when we enter a green field site, there is a significant contribution to job creation among the local community and we lead innovation by providing jobs that are related to the telco and technical fields of industry.

The convergence of 5G digital technologies is occurring at an incredible pace with the COVID-19 pandemic acting as a catalyst, intensifying the demand for improved connectivity and bandwidth. With that said, the infrastructure for 5G is being established under the Malaysian Government's initiative – Pelan Jalinan Digital Negara ("JENDELA").

As one of the largest telecommunication services providers, OCK is well positioned to benefit from the initiatives under JENDELA, which aims to expand 4G network coverage in the country and prepare the country's transition to 5G technology.

State-owned Digital Nasional Berhad ("DNB") had awarded the 5G infrastructure deployment contract to Ericsson (Malaysia) Sdn. Bhd. ("Ericsson") under the 10-year 5G partnership between Ericsson and DNB. Being a familiar business partner that has been working with Ericsson for more than 15 years, OCK is therefore poised to benefit directly from the impending 5G network rollout. OCK has already been engaged by DNB to conduct site survey works for 5G.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

ENSURE SUSTAINABLE CONSUMPTION AND PRODUCTION PATTERNS

To ensure sustainable consumption and production patterns, we are committed to reduce consumption and to responsibly use resources available to us. This SDG builds from the initial 3Rs of Reduce, Reuse and Recycle and when applied, the goal to embed this into the Group's value chain creates a sense of corporate responsibility on resource management.

Sustainability Statement
(Cont'd)

RESPONSES TO SUSTAINABLE DEVELOPMENT GOALS ("SDG(s)") (CONT'D)

ACHIEVE GENDER EQUALITY AND EMPOWER ALL WOMEN AND GIRLS

A diverse board can offer greater depth and breadth compared to non-diverse boards. Diversity at senior management level will also provide constructive debates, which lead to better decisions. It enables the discussion of the same ideas in differing ways and equips the company to face challenges in an ever-changing environment.

In pursuing its gender diversity agenda, each company should take steps to ensure that women candidates are sought in its recruitment exercise for board and senior management positions.

OCK has taken cognisance of the changes in the MCCG announced on 28 April 2021, of which one of the changes required companies to have 30% women directors. We have started working on achieving this target to include women in senior management, as the same benefits apply. Diversity, when extended to senior management, will also serve as a talent pipeline for board candidacy.

STAKEHOLDERS' ENGAGEMENT AND COMMUNICATION

We continued to engage our stakeholders actively throughout the fiscal year as part of our sustainability assessment process. Engagement with stakeholders allows us to gain a more complete understanding of our materiality issues and matters whilst, we are also able to capture the key aspects and impacts of our sustainability journey.

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 METHODS	ENGAGEMENT AREAS
Shareholders	• Annual & Extraordinary General Meetings • Press releases • Bursa announcements • Quarterly report • Annual report • Timely update on corporate website	• Financial and operational performance • Dividend policy • Return on investments
Government	• Compliances to laws and regulations	• Operation regulations • Bursa listing requirements • Companies Act • Labour law • Taxations • Occupational Safety and Health Act

Sustainability Statement
(Cont'd)

STAKEHOLDERS' ENGAGEMENT AND COMMUNICATION (CONT'D)

STAKEHOLDERS	ENGAGEMENT METHODS	ENGAGEMENT AREAS
Board of directors	• Board meetings	• Corporate strategy • Corporate governance
Employees	• Technical and skills trainings • Employee engagement survey • Performance review • Dialogues between employers and employees	• Occupational safety & health • Remuneration policy • Career development • Performance review • Fair employment practices
Financial Institutions	• Bursa announcements • Quarterly report • Annual report • Timely update on corporate website	• Financial and operational performance • Funding requirement
Customers	• Regular meetings • Client satisfaction survey form	• Customer satisfactions • After-sales services • Quality assurance
Suppliers & Vendors	• Vendor registration form (new supplier) • Regular meetings • Quality audit on services and products • Contract negotiation	• Services and products' quality • Legal compliances
Communities	• Charity and welfare programs	• Social contribution • Job opportunities • Donation and financial aid
Analyst/Media	• Annual & Extraordinary General Meetings • Press conferences and media releases	• Financial and operational performance • General announcements

Sustainability Statement
(Cont'd)

SUSTAINABILITY RISKS AND RESPONSES

The Board understands the importance of addressing sustainability risks and opportunities in an integrated and strategic manner to support the Group's long-term strategy and success. The Board proactively considers the sustainability issues when overseeing the planning, performance and long-term strategy of the Company, to ensure the Company remains resilient, is able to deliver durable and sustainable value as well as maintain the confident of its stakeholders.

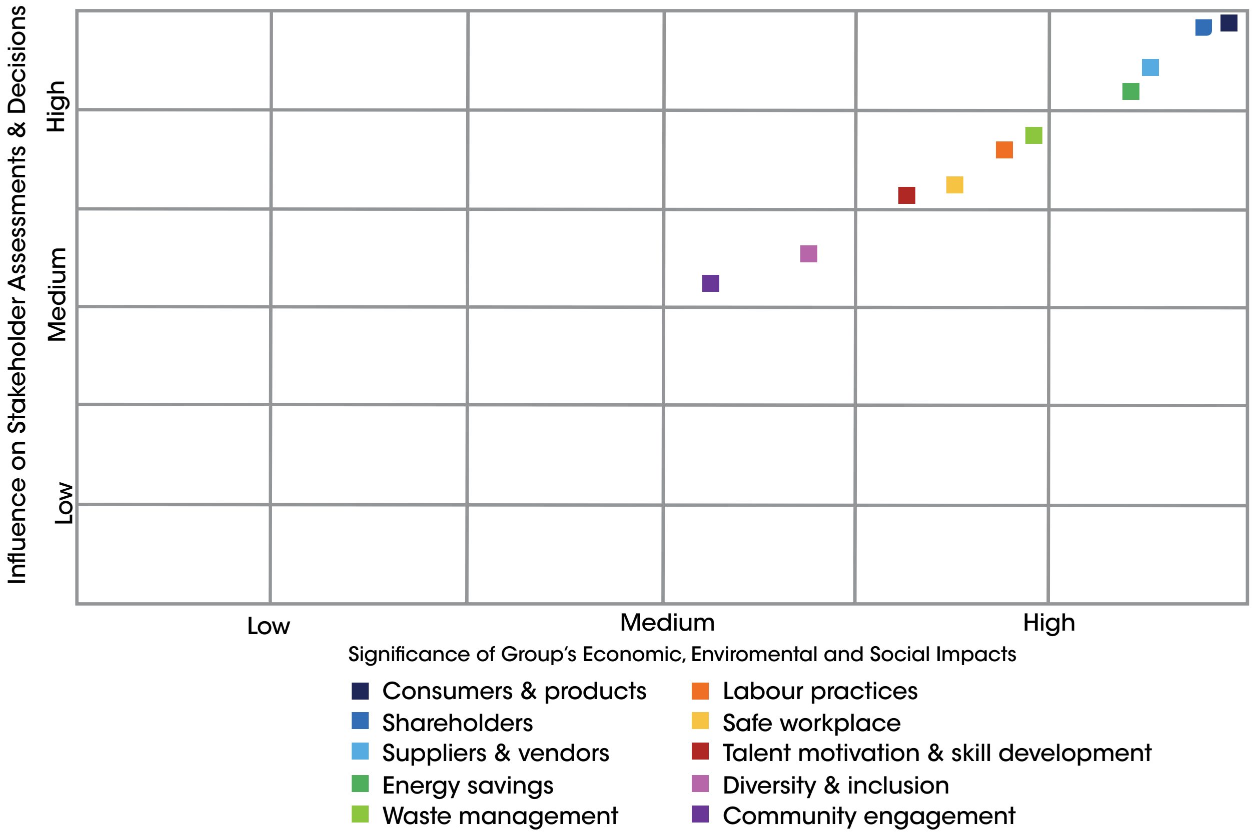
RISK	RISK ANALYSIS	RISK RESPONSES
Rapid development of the market	Technology advancement: COVID-19 pandemic has accelerated the market need for stronger networks and new technologies such as 5G. Failing to keep up with the rapid development of the market will result in the technology obsolescence risk.	The Group strives to actively involved in the 5G trials in Malaysia at our capacity as a tower infrastructure specialist with the purpose to improve digital communication and the country's internet network nationwide. We have a proven smart pole design that will be able to support the large scale 5G enrolment in near future. OCK has been engaged to conduct site survey works for 5G. OCK also involved in other 5G activities such as site installation and commissioning in Kuala Lumpur central, Putrajaya and Cyberjaya.
Public health emergencies	Public health emergencies, such as COVID-19 outbreak in early 2020, have severe impact on public health. The economy uncertainty brought by COVID-19 continues to cloud the growth of Malaysia's economy. How to respond to public health emergencies reflects how capable an enterprise is to manage and operate in such situations. If an enterprise lacks management capabilities and there are no complete safety management structure and emergency procedures and measures, it cannot stabilise the operation in face of emergencies.	In FYE 2021, the Group continued to implement strict safety measures and SOPs to ensure that everyone could return to work safely. We encouraged staff to be vaccinated and as of 31 December 2021, 100% of our employees are fully vaccinated and we are in the process of ensuring all our employees complete their booster doses. We also have been providing self-test kits to our employees once a week as we continue to be vigilant and encourage adherence to SOPs, while providing a safe workplace for our employees.
Intensified climate change	Extreme weather and sea level rise: The world calls for collective action to limit global temperature increase to below 2 degree Celsius. Extreme weather events can affect our sales, products supply and the reliability of our supply chain.	The Group takes into account climate action, one of the UN's sustainable development goals. The Group wants the business to play a leading role in achieving this UN's goals. That's why it is the Group's vision to be one of the innovative and leading providers of Green Renewable Energy promotes the utilisation of renewable energy to conserve energy and reduce energy consumption and carbon dioxide emissions.
Staff engagement	Staff engagement: Transforming staff to evolving needs and supporting employment with limited resources without compromise is challenging Workplace wellness: Expectation on work-life balance and workplace health and safety are even higher after the pandemic	The Group continues to cultivate a high-performance culture and nurture a vibrant and diverse workforce with robust training and succession plan.

Sustainability Statement
(Cont'd)

MATERIALILTY ASSESSMENT

We conducted a materiality assessment, collecting views from our stakeholders on key material sustainability matters that may have a significant economic, environmental and social impact on our business or substantively influence the assessment and decisions of our stakeholders.

We assess our material sustainability matters annually to fully understand how to manage the risks and opportunities they present. This ensures that we prioritise the issues that have the greatest impact on the economy, society and the environment.



Sustainability Statement
(Cont'd)

MATERIALILTY ASSESSMENT (CONT'D)

The table below shows key relationships between the Group's Top Ten (10) material sustainability matters, and the related SDGs.

Ranking	Material Sustainability Matter	ESS Pillars	Relevant UN SDG
1	Customers & Products		9, 12
2	Shareholders		8 DECENT WORK AND ECONOMIC GROWTH
3	Suppliers & Vendors		8 DECENT WORK AND ECONOMIC GROWTH, 9, 12
4	Energy Savings		7, 12, 13, 15
5	Waste Management		12, 13, 15
6	Labour Practices		8 DECENT WORK AND ECONOMIC GROWTH
7	Safe Workplace		8 DECENT WORK AND ECONOMIC GROWTH, 3
8	Talent Motivation & Skill Development		8 DECENT WORK AND ECONOMIC GROWTH
9	Diversity & Inclusion		8 DECENT WORK AND ECONOMIC GROWTH, 5, 10
10	Community Engagement		8 DECENT WORK AND ECONOMIC GROWTH, 11

Economic Environment Social

Sustainability Statement
(Cont'd)

MATERIALILTY ASSESSMENT (CONT'D)

ECONOMIC

Shareholders

Our shareholders are the ultimate owners of the Company and as such, they are entitled to timely and quality information on the Group's financial performance and position. Apart from the Annual General Meeting where shareholders are encouraged to ask questions to the Board and Executive Management on business operations, and the financial performance and position of the Group, the Group's corporate website at www.ock.com.my also provides a link on investor relations where quarterly and annual financial statements, announcements, financial information, annual reports, circulars/statements to shareholders and other pertinent information are uploaded on a timely basis when available.

Customers & Products

The Group is committed to see that not only our shareholders' interests are taken care of but also those of our customers and suppliers. For our customers, we will supply and provide quality products and services which meet their satisfaction and expectations through continual improvements in technology and processes as the case may be.

CUSTOMERS' SATISFACTION
Internationally recognised best practices and international quality accreditation
Experienced management that equipped with industry knowledge and comprehensive training
Prompt delivery and reliable customer service
Efficient after-sales service, create an integrated and resilient workforce

In order to ensure that our products are of consistent standard and quality, our project management processes are accredited by ISO 9001:2015 - Quality Management Systems to ensure compliance with customer's security and safety requirements and minimization of hazard risks during installation. Additionally, our Group is in compliance with all relevant laws and regulations governing safety and quality. Our commitments towards products standard and quality had gained us as one of the largest TNS providers in Malaysia.

As one of the market leaders in this industry, we possess teams of well-equipped employees with industry knowledge who are able to manage and deliver customers' expectation. We are aware that the use of the new technologies to improve our business processes. In this regard, we endeavour to keep abreast with more technological advances and innovations in the fields of telco and green energy.

The COVID-19 pandemic and the corresponding rise in both remote work and education is increasing network demand, advancing the need for more robust and reliable networks. The need for stronger networks and new technologies such as 5G has accelerated by at least a couple of years requiring us to improve the telecommunications infrastructure to support the technology. 5G is the latest generation of cellular technology and delivering faster, more reliable and lower latency connectivity than earlier generations.

As one of the largest telecommunication services providers, OCK is well positioned to benefit from the initiatives under the Government's National Digital Infrastructure Plan, or JENDELA, which aims to expand 4G network coverage in the country and prepare the country's transition to 5G technology.

State-owned Digital Nasional Berhad ("DNB") had awarded the 5G infrastructure deployment contract to Ericsson (Malaysia) Sdn. Bhd. ("Ericsson") under the 10-year 5G partnership between Ericsson and DNB. Being a familiar business partner that has been working with Ericsson for more than 15 years, OCK is therefore poised to benefit directly from the impending 5G network rollout. OCK has already been engaged by DNB to conduct site survey works for 5G. OCK also involved in other 5G activities such as site installation and commissioning in Kuala Lumpur central, Putrajaya and Cyberjaya as Malaysia is set to have 3,500 sites of 5G wholesale network by end of 2022 and subsequently extended to cover 80% by end 2024.

Sustainability Statement
(Cont'd)

MATERIALILTY ASSESSMENT (CONT'D)

ECONOMIC (CONT'D)

Customers & Products (Cont'd)

We have adopted an impartial feedback mechanism to address customer complaints and manage our relationship with them. The Client 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.

Doing business in this day and age, client's peace of mind through data security and privacy is utmost important for the business consideration. The Group views cyberattack risks as something to be reduced, if not eliminated. Information Technology ("IT") officers are sent for training to embed and upgrade their skills in handling cybersecurity issues.

In the year under review, similar to last year, there have been no incidence or breach from malware, ransomware, hacking or other cyberattacks on its database. The Group's IT Department has conducted its routine IT audits and has given the Group's assets a clean bill of health, including exposure from unauthorised software usage.

Suppliers & Vendors

To our suppliers and vendors, we are committed to enhance our processes and engage with our suppliers and vendors to identify and manage risks, increase productivity and efficiency within the supply chain, underpinned by values of integrity and transparency. We look to create value, by looking for opportunities to collaborate and to share best practices with our suppliers.

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

The nature of business for the telco 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.

ENVIRONMENT

Energy Savings

As a Group with its foundations in the environment protection, the Group is aware of the interaction and tender balance between the built and natural environments. We set ourselves the bold ambition of achieving significant revenue contribution from green energy business segment. Since then, we have been making real progress, we have acquired 100% equity interest in four (4) companies, namely Solar System & Power Sdn. Bhd., Green Leadership Sdn. Bhd., GL II Sdn. Bhd. and GL III Sdn. Bhd. that are in the business of renewable power generation. As mentioned above, to date, the Group owns a total of 11.3 MW solar farms.

Sustainability Statement
(Cont'd)

MATERIALILTY ASSESSMENT (CONT'D)

ENVIRONMENT (CONT'D)

Energy Savings (Cont'd)

GEP Solutions continued to be one of the key drivers of our business growth. As such, we have achieved a significant revenue contribution from our GEP Solutions segment with double digit revenue growth of 25.3% in FYE 2021. This is consistent with the global trend of reducing carbon emission and building a more sustainable economy.

It is worth to be noted that OCK is also actively participating in the Government's Small Renewable Energy Program (SREP) that allows projects with up to 10 MW of capacity to sell the power they generated to Tenaga Nasional Berhad.

In addition to that, we also take part in the Government's Large-Scale Solar (LSS) program, a competitive bidding program for the development of large scale solar PV plants to expand its renewable energy footprint, including opportunities under the Net Energy Metering ("NEM") scheme. Under this NEM programme, the Group will be constructing 18 rooftop solar farms in Kuala Terengganu.

Internally, the Group incorporates the usage of on-site PV solutions in our headquarters. At the Group's headquarters, its reliance on the national grid is supplemented by its PV system and continuing from the previous disclosure, the Group's Energy Management Plan puts SOPs in place to manage consumption such as switching off its heating, ventilation, and air conditioning (HVAC) systems and lighting when not in use and retrofitting lights to a low-E solution.

In FYE 2021, the Group's headquarters consumption stood at 200,822kWh amounting to RM98,418 with an increase in usage of 12.6% from 178,299kWh in FYE 2020 due to more stringent movement restriction in FYE 2020 where we have kept the minimum number of employees to attend to work during the Movement Control Order in FYE 2020.

Also as mentioned above, we have also proudly extended the Go Green Vision of OCK Group to OCK Yangon. 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.

Sustainability Statement
(Cont'd)

MATERIALILTY ASSESSMENT (CONT'D)

ENVIRONMENT (CONT'D)

Waste Management (Cont'd)

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.

Paper recycling initiatives are already in progress by encouraging the employees to prioritise electronic means to share and store documents, and to reduce printing or photocopying, otherwise, to use double-sided printing. Additionally, other materials such as furnishing, and fixture are recycled or reused where possible.

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 minimize 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)

MATERIALILTY ASSESSMENT (CONT'D)

SOCIAL

Safe Workplace

The Group believes that the safety and well-being of its employees are the foundation of its success. Hence, we strive to provide a safe and healthy environment for our employees and to ensure safe practices in all aspects of our business operations. The Group has in place a policy that highlights our commitment to:

- ensure compliance with laws and regulations in relation to occupational safety and health;
- set targets and measures to drive occupational safety and health performance across the organisation; and
- promote a culture where all employees share the commitment to prevent harm to the safety and health of our employees, contractors and the general public.

The Group is regularly engaging and educating employees to inculcate a culture of safety and compliance through safety and health training. In this respect, the Group places utmost importance on continuous compliance with all relevant health and safety laws and regulations such as Occupational Safety and Health Act and our Safety Officers are registered with Department of Occupational Safety and Health ("DOSH").

The Group's target for Occupational Safety and Health was to reach a zero-accident rate for FYE 2021. This KPI has been met as there were no accidents or claims for work-related injury in the year under review. The Group now boasts a new record of 3,093,871 accident-free work hours for one hundred and sixteen (116) employees engaged in technical fieldwork.

In Malaysia, the Occupational Safety and Health Act is the main framework of the Company's Occupational Safety & Health provisions. Safety Induction Training was conducted for all of our newly joined employees in technical fieldwork. The programme is designed to train employees to become fully aware of the safety and health measures and to meet the DOSH's guidelines. Workers are equipped with safety protective wear and equipment when involved in potentially dangerous works. Furthermore, safety briefings are compulsorily conducted to all visitors or contractors on the awareness of safety before entering the site.

In FYE 2021, a total of one hundred ninety (190) employees underwent safety training, corresponding to 34.5% of the entire workforce in the Group. The main form of training was provided by the National Institute of Occupational Safety and Health, an agency under the Ministry of Human Resources, and were largely for the technical staff engaged in fieldwork. In the Group's branches, technical fieldworkers also attend their national occupational safety and health training to complete their professional competency in on-site working conditions.

As COVID-19 has affected all areas of business throughout the world since 2020, it has become a social responsibility for OCK to act accordingly. It is our Group's immediate priority to protect the health and safety of our employees. We practice social distancing with at least one metre and enhance cleaning measures such as more regular cleaning of common touchpoints with disinfectant.

We encouraged staff to be vaccinated and as of 31 December 2021, 82.6% of our employees are fully vaccinated and we are in the process of ensuring all our employees complete their booster doses. We have also provided self-test kits to our employees as we continue to be vigilant while providing a safe workplace for our employees.

Sustainability Statement
(Cont'd)

MATERIALILTY ASSESSMENT (CONT'D)

SOCIAL (CONT'D)

Safe Workplace (Cont'd)

Against the backdrop of COVID-19 pandemic, we continue to strive building a high-energy team while navigating the storms of change. We start to use various virtual meeting platforms like Zoom Meeting, Google Meet and Microsoft Teams as our new means of engagement with our employees to minimise physical meetings.

Labour Practices

We are committed to provide and respect fundamental human rights and safeguard against violation of human rights. We guarantee an anti-discriminatory and anti-harassment workplace, one that is safe and healthy and above all, ethical in conduct. Employees are not restricted from unionising and are afforded the freedom of association per local laws and practice.

In addition to this, all employee benefits provided by the Group is above minimum statutory requirements and includes healthcare and insurance coverage, leaves, statutory payment and career development bonuses. Remuneration packages, while strictly private and confidential, are determined upon the employees' experience, expertise, qualifications and job grade.

Sustainability Statement
(Cont'd)

MATERIALILTY ASSESSMENT (CONT'D)

SOCIAL (CONT'D)

Talent Motivation and Skill Development

The Group recognises that employees are our greatest assets hence we proactively provide opportunities for growth and development for talent in the organisation through targeted development plans and succession planning. Ensuring our long-term sustainability, we continuously invest time and effort in recruiting (internal and external), upskilling, engaging and rewarding talents/employees of the organisation accordingly.

The Group also recognises that the Industrial Revolution 4.0 will place pressure in organisations to continuously upskill and reskill our workforce, to stay relevant and productive. Employees are encouraged to attend internal or external training or pursue professional development to enhance their knowledge and skill for career enhancement and personal development, human resource management, technical skills, and others.

External Training

231
Employees

2,193
Training Hours

Internal Training

514
Employees

14,152
Training Hours

External training by category saw 6.5% attended by senior management, 22.9% by middle management, 5.9% by the administrative workforce, while 64.7% by the technical workforce in the field. External training for the technical workforce is disclosed in the Safe Workplace section of this report.

As part of the Group's talent management pipeline, the Group supports internships by partnering with local institutions of higher learning to place their undergraduates within departments relevant to their studies. As at 31 December 2021, a total of fifty-one (51) interns from various disciplines joined the Group for real-life work experiences.

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 will review the Group's human resources plan including the succession management framework and activities, human resources initiatives such as jobs and salary review, and the annual manpower budget. The succession planning across the Group is implemented by stages where the training program is designed specifically for management staff.

For many years, we have recognised the importance of engaging with our workforce. Employees' engagement is important to an organisation because it motivates employees to do their best. We consider effective engagement a key element of the Company's ability to create value as we recognise that our people are our greatest asset. Management regularly engages with the workforce through a range of activities such as annual dinner, festive season celebration, sport activities etc.

Sustainability Statement
(Cont'd)

MATERIALILTY ASSESSMENT (CONT'D)

SOCIAL (CONT'D)

Talent Motivation and Skill Development (Cont'd)

Sustainability Statement
(Cont'd)

MATERIALILTY ASSESSMENT (CONT'D)

SOCIAL (CONT'D)

Talent Motivation and Skill Development (Cont'd)

Sustainability Statement
(Cont'd)

MATERIALILTY ASSESSMENT (CONT'D)

SOCIAL (CONT'D)

Diversity & Inclusion

Diversity refers to the differences in workforce by gender, age, ethnicity and disability. This measure is considered across the Board, from the Directors to the Management and the rest of the workforce.

In the appointment and recruitment process, we pride ourselves being an employer that provides equal opportunities and continuously seek to promote it regardless of religious belief, age, marital status, gender, family status or any disability. Our commitment in that respect applies to all areas of the working environment, all employment activities, resource allocation and all employment terms and conditions. Every employee is given an equal opportunity to rise up in their careers through hard work and dedication.

We draw strength from the diversity and inclusiveness that is prevalent in our workplace. As at 31 December 2021, the total number of employees stood at 3,301 employees, of which 11.5% is female and the remaining 88.5% is male.

The Directors are cognisant of the ongoing initiative to increase female representation in the boardroom and are looking into increasing female participation should the right director be found.

Having a diverse team of employees, across age, gender and industry experience, encourages open-minded dialogues, broadens our positive influence and reach, helps bridge gaps, and brings in new perspectives and strategies.

Aside from this, we also ensure that the welfare and wellbeing of senior staff with the age over 60 are not neglected. It is a commitment by the Group to provide employment opportunities to them ever since we commenced our business operations, and as at 31 December 2021, approximately 0.2% of the Group's workforce is over the age of 60. We acknowledge that the senior staff could contribute positively to the Company even after their retirement and that the invaluable experience, skills and mastery in their industries can still be gainfully utilised. In this respect, the Group is proud that it has been a strong source of employment for these senior staff for past years. This has raised the quality of life of these senior staff as there is greater income stability and consequently, better and improved living standards and conditions.

Persons with disabilities have yet to be hired by the Group. However, as an equal-opportunities employer, there is no limitation or obstacle for persons with disabilities to join, as long as it doesn't interfere with the nature of the job that otherwise non-disabled staff are able to perform.

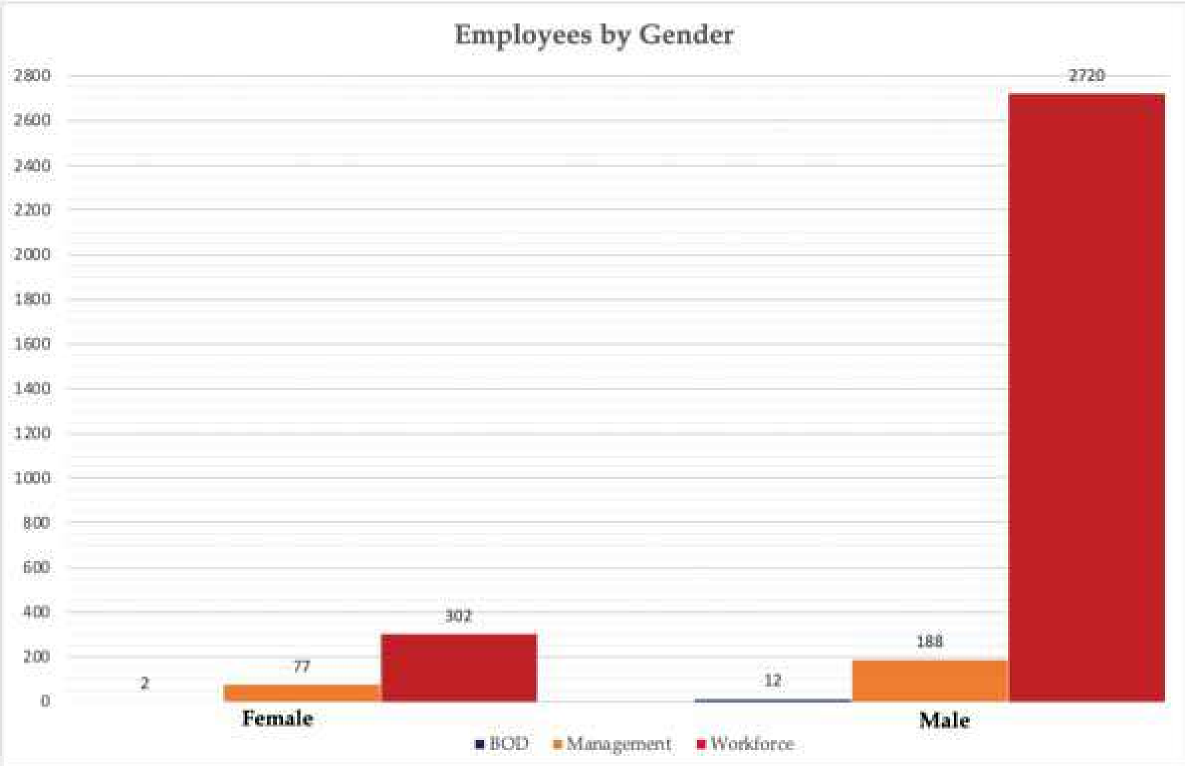
As at 31 December 2021, the Group had a total staff strength of 3,301 personnel, an expansion of 15.4% from 1 January 2021's 2,860 personnel. The following charts depict the composition of the Group's human capital in 2021.

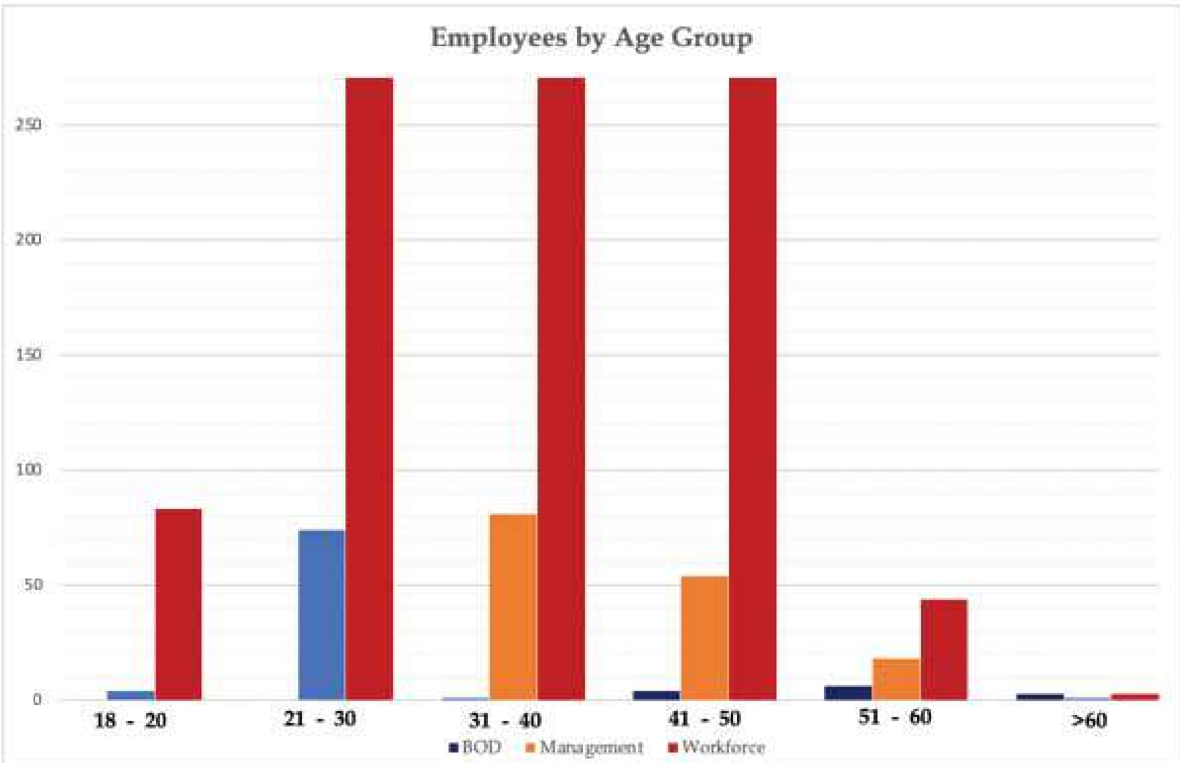
Sustainability Statement
(Cont'd)

MATERIALILTY ASSESSMENT (CONT'D)

SOCIAL (CONT'D)

Diversity & Inclusion (Cont'd)



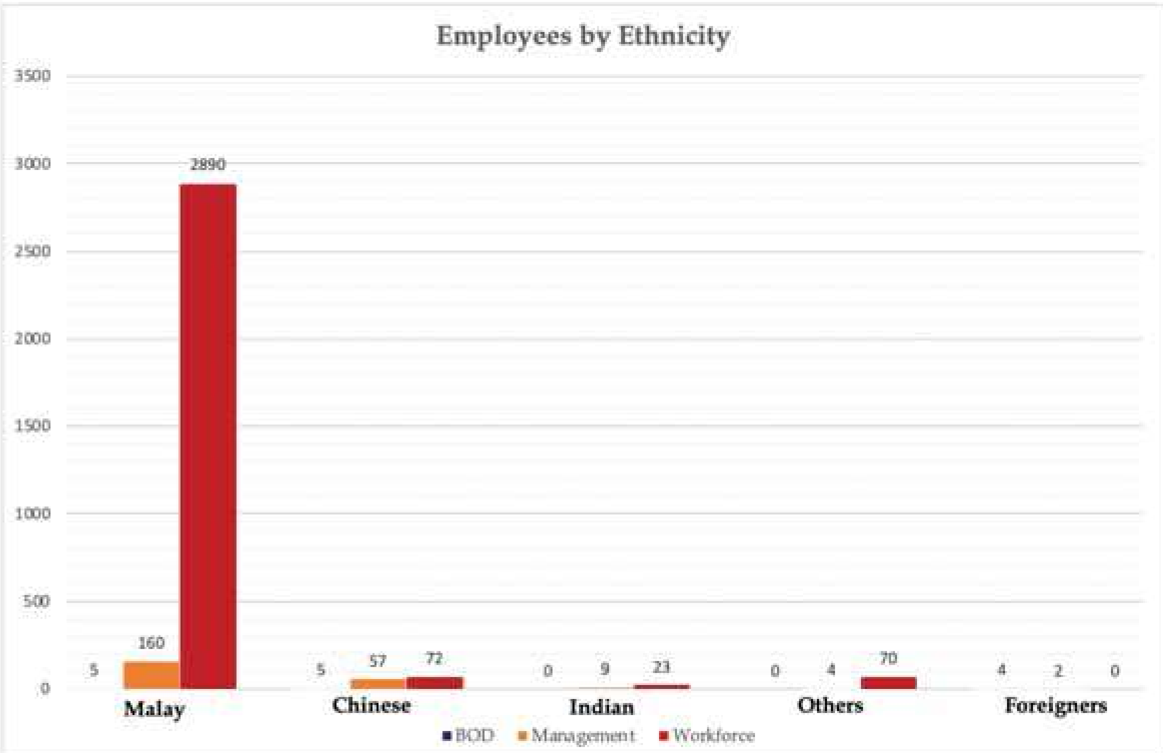


Sustainability Statement
(Cont'd)

MATERIALILTY ASSESSMENT (CONT'D)

SOCIAL (CONT'D)

Diversity & Inclusion (Cont'd)



Community Engagement

As we are deeply rooted in the community we operate, we actively engage in community outreach programmes and activities. We are proud of having the privilege to serve various segments of the community towards providing for social empowerment and helping to make a positive difference for people across all walks of life. We have from time to time made various donations and contribution to orphanages, old folks homes, disability homes and non-profit organisations.

Sustainability Statement
(Cont'd)

MATERIALILTY ASSESSMENT (CONT'D)

SOCIAL (CONT'D)

Community Engagement (Cont'd)

We organised blood donation campaign during the year as we believe in how crucial it is to help in saving lives by donating blood.

Sustainability Statement
(Cont'd)

OUR COMMITMENT

As a responsible corporate citizen, the Group shall endeavour to undertake sustainable and responsible practices to add value to sustainable business growth, environmental stewardship and social responsibility.

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 interest 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 practices 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 Chairmen 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 regulatories to keep abreast with the relevant updates on statutory and regulatory requirements and updates on the Main Market Lisitng 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 achieve 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 recognizes 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 nine (9) Directors is made up of one (1) Independent Non-Executive Chairman, four (4) Executive Directors, one (1) Chief Executive Officer, two (2) 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 deliberated fully and objectively 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. At this juncture, all the Independent Directors have served the Board for less than 9 years as at 31 December 2021 except for the Senior Independent Non-Executive Director, Dato' Indera Syed Norulzaman Bin Syed Kamarulzaman who will have completed his 9 years of service on the Board of OCK at the 11th AGM in June 2022.

However, the Board believes that the length of service on the Board has not impaired the objectivity of these Independent Directors. Moreover, the Independent Directors has 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 the effective oversight and stewardship.

During the financial year, Ms. Low Ngai Yuen was appointed as Independent Non-Executive Director in place of YM Syed Hazrain bin Syed Razlan Jamalullail. Besides, the Board decided to maintain the optimum Board size at 9 based on the review of the Board composition in 2021. 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 maintain 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 has acknowledged the importance of the participation of women in senior management and also 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 however continue to take steps to ensure that gender and age of the candidates will be taken into consideration as part of its recruitment exercise.

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.

Corporate Governance Overview Statement
(Cont'd)

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

II. Board Composition (Cont'd)

Nomination Committee (Cont'd)

The Nomination Committee comprises exclusively of Independent Non-Executive Directors and chaired by the Senior Independent Director. The Committee meets as and when required, at least once a year. During the financial year, one (1) meeting was carried out, with attendance as follows:

Name of Director	Designation	No. of Meetings Attended
Dato' Indera Syed Norulzaman Bin Syed Kamarulzaman (Senior Independent Non-Executive Chairman)	Chairman	1/1
Mahathir Bin Mahzan (Independent Non-Executive Director)	Member	1/1
YM Syed Hazrain bin Syed Razlan Jamalullail (Independent Non-Executive Director) *(Resigned on 11 May 2021)*	Member	1/1
Low Ngai Yuen (Independent Non-Executive Director) *(Appointed on 11 May 2021)*	Member	–

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 Senior 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) Ensure all Directors receive appropriate continuous training programmes;
(h) Leads 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 evaluates 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, whereby results of the assessments had been compiled, documented and reported to the Board accordingly, 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 Chairman 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 industry and changes to the regulatory environment. The assessment on 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
Dato' Indera Syed Norulzaman Bin Syed Kamarulzaman	08.03.2021	Brexit & Its Implications for Southeast Asia Workshop
	07.04.2021	Launch of the Malaysia Board Diversity Study & Index
	14.04.2021	Board and Senior Management Briefing on Corporate Liability
	27.08.2021	Malaysia Code on Corporate Governance 2021
Mahathir Bin Mahzan	14.04.2021	Board and Senior Management Briefing on Corporate Liability
	27.08.2021	Malaysia Code on Corporate Governance 2021
Low Ngai Yuen *(Appointed on 11 May 2021)*	27.08.2021	Malaysia Code on Corporate Governance 2021
Ooi Chin Khoon	14.04.2021	Board and Senior Management Briefing on Corporate Liability
	27.08.2021	Malaysia Code on Corporate Governance 2021
Low Hock Keong	14.04.2021	Board and Senior Management Briefing on Corporate Liability
	24.08.2021	Sustainability Reporting Workshops: Scope & Materiality in Sustainability Reporting
	27.08.2021	Malaysia Code on Corporate Governance 2021

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
Abdul Halim Bin Abdul Hamid	14.04.2021	Board and Senior Management Briefing on Corporate Liability
	27.08.2021	Malaysia Code on Corporate Governance 2021
Chang Tan Chin	14.04.2021	Board and Senior Management Briefing on Corporate Liability
	27.08.2021	Malaysia Code on Corporate Governance 2021
Rear Admiral (R) Dato' Mohd Som Bin Ibrahim	14.04.2021	Board and Senior Management Briefing on Corporate Liability
	27.08.2021	Malaysia Code on Corporate Governance 2021
Chong Wai Yew	14.04.2021	Board and Senior Management Briefing on Corporate Liability
	27.08.2021	Malaysia Code on Corporate Governance 2021

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 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.

Corporate Governance Overview Statement
(Cont'd)

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

III. Remuneration (Cont'd)

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 comprises mainly Independent Non-Executive Directors as follows:-

Name of Director	Designation
Dato' Indera Syed Norulzaman Bin Syed Kamarulzaman	Chairman
Ooi Chin Khoon	Member
Mahathir Bin Mahzan	Member

The responsibilities of Remuneration Committee are as follows: -

(a) Review and assess the performance and the remuneration package of the Executive Directors and key Senior Management;
(b) Review and assess the Directors' fees and benefits payable for the financial year ended 2021;
(c) Review and update its Term of Reference;
(d) Review the Board Remuneration Policy; and
(e) Provide clarification to shareholders during general meetings on matters pertaining to remuneration of directors and senior management.

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.

Corporate Governance Overview Statement
(Cont'd)

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

III. Remuneration (Cont'd)

<u>Remuneration of Directors</u> (Cont'd)

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

<u>Group Level</u>

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)
Executive Directors					
Ooi Chin Khoon	1,138	–	137	24	1,299
Low Hock Keong	790	–	95	24	909
Abdul Halim Bin Abdul Hamid	425	–	52	–	477
Chong Wai Yew	425	–	52	–	477
Chang Tan Chin	425	–	52	–	477
	3,203	–	388	48	3,639
Non-Executive Directors					
Dato' Indera Syed Norulzaman Bin Syed Kamarulzaman	67	–	–	20	87
Mahathir Bin Mahzan	55	–	–	–	55
Low Ngai Yuen *(Appointed on 11 May 2021)*	28	–	–	–	28
Rear Admiral (R) Dato' Mohd Som Bin Ibrahim	39	–	–	–	39
YM Syed Hazrain Bin Syed Razlan Jamalullail *(Resigned on 11 May 2021)*	11	–	–	–	11
	200	–	–	20	220
	3,403	–	388	68	3,859

Corporate Governance Overview Statement
(Cont'd)

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

III. Remuneration (Cont'd)

Remuneration of Directors (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)
Executive Directors					
Ooi Chin Khoon	1,138	–	137	24	1,299
Low Hock Keong	790	–	95	24	909
Abdul Halim Bin Abdul Hamid	425	–	52	–	477
Chong Wai Yew	3	–	–	–	3
Chang Tan Chin	3	–	–	–	3
	2,359	–	284	48	2,691
Non-Executive Directors					
Dato' Indera Syed Norulzaman Bin Syed Kamarulzaman	67	–	–	20	87
Mahathir Bin Mahzan	55	–	–	–	55
Low Ngai Yuen *(Appointed on 11 May 2021)*	28	–	–	–	28
Rear Admiral (R) Dato' Mohd Som Bin Ibrahim	39	–	–	–	39
YM Syed Hazrain Bin Syed Razlan Jamalullail *(Resigned on 11 May 2021)*	11	–	–	–	11
	200	–	–	20	220
	2,559	–	284	68	2,911

Remuneration of Senior Management

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

Range of Remuneration (RM)	Number of Senior Management
RM 50,000 to RM300,000	4
RM300,001 to RM350,000	1
RM350,001 to RM400,000	2
Above RM400,001	5
	12

(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 fulfil his or her responsibilities on the Board and linked to the Group's performance.)

Corporate Governance Overview Statement
(Cont'd)

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Audit and Risk Management Committee

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

(a) Encik Mahathir Bin Mahzan (Chairman)
(b) Dato' Indera Syed Norulzaman Bin Syed Kamarulzaman
(c) Ms. Low Ngai Yuen *(Appointed on 11 May 2021)*
(d) YM Syed Hazrain Bin Syed Razlan Jamalullail *(Resigned on 11 May 2021)*

The Chairman 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.

Oversight of External Auditors

The Group has always recognised the need to uphold independence impartially, hence there are no key audit partners 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 2021 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 the 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 sharpens 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 organization 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.

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

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 carry out the internal audit work effectively. 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 on the issue raised in the previous internal audit and to ensure that the proposed action plan has been implemented by the Management to mitigate the risk exposure of the Group.

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, are provided in the Statement on Risk Management and Internal Control and Audit and Risk Management Committee Report of this Annual Report.

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

I. 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, adopts 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 consist 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 Boardroom 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. Attending 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 and other corporate information.

Timely release of quarterly announcements and full year financial report 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)

II. 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 ending 31 December 2022.

III. 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 decision 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, Group's strategy or developments in the Group. In 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

The Company had conducted a virtual 10th AGM which was held on 25 June 2021 at the Meeting Room of OCK Group Berhad (Broadcast Venue) by leveraging technology in accordance with Section 327(1) and (2) of the CA 2016, Clause 59 of the Constitution of the Company had enabled remote shareholders' participation and online remote voting by leveraging technology.

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.

Corporate Governance Overview Statement
(Cont'd)

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

III. Conduct of General Meetings (Cont'd)

Voting (Cont'd)

The Company conducts a poll voting on each resolution tabled during the general meetings to support shareholders participation. At its 10th AGM held on 25 June 2021, OCK had leveraged technology to facilitate online electronics voting (e-voting) for the conduct of polls on all resolutions for the second time. Online electronic voting was used to provide a more efficient and accurate outcome of the results.

For the 9th and 10th AGM held on 30 June 2020 and 25 June 2021, OCK had appointed **HMC Corporate Services Sdn. Bhd. ("HMC")** as Poll Administrator to conduct the polling process, and **USEARCH Management Services ("USEARCH")** as Scrutineers to verify the poll results. The first experience in Remote Participation and Voting ("RPV") facilities on 30 June 2020 was useful and timely for convening a fully virtual 9th AGM on 30 June 2020, with online attendance and voting by shareholders during the MCO period.

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 26 April 2022.

AUDIT AND NON-AUDIT FEES

During the financial year under review, the fees for External Auditors of the Group were RM745,474 in audit fees and RM7,000 for non-audit fees for service rendered by the External Auditors to the Group.

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 2021 are as follows:-

		Designation
Chairman:	Encik Mahathir Bin Mahzan	Independent Non-Executive Director
Members:	Dato' Indera Syed Norulzaman Bin Syed Kamarulzaman	Senior Independent Non-Executive Chairman
	Ms. Low Ngai Yuen	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 of which all 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 which included inter alia, the Auditors' audit plans and audit reports and the audited financial statements for the financial year ended 31 December 2021.

In the Audit and Risk Management Committee meetings, the external auditors were given opportunities to raise any matters and gave 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:

	Designation	Attendance
Encik Mahathir Bin Mahzan	Independent Non-Executive Director	5/5
Dato' Indera Syed Norulzaman Bin Syed Kamarulzaman	Senior Independent Non-Executive Chairman	5/5
Ms. Low Ngai Yuen *(Appointed on 11 May 2021)*	Independent Non-Executive Director	3/3
YM Syed Hazrain Bin Syed Razlan Jamalullail *(Resigned on 11 May 2021)*	Independent Non-Executive Director	2/2

Audit And Risk Management Committee Report
(Cont'd)

3. ACTIVITIES OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

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

Quarterly Financial Statements and Audited Financial Statements

- reviewed the audited financial statements of the Company prior to submission to the Directors 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

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 recommend 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 26 April 2022, the Audit and Risk Management Committee recommended to the Board for approval of the audit fee of RM745,474 in respect of the financial year ended 31 December 2021.

The Board at its meeting held on 26 April 2022, 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 review and appraisals of the effectiveness of the governance, risk management and internal control process within the Company and the Group.

The Internal Audit report directly to the Audit Committee, the appointed 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:-

Feb 2021 -	The effectiveness of Information Technology General Controls Function in OCK Setia Engineering Sdn. Bhd. and OCK M&E Sdn. Bhd.
May 2021 -	Recurrent Related Party Transactions.
August 2021 -	Proposed Internal Audit Plan for 2021 - 2023 and Follow-Up Audit on the effectiveness of Information Technology General Controls Function in OCK Setia Engineering Sdn. Bhd. and OCK M&E Sdn. Bhd.
November 2021 -	Adequacy of management controls on Sales & Marketing, Credit Control, Purchasing, Fixed Asset and Cash & Bank in Steadcom Sdn. Bhd.

The cost of the internal audited function was RM70,000 (2020: RM75,607).

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 situation that may arise within the Company and its Group including any transaction, procedure or course of conduct that raises questions of Management integrity.

The Audit and Risk Management Committee review the RPT and conflict of interest situation presented by the Management prior to the Company entering into such transaction. The Audit and Risk Management Committee also ensure that the adequate oversight over the controls on the identification of the interested parties and possible conflict of interest situation before entering into 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 2021. The Internal Auditors' report was presented to the Audit and Risk Management Committee in financial year 2022.

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 effectiveness of the risk management, control and governance processes 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 which required follow-up action by Management as well as outstanding audit issues which required corrective action to ensure an adequate and effective internal control system within 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 ended 31 December 2021. The disclosure in this Statement is required under Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and is prepared in accordance with the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("Guidelines").

BOARD RESPONSIBILITIES

Pursuant to the requirements under the Malaysian Code of Corporate Governance for companies listed on the Bursa Malaysia, the Board of Directors ("the Board") should:

- Ensure there is a sound framework for internal controls and risk management at every level of the Company and across all operations;

- Understand the principal risks of the company's business and recognise that business decisions involve the taking of appropriate risks; and

- Set the risk appetite within which the Board expects Management to operate and ensure an appropriate risk management framework and policies on internal control and seek assurance that the Company's risk management and internal control systems are functioning effectively such as to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks.

The Board acknowledges the above responsibilities, understands the principal risks of the business that the Group involves and accepts that business decisions require the incurrence and balancing of risk and return to generate reasonable returns to the shareholders.

In overseeing the effectiveness of the systems of risk management and internal control, the Board continues to apply and use the following processes and information during the financial year to derive comfort on these systems:

i. Review and consult with 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 of audit findings reported by the External Auditors in the course of their annual financial audit and discussion with Management on key audit matters and recommended corrective actions to be taken to address the audit matters;

iii. Consider 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. Review of related party and potential conflict of interest transactions and the control procedure thereof;

v. Briefings by the Group Managing Director, Group CEO and Group CFO 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.

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 believes that effective risk oversight is critical to set the right tone and culture in building strong systems of risk management and internal control.

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 following general principles of the international risk management framework. This risk management policy outlines the principles of risk management, the Board's and management's risk management responsibilities, and the objectives that the Board expects to achieve by putting a risk management framework for the Group.

The Group had achieved a better financial result during the financial year. This achievement came from the prudence risk management and recovery from the COVID-19 pandemic. It is believed that the pandemic and the recent global political development will impact the pace of further economic recovery. To face the impact and uncertainty, the Group will continue to improve and strengthen its operational efficiency, cost optimisation and service delivery and at the same time capitalise on the 5G technology transition and renewable energy business opportunities to fortify its secondary recurring income stream in Malaysia and the existing region that the Group has local presence and the new region in the same fields to diversify the revenue stream.

At the workplace, to safeguard the health and safety of our employees, the Group continues to adhere, monitor and improve on the pandemic preventive procedures. In addition to the existing procedures on sanitisation, wearing of facemask, use of virtual meeting platforms, MySejahtera movement tracing, and "Work-from-Home" arrangements, these procedures also include performing bi-weekly swab tests for all employees, creating vaccine awareness and requiring visitors to show proof of their PCR/ RTK test results before entering the premises.

KEY INTERNAL CONTROLS

Complementing the above risk management oversights and procedures, the following key and ongoing control frameworks are in place:

(i) Board comprising Non-executive and independent directors to 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) Yearly Group Budget detailing the sources of funds and estimation of revenue and expenditures of the Group which is used as a yardstick to control and identify performance deviations;

(iv) 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 and Department Heads;

(v) Head Office oversight on subsidiaries through monthly management reporting of financial performance, cash flow projection, projects status, procurement, business outlook, headcount and operating expenses;

(vi) Executive meetings with the subsidiaries management team to review the financial and operational performance, status and progress of the various projects;

(vii) Pre-and post-performance evaluation of suppliers or sub-contractors or consultants;

(viii) Insurances covering fire insurance, burglary insurance, vehicle, machine and equipment insurance, tender/performance bond insurance, contractor all risk insurance, workers' compensation insurance, public liability, personal accident insurance and hospitalisation and surgical insurance to protect the assets and interests of the Group;

Statement On Risk Management And Internal Control
(Cont'd)

KEY INTERNAL CONTROLS (CONT'D)

Complementing the above risk management oversights and procedures, the following key and ongoing control frameworks and controls are in place (cont'd):

(ix) Implementation of Quality Management System ISO 9001:2015 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

(x) Establishment of the Anti-Corruption, Bribery and the Whistleblowing Policies. These policies set the responsibilities of the Group, employees and business partners for complying with the corruption and bribery regulations and, at the same time, provided an avenue for stakeholders to report any suspected fraud and corruption.

INTERNAL AUDIT FUNCTION

The Company has outsourced its internal audit function to an internal audit consulting firm. Functionally, the Internal Auditors report independently and directly to the Audit and Risk Management Committee ("ARMC").

The audit scope of review is guided by the Internal Audit Plan approved by the ARMC. All reports outlining our audit findings, areas for improvements and audit recommendations arising from internal audit reviews are discussed with management before being presented to the ARMC. The total cost incurred on internal audit for the financial year ended 31 December 2021 was approximately RM 70,000.

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.

There were no material losses resulting from significant control weaknesses for the financial year under review.The Board is also satisfied that the existing levels of systems of risk management and internal controls in the Group are adequate and effective to enable 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 required under Paragraph 15.23 of Main Market Listing Requirement ("MMLR") of Bursa Securities and pursuant to the Audit and Assurance Practice Guide 3 - Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control as issued by Malaysia Institute of Accountants, the External Auditors have performed a limited assurance engagement on the Statement on Risk Management and Internal Control for the inclusion in this Annual Report for the financial year ended 31 December 2021.

The External Auditors reported to the Board that nothing has come to the attention that could cause them to believe that the Statement is not prepared, in all material aspects, in accordance with the disclosures required by paragraphs 41 and 42 of the Guidelines and inaccurate.

This Statement on Risk Management and Internal Control is made by a resolution of the Board dated 26 April 2022.

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 and other records are kept which enable the preparation of the financial statements with reasonable accuracy and taking reasonable steps to ensure that appropriate systems are in place to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

In the preparation of the financial statements for the financial year ended 31 December 2021, the Directors have adopted appropriate accounting policies and have applied them consistently 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.

UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

Save for the following, there was no corporate proposal announced but not completed as at the date of this announcement.

Rights Issue with Warrants

On 3 July 2020, OCK Group Berhad ("OCK" or "the Company") announced a proposed renounceable rights issue of up to 122,264,591 new ordinary shares in OCK ("OCK Share(s)" or "Share(s)") ("Rights Shares") on the basis of 1 Rights Share for every 10 existing OCK Shares held, together with up to 122,264,591 free detachable warrants in OCK ("Warrant(s) B") on the basis of 1 Warrant B for every 1 Rights Share subscribed for on an entitlement date.

On 24 July 2020, the Company has decided not to proceed with the Proposed Exemption and pursuant thereto, the Company has determined to revise the minimum level of funds the Company intends to raise from the Proposed Rights Issue with Warrants from RM6,527,343 to RM5,626,330 ("Minimum Subscription Level").

On 21 August 2020, the Company has decided to undertake the Proposed Rights Issue with Warrants on a maximum subscription level basis ("Maximum Subscription Level") to raise the maximum proceeds possible from the Proposed Rights Issue with Warrants of up to RM24,452,918.

The Company had on 26 August 2020 submitted the application to Bursa Malaysia and approval was received from Bursa on 13 October 2020.

On 8 January 2021, 95,857,296 Rights Shares and 95,857,296 Warrants B issued pursuant to the Rights Issue with Warrants were listed and quoted on the Main Market of Bursa Malaysia, marking the completion of the Rights Issue with Warrants.

Additional Compliance Information
(Cont'd)

UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

Rights Issue with Warrants (Cont'd)

The gross proceeds of RM19.17 million from the Rights Issue exercise would be utilised in the following manner:

		Proposed Utilisation RM'000	Actual Utilisation As at 31.12.2021 RM'000	Remaining Balance RM'000	Balance After The Change RM'000	Intended Timeframe for Utilisation	Reason for Deviation
(i)	Repayment of loan	10,000	10,000	–	–	Within 12 months	–
(ii)	General working capital	7,971	8,255	(284)	–	Within 12 months	Note A
(iii)	Estimated expenses in relation to the Rights Issue	1,200	916	284	–	Upon completion	Note A
Total Gross Proceeds		**19,171**	**19,171**	**-**	**-**		

Note A: Being the excess of rights issue expenses of RM284,000.

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 37 to the Financial Statements.

EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

The Employees' Share Option Scheme ("ESOS") of the Company was implemented on 8 Jan 2021 and was in force for a period of five (5) years from 11 November 2020. The ESOS will expire on 10 November 2025.

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

Description		**Number of Options (Since commencement of ESOS to 31 December 2021)**	
		Grand Total	**Directors**
(a)	Granted	26,502,000	5,600,000
(b)	Exercised	39,600	–
(c)	Lapsed	–	–
(d)	Outstanding	26,462,400	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 2021	Since commencement up to 31 December 2021
(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.

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 2021.

PRINCIPAL ACTIVITIES

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

RESULTS

	Group RM'000	Company RM'000
Profit for the financial year, net of tax	32,588	15,993
Attributable to:		
Owners of the Company	25,393	15,993
Non-controlling interests	7,195	-
	32,588	15,993

DIVIDENDS

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

On 24 February 2022, the directors declared an interim single tier tax exempt dividend of RM0.005 per ordinary share in respect of the financial year ended 31 December 2021.

The financial statements for the current financial year do not reflect this interim dividend. This dividend will be accounted for in the equity as appropriation of retained earnings in the financial year ending 31 December 2022.

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

RESERVES OR PROVISIONS

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

Directors' Report
(Cont'd)

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; or

(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.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company:

(i) increased its issued and paid-up ordinary share capital from RM295,525,634 to RM300,995,892 by way of rights issue of 95,857,296 new ordinary shares. The shares are issued on the basis of (1) rights share for every ten existing shares at an issue price of RM0.20 each, together with 95,857,296 free detachable warrants on the basis of one warrant for every one rights share subscribed for;

(ii) issued 9,250 new ordinary shares arising from the exercise of Warrant B at the exercise price of RM0.42 per warrant in accordance with the Deed Poll dated 24 November 2020; and

(iii) issued 39,600 new ordinary shares pursuant to the exercise of the Company's Employee Share Option Scheme ("ESOS") as disclosed in Note 27 to the financial statements which amounted to RM18,691.

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

No new issue of debentures was made by the Company.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up the unissued shares of the Company during the financial year other than the issue of options pursuant to the 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 salient features and other details of the ESOS are disclosed in Note 27 to the financial statements.

Directors' Report
(Cont'd)

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 main features of the Warrants are disclosed in Note 26.

As at the end of the financial year, 95,848,046 units of the Warrants remained unexercised.

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	
Rear Admiral (R) Dato' Mohd Som Bin Ibrahim	
Abdul Halim Bin Abdul Hamid*	
Ooi Chin Khoon*	
Low Hock Keong*	
Chang Tan Chin*	
Chong Wai Yew*	
Mahathir Bin Mahzan	
Low Ngai Yuen	(Appointed on 11 May 2021)
Khairul Anwar Bin Ismail	(Appointed as alternate director to Rear Admiral (R) Dato' Mohd Som Bin Ibrahim on 4 August 2021)
YM Syed Hazrain Bin Syed Razlan Jamalullail	(Resigned on 11 May 2021)

* 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:

Lim Hooi Seeh
Chang Wan Siong
Teh Teong Poh
Teoh Ping Yong
Lee Kong Jin
Hussin Bin Abu Bakar
Nora Binti Ismail
Baskaran A/L Raja Manickam
Chen Qiyuan, Julian
Omer Chappelart
Seet Wan Chi
Song Soo Hwa
Chai Chee Tak
Chin Hon Leong
Chin Soon Hing
Chin Kong Tai

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)

Wong Shau Yang @ Apollo	
Levin Tan Eng Kien	
Chrea Dalya	
Dhani Prayudi	
Kum Pooi Yee	(Resigned on 28 June 2021)
Mohd Nazri Bin Mat Lazim	(Resigned on 28 June 2021)
Liew Kuat Keong	(Resigned on 30 June 2021)
Yuan Yuan	(Resigned on 30 June 2021)

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 1.1.2021	Bought	Sold	At 31.12.2021
Interests in the Company				
Direct interests				
Low Hock Keong	12,100,000	-	-	12,100,000
Chang Tan Chin	5,485,100	-	-	5,485,100
Chong Wai Yew	7,550,000	-	-	7,550,000
Ooi Chin Khoon	372,000	-	-	372,000
Indirect interests				
Ooi Chin Khoon [2]	327,051,225	-	-	327,051,225
Low Hock Keong [2]	3,075,500	-	(120,000)	2,955,500

Interests in the Ultimate Holding Company
- **Aliran Armada Sdn. Bhd.**

	Number of ordinary shares			
	At 1.1.2021	Bought	Sold	At 31.12.2021
Direct interests				
Abdul Halim Bin Abdul Hamid [1]	36,000	-	-	36,000
Ooi Chin Khoon [1]	1,622,700	-	-	1,622,700
Indirect interests				
Ooi Chin Khoon [2]	141,300	-	-	141,300

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)

	Number of Warrants B			
	At 1.1.2021	**Granted**	**Exercised**	**At 31.12.2021**
Warrants in the Company				
Direct interests				
Low Hock Keong	-	480,000	-	480,000
Ooi Chin Khoon	-	37,200	-	37,200
Chang Tan Chin	-	510	-	510
Indirect interests				
Ooi Chin Khoon [2]	-	2,543,114	-	2,543,114

	Number of Share Options			
	At 1.1.2021	**Granted**	**Exercised**	**At 31.12.2021**
Share options in the Company				
Abdul Halim Bin Abdul Hamid	-	500,000	-	500,000
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
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' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable, by the directors as disclosed in Note 8 to the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

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.

Directors' Report
(Cont'd)

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.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 16 to the financial statements.

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.

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

Details of significant events during and subsequent to the end of the financial year are disclosed in Note 42 to the financial statements.

ULTIMATE HOLDING COMPANY

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

AUDITORS

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

The details of the auditors' remuneration are disclosed in Note 8 to the financial statements.

Directors' Report
(Cont'd)

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

……………………………………………..
OOI CHIN KHOON
Director

……………………………………………..
ABDUL HALIM BIN ABDUL HAMID
Director

Date: 26 April 2022

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	Group 2021 RM'000	Group 2020 RM'000 (Restated)	Company 2021 RM'000	Company 2020 RM'000
Revenue	5	488,183	473,506	-	-
Cost of sales	6	(363,958)	(347,467)	-	-
Gross profit		124,225	126,039	-	-
Other income		7,166	6,611	24,236	17,236
Administrative expenses		(57,398)	(57,128)	(6,972)	(6,698)
Net impairment losses on financial assets		(397)	(603)	(54)	(2,197)
Other operating expenses		(8,786)	(8,227)	-	(5,786)
		(66,581)	(65,958)	(7,026)	(14,681)
Operating profit		64,810	66,692	17,210	2,555
Finance costs	7	(26,783)	(30,511)	(1,120)	(502)
Share of results of associates		(4)	(16)	-	-
Profit before tax	8	38,023	36,165	16,090	2,053
Tax expense	9	(5,435)	(4,560)	(97)	(534)
Profit for the financial year		32,588	31,605	15,993	1,519
Other comprehensive income/ (loss), net of tax					
Items that will not be reclassified subsequently to profit or loss					
Actuarial (loss)/gain from employee benefits	32	(47)	47	-	-
Revaluation loss on right-of-use assets		(20)	-	-	-
		(67)	47	-	-

Statements Of Comprehensive Income
(Cont'd)

	Note	Group 2021 RM'000	Group 2020 RM'000 (Restated)	Company 2021 RM'000	Company 2020 RM'000
Other comprehensive income/ (loss), net of tax (continued)					
Items that may be reclassified subsequently to profit or loss					
Foreign currency translation		15,255	(11,773)	-	-
Reclassification adjustments of exchange translation reserve upon disposal of subsidiaries	16(iii)	(111)	(59)	-	-
		15,144	(11,832)	-	-
Other comprehensive income/(loss) for the financial year		15,077	(11,785)	-	-
Total comprehensive income for the financial year		47,665	19,820	15,993	1,519
Profit attributable to:					
Owners of the Company		25,393	27,028	15,993	1,519
Non-controlling interests		7,195	4,577	-	-
		32,588	31,605	15,993	1,519
Total comprehensive income attributable to:					
Owners of the Company		40,630	15,770	15,993	1,519
Non-controlling interests		7,035	4,050	-	-
		47,665	19,820	15,993	1,519
Earnings per share (sen):					
- Basic	10	2.41	2.82		
- Diluted	10	2.38	2.82		

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

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

		Group		Company	
		2021	2020	2021	2020
	Note	RM'000	RM'000 (Restated)	RM'000	RM'000
ASSETS					
Non-Current Assets					
Property, plant and equipment	11	673,626	597,036	-	-
Right-of-use assets	12	165,388	173,420	-	-
Investment properties	13	19,780	17,761	-	-
Intangible assets	14	183,558	182,907	-	-
Deferred tax assets	15	1,178	1,496	-	-
Investment in subsidiaries	16	-	-	423,009	121,746
Investment in associates	17	197	201	-	-
Trade and other receivables	19	15,368	20,438	12,889	305,153
Total Non-Current Assets		1,059,095	993,259	435,898	426,899
Current Assets					
Inventories	18	63,392	61,115	-	-
Trade and other receivables	19	166,600	189,160	1,314	1,185
Contract assets	20	75,441	78,884	-	-
Tax assets		1,765	3,620	487	1,743
Other investments	21	17,023	582	16,825	319
Cash and short-term deposits	22	81,880	78,938	4,142	2,065
Total Current Assets		406,101	412,299	22,768	5,312
TOTAL ASSETS		1,465,196	1,405,558	458,666	432,211

Statements Of Financial Position
(Cont'd)

	Note	Group 2021 RM'000	Group 2020 RM'000 (Restated)	Company 2021 RM'000	Company 2020 RM'000
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	23	300,835	295,526	300,835	295,526
Foreign currency translation reserve	24	(13,855)	(29,146)	-	-
Revaluation reserve	25	7,064	7,188	-	-
Reverse acquisition reserve		(17,007)	(17,007)	-	-
Warrant reserve	26	12,959	-	12,959	-
Share option reserve	27	840	-	840	-
Other reserve		208	252	-	-
Retained earnings		306,165	280,702	107,514	91,521
		597,209	537,515	422,148	387,047
Non-controlling interests		76,726	85,073	-	-
Total Equity		673,935	622,588	422,148	387,047
Non-Current Liabilities					
Loans and borrowings	28	177,060	229,190	-	-
Lease liabilities	29	133,565	135,481	-	-
Deferred tax liabilities	15	19,018	21,384	-	-
Deferred income	30	1,811	1,936	-	-
Provision for liabilities	31	11,119	9,522	-	-
Post employment benefit liabilities	32	753	738	-	-
Total Non-Current Liabilities		343,326	398,251	-	-
Current Liabilities					
Contract liabilities	20	4,537	2,394	-	-
Trade and other payables	33	148,908	144,706	36,518	25,164
Loans and borrowings	28	262,418	204,437	-	20,000
Lease liabilities	29	30,011	29,510	-	-
Tax liabilities		2,061	3,672	-	-
Total Current Liabilities		447,935	384,719	36,518	45,164
Total Liabilities		791,261	782,970	36,518	45,164
TOTAL EQUITY AND LIABILITIES		1,465,196	1,405,558	458,666	432,211

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	<---- Attributable to owners of the Company							---->		
								Distributable			
	Note	Share Capital RM'000	Foreign Currency Translation Reserve RM'000	Revaluation Reserve RM'000	Reverse Acquisition Reserve RM'000	Warrant Reserve RM'000	Other Reserve RM'000	Retained Earnings RM'000	Sub-total RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
Group											
At 1 January 2020		295,525	(17,840)	7,292	(17,007)	84,134	236	169,405	521,745	62,998	584,743
Total comprehensive income for the financial year											
Profit for the financial year, restated		-	-	-	-	-	-	27,028	27,028	4,577	31,605
Actuarial gain from employee benefits	32	-	-	-	-	-	-	46	46	1	47
Foreign currency translation reserve		-	(11,304)	-	-	-	-	-	(11,304)	(528)	(11,832)
Total comprehensive income, restated		-	(11,304)	-	-	-	-	27,074	15,770	4,050	19,820
Realisation of revaluation reserve	25	-	-	(104)	-	-	-	104	-	-	-

Statements Of Changes In Equity
(Cont'd)

	Note	Share Capital RM'000	Foreign Currency Translation Reserve RM'000	Revaluation Reserve RM'000	Reverse Acquisition Reserve RM'000	Warrant Reserve RM'000	Other Reserve RM'000	Distributable Retained Earnings RM'000	Sub-total RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
		<---- Attributable to owners of the Company ---->									
Group											
Transactions with owners											
Issuance of shares pursuant to private placement	23	1	-	-	-	(1)	-	-	-	-	-
Changes in ownership interests in a subsidiary		-	-	-	-	-	-	-	-	691	691
Arising from acquisition of a subsidiary		-	-	-	-	-	-	-	-	265	265
Subscription of shares by non-controlling interests in a subsidiary		-	-	-	-	-	-	-	-	18,284	18,284
Dividends paid on shares		-	-	-	-	-	-	-	-	(1,215)	(1,215)
Appropriation to owners' other capital		-	(2)	-	-	-	16	(14)	-	-	-
Expiry of warrants	26	-	-	-	-	(84,133)	-	84,133	-	-	-
Total transactions with owners		1	(2)	-	-	(84,134)	16	84,119	-	18,025	18,025
At 31 December 2020, restated		295,526	(29,146)	7,188	(17,007)	-	252	280,702	537,515	85,073	622,588

Statements Of Changes In Equity
(Cont'd)

		<------ Attributable to owners of the Company								------>		
	Note	Share Capital RM'000	Foreign Currency Translation Reserve RM'000	Revaluation Reserve RM'000	Reverse Acquisition Reserve RM'000	Share Option Reserve RM'000	Warrant Reserve RM'000	Other Reserve RM'000	Distributable Retained Earnings RM'000	Sub-total RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
Group												
At 1 January 2021		295,526	(29,146)	7,188	(17,007)	-	-	252	280,702	537,515	85,073	622,588
Total comprehensive income for the financial year												
Profit for the financial year		-	-	-	-	-	-	-	25,393	25,393	7,195	32,588
Actuarial gain from employee benefits	32	-	-	-	-	-	-	-	(34)	(34)	(13)	(47)
Foreign currency translation reserve		-	15,291	-	-	-	-	-	-	15,291	(147)	15,144
Revaluation loss	25	-	-	(20)	-	-	-	-	-	(20)	-	(20)
Total comprehensive income		-	15,291	(20)	-	-	-	-	25,359	40,630	7,035	47,665
Realisation of revaluation reserve	25	-	-	(104)	-	-	-	-	104	-	-	-

Statements Of Changes In Equity
(Cont'd)

	Note	Share Capital RM'000	Foreign Currency Translation Reserve RM'000	Revaluation Reserve RM'000	Reverse Acquisition Reserve RM'000	Share Option Reserve RM'000	Warrant Reserve RM'000	Other Reserve RM'000	Distributable Retained Earnings RM'000	Sub-total RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
		<---- Attributable to owners of the Company ---->										
Group												
Transactions with owners												
Issuance of ordinary shares pursuant to:												
- exercise of warrants	23	5	-	-	-	-	(1)	-	-	4	-	4
- rights issue	23	5,464	-	-	-	-	12,960	-	-	18,424	-	18,424
- ESOS	23	19	-	-	-	(4)	-	-	-	15	-	15
Share option issued	27	-	-	-	-	844	-	-	-	844	-	844
Dividends paid on shares		-	-	-	-	-	-	-	-	-	(3,328)	(3,328)
Disposal of a subsidiary		-	-	-	-	-	-	(44)	-	(44)	(1,134)	(1,178)
Redemptions of shares by non-controlling interests in a subsidiary		-	-	-	-	-	-	-	-	-	(10,920)	(10,920)
Transaction costs of share issue	23	(179)	-	-	-	-	-	-	-	(179)	-	(179)
Total transactions with owners		5,309	-	-	-	840	12,959	(44)	-	19,064	(15,382)	3,682
At 31 December 2021		300,835	(13,855)	7,064	(17,007)	840	12,959	208	306,165	597,209	76,726	673,935

Statements Of Changes In Equity
(Cont'd)

	Note	Share Capital RM'000	Share Option Reserve RM'000	Warrant Reserve RM'000	Retained Earnings RM'000	Total Equity RM'000
		<--------- Attributable to owners of the Company ---------->				
Company						
At 1 January 2020		295,525	-	84,134	5,869	385,528
Total comprehensive income for the financial year						
Profit for the financial year, representing total comprehensive income		-	-	-	1,519	1,519
Transactions with owners						
Issuance of ordinary shares pursuant to exercise of warrants	23	1	-	(1)	-	-
Expiry of warrants		-	-	(84,133)	84,133	-
Total transactions with owners		1	-	(84,134)	84,133	-
At 31 December 2020		295,526	-	-	91,521	387,047
Total comprehensive income for the financial year						
Profit for the financial year, representing total comprehensive income		-	-	-	15,993	15,993
Transactions with owners						
Issuance of ordinary shares pursuant to:						
- exercise of warrants	23	5	-	(1)	-	4
- rights issue	23	5,464	-	12,960	-	18,424
- ESOS	23	19	(4)	-	-	15
Share option issued	27	-	844	-	-	844
Transaction costs of share issue	23	(179)	-	-	-	(179)
Total transactions with owners		5,309	840	12,959	-	19,108
At 31 December 2021		300,835	840	12,959	107,514	422,148

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	Group 2021 RM'000	Group 2020 RM'000 (Restated)	Company 2021 RM'000	Company 2020 RM'000
Cash Flows from Operating Activities					
Profit before tax		38,023	36,165	16,090	2,053
Adjustments for:					
Amortisation of intangible assets	14	4,482	4,307	-	-
Amortisation of government grants	30	(125)	(104)	-	-
Bad debts written off		850	619	-	-
Depreciation of property, plant and equipment	11	49,590	46,546	-	-
Depreciation of right-of-use assets	12	37,158	37,493	-	-
Fair value gain on derivative instruments		-	(13)	-	-
Fair value loss on investment properties	13	211	350	-	-
Gain from bargain purchase	16	-	(1,403)	-	-
Gain on disposal of subsidiaries	16	(1,061)	(60)	-	-
Gain on lease modification		(417)	(102)	-	-
Goodwill written off	14	400	246	-	-
Impairment losses on trade receivables	19	382	603	-	-
Impairment losses on other receivables	19	15	-	54	2,197
Interest expense	7	26,783	30,511	1,120	502
Income from short-term cash investments		(38)	(357)	(18)	(348)
Interest income		(2,856)	(1,856)	(9,236)	(12,388)
Inventories written off	18	7	2	-	-
Loss on waiver of debts		95	5	-	-
Loss on derecognition of an associate	17	-	49	-	-
Net loss on disposal of property, plant and equipment		195	127	-	-
Net gain on disposal of right-of-use assets		(22)	(114)	-	-
Net unrealised loss/(gain) on foreign exchange		586	(403)	(9,861)	5,786
Property, plant and equipment written off	11	1,253	116	-	-
(Reversal of provision)/Provision for post employment benefits	32	(61)	124	-	-
Share-based payment		845	-	192	-
Share of results of associates	17	4	16	-	-
Unwinding effect on provision for site restoration	31	423	334	-	-
Operating profit/(loss) before working capital changes, balances brought forward		156,722	153,201	(1,659)	(2,198)

Statements Of Cash Flows
(Cont'd)

	Note	Group 2021 RM'000	Group 2020 RM'000 (Restated)	Company 2021 RM'000	Company 2020 RM'000
Operating profit/(loss) before working capital changes, balances carried forward		156,722	153,201	(1,659)	(2,198)
Changes in working capital:					
Contract assets		3,443	1,143	-	-
Contract liabilities		2,143	(428)	-	-
Inventories		(2,284)	5,441	-	-
Receivables		27,031	46,914	(63)	(142)
Payables		(5,695)	(10,527)	(58)	20
Net cash generated from/(used in) operations		181,360	195,744	(1,780)	(2,320)
Interest paid		(9,027)	(9,930)	-	-
Interest received		2,856	1,856	9,236	12,388
Tax paid		(9,469)	(8,656)	(532)	(581)
Tax refunded		2,195	915	1,692	-
Net cash from operating activities		167,915	179,929	8,616	9,487
Cash Flows from Investing Activities					
Acquisition of subsidiaries, net of cash acquired	16(i)	(46)	(43,797)	-	-
Repayment from/(Advances to) related parties		150	(270)	-	-
Repayment from/(Advances to) subsidiaries		-	-	1,586	(96,443)
Advances to ultimate holding company		(71)	(96)	(66)	(74)
Change in pledged deposits	22	(23,591)	636	-	-
Income from short-term cash investments		38	357	18	348
Net (increase)/decrease in other investments		(16,441)	36,998	(16,506)	36,004
Proceeds from disposal of a subsidiary, net of cash disposed	16(iii)	640	-	-	-
Proceeds from disposal of property, plant and equipment		6,532	437	-	-
Proceeds from disposal of right-of-use assets		22	2,990	-	-
Purchase of investment properties		(2,230)	-	-	-
Purchase of property, plant and equipment	(a)	(113,699)	(97,632)	-	-
Repayment from an associated company		-	1,545	-	-
Net cash used in investing activities		(148,696)	(98,832)	(14,968)	(60,165)

Statements Of Cash Flows
(Cont'd)

	Note	Group 2021 RM'000	Group 2020 RM'000 (Restated)	Company 2021 RM'000	Company 2020 RM'000
Cash Flows from Financing Activities	(b)				
(Repayment to)/Advances from a related party		(2,855)	2,454	(2,922)	13,519
Advances from subsidiaries		-	-	14,267	11,303
(Repayment to)/Advances from directors of subsidiaries		(68)	960	-	-
Dividends paid to non-controlling interests		(3,328)	(1,215)	-	-
Interest paid		(17,756)	(20,581)	(1,120)	(502)
Net payments of lease liabilities		(33,877)	(41,855)	-	-
Net drawdown/(repayment) of term loans		1,789	(37,252)	-	-
Net drawdown/(repayment) of bankers' acceptance		12,072	(4,868)	-	-
Net drawdown/(repayment) of revolving projects loan		718	(16,003)	-	-
Net (repayment)/drawdown of revolving credit		(21,069)	40,448	(20,000)	20,000
Net proceeds from issuance of shares pursuant to:					
- exercise of warrants	23	4	1	4	1
- rights issue	23	18,245	-	18,245	-
- ESOS	23	15	-	15	-
Advances from/(Repayments to) minority shareholders of subsidiaries		11,577	(932)	-	-
Redemption of preference shares by non-controlling interests in a subsidiary		(10,920)	-	-	-
Subscription of shares by non-controlling interests in a subsidiary		-	18,284	-	-
Net cash (used in)/from financing activities		(45,453)	(60,559)	8,489	44,321
Net (decrease)/increase in cash and cash equivalents		(26,234)	20,538	2,137	(6,357)
Cash and cash equivalents at the beginning of the financial year		46,644	26,192	2,065	8,314
Effect of exchange rate changes on cash and cash equivalents		3,074	(86)	(60)	108
Cash and cash equivalents at the end of the financial year	22	23,484	46,644	4,142	2,065

Statements Of Cash Flows
(Cont'd)

(a) Purchase of property, plant and equipment:

	Group 2021 RM'000	Group 2020 RM'000
Purchase of property, plant and equipment	114,659	99,288
Provision for liabilities	(960)	(1,656)
Cash payments on purchase of property, plant and equipment	113,699	97,632

Statements Of Cash Flows
(Cont'd)

(b) Reconciliation of liabilities arising from financing activities:

Group	1.1.2021 RM'000	Cash flows RM'000	Non-cash: Acquisition of new leases RM'000	Non-cash: Others RM'000	Non-cash: Foreign exchange movement RM'000	31.12.2021 RM'000
Amounts owing to minority shareholders of subsidiaries	-	11,577	-	-	-	11,577
Amounts owing to directors of subsidiaries	1,059	(68)	-	-	-	991
Amount owing to a related party	13,519	(2,855)	-	-	-	10,664
Lease liabilities	164,991	(33,877)	30,348	(1,782)	3,896	163,576
Term loans	317,092	1,789	-	-	9,830	328,711
Bankers' acceptance	11,884	12,072	-	-	-	23,956
Revolving projects loan	17,755	718	-	-	-	18,473
Revolving credit	59,735	(21,069)	-	-	-	38,666
	586,035	(31,713)	30,348	(1,782)	13,726	596,614

Statements Of Cash Flows
(Cont'd)

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

Group	1.1.2020 RM'000	Cash flows RM'000	Non-cash: Acquisition of new leases RM'000	Non-cash: Acquisition RM'000	31.12.2020 RM'000
Amounts owing to minority shareholders of subsidiaries	932	(932)	-	-	-
Amounts owing to directors of subsidiaries	99	960	-	-	1,059
Amount owing to a related party	11,065	2,454	-	-	13,519
Lease liabilities	169,988	(41,855)	36,858	-	164,991
Term loans	352,904	(37,252)	-	1,440	317,092
Bankers' acceptance	16,752	(4,868)	-	-	11,884
Revolving projects loan	33,758	(16,003)	-	-	17,755
Revolving credit	19,287	40,448	-	-	59,735
	604,785	(57,048)	36,858	1,440	586,035

Statements Of Cash Flows
(Cont'd)

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

Company	1.1.2021 RM'000	Cash flows RM'000	Non-cash Foreign exchange movement RM'000	31.12.2021 RM'000
Amounts owing to subsidiaries	11,303	14,267	-	25,570
Amount owing to a related party	13,519	(2,922)	67	10,664
Revolving credit	20,000	(20,000)	-	-
	44,822	(8,655)	67	36,234

	1.1.2020 RM'000	Cash flows RM'000	31.12.2020 RM'000
Amount owing to a subsidiary	-	11,303	11,303
Amount owing to a related party	-	13,519	13,519
Revolving credit	-	20,000	20,000
	-	44,822	44,822

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

	Note	Group 2021 RM'000	Group 2020 RM'000
Included in net cash from operating activities:			
Payment relating to short-term leases	8	3,989	2,679
Payment relating to leases of low-value assets	8	90	261
Interest paid in relation to lease liabilities		9,027	9,930
Included in net cash from financing activities:			
Payment of lease liabilities		33,877	41,855
Total cash outflows for leases		46,983	54,725

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 of the Company is located at Level 2, Tower 1, Avenue 5, Bangsar South City, 59200 Kuala Lumpur.

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 26 April 2022.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

2.2 Adoption of amendments/improvements to MFRSs

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

Amendments/Improvements to MFRSs	
MFRS 4	Insurance Contracts
MFRS 7	Financial Instruments: Disclosures
MFRS 9	Financial Instruments
MFRS 16	Leases
MFRS 139	Financial Instruments: Recognition and Measurement

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

Notes To The Financial Statements
(Cont'd)

2. BASIS OF PREPARATION (continued)

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

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

		Effective for financial periods beginning on or after
New MFRS		
MFRS 17	Insurance Contracts	1 January 2023
Amendments/Improvements to MFRSs		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2022^/ 1 January 2023#
MFRS 3	Business Combinations	1 January 2022/ 1 January 2023#
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2023#
MFRS 7	Financial Instruments: Disclosures	1 January 2023#
MFRS 9	Financial Instruments	1 January 2022^/ 1 January 2023#
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 15	Revenue from Contracts with Customers	1 January 2023#
MFRS 16	Leases	1 April 2021/ 1 January 2022^
MFRS 17	Insurance Contracts	1 January 2023
MFRS 101	Presentation of Financial Statements	1 January 2023/ 1 January 2023#
MFRS 107	Statements of Cash Flows	1 January 2023#
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2023
MFRS 112	Income Taxes	1 January 2023
MFRS 116	Property, Plant and Equipment	1 January 2022/ 1 January 2023#
MFRS 119	Employee Benefits	1 January 2023#
MFRS 128	Investments in Associates and Joint Ventures	Deferred/ 1 January 2023#

Notes To The Financial Statements
(Cont'd)

2. BASIS OF PREPARATION (continued)

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

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

		Effective for financial periods beginning on or after
Amendments/Improvements to MFRSs (continued)		
MFRS 132	Financial instruments: Presentation	1 January 2023#
MFRS 136	Impairment of Assets	1 January 2023#
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2022/ 1 January 2023#
MFRS 138	Intangible Assets	1 January 2023#
MFRS 140	Investment Property	1 January 2023#
MFRS 141	Agriculture	1 January 2022^

^ *The Annual Improvements to MFRS Standards 2018-2020*
# *Amendments as to the consequence of effective of MFRS 17 Insurance Contracts*

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

Amendments to MFRS 3 Business Combinations

The Amendments update MFRS 3 by replacing a reference to an old version of the *Conceptual Framework for Financial Reporting* with a reference to the latest version which was issued by Malaysian Accounting Standards Board in April 2018.

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

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

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

Amendments to MFRS 16 Leases

The Amendments exempt lessees from having to consider individual lease contracts to determine whether rent concessions occurring as a direct consequence of the COVID-19 pandemic are lease modifications and allows lessees to account for such rent concessions as if they were not lease modifications, applying to reduction in lease payments originally due on or before 30 June 2022 subject to fulfilment of other conditions.

Notes To The Financial Statements
(Cont'd)

2. BASIS OF PREPARATION (continued)

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

(b) (continued)

Amendments to MFRS 101 Presentation of Financial Statements

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

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

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

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

Amendments to MFRS 112 Income Taxes

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

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

Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets

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

The Group and the Company are currently assessing the impact of initial application of the above applicable amendments/improvements to MFRSs. Nevertheless, the Group and the Company expect that the initial application is unlikely to have material financial impacts to the current period and prior period financial statements of the Group and of the Company.

Notes To The Financial Statements
(Cont'd)

2. BASIS OF PREPARATION (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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Basis of consolidation

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

(a) Subsidiaries and business combination

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

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

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

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

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

Notes To The Financial Statements
(Cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Basis of consolidation (continued)

(a) Subsidiaries and business combination (continued)

A reverse acquisition occurs if the entity that issues securities (the legal acquirer) is identified as the acquiree for accounting purposes and the entity whose equity interests are acquired (legal acquiree) is the acquirer for accounting purposes.

The reverse acquisition reserve arises due to the elimination of the Company's investment in a subsidiary. Since the shareholders of the subsidiary became the majority shareholders of the enlarged group, the acquisition is accounted for as though there is a continuation of the legal subsidiary's financial statements. In reverse acquisition accounting, the business combination's costs are deemed to have been incurred by the legal subsidiary.

Other reserve comprises capital reserve for bonus shares issued by a subsidiary.

The accounting policy for goodwill is set out in Note 3.12(a).

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

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

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

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

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

Notes To The Financial Statements
(Cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Basis of consolidation (continued)

(a) Subsidiaries and business combination (continued)

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

(b) Non-controlling interests

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

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

(c) Associates

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

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

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

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

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

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

Notes To The Financial Statements
(Cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Basis of consolidation (continued)

(d) Transactions eliminated on consolidation

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

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

3.2 Separate financial statements

In the Company's statement of financial position, investment in subsidiaries and associates are measured at cost less any accumulated impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs. The policy for the recognition and measurement of impairment losses shall be applied on the same basis as would be required for impairment of non-financial assets as disclosed in Note 3.16(b).

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 Foreign currency transactions and operations

(a) Translation of foreign currency transactions

Foreign currency transactions are translated to the respective functional currencies of the Group entities using the exchange rates prevailing at the transaction dates.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the exchange rates prevailing at the reporting date.

Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated at the rates prevailing at the dates the fair values were determined. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated at the historical rates as at the dates of the initial transactions.

Foreign exchange differences arising on settlement or retranslation of monetary items are recognised in profit or loss except for monetary items that are designated as hedging instruments in either a cash flow hedge or a hedge of the Group's net investment of a foreign operation. When settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, exchange differences are recognised in profit or loss in the separate financial statements of the parent company or the individual financial statements of the foreign operation. In the consolidated financial statements, the exchange differences are considered to form part of a net investment in a foreign operation and are recognised initially in other comprehensive income until its disposal, at which time, the cumulative amount is reclassified to profit or loss.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

Notes To The Financial Statements
(Cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Foreign currency transactions and operations (continued)

(b) Translation of foreign operations

The assets and liabilities of foreign operations denominated in the functional currency different from the presentation currency, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at exchange rates prevailing at the reporting date. The income and expenses of foreign operations are translated at exchange rates at the dates of the transactions.

Exchange differences arising on the translation are recognised in other comprehensive income. However, if the foreign operation is a non-wholly owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests.

When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in foreign exchange translation reserves related to that foreign operation is reclassified to profit or loss. For a partial disposal not involving loss of control of a subsidiary that includes a foreign operation, the proportionate share of cumulative amount in foreign exchange translation reserve is reattributed to non-controlling interests. For partial disposals of associates or joint ventures that do not result in the Group losing significant influence or joint control, the proportionate share of the cumulative amount in foreign exchange translation reserve is reclassified to profit or loss.

3.4 Revenue and other income

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

Revenue recognition of the Group is applied for each contract with a customer or a combination of contracts with the same customer (or related parties of the customer).

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

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

Notes To The Financial Statements
(Cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Revenue and other income (continued)

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

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

(a) Revenue from telecommunication network services

Revenue is recognised at a point in time upon services rendered and customer's acceptance.

(b) Revenue from renewable energy

Revenue is recognised at a point in time when renewable energy is delivered to customer.

(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, which is consistent with market practice, 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) Sales of power solutions and other goods

Revenue is recognised at a point in time upon delivery of products and customer's acceptance.

(e) Interest income

Interest income is recognised using the effective interest method.

Notes To The Financial Statements
(Cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Revenue and other income (continued)

(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.

(i) Dividend income

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

3.5 Employee benefits

(a) Short-term employee benefits

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

(b) Defined contribution plans

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

(c) Defined benefit plans

Certain subsidiaries of the Company operate an unfunded defined benefit scheme. Each subsidiary's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees would have earned in return for their service in the current and prior financial years, that benefit is discounted to determine the present value and the fair value of any plan assets is deducted. The discount rate is the market yield at the reporting date on high quality corporate bonds or government bonds.

The calculation is performed by an actuarist using the projected unit credit method. In the intervening years, the calculation may be updated by the actuarist based on approximations unless material changes in demographics or business processes have been identified that would cause doubt in the application of approximations, in which case detailed analysis would be necessary at the interim date.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Employee benefits (continued)

(c) Defined benefit plans (continued)

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return of plan assets (excluding amounts included in net interest on the net defined benefit liability) and the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in other comprehensive income. Remeasurements are not reclassified to profit or loss in subsequent periods.

The net interest is calculated by applying the discount to the net balance of the defined benefit obligation and fair value of plan assets, if any.

The Group recognises the following costs in profit or loss:
- Service costs comprising current service costs, past service costs, gains and losses on curtailments and non-routine settlements
- Net interest expense

3.6 Borrowing costs

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

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

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

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

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

3.7 Income tax

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

(a) Current tax

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

Notes To The Financial Statements
(Cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.7 Income tax (continued)

(b) Deferred tax

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

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

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

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

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

Where investment properties are carried at fair value in accordance with the accounting policy as disclosed in Note 3.11, 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.

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

Notes To The Financial Statements
(Cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.7 Income tax (continued)

(b) Deferred tax (continued)

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

(c) Sales and services tax

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

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

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

3.8 Financial instruments

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

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

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

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

Notes To The Financial Statements
(Cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 Financial instruments (continued)

(a) Subsequent measurement

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

(i) Financial assets

For the purposes of subsequent measurement, financial assets are classified in two categories:
- Financial assets at amortised cost
- Financial assets at fair value through profit or loss

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

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

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

- **Amortised cost**
  Financial assets that are held for collection of contractual cash flows and those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. The policy for the recognition and measurement of impairment is in accordance with Note 3.16(a). Gains and losses are recognised in profit or loss when the financial asset is derecognised, modified or impaired.

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

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

Notes To The Financial Statements
(Cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 Financial instruments (continued)

(a) Subsequent measurement (continued)

The Group and the Company categorise the financial instruments as follows: (continued)

(ii) Financial liabilities

The Group and the Company classify their financial liabilities in the following measurement categories:
- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost

<u>Financial liabilities at fair value through profit or loss</u>

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

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

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

<u>Financial liabilities at amortised cost</u>

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

(b) Financial guarantee contracts

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

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

(c) Regular way purchase or sale of financial assets

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

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

Notes To The Financial Statements
(Cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 Financial instruments (continued)

(c) Regular way purchase or sale of financial assets (continued)

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

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

(d) Derecognition

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

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

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

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

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

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

(e) Offsetting of financial instruments

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

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

Notes To The Financial Statements
(Cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.9 Property, plant and equipment

(a) Recognition and measurement

Property, plant and equipment (other than land and buildings) are measured at cost less accumulated depreciation and any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.16(b).

Cost of assets includes expenditures that are directly attributable to the acquisition of the asset and any other costs that are directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes cost of materials, direct labour, and any other direct attributable costs but excludes internal profits. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs in Note 3.6.

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

Freehold and leasehold land and buildings are measured at fair value, 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 the revaluation. Valuations are performed with sufficient regularity to ensure that the fair value of the freehold and leasehold land and buildings does not differ materially from the carrying amount. 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.

A revaluation surplus is recognised in other comprehensive income and credited to the revaluation reserve. However, the increase shall be recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss. If an asset's carrying amount is decreased as a result of a revaluation, the decrease shall be recognised in profit or loss. However, the decrease shall be recognised in other comprehensive income to the extent of any credit balance existing in the revaluation reserve in respect of that 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.

Notes To The Financial Statements
(Cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.9 Property, plant and equipment (continued)

(b) Subsequent costs

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

(c) Depreciation

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%

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

(d) Derecognition

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

3.10 Leases

(a) Definition of lease

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Leases (continued)

(b) Lessee accounting

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

The Group presents right-of-use assets that do not meet the definition of investment property in Note 12 and lease liabilities in Note 29.

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

Right-of-use asset

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

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any accumulated impairment losses, and adjust for any remeasurement of the lease liabilities. The right-of-use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. If expects to exercise a purchase option, the right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts from the commencement date of the underlying asset. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.16(b).

Lease liability

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

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

Notes To The Financial Statements
(Cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Leases (continued)

(b) Lessee accounting (continued)

Lease liability (continued)

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

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

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

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

Short-term leases and leases of low value assets

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

(c) Lessor accounting

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

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

Notes To The Financial Statements
(Cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 Investment properties

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

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Where the fair value of the investment property under construction is not reliably determinable, the investment property under construction is measured at cost until either its fair value becomes reliably determinable or construction is complete, whichever is earlier. Gains and losses arising from changes in the fair values of investment properties are recognised in profit or loss for the period in which they arise.

Cost includes purchase price and any directly attributable costs incurred to bring the property to its present location and condition intended for use as an investment property.

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

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

3.12 Goodwill and other intangible assets

(a) Goodwill

Goodwill arising from business combinations is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. After initially recognition, goodwill is measured at cost less any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.16(b).

(b) Other 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. Amortisation methods and useful lives are reviewed at the end of each reporting period and adjusted, if appropriate.

3.13 Contract assets/(liabilities)

Contract asset is the right to consideration for goods or services transferred to the customers when that right is conditioned on something other than the passage of time (for example, the Company's future performance). The policy for the recognition and measurement of impairment losses is in accordance with Note 3.16(a).

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

Notes To The Financial Statements
(Cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 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 of services: the labour and other costs of personnel directly engaged in providing the services, including supervisory personnel and attributable overheads.

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

3.15 Cash and cash equivalents

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

3.16 Impairment of assets

(a) Impairment of financial assets and contract assets

Financial assets measured at amortised cost, contract assets and financial guarantee contracts will be subject to the impairment requirement in MFRS 9 *Financial Instruments* which is related to the accounting for expected credit losses on the financial assets. Expected credit loss is the weighted average of credit losses with the respective risks of a default occurring as the weights.

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

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

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

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

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

Notes To The Financial Statements
(Cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 Impairment of assets (continued)

(a) Impairment of financial assets and contract assets (continued)

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

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

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

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

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

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

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events:
- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default of past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties; or
- the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

The amount of impairment losses (or reversal) shall be recognised in profit or loss, as an impairment gain or loss.

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

Notes To The Financial Statements
(Cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 Impairment of assets (continued)

(b) Impairment of non-financial assets

The carrying amounts of non-financial assets (except for inventories, contract assets, deferred tax assets and investment properties measured at fair value) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the Group and the Company make an estimate of the asset's recoverable amount. For goodwill and intangible assets that have indefinite useful life and are not yet available for use, the recoverable amount is estimated at each reporting date.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of non-financial assets or cash-generating units ("CGUs"). Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a CGU or a group of CGUs that are expected to benefit from the synergies of business combination.

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

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

Impairment losses are recognised in profit or loss, except for assets that were previously revalued with the revaluation surplus recognised in other comprehensive income. In the latter case, the impairment is recognised in other comprehensive income up to the amount of any previous revaluation.

Impairment losses in respect of goodwill are not reversed. For other assets, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. An impairment loss is reversed only if there has been a change in the estimates used to determine the assets recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

3.17 Share capital

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

Notes To The Financial Statements
(Cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.18 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

Where the grant relates to an asset, it is recognised as deferred income in the statements of financial position and transferred to profit or loss over the expected useful life of the related asset. Where the grant relates to an expense item, it is recognised in profit or loss, under the heading of "other income", on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

The benefit derived from a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

3.19 Share-based payments

The cost of equity-settled share-based payment is determined by the fair value at the date when the grant is made using an appropriate valuation model. Details regarding the determination of the fair value of equity-settled share-based payments are set out in Note 27.

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

3.20 Provisions

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

If the effect of the time value of money is material, provisions that are determined based on the expected future cash flows to settle the obligation are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provisions due to passage of time is recognised as finance costs.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

Provision for liabilities mainly comprise provision for dismantling, removal or restoration on identified sites.

3.21 Earnings per share

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

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

Notes To The Financial Statements
(Cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.22 Operating segments

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

3.23 Fair value measurements

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

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

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

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

The Group and the Company recognise transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

3.24 Contingencies

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

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

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

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

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.

Notes To The Financial Statements
(Cont'd)

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

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.

(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 are depending 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 40(a).

Notes To The Financial Statements
(Cont'd)

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

(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. More regular reviews are performed if events indicate that this is necessary. The assessment of the net tangible assets of the subsidiaries affects the result of the impairment test.

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 on the amounts owing by subsidiaries whenever the events or changes in circumstances indicate that the amounts by subsidiaries may not be recoverable in accordance with its accounting policy.

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, based on the Company's past history, 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.

5. REVENUE

	Group	
	2021	**2020**
	RM'000	**RM'000**
Revenue from contracts with customers:		
At a point in time:		
Telecommunication network services	280,873	263,608
Green energy and power solutions	36,428	29,084
Sales of goods	8,444	5,167
	325,745	297,859
Over time:		
M&E engineering services	1,322	10,106
	327,067	307,965
Revenue from other source:		
Lease income of telecommunication towers	161,116	165,541
	488,183	473,506

Notes To The Financial Statements
(Cont'd)

6. COST OF SALES

	Group 2021 RM'000	Group 2020 RM'000
Telecommunication network services	257,919	233,120
Lease of telecommunication towers	73,373	84,616
Green energy and power solutions	25,778	19,759
Sales of goods	4,167	998
M&E engineering services	2,721	8,974
	363,958	347,467

7. FINANCE COSTS

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Bank overdrafts	1,727	3,160	-	-
Lease liabilities	9,027	9,930	-	-
Revolving project loan	2,321	2,228	-	-
Revolving credit	1,078	1,086	59	59
Term loans	10,945	13,118	-	-
Trade financing	313	733	-	-
Unwinding of discount on payables	423	81	-	-
Interest on loan from a related party	949	175	486	175
Interest on intercompany loans	-	-	575	268
	26,783	30,511	1,120	502

Notes To The Financial Statements
(Cont'd)

8. PROFIT BEFORE TAX

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

	Group		Company	
	2021 RM'000	**2020 RM'000 (Restated)**	**2021 RM'000**	**2020 RM'000**
Amortisation of intangible assets	4,482	4,307	-	-
Amortisation of government grants	(125)	(104)	-	-
Auditors' remuneration:				
- statutory audit				
- current year	745	760	120	112
- (over)/under provision in prior years	(33)	(57)	3	(59)
- non-statutory audit				
- current year	7	7	7	7
Bad debts recovered	(50)	-	-	-
Bad debts written off	850	619	-	-
Depreciation of property, plant and equipment	49,590	46,546	-	-
Depreciation of right-of-use assets	37,158	37,493	-	-
Directors' remuneration (Note (a))	5,330	5,122	2,866	2,681
Employee benefits expenses (Note (b))	127,022	125,646	1,530	1,224
Fair value gain on derivative instruments	-	(13)	-	-
Fair value loss on investment properties	211	350	-	-
Gain from bargain purchase	-	(1,403)	-	-
Gain on disposal of subsidiaries	(1,061)	(60)	-	-
Gain on lease modification	(417)	(102)	-	-
Goodwill written off	400	246	-	-
Impairment losses on:				
- trade receivables	382	603	-	-
- other receivables	15	-	54	2,197
Income from short-term cash investments	(38)	(357)	(18)	(348)
Interest income	(2,856)	(1,856)	(9,236)	(12,388)

Notes To The Financial Statements
(Cont'd)

8. PROFIT BEFORE TAX (continued)

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

	Group		Company	
	2021 RM'000	2020 RM'000 (Restated)	2021 RM'000	2020 RM'000
Inventories written off	7	2	-	-
Loss on waiver of debts	95	5	-	-
Loss on derecognition of an associate	-	49	-	-
Net loss on disposal of property, plant and equipment	195	127	-	-
Net gain on disposal of right-of-use assets	(22)	(114)	-	-
Net loss/(gain) on foreign exchange:				
- realised	927	903	-	-
- unrealised	586	(403)	(9,861)	5,786
Property, plant and equipment written off	1,253	116	-	-
(Reversal of provision)/Provision for post employment benefits	(61)	124	-	-
Expenses relating to short-term lease:				
- equipment	116	51	-	-
- premises	1,947	1,636	83	75
- sites	907	111	-	-
- vehicles	785	608	-	-
- warehouse	234	273	-	-
Expenses relating to low-value assets:				
- equipment	87	255	-	-
- premises	3	6	-	-
Rental income from:				
- premises	(923)	(802)	-	-
- vehicles	(3)	-	-	-
Unwinding effect on provision for site restoration	423	334	-	-

Notes To The Financial Statements
(Cont'd)

8. PROFIT 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	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Directors of the Company				
Executive Directors:				
- salaries, allowances and bonuses	3,227	3,061	2,383	2,224
- other emoluments	387	369	284	268
	3,614	3,430	2,667	2,492
Non-executive Directors:				
- fees	177	168	177	168
- allowances	22	21	22	21
	199	189	199	189
Directors of the subsidiaries				
Executive Directors:				
- fees	54	59	-	-
- salaries, allowances and bonuses	1,348	1,333	-	-
- other emoluments	115	111	-	-
	1,517	1,503	-	-
Total directors' remuneration	5,330	5,122	2,866	2,681

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 RM68,338 (2020: RM57,800) and RM68,338 (2020: RM57,800) respectively.

Notes To The Financial Statements
(Cont'd)

8. PROFIT BEFORE TAX (continued)

(b) Employee benefits expenses are:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Salaries, allowances and bonuses	119,206	119,844	1,193	1,092
Contributions to defined contribution plans and Socso	6,029	5,582	145	132
Other benefits	942	220	-	-
Share-based payment	845	-	192	-
	127,022	125,646	1,530	1,224

9. TAX EXPENSE

The major components of tax expense for the financial years ended 31 December 2021 and 31 December 2020 are as follows:

	Group		Company	
	2021 RM'000	2020 RM'000 (Restated)	2021 RM'000	2020 RM'000
Statements of comprehensive income				
Current income tax:				
- Current income tax charge	7,578	6,689	185	537
- Adjustment in respect of prior years	(58)	(449)	(88)	(3)
	7,520	6,240	97	534
Deferred tax (Note 15)**:**				
- Reversal of temporary differences	(368)	(1,656)	-	-
- Adjustment in respect of prior years	(1,717)	(24)	-	-
	(2,085)	(1,680)	-	-
Tax expense	5,435	4,560	97	534

Domestic income tax is calculated at the Malaysian statutory income tax rate of 24% (2020: 24%) of the estimated assessable profit for the financial year.

Notes To The Financial Statements
(Cont'd)

9. **TAX EXPENSE** (continued)

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

	Group		Company	
	2021 RM'000	**2020 RM'000 (Restated)**	**2021 RM'000**	**2020 RM'000**
Profit before tax	38,023	36,165	16,090	2,053
Tax at Malaysian statutory income tax rate of 24%	9,126	8,680	3,862	493
Tax effects arising from:				
- non-deductible expenses	23,549	14,153	447	2,345
- non-taxable income	(26,609)	(17,236)	(4,124)	(2,301)
Effect of different tax rates in foreign jurisdictions	816	(435)	-	-
Deferred tax not recognised on tax losses and temporary differences	529	437	-	-
Deferred tax recognised at different tax rate	-	(4)	-	-
Utilisation of previously unrecognised tax losses and capital allowances	(201)	(562)	-	-
Adjustments in respect of prior years:				
- income tax	(58)	(449)	(88)	(3)
- deferred tax	(1,717)	(24)	-	-
Tax expense	5,435	4,560	97	534

Notes To The Financial Statements
(Cont'd)

10. EARNINGS PER SHARE

Basic earnings per ordinary share

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

	Group	
	2021 RM'000	2020 RM'000 (Restated)
Profit attributable to owners of the Company	25,393	27,028
Weighted average number of ordinary shares for basic earnings per share	1,052,354	958,574
Basic earnings per ordinary share (sen)	2.41	2.82

Diluted earnings per ordinary shares

Diluted earnings per share are based on the profit for the financial year attributable to owners of the Company and the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares, calculated as follows:

	Group	
	2021 RM'000	2020 RM'000 (Restated)
Profit attributable to owners of the Company	25,393	27,028
Weighted average number of ordinary shares for basic earnings per share	1,052,354	958,574
Effect of dilution from:		
- Warrants	10,197	-
- Share option	5,630	-
Weighted average number of ordinary shares for diluted earnings per share	1,068,181	958,574
Diluted earnings per ordinary share (sen)	2.38	2.82

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 28,000 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	Renovation	Engineering equipment	Network facilities	Plant and machinery	Capital work-in-progress	Total
	At Valuation		At Cost									
Cost / Valuation	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1.1.2020	17,020	559	549	5,597	1,742	810	6,647	20,087	575,965	57,733	47,770	734,479
Additions	-	-	28	484	952	-	-	2,604	34,923	1,590	58,707	99,288
Disposals	-	-	(67)	(103)	(68)	(1,074)	-	(208)	(4,645)	(227)	-	(6,392)
Written off	-	-	-	-	-	-	-	-	(126)	-	-	(126)
Adjustments	-	-	-	-	-	-	-	-	-	-	(864)	(864)
Transfer from right-of-use assets (Note 12)	-	-	-	-	-	2,649	-	-	2,584	14,426	-	19,659
Transfer from inventories	-	-	-	-	-	-	-	-	-	-	(314)	(314)
Reclassifications	-	-	-	(2)	-	(10)	-	(5,836)	76,948	159	(71,259)	-
Acquisition of subsidiaries (Note 16)	-	-	8	9	10	-	-	564	-	43,574	-	44,165
Translation differences	-	-	-	22	(22)	(20)	-	(288)	(12,921)	(134)	1,863	(11,500)
At 31.12.2020	17,020	559	518	6,007	2,614	2,355	6,647	16,923	672,728	117,121	35,903	878,395
Additions	-	-	-	799	132	-	18	6,129	35,023	4,443	68,115	114,659
Disposals	-	-	-	(14)	-	(488)	-	(6)	(10,531)	-	(320)	(11,359)
Written off	-	-	(1)	(7)	(37)	(63)	-	-	(1,441)	-	(106)	(1,655)
Transfer (to)/from right-of-use assets (Note 12)	-	(59)	-	309	-	1,038	-	3,964	4,279	425	-	9,956
Reclassifications	-	-	-	-	-	-	-	-	39,778	-	(39,778)	-
Disposal of a subsidiary (Note 16)	-	-	-	(186)	-	-	-	-	-	-	-	(186)
Translation differences	1	-	-	(45)	(32)	13	-	265	21,261	313	1,270	23,046
At 31.12.2021	17,021	500	517	6,863	2,677	2,855	6,665	27,275	761,097	122,302	65,084	1,012,856

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	Renovation	Engineering equipment	Network facilities	Plant and machinery	Capital work-in-progress	Total
	At Valuation		At Cost									
Accumulated Depreciation	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1.1.2020	20	10	365	4,710	1,211	609	3,376	10,666	189,045	12,918	-	222,930
Charge for the financial year	100	13	40	446	305	80	657	1,786	36,790	6,329	-	46,546
Disposals	-	-	(44)	(103)	(68)	(1,058)	-	(208)	(4,130)	(217)	-	(5,828)
Written off	-	-	-	-	-	-	-	-	(10)	-	-	(10)
Transfer from right-of-use assets (Note 12)	-	-	-	-	-	2,645	-	-	535	8,080	-	11,260
Reclassifications	-	-	-	-	-	-	-	-	(159)	159	-	-
Acquisition of subsidiaries (Note 16)	-	-	3	6	3	-	-	282	-	10,291	-	10,585
Translation differences	-	-	-	20	(2)	(15)	-	(188)	(3,863)	(76)	-	(4,124)
At 31.12.2020	120	23	364	5,079	1,449	2,261	4,033	12,338	218,208	37,484	-	281,359
Charge for the financial year	100	12	37	565	287	40	658	2,728	38,047	7,116	-	49,590
Disposals	-	-	-	(14)	-	(487)	-	(6)	(4,125)	-	-	(4,632)
Written off	-	-	(1)	(7)	(16)	(57)	-	-	(321)	-	-	(402)
Transfer from right-of-use assets (Note 12)	-	-	-	248	-	1,038	-	3,908	850	120	-	6,164
Disposal of a subsidiary (Note 16)	-	-	-	(170)	-	-	-	-	-	-	-	(170)
Translation differences	1	-	-	(55)	9	11	-	153	7,014	188	-	7,321
At 31.12.2021	221	35	400	5,646	1,729	2,806	4,691	19,121	259,673	44,908	-	339,230
Net Carrying Amount												
At 31.12.2020	16,900	536	154	928	1,165	94	2,614	4,585	454,520	79,637	35,903	597,036
At 31.12.2021	16,800	465	117	1,217	948	49	1,974	8,154	501,424	77,394	65,084	673,626

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 28):

	Group	
	2021 RM'000	2020 RM'000
Freehold land and building	16,800	16,900
Leasehold building	465	536
Network facilities	14,347	10,767
Plant and machinery	32,416	38,081
	64,028	66,284

(b) Fair value information

The fair value of the land and buildings is categorised as Level 2. There is no transfer between Level 1 and Level 2 fair values during the financial year.

(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	
	2021 RM'000	2020 RM'000
Freehold land and building	13,383	13,482
Leasehold building	331	339

Notes To The Financial Statements
(Cont'd)

12. RIGHT-OF-USE ASSETS

The Group leases several assets including leasehold land, computer and software, motor vehicles, plant and machinery, network facilities, offices and warehouses, sites and premises.

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

	Leasehold land RM'000	Computer and software RM'000	Motor vehicles RM'000	Plant and machinery RM'000	Network facilities RM'000	Offices and warehouse RM'000	Sites and premises RM'000	Total RM'000
	At Valuation	At Cost						
Group								
Cost								
At 1.1.2020	3,791	309	5,378	27,272	6,863	856	190,164	234,633
Additions	-	-	459	-	-	-	36,399	36,858
Disposals	-	-	(385)	-	-	-	(5,487)	(5,872)
Transfer to property, plant and equipment (Note 11)	-	-	(2,649)	(14,426)	(2,584)	-	-	(19,659)
Translation differences	-	-	-	-	-	-	(2,579)	(2,579)
At 31.12.2020	3,791	309	2,803	12,846	4,279	856	218,497	243,381
Additions	-	13	567	737	-	37	28,994	30,348
Disposals	-	-	(90)	-	-	-	(316)	(406)
Revaluation loss	(20)	-	-	-	-	-	-	(20)
Transfer from/(to) property, plant and equipment (Note 11)	59	(309)	(1,038)	(4,389)	(4,279)	-	-	(9,956)
Termination	-	-	-	-	-	(149)	(8,252)	(8,401)
Translation differences	-	-	-	-	-	-	5,380	5,380
At 31.12.2021	3,830	13	2,242	9,194	-	744	244,303	260,326

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)

	Leasehold land RM'000	Computer and software RM'000	Motor vehicles RM'000	Plant and machinery RM'000	Network facilities RM'000	Offices and warehouse RM'000	Sites and premises RM'000	Total RM'000
	At Valuation	At Cost						
Group								
Accumulated Depreciation								
At 1.1.2020	21	52	4,144	12,727	1,077	203	29,544	47,768
Depreciation for the financial year	41	102	540	1,140	266	251	35,153	37,493
Disposals	-	-	(385)	-	-	-	(2,611)	(2,996)
Transfer to property, plant and equipment (Note 11)	-	-	(2,645)	(8,080)	(535)	-	-	(11,260)
Translation differences	-	-	-	-	-	-	(1,044)	(1,044)
At 31.12.2020	62	154	1,654	5,787	808	454	61,042	69,961
Depreciation for the financial year	45	95	509	490	43	234	35,742	37,158
Disposals	-	-	(90)	-	-	-	(316)	(406)
Transfer to property, plant and equipment (Note 11)	-	(248)	(1,038)	(4,028)	(850)	-	-	(6,164)
Termination	-	-	-	-	-	(149)	(6,887)	(7,036)
Translation differences	-	-	1	-	(1)	-	1,425	1,425
At 31.12.2021	107	1	1,036	2,249	-	539	91,006	94,938

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)

	Leasehold land RM'000	Computer and software RM'000	Motor vehicles RM'000	Plant and machinery RM'000	Network facilities RM'000	Offices and warehouse RM'000	Sites and premises RM'000	Total RM'000
	At Valuation	**At Cost**						
Group								
Net carrying amount								
At 31.12.2020	3,729	155	1,149	7,059	3,471	402	157,455	173,420
At 31.12.2021	3,723	12	1,206	6,945	-	205	153,297	165,388

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 3 to 30 years (2020: 3 to 30 years).

(b) The Group also leases computer and software, motor vehicles, plants and machinery and network facilities with lease term of 3 to 7 years (2020: 3 to 8 years) and have options to purchase the assets at the end of the contract term.

(c) The remaining useful life of leasehold land is generally 74 to 86 years (2020: 75 to 87 years).

(d) During the financial year, leasehold land with net carrying amount of RM1,300,000 (2020: RM1,336,247) was held in trust by a director of the Group.

(e) 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 28):

	Group	
	2021 RM'000	2020 RM'000
Leasehold land	3,723	3,729

(f) Fair value information

The fair value of the land is categorised as Level 2. There is no transfer between Level 1 and Level 2 fair values during the financial year.

(g) 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	
	2021 RM'000	2020 RM'000
Leasehold land	2,128	2,155

13. INVESTMENT PROPERTIES

Group	Freehold land and buildings RM'000	Leasehold land and building RM'000	Total RM'000
At 1 January 2020	15,611	2,500	18,111
Fair value loss	-	(350)	(350)
At 31 December 2020	15,611	2,150	17,761
Addition	2,230	-	2,230
Fair value loss	(211)	-	(211)
At 31 December 2021	17,630	2,150	19,780

Notes To The Financial Statements
(Cont'd)

13. INVESTMENT PROPERTIES (continued)

Included in the above are:

	Group 2021 RM'000	Group 2020 RM'000
At fair value		
Freehold land and buildings	16,529	15,611
Leasehold land and building	2,150	2,150
At cost		
Building under construction	1,101	-
	19,780	17,761

(a) Investment properties of the Group with an aggregate carrying amount of RM17,550,000 (2020: RM17,761,237) are pledged to the licensed banks for credit facilities granted to the subsidiaries (Note 28).

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

	Group 2021 RM'000	Group 2020 RM'000
Rental income	790	655
Direct operating expenses	(52)	(89)

(c) Fair value information

Fair value of investment properties are categorised as follows:

	Group			
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2021				
Freehold land and buildings	-	16,529	-	16,529
Leasehold land and building	-	2,150	-	2,150
	-	18,679	-	18,679
2020				
Freehold land and buildings	-	15,611	-	15,611
Leasehold land and building	-	2,150	-	2,150
	-	17,761	-	17,761

The valuation of investment properties as at 31 December 2021 and 31 December 2020 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.

Notes To The Financial Statements
(Cont'd)

13. INVESTMENT PROPERTIES (continued)

(c) Fair value information (continued)

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 2021 or 31 December 2020.

14. INTANGIBLE ASSETS

Group	Goodwill RM'000 (Restated)	Other intangible assets RM'000 (Restated)	Total RM'000 (Restated)
Cost			
At 1 January 2020	140,729	38,047	178,776
Change in consideration	(2,673)	-	(2,673)
Acquisition of subsidiaries (Note 16)	709	26,014	26,723
Written off	(246)	-	(246)
Translation differences	(2,631)	(797)	(3,428)
At 31 December 2020	135,888	63,264	199,152
Acquisition of subsidiaries (Note 16)	156	-	156
Written off	(400)	-	(400)
Translation differences	4,733	1,038	5,771
At 31 December 2021	140,377	64,302	204,679
Accumulated Amortisation			
At 1 January 2020	-	12,324	12,324
Charge for the financial year	-	4,307	4,307
Translation differences	-	(386)	(386)
At 31 December 2020	-	16,245	16,245
Charge for the financial year	-	4,482	4,482
Translation differences	-	394	394
At 31 December 2021	-	21,121	21,121
Net Carrying Amount			
At 31 December 2020	135,888	47,019	182,907
At 31 December 2021	140,377	43,181	183,558

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	
	2021 RM'000	2020 RM'000 (Restated)
Telecommunication network services - CGU 1	138,552	133,819
Green energy and power solutions - CGU 2	1,825	2,069
	140,377	135,888

During the financial year, the Group had completed the purchase price allocation on the identifiable assets, liabilities and contingent liabilities of Solar System & Power Sdn. Bhd. as disclosed in Note 16(i). An adjustment to goodwill amounting to RM3,757,000 has been recognised and adjusted in the previous financial year resulting from other intangible assets recognised and deferred tax liabilities arising from other intangible assets identified upon completion of the purchase price allocation exercise within 12 months from the acquisition date.

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

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 written off of RM400,000 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	
2021	**CGU 1**	**CGU 2**
Average gross profit margin	42%	31%
Average revenue growth rate	10%	-1%
Pre-tax discount rate	11%	11%
2020	**CGU 1**	**CGU 2**
Average gross profit margin	38%	43%
Average revenue growth rate	10%	0%
Pre-tax discount rate	10%	10%

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 RM4,482,000 (2020: RM4,307,000) 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)

	Group 2021 RM'000	Group 2020 RM'000 (Restated)
Deferred tax assets/(liabilities)		
At beginning of the financial year	(19,888)	(12,427)
Deferred tax relating to intangible assets	-	(4,615)
Acquisition of subsidiaries (Note 16)	-	(4,560)
Recognised in profit or loss (Note 9)	2,085	1,680
Translation differences	(37)	34
At end of the financial year	(17,840)	(19,888)

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

	Group 2021 RM'000	Group 2020 RM'000 (Restated)
Deferred tax assets	1,178	1,496
Deferred tax liabilities	(19,018)	(21,384)
	(17,840)	(19,888)

(b) The components of deferred tax assets/(liabilities) prior to offsetting are as follows:

	Group 2021 RM'000	Group 2020 RM'000 (Restated)
Deferred tax assets		
Post employment benefits	166	162
Unused tax losses	80	158
Differences between the carrying amounts of right-of-use assets and their tax base	932	1,176
	1,178	1,496
Deferred tax liabilities		
Differences between the carrying amounts of property, plant and equipment and their tax base	(9,244)	(10,558)
Fair value changes arising from investment properties	11	88
Deferred tax relating to intangible assets	(9,785)	(10,914)
	(19,018)	(21,384)

Notes To The Financial Statements
(Cont'd)

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

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

	Group 2021 RM'000	Group 2020 RM'000
Deductible temporary differences	105	-
Unabsorbed capital allowances	3,452	4,709
Unused tax losses	10,355	7,837
	13,912	12,546

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.

Pursuant to Section 8 of the Finance Act 2021 (Act 833), the amendment to Section 44(5F) of Income Tax Act 1967, the time limit on the carried forward unused tax losses has been extended to maximum 10 consecutive years. This amendment is deemed to have effect for the year of assessment 2019 and subsequent year of assessment.

Any unused tax losses brought forward from year of assessment 2018 can be carried forward for another 10 years consecutive years of assessment (i.e. from year of assessments 2019 to 2028).

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 2021 RM'000	Group 2020 RM'000
2028	2,481	3,684
2029	186	186
2030	2,288	2,288
2031	3,677	-

16. INVESTMENT IN SUBSIDIARIES

	Company 2021 RM'000	Company 2020 RM'000
Unquoted shares, at cost		
At beginning of the financial year	121,746	53,632
Additions	-	68,114
	121,746	121,746
Loans that are part of net investments	300,611	-
Equity contribution in respect of ESOS	652	-
At end of the financial year	423,009	121,746

Notes To The Financial Statements
(Cont'd)

16. INVESTMENT IN SUBSIDIARIES (continued)

The details of the subsidiaries are as follows:

Name of Company	Principal Place of Business/ Country of Incorporation	Equity Interest 2021	Equity Interest 2020	Principal Activities
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.
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.

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 2021	Equity Interest 2020	Principal Activities
Subsidiaries of Milab Marketing Sdn. Bhd. (continued)				
Epic Solartech Sdn. Bhd.	Malaysia	100%	100%	Provision of electrical, mechanical, motor and generation of power including all forms of renewable energy generation.
Energenetic 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.
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.

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 2021	Equity Interest 2020	Principal Activities
Subsidiaries of Milab Marketing Sdn. Bhd. (continued)				
Sinar Lebar Sdn. Bhd.	Malaysia	100%	-	Provision of electrical, mechanical, motor and generation of power including all forms of renewable energy generation.
OCK Energy Venture Sdn. Bhd. @	Malaysia	85%	-	Provision of renewable energy and power solutions.
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.				
Fuzhou 1-Net Solution Co. Ltd. +	The People's Republic of China	-	51%	Provision of various telecommunications network services.
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%	100%	Provision of engineering services, rental business, market research and management 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 2021	Equity Interest 2020	Principal Activities
Subsidiary of PT Putra Mulia Telecommunication				
PT Harapan Utama Prima *	The Republic of Indonesia	65%	65%	Provision of telecommunication solution services.
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.
EI Power Technologies Sdn. Bhd.	Malaysia	52%	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%	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%	-	Provision of building and facilities maintenance 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 2021	Equity Interest 2020	Principal Activities
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%	-	Provision of civil and mechanical engineering services and telecommunication network services.
Sunvoltic Sdn. Bhd. α	Malaysia	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	65%	65%	Provision of engineering services and general trading.

Notes To The Financial Statements
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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 2021	Equity Interest 2020	Principal Activities
Subsidiaries of OCK SEA Towers Pte. Ltd.				
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. # ^	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.
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.

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 2021	Equity Interest 2020	Principal Activities
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. # ^ ß	Singapore	100%	100%	Investment holding and telecommunication service provider.
OCK Vietnam Towers (Labuan) Ltd. ˜^	Federal Territory of Labuan	100%	100%	Investment holding.
Subsidiaries of Southeast Asia Telecommunications Holdings Pte. Ltd.				
Vietnam Infrastructure Heritage Ltd. >	British Virgin Islands	-	100%	Investment holding.
Eastern Tower Joint Stock Company #	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 2021	Equity Interest 2020	Principal Activities
Subsidiaries of Eastern Tower Joint Stock Company				
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.
Subsidiary 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.
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.

Notes To The Financial Statements
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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 2021	Equity Interest 2020	Principal Activities
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.

- * Audited by auditors other than Baker Tilly Monteiro Heng PLT.
- # Audited by an independent member firm of Baker Tilly International.
- ^ Consolidated using unaudited management financial statements, auditors' report is not available.
- ß Shares pledged to a bank for term loan facilities granted to subsidiaries (Note 28).
- ˜ Yet to commence operation.
- \+ Disposed in current financial year.
- > Struck-off in current financial year.
- @ Consolidated using unaudited management financial statements, no statutory requirement for the financial statements to be audited at financial year end.
- α 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.

Notes To The Financial Statements
(Cont'd)

16. INVESTMENT IN SUBSIDIARIES (continued)

(i) Acquisition/Incorporation of subsidiaries

2021

(a) On 20 January 2021, the Company's indirect 61% and 52% owned subsidiaries, namely Firatel Sdn. Bhd. ("Firatel") and EI Power Technologies Sdn. Bhd. ("EIPT") respectively, 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 OCK Group Berhad by virtue of its power to exercise control over the financial and operating policies of Sunvoltic. The intended principal activity of Sunvoltic is the provision of investing, design, construction, commissioning, operation and maintenance of renewable energy power generation facilities.

(b) On 22 April 2021, the Company's wholly-owned subsidiary, Milab Marketing Sdn. Bhd. ("Milab") had incorporated a 85% owned subsidiary, namely OCK Energy Venture Sdn. Bhd. ("OCKEV") with an issued and paid-up capital of 2 ordinary shares of RM1 each. The intended principal activity of OCKEV is the provision of renewable energy and power solutions.

(c) On 30 April 2021, the Company's indirect 61% owned subsidiary, Firatel Sdn. Bhd. ("Firatel") had incorporated a 100% owned subsidiary, namely Firatel Infra Sdn. Bhd. ("Firatel Infra") with an issued and paid-up capital of 6,835,793 ordinary shares of RM1 each. The intended principal activity of Firatel Infra is the provision of civil and mechanical engineering services and telecommunication network services.

(d) On 5 May 2021, the Company's wholly-owned subsidiary, OCK Setia Engineering Sdn. Bhd. ("OCKSE") had incorporated a 100% owned subsidiary, namely Gabungan Setia Sdn. Bhd. ("GSSB") with an issued and paid-up capital of 1,000,000 ordinary shares of RM1 each. The intended principal activity of GSSB is the provision of building and facilities maintenance services.

(e) On 18 June 2021, the Company's wholly-owned subsidiary, Milab Marketing Sdn. Bhd. ("Milab") had acquired entire equity interest in Sinar Lebar Sdn. Bhd. ("Sinar Lebar") for cash consideration of RM50,000. The principal activities of Sinar Lebar are the provision of electrical, mechanical, motor and generation of power including all forms of renewable energy generation.

The initial accounting for the business combination of Sinar Lebar in the financial statements of the Group involves identifying and determining the fair values to be assigned to Sinar Lebar's identifiable assets, liabilities and contingent liabilities and the cost of the combination. As at the date of the financial statements are authorised for issue, the fair value of Sinar Lebar's identifiable assets, liabilities and contingent liabilities can only be determined provisionally pending the completion of purchase price allocation ("PPA") on Sinar Lebar's identifiable assets, liabilities and contingent liabilities. The business combination of Sinar Lebar has been accounted using provisional values. The Group shall recognise any adjustment to this provisional value upon completion of the PPA exercise within 12 months from the acquisition date.

Notes To The Financial Statements
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16. INVESTMENT IN SUBSIDIARIES (continued)

(i) Acquisition/Incorporation of subsidiaries (continued)

2021 (continued)

(e) (continued)

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

	Sinar Lebar RM'000
Assets	
Trade and other receivables	14
Cash and cash equivalents	4
Tax assets	1
	19
Liabilities	
Trade and other payables	(125)
Total identifiable net liabilities acquired	(106)
Provisional goodwill arising from acquisition (Note 14)	156
Fair value of consideration paid	50

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

	Sinar Lebar RM'000
Total consideration paid in cash by the Group	50
Less: Cash and cash equivalents of the subsidiary acquired	(4)
Net cash outflow on acquisition	46

(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:

	Sinar Lebar RM'000
Revenue	83
Profit for the financial year	66

Notes To The Financial Statements
(Cont'd)

16. INVESTMENT IN SUBSIDIARIES (continued)

(i) Acquisition/Incorporation of subsidiaries (continued)

2021 (continued)

(e) (continued)

(iii) Effects of acquisition in statements of comprehensive income (continued)

If the acquisition had occurred on 1 January 2021, the consolidated results for the financial year ended 31 December 2021 would have been as follows:

	Sinar Lebar RM'000
Revenue	166
Profit for the financial year	53

2020

(a) On 1 January 2020, the Company's wholly-owned subsidiary, Milab Marketing Sdn. Bhd. ("Milab") had completed the acquisition of Green Leadership Sdn. Bhd. ("Green Leadership") through a conditional Shares Sales Agreement ("SSA") entered on 20 December 2019 for the acquisition of 6,600,000 ordinary shares, representing 100% equity interest in Green Leadership for the purchase consideration of RM33,323,381. Consequently, Green Leadership's group of companies, including Green Leadership, GL II Sdn. Bhd. ("GL II") and GL III Sdn. Bhd. ("GL III"), together known as "GL Group", became indirect wholly-owned subsidiaries of the Company. The principal activities of GL Group were provision of electrical, mechanical, motor and generation of power including all forms of renewable energy power generation.

The initial accounting for the business combination of GL Group in the consolidated financial statements of the Group involves identifying and determining the fair values to be assigned to GL Group's identifiable assets, liabilities and contingent liabilities and the cost of the combination. At the end of the previous financial year, the fair value of GL Group's identifiable assets, liabilities and contingent liabilities can only be determined provisionally pending the completion of purchase price allocation ("PPA") on GL Group's identifiable assets, liabilities and contingent liabilities. The business combination of GL Group has been accounted for using provisional values. During the financial year, the Group had completed the PPA report. No adjustment were required on the initial accounting for business combination of GL Group in the financial statements of the Group.

Notes To The Financial Statements
(Cont'd)

16. INVESTMENT IN SUBSIDIARIES (continued)

(i) Acquisition/Incorporation of subsidiaries (continued)

2020 (continued)

(a) (continued)

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

	GL Group RM'000
Assets	
Property, plant and equipment (Note 11)	19,609
Trade and other receivables	3,110
Tax assets	38
Cash and cash equivalents	430
Other intangible assets	19,224
	42,411
Liabilities	
Loan and borrowings	(1,440)
Trade and other payables	(3,483)
Tax liabilities	(7)
Deferred tax liabilities (Note 15)	(4,867)
Total identifiable net assets acquired	32,614
Goodwill arising from acquisition (Note 14)	709
Fair value of consideration paid	33,323

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

	GL Group RM'000
Fair value of consideration paid	33,323
Less: Purchase consideration payable	(1,233)
Total consideration paid in cash by the Group	32,090
Less: Cash and cash equivalents of the subsidiaries acquired	(430)
Net cash outflow on acquisition	31,660

Notes To The Financial Statements
(Cont'd)

16. INVESTMENT IN SUBSIDIARIES (continued)

(i) Acquisition/Incorporation of subsidiaries (continued)

2020 (continued)

(a) (continued)

(iii) Effects of acquisition in statements of comprehensive income

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

	GL Group RM'000
Revenue	3,821
Profit for the financial year	552

(b) On 1 January 2020, the Company's indirect 51% owned subsidiary, Steadcom Sdn. Bhd. ("Steadcom") had acquired an additional 51% equity interest (representing 100% ordinary shares) in OCK Steadcom Thailand Co., Ltd. ("Steadcom Thailand") for a cash consideration of RM402,372. Consequently, Steadcom Thailand became an indirect subsidiary of the Company.

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

	Steadcom Thailand RM'000
Assets	
Property, plant and equipment (Note 11)	13
Trade and other receivables	1,076
Cash and cash equivalents	464
	1,553
Liabilities	
Trade and other payables	(586)
Total identifiable net assets acquired	967
Amount previously accounted as associate	(524)
Loss on derecognition of an associate (Note 8)	49
Non-controlling interest measured at fair value	(90)
Fair value of consideration paid	402

Notes To The Financial Statements
(Cont'd)

16. INVESTMENT IN SUBSIDIARIES (continued)

(i) Acquisition/Incorporation of subsidiaries (continued)

2020 (continued)

(b) (continued)

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

	Steadcom Thailand RM'000
Fair value of consideration paid	402
Less: Non-cash consideration	(402)
Total consideration paid in cash by the Group	-
Less: Cash and cash equivalents of the subsidiary acquired	(464)
Net cash inflow on acquisition	(464)

(iii) Effects of acquisition in statements of comprehensive income

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

	Steadcom Thailand RM'000
Revenue	2,466
Loss for the financial year	(334)

(c) On 12 February 2020, the Company's wholly-owned subsidiary, Milab Marketing Sdn. Bhd. ("Milab") had completed the acquisition of 3,600,000 ordinary shares in Solar System & Power Sdn. Bhd. ("SSPSB"), representing 100% equity interest in SSPSB for the purchase consideration of RM13,000,000. Consequently, SSPSB became an indirect wholly-owned subsidiary of the Company. The principal activity of SSPSB was provision of electrical, mechanical, motor and generation of power including all forms of renewable energy power generation.

Notes To The Financial Statements
(Cont'd)

16. INVESTMENT IN SUBSIDIARIES (continued)

(i) Acquisition/Incorporation of subsidiaries (continued)

2020 (continued)

(c) (continued)

The initial accounting for business combination of SSPSB in the consolidated financial statements of the Company involves identifying and determining the fair values to be assigned to SSPSB's identifiable assets, liabilities and contingent liabilities and the cost of the combination. At the end of the previous financial year, the fair value of SSPSB's identifiable assets, liabilities and contingent liabilities can only be determined provisionally pending the completion of purchase price allocation ("PPA") on SSPSB's identifiable assets, liabilities and contingent liabilities. The business combination of SSPSB has been accounted for using provisional value. During the financial year, the Group had completed the PPA report.

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

	As previously stated RM'000	Restatement RM'000	As restated RM'000
SSPSB			
Assets			
Property, plant and equipment (Note 11)	13,958	-	13,958
Trade and other receivables	193	-	193
Cash and cash equivalents	3	-	3
Other intangible assets	-	6,790	6,790
	14,154	6,790	20,944
Liabilities			
Deferred income (Note 30)	(2,040)	-	(2,040)
Trade and other payables	(193)	-	(193)
Deferred tax liabilities (Note 15)	(2,678)	(1,630)	(4,308)
Total identifiable net assets acquired	9,243	5,160	14,403
Goodwill arising from acquisition	3,757	(3,757)	-
Gain on bargain purchase	-	(1,403)	(1,403)
Fair value of consideration paid	13,000	-	13,000

Notes To The Financial Statements
(Cont'd)

16. INVESTMENT IN SUBSIDIARIES (continued)

(i) Acquisition/Incorporation of subsidiaries (continued)

2020 (continued)

(c) (continued)

(ii) The effect of the acquisition of the subsidiary's on cash flows of the Group were as follows:

	SSPSB RM'000
Fair value consideration paid	13,000
Less: Purchase consideration payable	(396)
Total consideration paid in cash by the Group	12,604
Less: Cash and cash equivalents of the subsidiary acquired	(3)
Net cash outflow on acquisition	12,601

(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:

	SSPSB RM'000
Revenue	1,442
Profit for the financial year	519

If the acquisition had occurred on 1 January 2020, the consolidated results for the financial year ended 31 December 2020 would have been as follows:

	SSPSB RM'000
Revenue	1,890
Profit for the financial year	3,198

(ii) Subscription for additional interests in subsidiaries

2021

OCK Tower Infra Sdn. Bhd.
On 8 October 2021, the Company's wholly owned-subsidiary, OCK SEA Towers Pte. Ltd. ("OCKSEA") had subscribed an additional 1,230,693 ordinary shares at the price of RM1.00 each in the share capital of a subsidiary, OCK Tower Infra Sdn. Bhd. by way of capitalising the amount owing to OCKSEA of RM1,230,693.

2020

OCK International Sdn. Bhd.
On 31 December 2020, the Company had subscribed an additional 16,895,617 ordinary shares at the price of RM1.00 each in the share capital of a subsidiary, OCK International Sdn. Bhd. by way of capitalising the amount owing to the Company of RM16,895,617.

Notes To The Financial Statements
(Cont'd)

16. INVESTMENT IN SUBSIDIARIES (continued)

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

2020 (continued)

Milab Marketing Sdn. Bhd.
On 31 December 2020, the Company had subscribed an additional 51,218,110 ordinary shares at the price of RM1.00 each in the share capital of a subsidiary, Milab Marketing Sdn. Bhd. by way of capitalising the amount owing to the Company of RM51,218,110.

Gabungan Milab Sdn. Bhd.
On 31 December 2020, the Company's wholly owned-subsidiary, Milab Marketing Sdn. Bhd. had purchased an additional 24,500 ordinary shares in the share capital of a subsidiary, Gabungan Milab Sdn. Bhd. for a purchase consideration of RM1. The Company's effective ownership in Gabungan Milab Sdn. Bhd. increased from 51% to 100% as a result of the additional shares purchased.

(iii) Disposal of subsidiaries

2021

On 30 June 2021, the Company's wholly-owned subsidiary, OCK International Sdn. Bhd. had disposed its 51% equity investments in Fuzhou 1-Net Solution Co Ltd. ("Fuzhou") for a total consideration of RM1,727,411.

(i) Summary of the effects of disposals

	Fuzhou RM'000
Assets	
Property, plant and equipment (Note 11)	16
Trade and other receivables	1,226
Cash and bank balances	1,087
Tax receivables	11
	2,340
Liabilites	
Trade and other payables	(429)
Net assets disposed	1,911
Recognised:	
Cash consideration received, representing the fair value of the consideration received	1,727
Reclassification adjustment of exchange translation reserve	111
	1,838
Derecognised:	
Non-controlling interests	(1,134)
Fair value of identified net assets at disposal date	1,911
	777
Gain on disposal	1,061

Notes To The Financial Statements
(Cont'd)

16. INVESTMENT IN SUBSIDIARIES (continued)

(iii) Disposal of subsidiaries (continued)

2021 (continued)

(ii) Effects of disposals on cash flows

	Fuzhou RM'000
Fair value of consideration received	1,727
Less: Non-cash consideration	-
Cash consideration received	1,727
Less: Cash and cash equivalents of a subsidiary disposed of	(1,087)
Net cash inflow on disposals	640

2020

On 31 December 2020, the Company's indirect 60% owned subsidiary, Southeast Asia Telecommunications Holdings Pte. Ltd. had disposed its 100% equity investments in Delong Opportunity Investment Pte. Ltd. ("Delong") and Cleveland Capital Pte. Ltd. ("Cleveland") for a total consideration of RM9,119 each.

(i) Summary of the effects of disposals

	Delong RM'000	**Cleveland RM'000**	**Total RM'000**
Recognised:			
Cash consideration received, representing the fair value of the consideration received	9	9	18
Reclassification adjustment of exchange translation reserve	42	17	59
	51	26	77
Derecognised:			
Non-controlling interests	(24)	(53)	(77)
Fair value of identified net assets at disposal date	19	41	60
	(5)	(12)	(17)
Gain on disposals	46	14	60

Notes To The Financial Statements
(Cont'd)

16. INVESTMENT IN SUBSIDIARIES (continued)

(iii) Disposal of subsidiaries (continued)

2020 (continued)

(ii) Effects of disposals on cash flows

	Delong RM'000	Cleveland RM'000	Total RM'000
Fair value of consideration received	9	9	18
Less: Non-cash consideration	(9)	(9)	(18)
Net cash inflow on disposals	-	-	-

(iv) Striking-off of subsidiaries

2021

Vietnam Infrastructure Heritage Ltd.
On 4 January 2021, the Company's indirect 60% subsidiary, Vietnam Infrastructure Heritage Ltd. ("VIHL") had been struck-off from the Register of Companies pursuant to Section 208(1) of the BVI Business Companies Act.

Notes To The Financial Statements
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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:

2021	**Fuzhou 1-Net Solution Co. Ltd. RM'000**	**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	-	15%	49%	48%	49%	39%	40%	40%		
Carrying amount of NCI	-	3,236	5,317	3,136	4,981	6,032	39,622	11,282	3,120	76,726
Profit/(Loss) allocated to NCI	-	240	1,172	492	888	1,097	(947)	3,551	702	7,195
Total comprehensive income/(loss) allocated to NCI	-	296	1,172	492	888	1,097	(397)	2,683	804	7,035
2020										
NCI Percentage of ownership interest and voting interest	49%	15%	49%	48%	49%	39%	40%	40%		
Carrying amount of NCI	1,063	3,337	5,125	3,124	5,563	4,935	50,940	8,599	2,387	85,073
Profit/(Loss) allocated to NCI	71	96	1,586	373	388	807	(886)	1,728	414	4,577
Total comprehensive income/(loss) allocated to NCI	122	(3)	1,586	373	388	807	(1,189)	1,579	387	4,050

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 Towers Pte. Ltd. RM'000	SEATH Group RM'000
2021							
Summarised statements of financial position							
Non-current assets	2,984	24	947	1,751	7,556	234,052	149,652
Current assets	21,415	13,271	18,671	12,357	12,994	27,607	171,994
Non-current liabilities	(552)	-	(247)	(311)	(4)	-	(43,702)
Current liabilities	(3,764)	(2,406)	(13,351)	(3,584)	(5,080)	(157,321)	(143,740)
Net assets	20,083	10,889	6,020	10,213	15,466	104,338	134,204
Summarised statements of comprehensive income							
Revenue	54,345	21,637	25,876	17,187	12,885	-	52,805
Profit/(Loss) for the financial year	2,823	2,392	1,025	1,812	2,813	(2,368)	10,432
Total comprehensive income/(loss)	3,217	2,392	1,025	1,812	2,813	(993)	10,432
Summarised cash flow information							
Cash flows from/(used in):							
- operating activities	8,988	5,233	339	4,780	4,765	(4,599)	51,979
- investing activities	(591)	410	(3,317)	(453)	(5,145)	-	(22,654)
- financing activities	(7,983)	(2,665)	2,501	(3,853)	(203)	643	(31,404)
Net increase/(decrease) in cash and cash equivalents	414	2,978	(477)	474	(583)	(3,956)	(2,079)
Dividends paid to non-controlling interests	398	980	480	1,470	-	-	-

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)

	Fuzhou 1-Net Solution Co. Ltd. RM'000	PT Putra Mulia Tele-Communication RM'000	Dynasynergy Services Sdn. Bhd. RM'000	El 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
2020								
Summarised statements of financial position								
Non-current assets	19	3,523	23	724	1,016	1,365	225,735	134,938
Current assets	3,284	24,370	13,303	15,952	14,247	15,864	16,844	171,417
Non-current liabilities	-	(684)	-	(502)	(161)	(112)	-	(112,823)
Current liabilities	(584)	(8,179)	(2,871)	(10,200)	(3,761)	(4,477)	(138,339)	(75,486)
Net assets	2,719	19,030	10,455	5,974	11,341	12,640	104,240	118,046
Summarised statements of comprehensive income								
Revenue	6,020	59,317	25,695	18,037	17,912	6,362	-	51,941
Profit/(Loss) for the financial year	146	1,858	3,237	777	791	2,070	(2,215)	5,895
Total comprehensive income/(loss)	250	1,344	3,237	777	791	2,070	(2,973)	5,895
Summarised cash flow information								
Cash flows (used in)/from:								
- operating activities	115	3,700	5,096	44	3,762	3,265	(27,816)	37,064
- investing activities	175	(1,254)	(2,340)	2,086	(1,404)	(2,816)	-	(15,441)
- financing activities	-	(869)	(1,021)	(3,764)	(2,573)	445	17,705	(14,833)
Net (decrease)/increase in cash and cash equivalents	290	1,577	1,735	(1,634)	(215)	894	(10,111)	6,790
Dividends paid to non-controlling interests	-	-	-	480	735	-	-	-

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
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17. INVESTMENT IN ASSOCIATES

	Group 2021 RM'000	Group 2020 RM'000
Unquoted shares, at cost		
At beginning of the financial year	422	483
Derecognition of an associate	-	(61)
At end of the financial year	422	422
Share of post-acquisition losses		
At beginning of the financial year	(221)	319
Share of results	(4)	(16)
Derecognition of an associate	-	(524)
At end of the financial year	(225)	(221)
	197	201

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 2021	Proportion Equity Interest 2020	Principal Activities
Irat Civil Works Sdn. Bhd. * ^	Malaysia	40%	40%	Provision of engineering services.
OCK Digital Infra (Sarawak) Sdn. Bhd.	Malaysia	20%	20%	Provision of turnkey telecommunication network services.

^ Disclosed using unaudited management financial statements, auditors' report is not available.
* Audited by auditors other than Baker Tilly Monteiro Heng PLT.

Notes To The Financial Statements
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17. INVESTMENT IN ASSOCIATES (continued)

The following table illustrates the summarised financial information of the Group's associates, adjusted for any differences in accounting policies 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	Total RM'000
2021			
Assets and Liabilities			
Current assets	-	486	486
Current liabilities	(14)	(74)	(88)
Net (liabilities)/assets	(14)	412	398
Results:			
Loss for the financial year	(6)	(10)	(16)
Total comprehensive loss	(6)	(10)	(16)
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)	(205)	(225)
Carrying amount in the statements of financial position	-	197	197
Group's share of results			
Group's share of loss, representing Group's share of total comprehensive loss	-	(4)	(4)

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, adjusted for any differences in accounting policies 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
2020			
Assets and Liabilities			
Current assets	2	567	569
Current liabilities	(10)	(70)	(80)
Net (liabilities)/assets	(8)	497	489
Results:			
Loss for the financial year	(75)	(6)	(81)
Total comprehensive loss	(75)	(6)	(81)
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)	(201)	(221)
Carrying amount in the statements of financial position	-	201	201
Group's share of results			
Group's share of loss, representing Group's share of total comprehensive loss	(13)	(3)	(16)

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 RM1,164 (2020: RM1,597) 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 RM2,761 (2020: RM1,597).

18. INVENTORIES

	Group	
	2021 RM'000	2020 RM'000 (Restated)
At lower of cost and NRV:		
Raw materials	11,864	2,469
Work-in-progress	50,748	57,940
Finished goods	780	706
	63,392	61,115
Inventories recognised as cost of sales during the financial year	177,530	168,868
Inventories written off recognised as an expense in cost of sales during the financial year	7	2

19. TRADE AND OTHER RECEIVABLES

		Group		Company	
	Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Non-current:					
Trade receivable					
- Third party	(a)	11,656	15,656	-	-
Other receivables					
- Third parties		1,188	1,505	-	-
- Prepayments		1,742	2,542	-	-
- Deposits		782	735	-	-
- Amounts owing by subsidiaries	(e)	-	-	25,602	317,812
		3,712	4,782	25,602	317,812
Less: Allowance for impairment loss - Amounts owing by subsidiaries		-	-	(12,713)	(12,659)
		3,712	4,782	12,889	305,153
Total trade and other receivables (non-current)		15,368	20,438	12,889	305,153

Notes To The Financial Statements
(Cont'd)

19. TRADE AND OTHER RECEIVABLES (continued)

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Current:					
Trade receivables					
- Third parties		88,258	103,950	-	-
- Retention sum	(c)	954	4,674	-	-
		89,212	108,624	-	-
Less: Allowance for impairment loss					
- Third parties		(985)	(868)	-	-
	(b) (d)	88,227	107,756	-	-
Other receivables					
- Third parties		10,736	11,241	7	7
- Amount owing by ultimate holding company	(f)	557	486	511	445
- Amounts owing by related parties	(f)	120	270	-	-
- Amount owing by an associate	(f)	6	6	-	-
		11,419	12,003	518	452
Less: Allowance for impairment loss					
- Third party		(15)	-	-	-
Total other receivables, net		11,404	12,003	518	452
Deposits		11,908	9,584	-	-
Advances to sub-contractors		15,770	12,166	-	-
GST refundable		859	1,086	-	-
Prepayments	(g)	38,432	46,565	796	733
		78,373	81,404	1,314	1,185
Total trade and other receivables (current)		166,600	189,160	1,314	1,185
Total trade and other receivables (non-current and current)		181,968	209,598	14,203	306,338

(a) Included in trade receivables of the Group is an amount of RM11,656,080 (2020: RM15,656,080) which is unsecured, interest-bearing at a rate of 5.50% (2020: 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 (2020: 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	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Trade receivables				
At beginning of the financial year	868	265	-	-
Charge for the financial year (Note 8)				
- individually assessed	382	603	-	-
Written off	(265)	-	-	-
At end of the financial year	985	868	-	-
Other receivables				
At beginning of the financial year	-	38	12,659	10,462
Charge for the financial year (Note 8)				
- individually assessed	15	-	54	2,197
Written off	-	(38)	-	-
At end of the financial year	15	-	12,713	12,659

(c) Included in trade receivables of the Group are retention sum of RM954,235 (2020: RM4,674,248) 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) Included in trade receivables is an amount of RM5,840,000 (2020: RM5,720,000) pledged as security for banking facility granted to a subsidiary (Note 28).

(e) 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 3.5% to 4% (2020: 4.6%) per annum and expected to be settled in cash.

(f) 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)

(g) Included in prepayments of the Group are:

(i) transaction costs of RM1,864,745 (2020: RM2,579,970) in relation to the undrawn loan facilities of the Group; and
(ii) down payments to suppliers of RM8,750,588 (2020: RM22,433,286) for the purchase of goods and equipment.

(h) The foreign currency exposure profile of the trade and other receivables of the Group is as follows:

	Group 2021 RM'000	Group 2020 RM'000
Myammar Kyat	14,192	15,012
Singapore Dollar	1,969	-
United States Dollar	-	1,378

(i) The information about the credit exposures are disclosed in Note 40(a).

20. CONTRACT ASSETS/(LIABILITIES)

	Group 2021 RM'000	Group 2020 RM'000 (Restated)
Contract assets relating to construction service contracts	72,103	76,585
Contract assets relating to unbilled services	3,338	2,299
	75,441	78,884
Contract liabilities relating to construction service contracts	(4,537)	(2,394)

Notes To The Financial Statements
(Cont'd)

20. CONTRACT ASSETS/(LIABILITIES) (continued)

(a) Significant changes in contract balances

	2021 Contract assets increase/ (decrease) RM'000	2021 Contract liabilities (increase)/ decrease RM'000	2020 Contract assets increase/ (decrease) RM'000 (Restated)	2020 Contract liabilities (increase)/ decrease RM'000
Group				
Revenue recognised that was included in contract liability at the beginning of the financial year	-	1,698	-	1,820
Increases due to cash received, excluding amounts recognised as revenue during the period	-	(3,791)	-	(1,415)
Increase due to revenue recognised for unbilled goods or services transferred to customers	61,323	-	50,043	-
Increases as a result of changes in the measure of progress	879	-	7,539	-
Transfers from contract assets recognised at the beginning of the period to receivables	(66,177)	-	(62,682)	-
Translation difference	532	(50)	(462)	22

(b) Revenue recognised in relation to contract balances

	Group 2021 RM'000	Group 2020 RM'000
Revenue recognised that was included in contract liability at the beginning of the financial year	1,698	1,820

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

Notes To The Financial Statements
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21. OTHER INVESTMENTS

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Financial assets at fair value through profit or loss ("FVPL")				
At fair value:				
Short-term cash investments				
- Quoted equity securities	17,023	582	16,825	319

22. CASH AND SHORT-TERM DEPOSITS

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Cash and bank balances	52,629	66,994	4,142	2,065
Short-term deposits placed with licensed banks	29,251	11,944	-	-
Cash and short-term deposits as presented in statements of financial position	81,880	78,938	4,142	2,065

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

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Short-term deposits placed with licensed banks	29,251	11,944	-	-
Less: Pledged deposits	(28,724)	(5,133)	-	-
	527	6,811	-	-
Cash and bank balances	52,629	66,994	4,142	2,065
Less: Bank overdrafts (Note 28)	(29,672)	(27,161)	-	-
Cash and short-term deposits as presented in statements of cash flows	23,484	46,644	4,142	2,065

(a) Deposits placed with licensed banks amounting to RM28,723,612 (2020: RM5,133,289) of the Group are pledged as security for banking facilities granted to subsidiaries (Note 28).

(b) Deposits placed with licensed banks of the Group earn interest at rates ranging from 0.95% to 1.80% (2020: 1.60% to 3.20%) per annum with a maturity of three months or less.

Notes To The Financial Statements
(Cont'd)

22. CASH AND SHORT-TERM DEPOSITS (continued)

(c) The foreign currency exposure profile of cash and short term deposits of the Group and of the Company are as follows:

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Myanmar Kyat	3,136	6,545	-	-
United States Dollar	1,388	834	12	7

23. SHARE CAPITAL

	Group and Company			
	Number of ordinary shares		<--------- Amounts -------->	
	2021 Unit'000	2020 Unit'000	2021 RM'000	2020 RM'000
Issued and fully paid up (no par value):				
At beginning of the financial year	958,574	958,573	295,526	295,525
Issuance of shares pursuant to:				
- rights issue	95,857	-	5,464	-
- ESOS	40	-	19	-
- exercise of warrants	9	1	5	1
Transaction costs of share issue	-	-	(179)	-
At end of the financial year	1,054,480	958,574	300,835	295,526

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

During the financial year, the Company:

(i) increased its issued and paid-up ordinary share capital from RM295,525,634 to RM300,995,892 by way of rights issue of 95,857,296 new ordinary shares. The shares are issued on the basis of (1) rights share for every ten existing shares at an issue price of RM0.20 each, together with 95,857,296 free detachable warrants on the basis of one warrant for every one rights share subscribed for;

(ii) issued 9,250 new ordinary shares arising from the exercise of Warrant B at the exercise price of RM0.42 per warrant in accordance with the Deed Poll dated 24 November 2020; and

(iii) issued 39,600 new ordinary shares pursuant to the exercise of the Company's Employee Share Option Scheme ("ESOS") as disclosed in Note 27 to the financial statements which amounted to RM18,691.

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)

24. 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.

25. REVALUATION RESERVE

	Group	
	2021 RM'000	2020 RM'000
At beginning of the financial year	7,188	7,292
Revaluation loss on right-of-use assets	(20)	-
Realisation of revaluation reserve	(104)	(104)
At end of the financial year	7,064	7,188

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

26. 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.

Notes To The Financial Statements
(Cont'd)

26. WARRANT RESERVE (continued)

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			
	1.1.2021 Unit'000	Issued Unit'000	Exercised Unit'000	31.12.2021 Unit'000
Number of unissued shares under warrants	-	95,857	(9)	95,848

During the financial year, the fair value of warrants is measured using the binomial option pricing model with the following inputs:

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

27. 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)

27. 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 2021 Unit'000	Group and Company WAEP 2021
At beginning of the financial year	-	-
Granted	26,502	RM0.37
Exercised during the year	(40)	RM0.37
At end of the financial year	26,462	RM0.37
Exercisable at end of the year	26,462	RM0.37

The options outstanding at 31 December 2021 have exercise price of RM0.37 and the weighted average remaining contractual life for the share options outstanding as at 31 December 2021 is 3.99 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)	0.06
Weighted average share price (RM)	0.47
Option life (years)	5
Risk-free rate (%)	2.12%
Expected volatility (%)	30.45%

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)

28. LOANS AND BORROWINGS

		Group		Company	
		2021	2020	2021	2020
	Note	RM'000	RM'000	RM'000	RM'000
Non-current:					
Secured					
Term loans	(a)	173,209	223,287	-	-
Revolving projects loan	(c)	3,851	5,903	-	-
		177,060	229,190	-	-
Current:					
Secured					
Bankers' acceptance	(b)	23,956	11,884	-	-
Revolving projects loan	(c)	14,622	11,852	-	-
Bank overdrafts (Note 22)	(d)	29,672	27,161	-	-
Term loans	(a)	155,502	93,805	-	-
Revolving credit	(e)	38,666	59,735	-	20,000
		262,418	204,437	-	20,000
		439,478	433,627	-	20,000
Total loans and borrowings:					
Term loans	(a)	328,711	317,092	-	-
Bankers' acceptance	(b)	23,956	11,884	-	-
Revolving projects loan	(c)	18,473	17,755	-	-
Bank overdrafts (Note 22)	(d)	29,672	27,161	-	-
Revolving credit	(e)	38,666	59,735	-	20,000
		439,478	433,627	-	20,000

Notes To The Financial Statements
(Cont'd)

28. LOANS AND BORROWINGS (continued)

(a) Term loans - secured

	Group 2021 RM'000	Group 2020 RM'000
Term loan I	430	989
Term loan II	6,074	6,887
Term loan III	829	911
Term loan IV	2,124	2,652
Term loan V	1,240	888
Term loan VI - Indonesian Rupiah	1,489	6,378
Term loan VII - United States Dollar	62,025	85,622
Term loan VIII	13,041	8,678
Term loan IX	1,528	1,613
Term loan X	1,590	2,324
Term loan XI - United States Dollar	62,461	45,562
Term loan XII	6,738	8,923
Term loan XIII	2,151	2,779
Term loan XIV	-	8,803
Term loan XV - United States Dollar	-	46,029
Term loan XVI	-	12,380
Term loan XVII	-	22,008
Term loan XVIII	5,060	7,744
Term loan XIX	2,262	2,932
Term loan XX	20,825	20,085
Term loan XXI	8,166	9,906
Term loan XXII	5,797	1,418
Term loan XXIII	9,038	9,952
Term loan XXIV - Indonesian Rupiah	760	1,629
Term loan XXV	30,034	-
Term loan XXVI	9,680	-
Term loan XXVII	75,369	-
	328,711	317,092

The term loans are repayable as follows:

	Group 2021 RM'000	Group 2020 RM'000
Non-current liabilities:		
- due more than 1 year but not later than 5 years	164,200	203,693
- due after 5 years	9,009	19,594
	173,209	223,287
Current liabilities:		
- due within 1 year	155,502	93,805
	328,711	317,092

Notes To The Financial Statements
(Cont'd)

28. LOANS AND BORROWINGS (continued)

(a) Term loans - secured (continued)

(i) The term loans bear interest at rates ranging from 3.25% to 10% (2020: 3.25% to 12.27%) per annum and are secured and supported as follows:

(a) Legal charge over the investment properties of the Group (Note 13);
(b) Assignment over all rents and other monies;
(c) Corporate guarantee from the Company and a subsidiary of the Company;
(d) Legal charge over the freehold and leasehold land and buildings of the Group (Notes 11 and 12);
(e) Joint and several guarantees by certain directors of the Company and a subsidiary;
(f) Legal charge over a property of a director of the subsidiary;
(g) Debenture creating a first rank fixed and floating charge over subsidiaries's present and future assets relating to the loan;
(h) Memorandum of deposit or cash collateral agreement;
(i) Deed assignment over the sales proceeds of the metered renewable energy from Tenaga Nasional Berhad;
(j) Assignment of all rights, interest and benefits of the subsidiary over all Takaful/insurance(s) issued in relation to the project;
(k) Assignment of performance bond/bank guarantee by the contractor of the solar power;
(l) Fiduciary security over asset of a subsidiary;
(m) Irrevocable payment instruction from the subsidiary to the Company for the financial obligation;
(n) Assignment over the revenue account by virtue of the dividend payment;
(o) Assignment over the Finance Service Reserve Account ("FSRA");
(p) Letter of Undertaking from the Company to cover any shortfall in the revenue account and FSRA;
(q) Pledge over the shares in its sub-subsidiaries owned by the subsidiaries (Note 16);
(r) 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;
(s) Irrevocable and Unconditional Power of Attorney to be granted by the subsidiary;
(t) Assignment of Dividend arising from the Shares to be granted by the subsidiary;
(u) Irrevocable standing instruction from the subsidiary to the sub-subsidiary so that all dividend payable to the subsidiary shall be paid by the 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-subsidiary for the financial obligation;
(x) Fiduciary receivables;
(y) Assignment of contracts; and
(z) Master security agreement.

(ii) The foreign currency exposure profile of the Group's term loans is as follows:

	Group	
	2021	**2020**
	RM'000	**RM'000**
United States Dollar	-	46,029

Notes To The Financial Statements
(Cont'd)

28. LOANS AND BORROWINGS (continued)

(b) 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 2.04% to 5.45% (2020: 2.06% to 5.19%) per annum.

(c) 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 6.70% to 7.25% (2020: 7.00% to 7.25%) per annum.

Notes To The Financial Statements
(Cont'd)

28. LOANS AND BORROWINGS (continued)

(d) 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 5.02% to 7.40% (2020: 4.02% to 7.20%) per annum.

(e) Revolving credit

The revolving credit is secured by way of:

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

The revolving credit bears effective interest rates ranging from 4.10% to 5.76% (2020: 3.49% to 6.76%) per annum.

29. LEASE LIABILITIES

	Group	
	2021	**2020**
	RM'000	**RM'000**
Non-current:		
Lease liabilities	133,565	135,481
Current:		
Lease liabilities	30,011	29,510
	163,576	164,991

The incremental borrowing rates applied to the lease liabilities ranging from 2.13% to 7.00% (2020: 2.13% to 7.00%) per annum.

Notes To The Financial Statements
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29. LEASE LIABILITIES (continued)

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

	Group	
	2021 RM'000	2020 RM'000
Future minimum lease payments	198,306	203,327
Less: Future finance charges	(34,730)	(38,336)
Total present value of minimum lease payments	163,576	164,991
Payable within one year		
Future minimum lease payments	37,938	37,483
Less: Future finance charges	(7,927)	(7,973)
Present value of minimum lease payments	30,011	29,510
Payable more than 1 year but not more than 5 years		
Future minimum lease payments	95,008	93,653
Less: Future finance charges	(18,406)	(20,177)
Present value of minimum lease payments	76,602	73,476
Payable more than 5 years		
Future minimum lease payments	65,360	72,191
Less: Future finance charges	(8,397)	(10,186)
Present value of minimum lease payments	56,963	62,005
Total present value of minimum lease payments	163,576	164,991

30. DEFERRED INCOME

	Group	
	2021 RM'000	2020 RM'000
Non-current		
Government grants:		
At beginning of the financial year	1,936	-
Relating to acquisition of a subsidiary (Note 16)	-	2,040
Released to profit or loss (Note 8)	(125)	(104)
At end of the financial year	1,811	1,936

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.

Notes To The Financial Statements
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31. PROVISION FOR LIABILITIES

	Group	
	2021	2020
	RM'000	RM'000
Site restoration costs		
At beginning of the financial year	9,522	7,656
Additions	960	1,656
Unwinding of discount (Note 8)	423	334
Translation difference	214	(124)
At end of the financial year	11,119	9,522

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 RM960,000 (2020: RM1,656,000) was made during the financial year ended 31 December 2021 and 31 December 2020 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 (2020: 19 to 22 years) tenure periods. The Group has estimated a range of reasonably possible outcomes of the total cost of RM18,990,000 (2020: RM19,378,000), reflecting different assumptions about the pricing of the individual components of cost. The provision has been calculated using a discount rate ranging from 2.12% to 4.50% (2020: 3.54% to 4.50%), which is the risk-free rate in the jurisdiction of the liability.

32. POST EMPLOYMENT BENEFIT LIABILITIES

	Group	
	2021	2020
	RM'000	RM'000
At beginning of the financial year	738	650
Recognised in profit or loss (Note 8)	(61)	124
Actuarial loss/(gain) recognised in other comprehensive income	47	(47)
Translation differences	29	11
At end of the financial year	753	738

(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 actuarist on its report dated 25 January 2022 (2020: 10 February 2021) using the projected unit credit method.

Notes To The Financial Statements
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32. POST EMPLOYMENT BENEFIT LIABILITIES (continued)

(c) Principal actuarial assumptions used at the reporting date are as follows:

	Group 2021	Group 2020
Discount rate	7.37% - 7.58%	7.10% - 7.59%
Normal retirement age	55 years	55 years
Salary increase rate	10%	10%

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	Effect on defined benefit obligation Decrease RM'000
2021			
Discount rate	1.0%	(81)	95
Future salary growth	1.0%	91	(80)
2020			
Discount rate	1.0%	(86)	102
Future salary growth	1.0%	97	(84)

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
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33. TRADE AND OTHER PAYABLES

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Trade payables					
- Third parties		83,086	74,668	-	-
- Accruals		13,301	15,620	-	-
- Related parties		-	44	-	-
- Retention sum		2,650	2,764	-	-
	(a) (b)	99,037	93,096	-	-
Other payables		8,827	8,085	42	84
Accruals	(c)	11,977	23,719	242	258
Deposits		5,835	5,228	-	-
Amounts owing to minority shareholders of subsidiaries	(d)	11,577	-	-	-
Amounts owing to subsidiaries	(e)	-	-	25,570	11,303
Amount owing to a related party	(f)	10,664	13,519	10,664	13,519
Amounts owing to directors of subsidiaries	(g)	991	1,059	-	-
		49,871	51,610	36,518	25,164
Total trade and other payables		148,908	144,706	36,518	25,164

(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 (2020: 30 to 90 days). The retention sum is payable upon the expiry of the defect liability period.

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

	Group 2021 RM'000	Group 2020 RM'000
Myanmar Kyat	60,580	-
Chinese Yuan	-	195

(c) In the previous financial year, non-trade accruals of the Group included accrued costs on property, plant and equipment of RM10,928,297 owing to the suppliers and sub-contractors.

(d) Amounts owing to minority shareholders of subsidiaries were non-trade in nature, unsecured, interest-free and repayable upon demand in cash.

(e) Amount owing to subsidiaries is non-trade in nature, unsecured, bears interest rates ranging from 3.50% to 7.24% (2020: 4.60%) and repayable upon demand in cash.

(f) Amount owing to a related party is non-trade in nature, unsecured, bears interest at rate of 4.00% (2020: 4.00%) and repayable upon demand in cash.

Notes To The Financial Statements
(Cont'd)

33. TRADE AND OTHER PAYABLES (continued)

(g) Amounts owing to directors of subsidiaries are non-trade in nature, unsecured, interest-free and repayable upon demand in cash.

(h) For explanation on the Group's and the Company's liquidity risk management processes, refer to Note 40(b).

34. FINANCIAL GUARANTEES

	Company	
	2021	2020
	RM'000	RM'000
Financial guarantees given to licensed banks for outstanding banking facilities granted to subsidiaries	436,391	422,101

35. CAPITAL COMMITMENTS

	Group	
	2021	2020
	RM'000	RM'000
In respect of capital expenditure:		
Property, plant and equipment		
- approved and contracted for	122,694	61,312
- approved but not contracted for	190,108	116,565
In respect of acquisition of a subsidiary		
- approved and contracted for	-	1,629

36. LEASE COMMITMENTS

(a) The Group as lessee

The Group had entered into a commercial lease for its sites, office premises, factory, equipment, motor vehicles 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	
	2021	2020
	RM'000	RM'000
Not later than one year	1,107	898
Later than one year and not later than five years	771	479
Later than five years	13	-
	1,891	1,377

Notes To The Financial Statements
(Cont'd)

36. 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	
	2021	**2020**
	RM'000	**RM'000**
Not later than one year	158,495	142,545
Later than one year and not later than five years	513,944	433,035
Later than five years	489,024	441,911
	1,161,463	1,017,491

37. 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**
Dynasynergy Sdn. Bhd.	A company in which a shareholder of a subsidiary (Dynasynergy Services Sdn. Bhd.) is a director and a substantial shareholder
Modern Net Sdn. Bhd.	A company in which a director of a subsidiary (Firatel 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
OCK Setia Properties Sdn. Bhd.	A company in which a director of the Company is a director
Irat Civil Works Sdn. Bhd.	An associated company

Notes To The Financial Statements
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37. RELATED PARTY TRANSACTIONS (continued)

(b) Transactions with related parties are as follows:

	Group 2021 RM'000	Group 2020 RM'000
Ultimate holding company		
Aliran Armada Sdn. Bhd.		
Finance charges received/receivable	(6)	(22)
Related parties		
Dynasynergy Sdn. Bhd.		
Sales received/receivable	(7)	(187)
PLY Technology		
Consultancy fees paid/payable	267	282
Profit Hover Limited		
Interest expense paid/payable	486	175

	Company 2021 RM'000	Company 2020 RM'000
Received and receivable from subsidiaries		
Management fees	(5,120)	(4,500)
Interest income	(9,215)	(12,167)
Paid and payable to subsidiaries		
Interest expense	575	268
Administration expenses	1,079	696

Significant outstanding balances with related parties at the end of the reporting period are as disclosed in Notes 19 and 33.

Notes To The Financial Statements
(Cont'd)

37. 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	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Directors of the Company				
Executive Directors:				
- salaries, allowances and bonuses	3,227	3,061	2,383	2,224
- other emoluments	387	369	284	268
	3,614	3,430	2,667	2,492
Non-executive Directors:				
- fees	177	168	177	168
- allowances	22	21	22	21
	199	189	199	189
Directors of the subsidiaries				
Executive Directors:				
- fees	54	59	-	-
- salaries, allowances and bonuses	1,348	1,333	-	-
- other emoluments	115	111	-	-
	1,517	1,503	-	-
Total directors' remuneration	5,330	5,122	2,866	2,681
Other key management personnel				
Short-term employee benefits	2,523	2,711	1,080	885
Post employment benefits	310	333	132	106
	2,833	3,044	1,212	991
	8,163	8,166	4,078	3,672

Notes To The Financial Statements
(Cont'd)

38. 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 & 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
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38. **SEGMENT INFORMATION** (continued)

Group	Note	Telecommunication 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
2021								
Revenue								
External revenue		441,989	36,428	8,444	1,322	-	-	488,183
Inter-segment revenue	a	40,358	4,539	4,440	339	2,048	(51,724)	-
		482,347	40,967	12,884	1,661	2,048	(51,724)	488,183
Results								
Interest income	a	(22,979)	(1,335)	(361)	-	(9,255)	31,036	(2,894)
Finance costs	a	39,077	2,895	166	347	1,891	(17,593)	26,783
Depreciation and amortisation		79,965	5,763	108	44	-	5,350	91,230
Other non-cash expenses/(income)	b	2,519	119	(318)	1,187	(9,868)	9,217	2,856
Segment profit/(loss) after tax	c	45,735	2,560	2,813	(4,715)	18,128	(31,933)	32,588
Segment Assets								
Additions to non-current assets	d	113,711	2,296	208	2,230	-	(1,556)	116,889
Segment assets	e	2,323,042	158,904	20,550	22,975	480,659	(1,540,934)	1,465,196
Segment Liabilities	f	1,599,519	75,343	5,084	17,157	46,759	(952,601)	791,261

Notes To The Financial Statements
(Cont'd)

38. SEGMENT INFORMATION (continued)

	Note	Tele-communication Network Services RM'000	Green Energy and Power Solutions RM'000 (Restated)	Trading RM'000	M&E Engineering Services RM'000	Investment Holding RM'000	Adjustments and Eliminations RM'000	Consolidated RM'000 (Restated)
Group								
2020								
Revenue								
External revenue		429,149	29,084	5,167	10,106	-	-	473,506
Inter-segment revenue	a	37,640	3,121	1,196	6,871	-	(48,828)	-
		466,789	32,205	6,363	16,977	-	(48,828)	473,506
Results								
Interest income	a	(8,143)	(671)	(301)	(11)	(12,736)	19,649	(2,213)
Finance costs	a	40,709	4,010	128	477	2,260	(17,073)	30,511
Depreciation and amortisation		77,237	6,122	128	50	-	4,809	88,346
Other non-cash (income)/expenses	b	(357)	(1,086)	139	1,216	7,933	(7,365)	480
Segment profit/(loss) after tax	c	37,875	2,321	2,070	(2,347)	(877)	(7,437)	31,605
Segment Assets								
Additions to non-current assets	d	104,761	15	60	-	-	(5,548)	99,288
Segment assets	e	2,066,786	168,973	17,229	33,389	454,050	(1,334,869)	1,405,558
Segment Liabilities	f	1,394,190	85,635	4,589	22,896	57,400	(781,740)	782,970

Notes To The Financial Statements
(Cont'd)

38. 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:

	2021 RM'000	2020 RM'000 (Restated)
Bad debts written off	850	619
Inventories written off	7	2
Fair value gain on derivative instruments	-	(13)
Fair value loss on investment properties	211	350
Gain from bargain purchase	-	(1,403)
Gain on disposal of subsidiaries	(1,061)	(60)
Gain on lease modification	(417)	(102)
Goodwill written off	400	246
Impairment losses on:		
- trade receivables	382	603
- other receivables	15	-
Loss on waiver of debts	95	5
Loss on derecognition of an associate	-	49
Net unrealised loss/(gain) on foreign exchange	586	(403)
Net loss on disposal of property, plant and equipment	195	127
Net gain on disposal of right-of-use assets	(22)	(114)
Property, plant and equipment written off	1,253	116
(Reversal of provision)/Provision for post employment benefits	(61)	124
Unwinding effect on provision for site restoration	423	334
	2,856	480

(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:

	2021 RM'000	2020 RM'000
Property, plant and equipment	114,659	99,288
Investment properties	2,230	-
	116,889	99,288

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

	2021 RM'000	2020 RM'000
Inter-segment assets	(1,540,934)	(1,334,869)

Notes To The Financial Statements
(Cont'd)

38. 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:

	2021 RM'000	2020 RM'000
Deferred tax liabilities	9,785	9,375
Inter-segment liabilities	(962,386)	(791,115)
	(952,601)	(781,740)

(g) Geographical information

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

	Revenue 2021 RM'000	 2020 RM'000
Malaysia	244,800	219,458
China	2,536	6,020
Myanmar	84,751	94,782
Indonesia	92,473	79,488
Singapore	11,289	21,335
Vietnam	52,334	52,423
	488,183	473,506

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 2021 RM'000	 2020 RM'000 (Restated)
Malaysia	274,265	270,558
Cambodia	-	27
China	-	19
Myanmar	486,345	432,675
Indonesia	15,073	16,791
Vietnam	266,397	250,586
Thailand	469	669
	1,042,549	971,325

(h) Major customers

During the financial year, revenue from a major customer in the Telecommunication Network Services segment represented approximately RM57,618,743 or 12% of the Group's revenue.

Notes To The Financial Statements
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39. 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
2021			
Financial assets			
Group			
Trade and other receivables, net of GST refundable, advances to sub-contractors and prepayments	125,165	125,165	-
Cash and short-term deposits	81,880	81,880	-
Other investments	17,023	-	17,023
	224,068	207,045	17,023
Company			
Other receivables, net of prepayments	13,407	13,407	-
Cash and short-term deposits	4,142	4,142	-
Other investments	16,825	-	16,825
	34,374	17,549	16,825
Financial liabilities			
Group			
Trade and other payables	148,908	148,908	-
Loans and borrowings	439,478	439,478	-
	588,386	588,386	-
Company			
Other payables	36,518	36,518	-

Notes To The Financial Statements
(Cont'd)

39. 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
2020			
Financial assets			
Group			
Trade and other receivables, net of GST refundable, advances to sub-contractors and prepayments	147,239	147,239	-
Cash and short-term deposits	78,938	78,938	-
Other investments	582	-	582
	226,759	226,177	582
Company			
Other receivables, net of prepayments	305,605	305,605	-
Cash and short-term deposits	2,065	2,065	-
Other investments	319	-	319
	307,989	307,670	319
Financial liabilities			
Group			
Trade and other payables, net of GST payable	144,706	144,706	-
Loans and borrowings	433,627	433,627	-
	578,333	578,333	-
Company			
Other payables	25,164	25,164	-
Revolving credit	20,000	20,000	-
	45,164	45,164	-

Notes To The Financial Statements
(Cont'd)

39. 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 (2020: no transfers between Level 1 and Level 2).

Notes To The Financial Statements
(Cont'd)

39. **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:

	Carrying amount	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value			
		Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Group	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2021									
Financial assets									
Other investments	17,023	17,023	-	-	17,023	-	-	-	-
2020									
Financial assets									
Other investments	582	582	-	-	582	-	-	-	-
Company									
2021									
Financial assets									
Other investments	16,825	16,825	-	-	16,825	-	-	-	-
Amounts owing by subsidiaries	12,889	-	-	-	-	-	-	12,889	12,889
2020									
Financial assets									
Other investments	319	319	-	-	319	-	-	-	-
Amounts owing by subsidiaries	305,153	-	-	-	-	-	-	305,153	305,153

Notes To The Financial Statements
(Cont'd)

39. 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.

40. 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 is 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
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40. 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 27% (2020: 31%) of the Group trade receivables was due from two (2020: two) 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
2021			
Contract assets	0%	75,441	-
Trade receivables			
Current	0%	35,774	-
1 to 30 days past due	0%	25,507	-
31 to 60 days past due	0%	10,191	-
61 to 90 days past due	0%	3,969	-
91 to 120 days past due	0%	3,912	-
More than 121 days past due	0%	20,530	-
		99,883	-
Impaired - individually		985	985
		100,868	985
		176,309	985

Notes To The Financial Statements
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40. 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 (Restated)	Impairment losses RM'000
2020			
Contract assets	0%	78,884	-
Trade receivables			
Current	0%	41,478	-
1 to 30 days past due	0%	23,988	-
31 to 60 days past due	0%	11,503	-
61 to 90 days past due	0%	2,205	-
91 to 120 days past due	0%	26,687	-
More than 121 days past due	0%	17,551	-
		123,412	-
Impaired - individually		868	868
		124,280	868
		203,164	868

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
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40. 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. The following indicators are incorporated, amongst others:

- internal credit rating
- external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- actual or expected significant changes in the operating results of the borrower
- significant increases in credit risk on other financial instruments of the same borrower
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the group and changes in the operating results of the borrower

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.

Refer to Note 3.16(a) for the Group's and the Company's other accounting policies for impairment of financial assets.

As at the end of the reporting date, the Group did not recognise any loss allowance for impairment for other financial assets.

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 34. 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
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40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

The Group maintains 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**
2021					
Group					
Financial liabilities					
Trade and other payables	148,908	148,908	-	-	148,908
Bankers' acceptance	23,956	23,956	-	-	23,956
Revolving projects loan	18,473	15,303	4,141	-	19,444
Revolving credit	38,666	38,666	-	-	38,666
Bank overdrafts	29,672	29,672	-	-	29,672
Lease liabilities	163,576	37,938	95,008	65,360	198,306
Term loans	328,711	163,990	161,916	8,160	334,066
	751,962	458,433	261,065	73,520	793,018
Company					
Financial liabilities					
Other payables	36,518	36,518	-	-	36,518
Financial guarantee contracts	-	436,391	-	-	436,391
	36,518	472,909	-	-	472,909

Notes To The Financial Statements
(Cont'd)

40. 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**
2020					
Group					
Financial liabilities					
Trade and other payables	144,706	144,706	-	-	144,706
Bankers' acceptance	11,884	11,884	-	-	11,884
Revolving projects loan	17,755	12,400	6,541	-	18,941
Revolving credit	59,735	59,735	-	-	59,735
Bank overdrafts	27,161	27,161	-	-	27,161
Lease liabilities	164,991	37,483	93,653	72,191	203,327
Term loans	317,092	95,060	206,241	19,941	321,242
	743,324	388,429	306,435	92,132	786,996
Company					
Financial liabilities					
Other payables	25,164	25,164	-	-	25,164
Revolving credit	20,000	20,000	-	-	20,000
Financial guarantee contracts	-	422,101	-	-	422,101
	45,164	467,265	-	-	467,265

Notes To The Financial Statements
(Cont'd)

40. 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"), Singapore Dollar ("SGD") and Chinese Yuan ("CNY").

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 RM1,388,453 (2020: RM833,974) and RM3,135,528 (2020: RM6,544,681) 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.

<u>Sensitivity analysis for foreign currency risk</u>

The following table demonstrates the sensitivity of the Group's profit net of tax to a reasonably possible change in the USD, CNY and MMK exchange rates against the respective functional currency of the Group's entities, with all other variables held constant:

		Group Profit net of tax	
		2021 RM'000	**2020 RM'000**
USD/RM	- strengthen by 5% (2020: 5%)	53	(1,665)
	- weaken by 5% (2020: 5%)	(53)	1,665
CNY/RM	- strengthen by 5% (2020: 5%)	-	(7)
	- weaken by 5% (2020: 5%)	-	7
MMK/RM	- strengthen by 5% (2020: 5%)	(1,644)	819
	- weaken by 5% (2020: 5%)	1,644	(819)
SGD/RM	- strengthen by 5% (2020: 5%)	75	-
	- weaken by 5% (2020: 5%)	(75)	-

Notes To The Financial Statements
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40. 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.

<u>Sensitivity analysis for interest rate risk</u>

At the end of the financial year, if average interest rates increased/decreased by 1% with all other variable held constant, the Group's profit net of tax for the financial year ended 31 December 2021 will be lower/higher by RM3,046,176 (2020: RM2,841,581) as a result of exposure to floating rate borrowings.

41. 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 2021 and 31 December 2020.

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)

41. CAPITAL MANAGEMENT (continued)

	Group 2021 RM'000	Group 2020 RM'000 (Restated)	Company 2021 RM'000	Company 2020 RM'000
Loan and borrowings	439,478	433,627	-	20,000
Lease liabilities	163,576	164,991	-	-
Trade and other payables	148,908	144,706	36,518	25,164
Contract liabilities	4,537	2,394	-	-
Less: Cash and short-term deposits	(81,880)	(78,938)	(4,142)	(2,065)
Net debt	674,619	666,780	32,376	43,099
Total equity	673,935	622,588	422,148	387,047
	1,348,554	1,289,368	454,524	430,146
Gearing ratio	50%	52%	7%	10%

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.

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

(a) On 4 January 2021, the Company's indirect 60% subsidiary, Vietnam Infrastructure Heritage Ltd. ("VIHL") had been struck-off from the Register of Companies pursuant to Section 208(1) of the BVI Business Companies Act.

(b) On 8 January 2021, the Company had listed and quoted 95,857,296 rights shares and 95,857,296 warrants issued pursuant to the Rights Issue with Warrants on the Main Market of Bursa Malaysia Securities Berhad at the issued price of RM0.20 per Rights Share ("Issue Price") and the exercise price of the Warrants at RM0.42 per Warrant ("Exercise Price"), marking the completion of the Rights Issue with Warrants.

(c) On 20 January 2021, the Company's indirect 61% and 52% owned subsidiaries, namely Firatel Sdn. Bhd. ("Firatel") and EI Power Technologies Sdn. Bhd. ("EIPT") respectively, 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 OCK Group Berhad by virtue of its power to exercise control over the financial and operating policies of Sunvoltic. The intended principal activity of Sunvoltic is the provision of investing, design, construction, commissioning, operation and maintenance of renewable energy power generation facilities.

(d) On 2 February 2021, the Company had issued 9,250 new ordinary shares at a price of RM0.42 per ordinary share through the exercise of warrants.

(e) On 22 April 2021, the Company's wholly-owned subsidiary, Milab Marketing Sdn. Bhd. ("Milab") had incorporated a 85% owned subsidiary, namely OCK Energy Venture Sdn. Bhd. ("OCKEV") with an issued and paid-up capital of 2 ordinary shares of RM1 each. The intended principal activity of OCKEV was provision of renewable energy and power solutions.

Notes To The Financial Statements
(Cont'd)

42. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE END OF THE FINANCIAL YEAR (continued)

(f) On 30 April 2021, the Company's indirect 61% owned subsidiary, Firatel Sdn. Bhd. ("Firatel") had incorporated a 100% owned subsidiary, namely Firatel Infra Sdn. Bhd. ("Firatel Infra") with an issued and paid-up capital of 6,835,793 ordinary shares of RM1 each. The intended principal activity of Firatel Infra is the provision of civil and mechanical engineering services and telecommunication network services.

(g) On 5 May 2021, the Company's wholly-owned subsidiary, OCK Setia Engineering Sdn. Bhd. ("OCKSE") had incorporated a 100% owned subsidiary, namely Gabungan Setia Sdn. Bhd. ("GSSB") with an issued and paid-up capital of 1,000,000 ordinary shares of RM1 each. The intended principal activity of GSSB is the provision of building and facilities maintenance services.

(h) On 18 June 2021, the Company's wholly-owned subsidiary, Milab Marketing Sdn. Bhd. ("Milab") had acquired entire equity interest in Sinar Lebar Sdn. Bhd. ("Sinar Lebar") for cash consideration of RM50,000. The principal activities of Sinar Lebar are the provision of electrical, mechanical, motor and generation of power including all forms of renewable energy generation.

(i) On 30 June 2021, the Company's wholly-owned subsidiary, OCK International Sdn. Bhd. had disposed its 51% equity investments in Fuzhou 1-Net Solution Co. Ltd. ("Fuzhou") for a total consideration of RM1,727,411.

(j) On 8 October 2021, the Company's wholly owned-subsidiary, OCK SEA Towers Pte. Ltd. ("OCKSEA") had subscribed an additional 1,230,693 ordinary shares at the price of RM1.00 each in the share capital of a subsidiary, OCK Tower Infra Sdn. Bhd. by way of capitalising the amount owing to OCKSEA of RM1,230,693.

(k) **COVID-19 pandemic**

On 11 March 2020, the World Health Organisation declared the COVID-19 outbreak as a pandemic in recognition of its rapid spread across the globe. Many countries including the Malaysian Government imposed the Movement Control Order ("MCO") to curb the spread of the COVID-19 pandemic. The COVID-19 pandemic also resulted in travel restrictions, lockdowns and other precautionary measures imposed in various countries. The emergence of the COVID-19 pandemic since early 2020 has brought significant economic uncertainties in Malaysia and markets in which the Group and the Company operate.

The Group and the Company have performed assessments on the overall impact of the situation on the Group's and the Company's operations and financial implications, including the recoverability of the carrying amount of assets and subsequent measurement of assets and liabilities, and concluded that there was no material adverse effect on the financial statements for the financial year ended 31 December 2021.

Given the fluidity of the situation, the Group and the Company are unable to reasonably estimate the complete financial impacts of COVID-19 pandemic for the financial year ending 31 December 2022 to be disclosed in the financial statements as impact assessment of the COVID-19 pandemic is a continuing process. The Group and the Company will continuously monitor any material changes to future economic conditions that will affect the Group and the Company.

Notes To The Financial Statements
(Cont'd)

43. COMPARATIVE FIGURES

	As previously reported RM'000	Reclassification RM'000 (a)	Effect of adjustment from PPA RM'000 (b)	As restated RM'000
Group				
2020				
Statements of Comprehensive Income				
Other income	5,208	-	1,403	6,611
Other operating expenses	(7,850)	-	(377)	(8,227)
Tax expense	(4,651)	-	91	(4,560)
Statements of Financial Position				
Intangible assets	180,251	-	2,656	182,907
Inventories	63,414	(2,299)	-	61,115
Contract assets	76,585	2,299	-	78,884
Retained earnings	279,585	-	1,117	280,702
Deferred tax liabilities	19,845	-	1,539	21,384

(a) The comparative figures have been reclassified to conform with current year presentation.

(b) Arising from the Purchase Price Allocation ("PPA") exercise carried out on the acquisition of Solar System & Power Sdn. Bhd. as disclosed in Note 16(i).

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, **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 97 to 230 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 2021 and of their financial performance and cash flows for the financial year then ended.

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

…………………………………………….
OOI CHIN KHOON
Director

…………………………………………….
ABDUL HALIM BIN ABDUL HAMID
Director

Kuala Lumpur

Date: 26 April 2022

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 97 to 230 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 26 April 2022.

Before me,

INDEPENDENT AUDITORS' REPORT

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

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 2021 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 97 to 230.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021, and of their financial performance and their cash flows for the financial year then ended in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

INDEPENDENT AUDITORS' REPORT
(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 attributable to acquisitions of subsidiaries. There is a risk the future performance of the assets may not lead to their carrying values being recoverable in full. Significant judgements arise over the discount rates applied in the recoverable amount calculations and assumptions supporting the underlying cash flow projections of the respective cash-generating units ("CGU"), including forecast growth rates and gross profit margin.

Our audit response:
Our audit procedures included, among others:

- discussing the valuation methodology adopted by the Group;
- comparing the cash flow projections of the respective CGU to available business plans;
- comparing the actual results with previous cash flow projections to assess the performance of the business of the respective CGU and historical accuracy of the projections;
- assessing the reasonableness of the Group's assumptions in relation to key inputs such as discount rates, forecast growth rates and gross profit margin;
- testing the mathematical accuracy of the impairment assessment; and
- performing a sensitivity analysis around the key inputs that are expected to be most sensitive to the recoverable amount of the respective CGU to understand the impact of the changes on the available headroom.

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 2021 which include certain amounts which are long outstanding. We focused on this area because the directors made significant judgements over assumptions about risk of default and expected loss rate. In making the assumptions, the directors selected 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 the reporting period.

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;
- developing understanding of significant credit exposures which were significantly 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 samples of trade receivables;
- checking subsequent receipts, customer correspondence, and considering explanation on recoverability with significantly past due balances; and
- assessing the reasonableness and calculation of impairment loss 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 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. More regular reviews are performed if events indicate that this is necessary. The assessment of the net tangible assets of the subsidiaries affects the result of the impairment test.

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.

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 Company's assumptions to our assessments in relation to key assumptions to assess their reasonableness and achievability of the projections;
- testing the mathematical accuracy of the impairment assessment; and
- performing a 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)

The Company performs impairment review on the amounts owing by subsidiaries whenever the events or changes in circumstances indicate that the carrying amount of the amounts owing by subsidiaries may not be recoverable in accordance with its accounting policy.

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, based on the Company's past history, 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;
- checking the shareholders' fund and expected manner of recovery of each subsidiary;
- obtaining confirmation of balances from subsidiaries;
- checking subsequent receipts, correspondence and considering explanation on recoverability with significantly past due balances; and
- assessing 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 the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's 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)

Auditor's 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	Kenny Yeoh Khi Khen No. 03229/09/2022 J Chartered Accountant

Kuala Lumpur

Date: 26 April 2022

LIST OF PROPERTIES

Registered/ Benefical Owner	Title/Address	Description/ Existing Use	Tenure	Land Area/ Built-up Area sq ft	Audited Net Book Value as at 31 December 2021 RM'000	Market Value/ Date RM'000	Issuance Date of Certificate of Fitness/ Certificate of Completion and Compliance
OCK Setia Engineering Sdn. Bhd.	Title: P.T No. 366 held under Title No. H.S.(D) 292524 Mukim Pekan Hicom District of Petaling State of Selangor (formerly known as P.T 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	13,250	13,250 / December 2021	20.06.1995
OCK Setia Engineering Sdn. Bhd.	Title: P.T. 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	2,150	2,150 / December 2021	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/ Unoccupied	Freehold	1,660	2,150	2,150 / December 2021	14.09.2016

List Of Properties
(Cont'd)

Registered/ Benefical Owner	Title/Address	Description/ Existing Use	Tenure	Land Area/ Built-up Area sq ft	Audited Net Book Value as at 31 December 2021 RM'000	Market Value/ Date RM'000	Issuance Date of Certificate of Fitness/ Certificate of Completion and Compliance
OCK Setia Engineering Sdn. Bhd.	Title: P.T. 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 / 46,857	16,800	17,000 / December 2021	25.11.1995
OCK M&E Sdn. Bhd.	Title: P.T. 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)/ Unoccupied	99 years lease expiring 4.11.2107	8,125 / 4,043	2,887	3,000 / December 2021	21.09.2011
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. 15-15 (accessory Parcel L3-64 & L2-36A)(Type A2 Mirror) Storey No.15 forming part of development provisionally known as Residensi Kuchai Timur (Kuchai East)	15-15 (Kuchai East)	Freehold	75,229 / 678	478	478 / December 2021	In Progress

List Of Properties
(Cont'd)

Registered/ Benefical Owner	Title/Address	Description/ Existing Use	Tenure	Land Area/ Built-up Area sq ft	Audited Net Book Value as at 31 December 2021 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	75,229 / 678	623	623 / December 2021	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 / 953	596	596/ December 2021	30.12.16
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	533	533 / December 2021	30.12.16

List Of Properties
(Cont'd)

Registered/ Benefical Owner	Title/Address	Description/ Existing Use	Tenure	Land Area/ Built-up Area sq ft	Audited Net Book Value as at 31 December 2021 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	1 MWP Solar Power Plant	99 years lease expiring 17.12.2089	195,257	1,300	1,300 / December 2021	25.11.2013
	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		99 years lease expiring 15.4.2094	197,087			

ANALYSIS OF SHAREHOLDINGS

Issues and fully paid-up Share Capital	:	RM314,725,990
Class of Shares	:	Ordinary Shares
Voting Rights	:	One (1) vote per shareholder on a show of hands or one vote per ordinary shares on poll
Number of shareholders	:	10,657

ANALYSIS OF SHAREHOLDINGS

Size of Holdings	No. of holders	%	No. of shares	%
1 - 99	131	1.229	5,607	–
100 - 1,000	827	7.760	532,038	0.050
1,001 - 10,000	5,123	48.071	30,780,132	2.918
10,001 - 100,000	4,012	37.646	131,464,789	12.466
100,001 - 52,725,391 (*)	559	5.245	372,854,663	35.358
52,725,392 And Above (**)	5	0.046	518,870,629	49.205
TOTAL :	**10,657**	**100.000**	**1,054,507,858**	**100.000**

Remark : * - Less Than 5% Of Issued Shares
** - 5% And Above Of Issued Shares

SUBSTANTIAL SHAREHOLDERS
As per the Register of Substantial Shareholders

	Shareholdings			
Name of Shareholders	**Direct**	**%**	**Indirect**	**%**
AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ALIRAN ARMADA SDN.BHD.	165,648,015	15.708	–	–
LEMBAGA TABUNG ANGKATAN TENTERA	101,473,825	9.622	–	–
HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ALIRAN ARMADA SDN BHD (SIN 45387)	97,196,000	9.217	–	–
CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD	78,007,640	7.397	–	–
CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR ALIRAN ARMADA SDN BHD (PB)	76,545,149	7.258	–	–

Analysis Of Shareholdings
(Cont'd)

DIRECTORS' INTERESTS IN SHARES
As per the Register of Directors' Shareholdings

Name of Directors	Shareholdings Direct	%	Indirect	%
ABDUL HALIM BIN ABDUL HAMID	–	–	–	–
CHANG TAN CHIN	–	–	–	–
RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHANG TAN CHIN	4,058,610	0.384	–	–
RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHANG TAN CHIN	1,375,000	0.130	–	–
CHONG WAI YEW	–	–	–	–
RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHONG WAI YEW	8,305,000	0.787	–	–
DATO' INDERA SYED NORULZAMAN BIN SYED KAMARULZAMAN	–	–	–	–
KHAIRUL ANWAR BIN ISMAIL	–	–	–	–
LOW HOCK KEONG	–	–	–	–
RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOW HOCK KEONG	3,310,000	0.313	–	–
AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LOW HOCK KEONG	101,868,000	0.966	–	–
LOW NGAI YUEN	–	–	–	–
MAHATHIR BIN MAHZAN	–	–	–	–
OOI CHIN KHOON	18,700	0.001	–	–
RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR OOI CHIN KHOON	390,500	0.037	–	–
REAR ADMIRAL (R) DATO' MOHD SOM BIN IBRAHIM	–	–	–	–

Analysis Of Shareholdings
(Cont'd)

LIST OF TOP 30 HOLDERS AS AT 01/04/2022 (FOR ANNUAL REPORT)

No.	Name of Shareholders	No. of Shares Held	%
1.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ALIRAN ARMADA SDN.BHD.	165,648,015	15.708
2.	LEMBAGA TABUNG ANGKATAN TENTERA	101,473,825	9.622
3.	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ALIRAN ARMADA SDN BHD (SIN 45387)	97,196,000	9.217
4.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD	78,007,640	7.397
5.	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR ALIRAN ARMADA SDN BHD (PB)	76,545,149	7.258
6.	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ALIRAN ARMADA SDN BHD	19,600,000	1.858
7.	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR ALLIANZ LIFE INSURANCE MALAYSIA BERHAD (MEF)	19,533,000	1.852
8.	HE SWEE HONG	19,080,000	1.809
9.	MALACCA EQUITY NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR PHILLIP CAPITAL MANAGEMENT SDN BHD	18,289,000	1.734
10.	MALACCA EQUITY NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR PHILLIP CAPITAL MANAGEMENT SDN BHD (EPF)	15,661,392	1.485
11.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LOW HOCK KEONG	10,186,800	0.966
12.	SONG CHIN YEW	8,973,196	0.850
13.	LEE MEI SIANG	8,413,185	0.797
14.	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHONG WAI YEW	8,305,000	0.787
15.	AMANAHRAYA TRUSTEES BERHAD ASN EQUITY 2	7,170,130	0.679
16.	UNIVERSAL TRUSTEE (MALAYSIA) BERHAD TA DYNAMIC ABSOLUTE MANDATE	6,881,300	0.652
17.	MALACCA EQUITY NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR PHILLIP CAPITAL MANAGEMENT SDN BHD	6,558,100	0.621
18.	TASEC NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR TA INVESTMENT MANAGEMENT BERHAD (CLIENTS)	5,507,900	0.522
19.	LEE ENG HOCK & CO. SENDIRIAN BERHAD	5,304,900	0.503
20.	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR ALLIANZ LIFE INSURANCE MALAYSIA BERHAD (DGF)	4,385,900	0.415
21.	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHANG TAN CHIN	4,058,610	0.384
22.	MALACCA EQUITY NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR PHILLIP CAPITAL MANAGEMENT SDN BHD	3,478,300	0.329
23.	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOW HOCK KEONG	3,310,000	0.313
24.	HOH MOH YING	3,305,500	0.313
25.	CARTABAN NOMINEES (TEMPATAN) SDN BHD ICAPITAL.BIZ BERHAD	3,059,400	0.290
26.	MAYBANK NOMINEES (TEMPATAN) SDN BHD ETIQA GENERAL TAKAFUL BHD (GENERAL 2)	3,008,800	0.285
27.	SAW LEE LENG	3,000,200	0.284
28.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN TAKAFUL BERHAD (MEKAR)	2,960,100	0.280
29.	TOH CHEW YIE	2,928,500	0.277
30.	UOB KAY HIAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	2,860,900	0.271
	Total	714,690,742	67.774

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	:	2,375

ANALYSIS OF WARRANTHOLDINGS

Size of Holdings	No. of Warrantholders	%	No. of Warrants	%
1 - 99	51	2.147	2,139	0.002
100 - 1,000	629	26.484	357,487	0.372
1,001 - 10,000	868	36.547	3,909,264	4.078
10,001 - 100,000	664	27.957	25,568,652	26.676
100,001 - 4,792,401 (*)	163	6.863	66,010,504	68.869
4,792,402 And Above (**)	–	–	–	–
TOTAL :	**2,375**	**100.000**	**95,848,046**	**100.000**

Remark : * - Less Than 5% Of Issued Warrants
** - 5% And Above Of Issued Warrants

DIRECTORS' INTERESTS IN WARRANTS
As per the Register of Directors' Warrantholdings

	Warrantholdings			
	Direct		Indirect	
Name of Directors	No. of Shares	%	No. of Shares	%
ABDUL HALIM BIN ABDUL HAMID	–	–	–	–
CHANG TAN CHIN	–	–	–	–
RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHANG TAN CHIN	510	–	–	–
CHONG WAI YEW	–	–	–	–
DATO' INDERA SYED NORULZAMAN BIN KAMARULZAMAN	–	–	–	–
KHAIRUL ANWAR BIN ISMAIL	–	–	–	–
LOW HOCK KEONG	–	–	–	–
AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LOW HOCK KEONG	586,100	0.611	–	–
LOW NGAI YUEN	–	–	–	–
MAHATHIR BIN MAHZAN	–	–	–	–
OOI CHIN KHOON	1,700	0.001	–	–
RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR OOI CHIN KHOON	35,500	0.037	–	–
REAR ADMIRAL (R) DATO' MOHD SOM BIN IBRAHIM	–	–	–	–

Analysis Of Warrants
(Cont'd)

LIST OF TOP 30 HOLDERS AS AT 01/04/2022 (FOR ANNUAL REPORT)

No.	Name of Shareholders	No. of Shares Held	%
1.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD	4,137,040	4.316
2.	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHEN KHAI VOON	3,940,200	4.110
3.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN CHIN HOOI	3,100,000	3.234
4.	UNIVERSAL TRUSTEE (MALAYSIA) BERHAD TA DYNAMIC ABSOLUTE MANDATE	2,234,800	2.331
5.	LIM KIAN KAK	2,089,500	2.180
6.	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR ALIRAN ARMADA SDN BHD (PB)	1,963,549	2.048
7.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ALLAN GAN CHIN YONG (8122098)	1,800,000	1.877
8.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM CHING LENG (E-BBB)	1,750,000	1.825
9.	GOH KIM KEONG	1,500,000	1.564
10.	NEOH GUAN KIE	1,000,000	1.043
11.	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM TEONG ENG (PENANG-CL)	991,100	1.034
12.	CHIANG SIONG CHIEW @ CHIONG SIONG CHIEW	953,000	0.994
13.	HO CHUN SIONG	950,000	0.991
14.	THAM TZE HUEY	862,000	0.899
15.	WONG CHUN SENG	850,000	0.886
16.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG SEE HIEN	839,100	0.875
17.	TAN SZE SHYAN	830,000	0.865
18.	LOW TEONG KEONG	770,000	0.803
19.	LEE MEI SIANG	764,835	0.797
20.	LAI KIM LOONG	652,700	0.680
21.	ONG CHOOI EWE	643,000	0.670
22.	LIM KUANG YEE	603,500	0.629
23.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LOW HOCK KEONG	586,100	0.611
24.	LOW YOU SIANG	566,000	0.590
25.	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NYONG CHYE SENG (SPETALING-CL)	550,000	0.573
26.	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ALIRAN ARMADA SDN BHD	550,000	0.573
27.	TAN CHEOW HENG	550,000	0.573
28.	MING KAY HOONG	511,900	0.534
29.	LOO HOCK YEAW	500,000	0.521
30.	MAYBANK NOMINEES (TEMPATAN) SDN BHD CHIN VONG	500,000	0.521
	Total	37,538,324	39.164

NOTICE OF THE ELEVENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Eleventh Annual General Meeting of **OCK GROUP BERHAD** (Registration No.: 201101027780 (955915-M)) will be conducted virtually at the Broadcast Venue located at Meeting Room, No. 18, Jalan Jurunilai U1/20, Seksyen U1, Hicom Glenmarie Industrial Park, 40150 Shah Alam, Selangor Darul Ehsan on Monday, 27 June 2022 at 3.00 p.m. for the following purposes:-

ORDINARY BUSINESS:-

1. To receive the Audited Financial Statements for the year ended 31 December 2021 together with the Reports of the Directors and Auditors thereon. *Please refer to Note 1*

2. To approve the payment of Directors' fees and benefits amounting to RM220,000 for the financial year ended 31 December 2021. *Resolution 1*

3. To approve the payment of Directors' fees and benefits of up to RM300,000 for the period from 1 January 2022 until the conclusion of the next Annual General Meeting. *Resolution 2*

4. To re-elect the following Directors who retire by rotation pursuant to Clause 97 of the Company's Constitution: -

    a) Mr. Low Hock Keong *Resolution 3*

    b) Encik Mahathir Bin Mahzan *Resolution 4*

    c) Rear Admiral (R) Dato' Mohd Som Bin Ibrahim *Resolution 5*

5. To re-appoint Messrs. Baker Tilly Monteiro Heng PLT as the Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. *Resolution 6*

SPECIAL BUSINESS:-

To consider and, if thought fit, pass with or without modifications, the following Ordinary Resolutions:-

6. **ORDINARY RESOLUTION** *Resolution 7*
    - **Retention of Dato' Indera Syed Norulzaman Bin Syed Kamarulzaman as Independent Non-Executive Director**

      "THAT approval be and is hereby given to ***Dato' Indera Syed Norulzaman Bin Syed Kamarulzaman***, the Independent Non-Executive Director of the Company, who has served for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting."

Notice Of The Eleventh Annual General Meeting
(Cont'd)

7. **ORDINARY RESOLUTION** *Resolution 8*
   - **Authority for Directors to allot and issue shares pursuant to Section 75 & 76 of the Companies Act, 2016**

   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 issued and paid-up share capital 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."

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

Notice Of The Eleventh Annual General Meeting
(Cont'd)

8. **ORDINARY RESOLUTION (CONT'D)**
   - **Proposed Renewal of Shareholders' Mandate for Share Buy-Back of OCK Group Berhad (Cont'd)**

   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."

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 29 April 2022 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."

Notice Of The Eleventh Annual General Meeting
(Cont'd)

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)
Company Secretary

Kuala Lumpur
Date: 29 April 2022

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 Level 2, Tower 1, Avenue 5, Bangsar South City, 59200 Kuala Lumpur 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 20 June 2022 (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 7 - Retention of Dato' Indera Syed Norulzaman Bin Syed Kamarulzaman as Independent Non-Executive Director***

   The proposed Ordinary Resolution 7 under item 6 above, if passed, will allow Dato' Indera Syed Norulzaman Bin Syed Kamarulzaman to continue to act as an Independent NED until the conclusion of the next AGM of the Company.

   The Nomination Committee ("NC") of the Company has assessed the independence of all Independent NEDs including Dato' Indera Syed Norulzaman Bin Syed Kamarulzaman and recommended to retain him as Independent NED of the Company. The Board endorsed the NC's recommendation and was of the view that his retention as Independent NED is in the best interest of the Company. Details of the Board's justification and recommendation for the retention of Dato' Indera Syed Norulzaman Bin Syed Kamarulzaman as Independent Director are set out in the Company's Corporate Governance Report, Practice 5.7.

Notice Of The Eleventh Annual General Meeting
(Cont'd)

6. ***Explanatory Notes on Special Business (Cont'd)***

6.1 ***Resolution 7 - Retention of Dato' Indera Syed Norulzaman Bin Syed Kamarulzaman as Independent Non-Executive Director (Cont'd)***

Dato' Indera Syed Norulzaman Bin Syed Kamarulzaman has abstained from deliberation and decision at the Board meeting in relation to the recommendation of this Resolution to the shareholders and will continue to abstain from deliberation and voting on the proposed Ordinary Resolution 7 at this AGM.

6.2 ***Resolution 8 - Authority for Directors to allot and issue shares pursuant to Section 75 & 76 of the Companies Act, 2016***

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 Tenth Annual General Meeting held on 25 June 2021. 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 Tenth AGM of 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 29 April 2022.

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 29 April 2022 for further information.

STATEMENT ACCOMPANYING NOTICE OF THE ELEVENTH ANNUAL GENERAL MEETING

1. The Directors seeking for re-election/re-appointment at the Eleventh Annual General Meeting of OCK Group Berhad are as follows :

   Clause 97

   Mr. Low Hock Keong
   Encik Mahathir bin Mahzar
   Rear Admiral (R) Dato' Mohd Som bin Ibrahim

   The profiles of the Directors who are standing for re-election is set out on pages 19, 20 and 21 to 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 2021 are disclosed in the respective profiles of the Directors.

3. The details of the Eleventh Annual General Meeting are as follows:

Date of Meeting	Time of Meeting	Place of Meeting
Monday, 27 June 2022	3.00 p.m.	Broadcast venue Meeting Room, No. 18, Jalan Jurunilai U1/20, Seksyen U1, Hicom Glenmarie Industrial Park, 40150 Shah Alam, Selangor Darul Ehsan

OCK GROUP BERHAD
(Registration No. 201101027780 (955915-M))
(Incorporated in Malaysia)

ADMINISTRATIVE GUIDE

**IN RESPECT OF THE ELEVENTH ANNUAL GENERAL MEETING ("11TH AGM")
TO BE HELD VIA AN ONLINE PLATFORM**

DATE:	TIME:	BROADCAST VENUE:
Monday, 27th June 2022	3.00 p.m.	Meeting Room, No. 18, Jalan Jurunilai U1/20, Seksyen U1, Hicom Glenmarie Industrial Park, 40150 Shah Alam, Selangor Darul Ehsan

General Meeting Record of Depositors

1. In respect of deposited securities, only members whose names appear on the Record of Depositors on 20 June 2022 (General Meeting Record of Depositors) shall be eligible to attend, speak and vote at the or appoint proxy(ies) to attend and/or vote on his(her) behalf.

Proxy

2. A member entitled to participate and vote remotely at the 11th AGM using the Virtual Meeting Facilities is entitled to appoint proxy/proxies, to participate and vote instead of him. If you are unable to attend the meeting and wish to appoint a proxy to vote on your behalf, please submit your Proxy Form in accordance with the notes and instructions set out hereunder.

3. Alternatively, if a shareholder is unable to attend the Annual General Meeting via Virtual Meeting Facilities on 27th June 2022, he/she can appoint the Chairman of the meeting as his/her proxy and indicate the voting instructions in the Proxy Form.

4. The instrument appointing a proxy must be deposited at the Registered Office of the Company at Level 2, Tower 1, Avenue 5, Bangsar South City, 59200 Kuala Lumpur, not less than twenty-four (24) hours before the time appointed for the taking of poll at the meeting or adjourned meeting, no later than **Sunday, 26th June 2022 at 3.00 p.m.**

Poll Voting

5. The voting at the 11th AGM will be conducted by poll in accordance with Clause 75 of the Company's Constitution. The Company has appointed HMC CORPORATE SERVICES SDN BHD as Poll Administrator to conduct the poll by way of online voting and USearch Management Services as Scrutineers to verify the poll results.

6. Shareholders can proceed to vote on the resolutions and submit your votes at any time from the commencement of the 11th AGM at 3.00 p.m. and before the end of the voting session which will be announced by the Chairman of the meeting. The QR Code will be displayed upon the commencement of the meeting. Upon completion of the voting session for the 11th AGM, the Scrutineers will verify and announce the poll results followed by the Chairman's declaration whether the resolutions are duly passed.

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(Incorporated in Malaysia)

VIRTUAL MEETING FACILITIES

7. We would like to invite the Shareholders to participate and vote remotely at the 11th AGM using the Virtual Meeting Facilities. Please refer to item 10 on the registration link.

8. For Corporate Shareholders, please register yourself via the Registration Link provided below to provide the following documents to HMC Corporate Services Sdn Bhd no later than **Sunday, 26th June 2022 at 3.00 p.m.**

   (a) Original certificate of appointment of its Corporate Representative under the seal of the corporation; and

   (b) Corporate Representative's e-mail address and hand-phone number.

   Upon receipt of such documents, HMC Corporate Services Sdn Bhd will liaise with yourselves on the participation link.

9. For the beneficiary of the shares under a Nominee Company's CDS account who wishes to use the Virtual Meeting Facility at the 11th AGM may request its Nominee Company to appoint him/her as proxy to participate and vote remotely at the 11th AGM via the Virtual Meeting Facilities, please submit the duly executed proxy form to HMC Corporate Services Sdn Bhd no later than **Sunday, 26th June 2022 at 3.00 p.m.** and register yourself via the Registration Link below.

10. Please follow the following steps to be taken for participating and voting via the Virtual Meeting facilities:

	BEFORE THE AGM	
(a)	REGISTRATION	• Please register yourself as Shareholder/ Corporate Representative/ Beneficiary Owner of an Exempt Nominee by scanning the QR Code below or via https://bit.ly/3ETc5Qs for verification of attendance purpose:
(b)	CONFIRMATION ATTENTANCE	• Upon verification, the participation link will be sent to your goodself before the commencement of the meeting.
(c)	SUBMISSION OF QUESTIONS	• You may submit any questions online by scanning the QR Code below or via https://bit.ly/3Mute5O and to submit your questions accordingly:

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	ON THE AGM DAY	
(d)	PARTICIPATION	• Click on the participation link which was provided to you via e-mail. • If you have any question to be raised during the meeting, you may submit by using the Q and A box. The Chairman/Board will try to address the questions submitted prior or during the 11th AGM accordingly.
(e)	ONLINE VOTING	The QR Code for the Online will be displayed in the Chat Box and Q&A Box of the Virtual Meeting Room upon the Commencement of the AGM. Voting shall commence from 3.00 p.m. Monday, 27th June 2022 until a time when the Chairman announces the closing of the voting session at the 11th AGM venue.
(f)	CLOSURE	The 11th AGM will be closed upon the announcement by the Chairman, the Virtual Meeting will end.

ENQUIRY

11. If you have any enquiry or require any assistance before or during the 11th AGM, please do not hesitate to contact the following officers during office hours from 9.00 a.m. to 5.00 p.m. (Monday to Friday):

HMC CORPORATE SERVICES SDN BHD
Registration No. 198201003810 (83556-P)
Level 2, Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur
Tel : 603-2241 5800
Mobile/WhatsApp: 017 388 3989
Fax : 603-2282 5022
Email : office365support@hmc.my
Contact Person: HMC Virtual Meeting Administrator

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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 Eleventh Annual General Meeting of the Company to be conducted virtually at the Broadcast Venue located at Meeting Room, No. 18, Jalan Jurunilai U1/20, Seksyen U1, Hicom Glenmarie Industrial Park, 40150 Shah Alam, Selangor Darul Ehsan on Monday, 27 June 2022 at 3.00 p.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 RM220,000 for the financial year ended 31 December 2021		
2.	To approve the payment of Directors' fees and benefits of up to RM300,000 for the period from 1 January 2022 until the conclusion of the next Annual General Meeting		
3.	Re-election of Director – Mr. Low Hock Keong		
4.	Re-election of Director – Encik Mahathir Bin Mahzan		
5.	Re-election of Director – Rear Admiral (R) Dato' Mohd Som Bin Ibrahim		
6.	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			
7.	Retention of Dato' Indera Syed Norulzaman Bin Syed Kamarulzaman as Independent Non-Executive Director		
8.	Authority to Issue Shares Pursuant to Section 75 & 76 of the Companies Act, 2016		
9.	Proposed Renewal of Share Buy-Back of up to 10% of the Issued and Paid-Up Ordinary Share Capital 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 ____________________ 2022

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 Level 2, Tower 1, Avenue 5, Bangsar South City, 59200 Kuala Lumpur 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 20 June 2022 (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))
LEVEL 2, TOWER 1
AVENUE 5, BANGSAR SOUTH CITY
59200 KUALA LUMPUR

2nd Fold Here

Fold This Flap For Sealing

OCK Group Berhad 201101027780 (955915-M)
No.18, Jalan Jurunilai U1/20, Seksyen U1,
Hicom Glenmarie Industrial Park,
40150 Shah Alam, Selangor, Malaysia
Tel: +(603) 5565-9688
Fax: +(603) 5565-9699
Email: enquiry@myock.com