



OCK GROUP BERHAD
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OCK GROUP BERHAD 201101027780 (955915-M) ANNUAL REPORT 2022



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ANNUAL REPORT 2022

Leading Innovation Through 5G



Telco Tower



Renewable Energy



M&E Services



Malaysia Tower



Myanmar Tower



Vietnam Tower

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 Laos.



To date, the Group is focusing on developing an independent ASEAN tower company and currently has a telecommunication tower portfolio of more than 5,300 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

Non-Independent Non-Executive Chairman
(Redesignated on 27 June 2022)

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

ONG YEE LING @ SHARON

Independent Non-Executive Director
(Appointed on 28 June 2022)

SAIRA BANU BINTI CHARA DIN

(Alternate Director to Rear Admiral (R) Dato' Mohd Som Bin Ibrahim)
Non-Independent Non-Executive Director
(Appointed on 20 October 2022)

KHAIRUL ANWAR BIN ISMAIL

(Alternate Director to Rear Admiral (R) Dato' Mohd Som Bin Ibrahim)
Non-Independent Non-Executive Director
(Resigned on 20 October 2022)

AUDIT AND RISK MANAGEMENT COMMITTEE

Chairman Mahathir Bin Mahzan

Members Low Ngai Yuen

Ong Yee Ling @ Sharon

(Appointed on 28 June 2022)

Dato' Indera Syed Norulzaman Bin Syed Kamarulzaman

(Resigned as Member on 28 June 2022)

NOMINATION COMMITTEE

Chairperson Ong Yee Ling @ Sharon

(Appointed on 28 June 2022)

Dato' Indera Syed Norulzaman Bin Syed Kamarulzaman

(Resigned as Chairman on 28 June 2022)

Members Mahathir Bin Mahzan Low Ngai Yuen

REMUNERATION COMMITTEE

Chairperson Low Ngai Yuen

(Appointed on 28 June 2022)

Dato' Indera Syed Norulzaman Bin Syed Kamarulzaman

(Resigned as Chairman on 28 June 2022)

Members Mahathir Bin Mahzan Ong Yee Ling @ Sharon

(Appointed on 28 June 2022)

Ooi Chin Khoon

(Resigned as Member on 28 June 2022)

REGISTERED OFFICE

Level 5, Tower 8, Avenue 5
Horizon 2
Bangsar South City
59200 Kuala Lumpur
Tel : (603) 2280 6388
Fax : (603) 2280 6399

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)
SSM Practising / Certificate No.
201908000410

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

2022

- Awarded additional projects to deliver 75 rooftop solar farm with total capacity of 3.2MW under the Net Energy metering scheme.
- Awarded the Most Improved Performance Over 3 Years under the Market Cap Between RM300 Million and RM800 Million category by The Edge ESG Awards 2022.
- Awarded the Best Output Delivery Rate in the Network Eastern Region under Certified Network Contractor category by Telekom Malaysia.
- Signed a shareholders agreement with the Ministry of Finance in Laos.

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 Khoo 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.

2015 - 2016

- 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.
- 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.

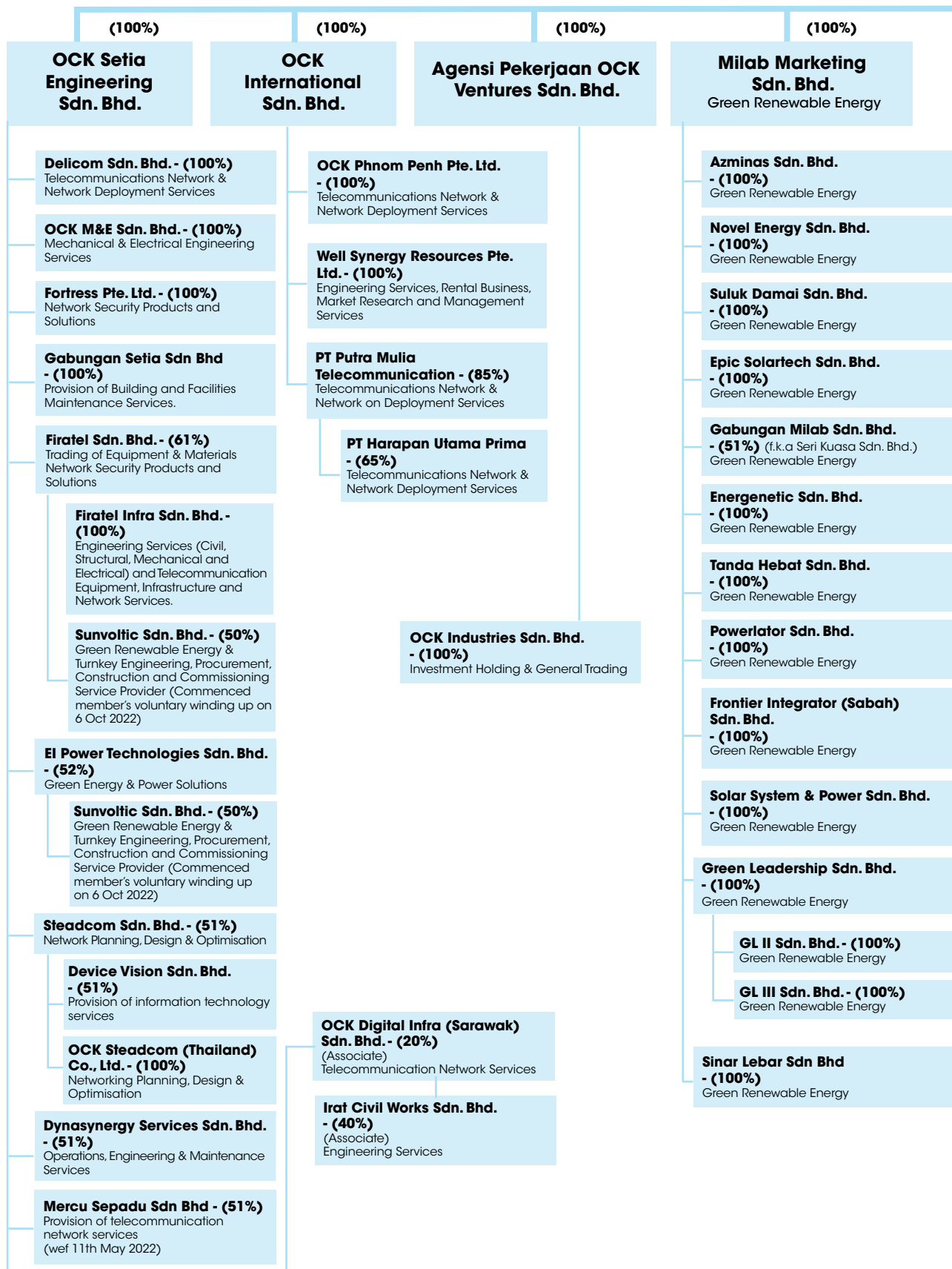
2012 - 2014

- 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.

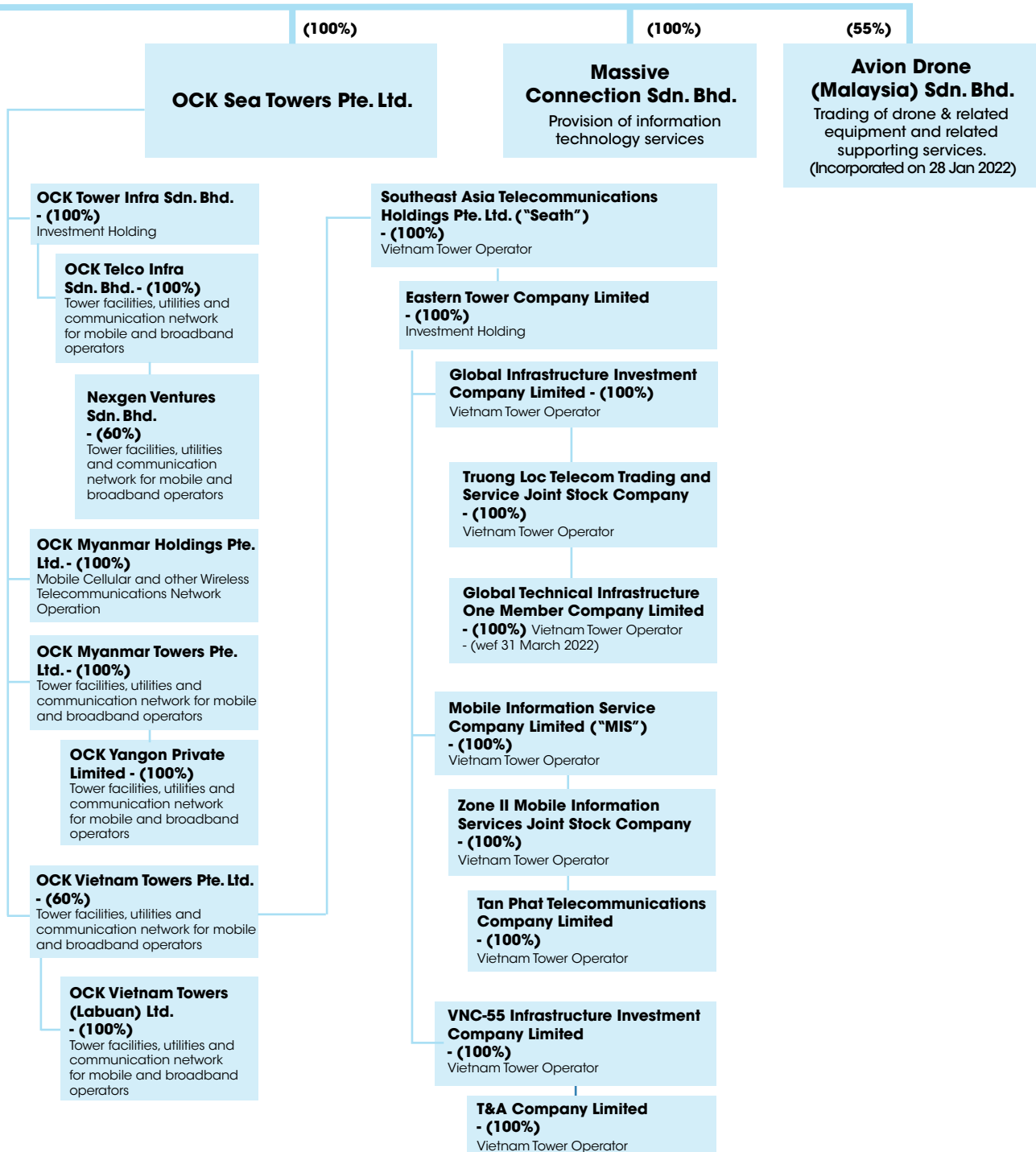
2000 - 2011

- 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.

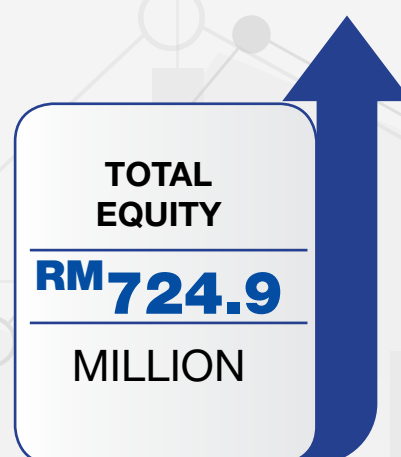
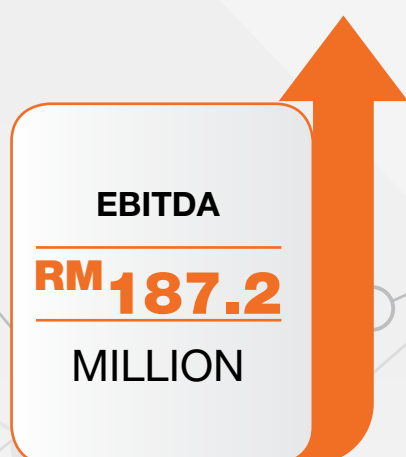
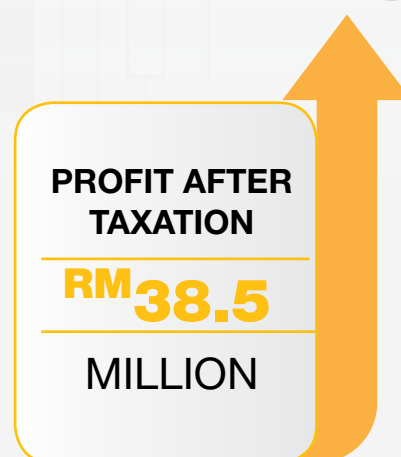
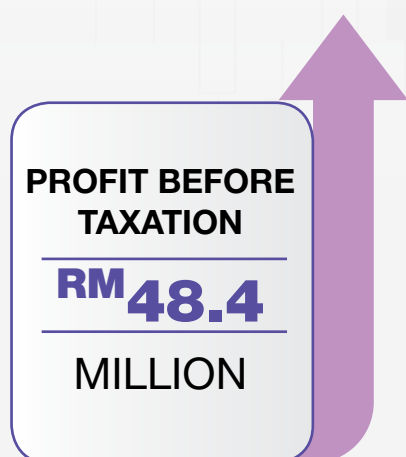
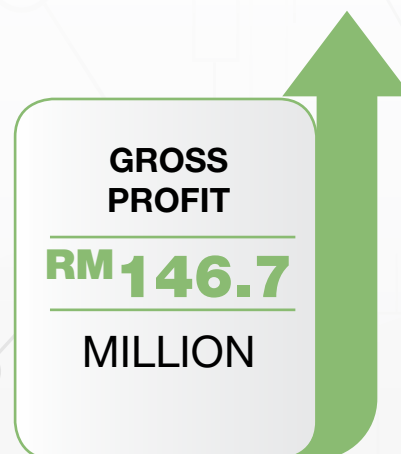
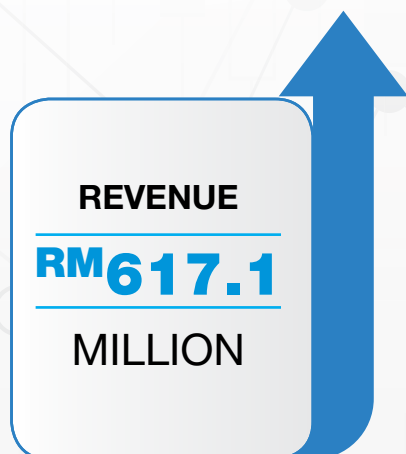
CORPORATE STRUCTURE



Corporate Structure (Cont'd)



FINANCIAL HIGHLIGHTS

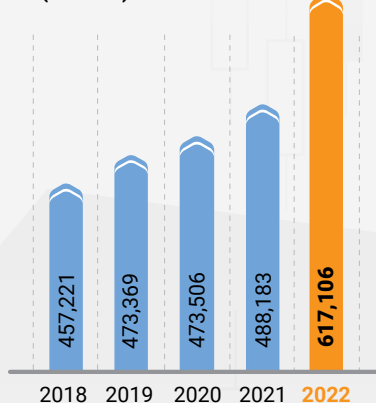


Financial Highlights (Cont'd)

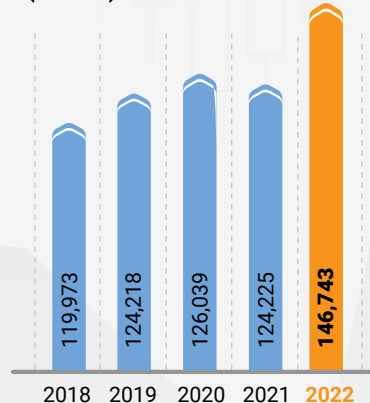
For Financial Year Ended 31 December		AUDITED 2018*	AUDITED 2019*	AUDITED 2020*	AUDITED 2021	AUDITED 2022
Revenue	RM'000	457,221	473,369	473,506	488,183	617,106
Gross Profit	RM'000	119,973	124,218	126,039	124,225	146,743
Profit Before Taxation (PBT)	RM'000	44,168	40,089	36,165	38,023	48,439
Profit After Taxation (PAT)	RM'000	29,812	31,620	31,605	32,588	38,452
Profit For The Year Attributable To Equity Holders	RM'000	24,242	28,521	27,028	25,393	32,769
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)	RM'000	103,340	143,988	154,918	155,911	187,159
GP Margin	%	26.24	26.24	26.62	25.45	23.78
PBT Margin	%	9.66	8.47	7.64	7.79	7.85
PAT Margin	%	6.52	6.68	6.67	6.68	6.23
EBITDA Margin	%	22.60	30.42	32.72	31.94	30.33
Basic Earnings Per Share	Sen	2.79	3.22	2.82	2.41	3.11

* Restated

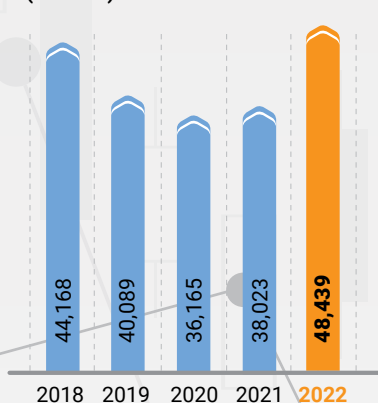
REVENUE
(RM'000)



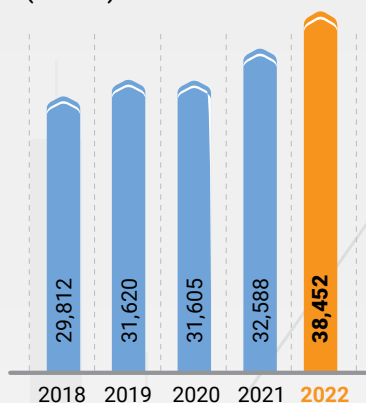
GROSS PROFIT
(RM'000)



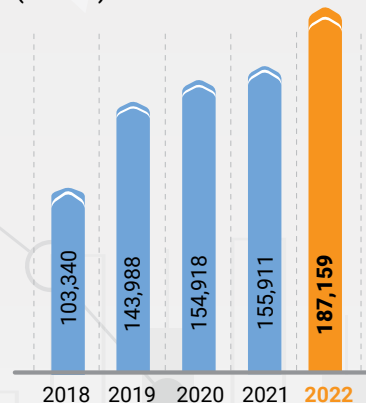
PROFIT BEFORE TAX
(RM'000)

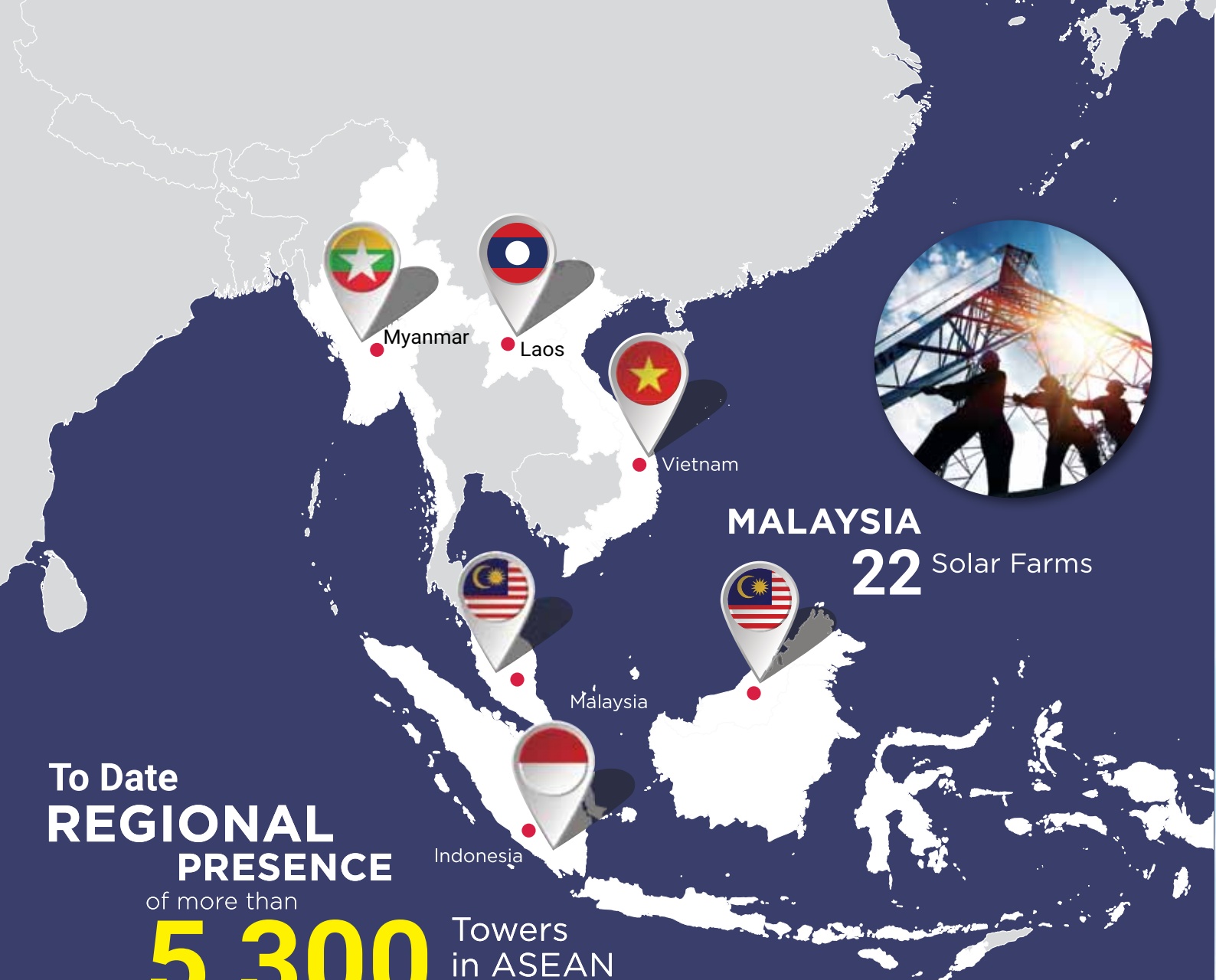


PROFIT AFTER TAX
(RM'000)



EBITDA
(RM'000)





NEWS HIGHLIGHTS

RHB maintains 'Buy' on OCK Group on rising contracting orderbook

The TNS segment on a roll with a strong recovery in domestic contracting revenue in FY22, says analyst

OCK Group Bhd is well-positioned to benefit from a rebound in site contracting revenues, from 4G site expansion and 5G rollout, said RHB Research in a note yesterday.

Analyst Jeffrey Tan said the telco network services (TNS) segment on a roll with a strong recovery in domestic contracting revenue pushed under the TNS segment in FY22, given the outstanding orderbook of over RM200m — a new high (FY21 revenue).

"This consisted of universal service provision, clockwork projects, and the satellite broadband wireless access network (DWAN) under the National Digital Network or Jendala programme."

"Domestic TNS revenue grew 9% in FY22 after declining for three consecutive years, while contrac-



OCK is in discussions with DNB for additional co-locations and new 5G sites, having rolled in locations on 32 sites so far.

ting revenue stabilised (Q222 +9% YoY) he added.

OCK is in discussions with Digital Nasional Bhd (DNB) for additional co-locations and new 5G sites, having rolled in locations on 32 sites so far.

To meet its 5G population coverage target, DNB is targeting to roll-

out TNS new sites by end-2024, from 4,000 by end-2022.

He added that OCK is also eyeing for the fibre-to-the-home project that is being tendered by the Ministry of Communications and Multimedia. The project entails the laying and commissioning of new fibre-optic cables across six

regions to support 8.4m premises valued at RM19 billion.

"We believe this is an extension to the High-speed Broadband Phase 1 and 2 projects that were awarded exclusively to Telekom Malaysia Bhd (TM, 'Buy', TP: 230715) in the past, and come on top of the current fibre rollout under Jendala (7.5m premises by end-2022)," he added.

The analyst also stated that Telco site leasing business continues to offer high recurring earnings for OCK group.

Total sites under ownership (across Malaysia, Myanmar and Vietnam) stood at 4,000.

"It is targeting to acquire 800 sites in Vietnam in FY22 (FY21: +500), with outstanding orders for 150 built-to-suit sites in Myanmar for Mtel. We see the stabilisation of the Myanmar Kyntingitg from December 2022 as mitigated, foreign-exchange headwinds, Myanmar revenue and Ebitda fell 9.3% YoY and 7.5% YoY in FY21

(slight) tower revenue +0% YoY and 4% YoY on a constant currency basis," said Tan.

RHB adjusted FY22-FY24F core earnings by -2.5% to +3.7%, mainly in factor to weaker contributions from its regional towers.

The impact is partially offset by tax incentives and a rebound in domestic contracting revenues.

"We also introduced FY24F numbers in this report. We expect OCK to continue its control EPS payout, with one year projected for both years," he noted.

However, regardless of the government's 5G policy outcome, OCK's valuation remains attractive, at 1.1x FY22 EV/Ebitda — below the regional telecom peer range of 1.5x to 2.0x.

The group's strong recurring revenue and Ebitda at +60% and 70% provides a good earnings downside buffer.

Key downside risks: Delays in the rollout, execution and weaker than expected earnings — JAE

OCK eyes fibre-to-the-home project

PETALING JAYA: OCK Group Bhd is eyeing the fibre-to-the-home (FTTH) project being tendered by the Malaysian Communications and Multimedia Commission.

The project, worth RM3.66 billion, involves the laying and commissioning of new fibre optic cables across six regions to support 8.4 million premises.

It is an extension to the high-speed broadband phase one and two projects that were awarded exclusively to Telekom Malaysia Bhd in the past, RHB Research said in its latest report.

But now it comes on top of the current fibre rollout under Jendala (7.5m premises by end-2022) as mitigated by the government's 5G policy outcome.

It also expects a strong recovery in the domestic contracting revenue pushed under

the telco network services (TNS) segment in financial year 2022, given the outstanding order book of over RM200m, which is a new high (FY21 revenue).

This consisted of universal service provision clockwork projects, and the satellite broadband wireless access network (DWAN) under the Jendala programme.

It said domestic TNS revenue grew 9% in FY21 after declining for three consecutive years, while contracting revenue stabilised in the fourth quarter of 2021.

OCK is also in discussions with Digital Nasional (DNB) for additional co-locations and new 5G sites, having rolled in locations on 32 sites so far.

To meet its 5G population coverage target, DNB is targeting to roll out 7,000 new sites by end-2024 from 4,000 by end-2022.

As for its site-leasing business, it continues to offer high recurring earnings.

Total sites under ownership (across Malaysia, Myanmar and Vietnam) stood at about 4,000.

It is targeting to acquire 800 sites in Vietnam in FY22 (FY21: +500), with outstanding orders for 150 built-to-suit sites in Myanmar for Mtel.

The research house said the group's strong recurring revenue and earnings before interest tax depreciation and amortisation of about 60% and 70% would provide a good earnings downside buffer.

RHB adjusted its FY22 core earnings forecast from minus 7.5% to 5.1%, mainly factoring in weaker contributions from its regional towers.

The impact is partially offset by tax incentives and a rebound in domestic contracting revenues, it said.

It maintained its "buy" call with a target price of 56 sen per share.

RHB also cited key downside risks for its telco delays in the site rollout, execution and weaker than expected earnings.

兴业投行研究

OCK 集团

今年营收料复苏

目标价：56 仙

最新进展

OCK 集团 (OCK, 0172, 主板电信和媒体股) 可能会受益于 4G 电信塔扩建趋势, 及 5G 网络的推出。

目前, 该公司 2022 财年全年度业绩估值 (EV/EBITDA) 为 5.1 倍, 低于区域电信塔业同行。

行家建议

OCK 集团尚未完成订单价值达 2 亿 8000 万令吉, 占 2021 财年营收的 58%。我们估计, 该公司可在 2022 财年迎来强劲的营收复苏。

该公司合约, 包括总值 1 亿 1520 万令吉的卫星宽带无线接入合约。

同时, OCK 集团也正和国家数字公司 (DNS) 商讨建设 5G 电信塔。为达到已签订的 5G 覆盖率目标, DNS 计划在 2024 年底前, 新增 7500 座



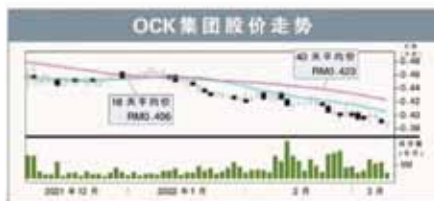
电信塔。

目前, OCK 集团拥有的电信塔数量为 4800 座, 横跨大马、越南和缅甸。该公司也设定目标, 2022 财年在越南收购 800 座电信塔。

对于 2022 和 2023 财年核心盈利预测, 我们分别下调 7.3%, 及上调 5.1%。这考量到区域电信塔业务贡献减弱。

无论如何, 税务优惠和国内承包商收入反弹, 有助于缓解冲击。

维持“买入”评级, 目标价从 58 仙, 稍调下调至 56 仙。



OCK 集团业绩预测					10/10/2022 评估	
截至 12 月底财年	2022	2023	2024		现价: 36.5 仙	
营业额 (令吉)	5,700 亿	6,280 亿	6,870 亿		前景: -0.5 仙	
毛利 (令吉)	3400 亿	3900 亿	4300 亿		前景: 30 仙	
息税前利润 (百万)	5.11	4.28	3.54		前景: 38 仙	
每股收益 (仙)	13.36	11.79	10.08		成交量: 65 万 3200 股	
市盈率 (x)	2.3	2.3	2.3		52 周最高: 54 仙	
					52 周最低: 38 仙	

资料来源: 兴业投行研究

'OCK continues to ride on growing demand for telco towers locally'

Shawn Eong



OCK is on track to meeting its target of building up its telco tower portfolio by 1,000 units in FY22 comprising 800 units in Vietnam, 200 units in Malaysia and 100 units in Myanmar.

KUALA LUMPUR: OCK Group Bhd (OCK) continues to ride on the growing demand for telco towers locally, analysts highlight, in a company update, backed by the Jendala programme and an accelerated rollout of 5G with the Single Wholesale Network (SWN) model now moving closer to becoming a reality.

On the regional front, the group is driven by the still largely under-served markets in Indonesia, Vietnam and Myanmar.

OCK is on track to meeting its target of building up its telco tower portfolio by 1,000 units in financial year 2022 (FY22) comprising 800 units in Vietnam, 200 units in Malaysia and 100 units in Myanmar.

The research arm of Kenanga Investment Bank Bhd (Kenanga Research) noted following a recent engagement with OCK.

"While thus far in FY21 it has only completed 400 units (mostly in Vietnam), we are not perturbed as typically it only takes 2-4 months to erect a telco tower and we understand that construction pace is gathering momentum with the re-opening of economies."

"In recap, OCK currently owns a total of 4,800 telco towers comprising 1,000 units in Vietnam, 1,200 units in Myanmar and 600 units in Malaysia."

According to Kenanga Research, OCK's telco tower ratio is stable at 1.4x-fold, 1.2x-fold and 1.1-fold in Myanmar, Vietnam and Malaysia, respectively.

"Typically, the telco tower ratio is lower in Malaysia than Vietnam and Myanmar as OCK is a late-comer in the Malaysian market, compared to being one of the first movers in Vietnam and Myanmar."

"Furthermore, the higher

telco tower ratio in Vietnam is due to its acquisition of towers that came with locked-in tenancy."

Nonetheless, the research arm sees an uptrend in its tenancy ratio in Malaysia as 150 units of its telco towers in Malaysia have been identified for the 5G rollout in Malaysia.

"Year to date (YTD), its new telco infrastructure projects are valued at RM100 million for full-year FY22 comprising largely telco infrastructure works under Phase 1 Jendala acquisition of 5G coverage as well as initial

works (such as site preparation) under Phase 2 Jendala 5G deployment."

"Looking ahead, OCK expects more telco infrastructure works to be kicked out by Digital Nasional Bhd (DNB), the SPV entrusted with the rollout of 5G in Malaysia, comprising 1,000 to 4,000 5G telecommunications sites within this year itself, as well as by other mobile network operators (MNOs)."

"We believe OCK is likely to close 2022 with new jobs in excess of the current level of RM100 million."

News Highlights (Cont'd)

Analysts at Kenanga Research reassured of OCK's prospects

KUCHING: The research arm of Kenanga Investment Bank Bhd's (Kenanga Research) analysts came away from a recent engagement with OCK Group Bhd (OCK) feeling reassured of the group's prospects, in particular, a bumper financial year 2023 (FY23) earnings.

To note, Kenanga Research's earnings forecast was 31 per cent higher than the consensus estimate excluding the research arm itself.

"OCK reiterated its guidance for two potential contracts worth a total of RM250 million comprising a tower construction job in East Malaysia and a publicly funded fibrisation work package," the research arm recapped on the key takeaways from the engagement.

"Our forecasts assume 50 per cent contracting revenues and profits from these two contracts to be recognised in FY23 (with the remaining 50 per cent in FY24). We believe our assumption is realistic as we understand that there are strong commitments from the clients to expedite the projects."

Coupled with a locked-in order backlog of RM280 million comprising various tower construction, tower upgrading and fibrisation works for the public sector (under the Jendela initiative), telco operators and a telco equipment maker, Kenanga Research estimated OCK's contracting revenue to rise from an estimated RM90 million to RM100 million in FY21 (relatively low due to the movement restrictions during the pandemic) to RM130 million-RM150 million in FY22 and more than RM150 million in FY23.

This was more or less in line with the research arm's forecasts.

Kenanga Research also

gathered that OCK is already involved in the 5G deployment locally in two ways.

"Firstly, it is upgrading 160 of its existing 4G towers to support 5G service (also known as co-sharing), which will in turn be leased to Digital Nasional Bhd (DNB). Thus far, it has completed the upgrading works for 30 towers.

"Secondly, it is involved in certain parts of the work in the construction of 80 new 5G towers of DNB."

All in, Kenanga Research maintained its forecasts, with core profit after tax and minority interest (PATAMI) for FY22 and FY23 remaining at RM32 million and RM55 million, respectively.

Kenanga Research revealed that it continued to like OCK for the tremendous growth opportunities in the telco infrastructure space in Vietnam and Myanmar which are still relatively under-served especially in the rural areas.

The research arm also highlighted that OCK is well positioned to benefit from the Jendela initiative and 5G rollout in Malaysia and on the group's earnings stability and visibility with about 63 per cent of its revenue being recurring from telco tower maintenance (55,000 towers of which about 80 per cent are in Indonesia) and telco tower leasing.

The research arm further highlighted that OCK is a proxy play to the relocation of Indonesia's new capital city to Kalimantan in terms of telco infrastructure, given the group's dominant market position in Indonesia (45 per cent market share in the tower tower maintenance space currently).

Last but not least, OCK has potential business opportunities in the Philippines, the research arm noted.



OCK Group Bhd group managing director Sam Ooi Chin Khooon (second from right) exchanging documents with Dr Somsphet Inthavong from Laos' Department of State-Owned Enterprises Reform and Insurance at the signing of a shareholder agreement in Vientiane, Laos.

JOINT-VENTURE COMPANY

OCK inks shareholder deal with Laotian ministry

VIENTIANE: OCK Group Bhd has signed a shareholder agreement with Laos' Finance Ministry to expand its presence in the country.

Under the agreement, a joint-venture (JV) company, OCK Laos TowerCo Co Ltd, will be set up

with OCK having a majority stake of 70 per cent.

OCK said Laos TowerCo would subsequently apply for a tower licence in the country.

This strategic venture will allow OCK to tap the telecommunications industry in Laos and ex-

pand its global footprint.

OCK group managing director Sam Ooi Chin Khooon said the partnership allowed the company to bring forth quality services to other parts of Southeast Asia and boost its brand recognition and reputation.

BIZ in BRIEF

OCK Group posts new record revenue in 3Q22

OCK Group Bhd's net profit for the third quarter ended Sept 30, 2022 (3Q22), jumped 64.8% to RM8.24 million from RM5 million in the same period last year, driven by higher contributions from the telecommunications network services in line with the ongoing rollout of the 4G and 5G infrastructures. Quarterly revenue grew 36.56% to RM162.1 million from RM118.7 million a year earlier also on higher contributions from the telecommunications network services. Earnings per share rose to 62 sen from 57 sen previously, the telco network solutions provider's Bursa Malaysia filing on Nov 29 showed. The group did not declare any dividend for the quarter under review. For the cumulative first nine months of 2022, OCK's net profit increased 23.87% to RM23.66 million from RM19.1 million last year, while revenue was up by 23.86% to RM431.67 million from RM348.51 million. Commenting on the group's financial performance, OCK group MD Sam Ooi Chin Khooon said that the group managed to achieve an all-time high for its quarterly revenue. "Our cumulative nine months' profit after tax and minority interest (Patami) is already more than 93% of 2021's full-year Patami. "This is significant for us as it shows that we are aggressively supporting the rollout of the 5G infrastructure, benching on our expertise," Ooi said in a separate statement. — TMR

News Highlights (Cont'd)

MOST IMPROVED PERFORMANCE OVER 3 YEARS • MARKET CAP BETWEEN RM300 MILLION AND RM800 MILLION

OCK Group champions open communication

BY RAVINYAA RAVIMALAR

OCK Group Bhd took home the gold award for the most improved performance over three years category for companies with a market capitalisation between RM300 million and RM800 million.

Group managing director Sam Ooi Chin Khoon attributes the win to its telecommunications infrastructure sharing business, which saves resources, and its investments in solar farms, among other things.

The firm encountered difficulties with data inconsistency as well as measuring and tracking the impact of its ESG initiatives.

"We overcame the challenges by ensuring management expectations and employee realities were aligned. Being transparent with the staff about what's going well and what's not. Give them the right tools and resources they need to succeed," says Ooi.

The company's culture of open communication also boosts employee productivity, he adds. "This will live up the stream of ideas, resulting in a more productive team overall."

On the other hand, to integrate ESG into its operations, Ooi strongly believes that the company needs to have good data governance. "This comprises aggregation, management, storage, security, retrieval and destruction [of data]," he says.

To further promote the adoption of ESG among public-listed companies, he believes that government agencies should

All businesses seek profits, but today's investors and shareholders want to see businesses making efforts to make the world a better place as they generate these profits.

Ooi

provide clarity on the importance of ESG. This will increase investor confidence in the country. Companies should also pay attention to the wants of customers, who are becoming more sensitive to environmental, social and political issues. "That's why ESG is important for consumers to the point that it has become a driver of their purchasing decisions," says Ooi.

As for investors, they play an important role in encouraging companies to become more sustainable as well.

"Without investors' engagement, managing risk around access to market, capital and talent is impossible," he says.

Ooi expects growth in ESG investments for the remainder of 2022 and the upcoming years. He encourages other businesses to be ESG-compliant.

"All businesses seek profits, but today's investors and shareholders want to see businesses making efforts to make the world a better place as they generate those profits."

Upbeat outlook on OCK Group this year

PETALING JAYA: The outlook moving further into 2023 appears bright for OCK Group Bhd, says Kenanga Research.

This will be underpinned by positive factors, including being well positioned to benefit from the Jendela initiative, as well as the 5G rollouts domestically and in other Asean markets.

According to Kenanga Research, the telecommunications network services provider is also looking at tremendous growth opportunities in the telco infrastructure space both at home and abroad, especially in the underserved areas.

Based on a recent OCK post-results briefing, the research house said the group is

expecting new orders from Malaysia and its regional markets, comprising of contracts worth RM200mil under the Jendela 2 initiative on fiberisation of 4G sites, mostly in Sabah and Sarawak, and preparation works for 70 5G sites in Malaysia on top of an additional 70 towers in Myanmar.

"For the financial year ended Dec 31, OCK met its target of rolling out 100 new towers and its current order book stands at RM385mil, mostly in Malaysia," noted Kenanga Research.

Apart from building and leasing towers, the group is also looking at acquiring more towers in Vietnam, in addition to its existing 3,500 towers.

In addition, OCK had also received its Laotian tower communication licence in January 2023.

Business operations are expected to commence in the second half of the year on a "build to suit" or "build to lease" basis.

On the local front, the research house said OCK is expecting the full 5G rollout to last for another three to four years, which would also require the building or upgrading of 8,000 to 10,000 sites, with 3,500 of these sites having been ordered by Digital Nasional Bhd in the initial phase.

Kenanga Research has an "outperform" call on the stock with a target price of 69 sen.

EVENT HIGHLIGHTS



Event Highlights (Cont'd)



BOARD OF DIRECTORS



From Left to Right:

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

BOARD OF DIRECTORS' PROFILE

DATO' INDERA SYED NORULZAMAN BIN SYED KAMARULZAMAN

Non-Independent
Non-Executive Chairman

Malaysian | Aged 74 | Male
(Appointed on 3 January 2013)



Dato' Indera Syed Norulzaman Bin Syed Kamarulzaman is our Non-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 missions 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.

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	Age / Gender	Date of Appointment
Malaysian	56 / Male	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	Age / Gender	Date of Appointment
Malaysian	55 / Male	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.

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	Age / Gender	Date of Appointment
Malaysian	52 / Male	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	Age / Gender	Date of Appointment
Malaysian	55 / Male	31 October 2011

Chang Tan Chin is 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 and also head of 150 staffs 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	Age / Gender	Date of Appointment
Malaysian	53 / Male	31 October 2011

Chong Wai Yew is 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 Facility 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 22 solar farms with a combined total of 12.36 megawatts in Malaysia.

He 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 the solar energy. Currently, the Group has secured 75 solar farms under the NEM which amounts to a total of 3.2 megawatts.

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



MAHATHIR BIN MAHZAN

Independent Non-Executive Director

Nationality	Age / Gender	Date of Appointment
Malaysian	45 / Male	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	Age / Gender	Date of Appointment
Malaysian	69 / Male	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. As he rose in his naval career, RADM Dato' Mohd Som continued to attend many professional courses both local and overseas.

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	Age / Gender	Date of Appointment
Malaysian	47 / Female	11 May 2021

Low Ngai Yuen is currently a member of the Audit and Risk Management Committee, a member of the Nomination Committee and the Chairman of the Remuneration Committee. Since 1 November 2018, Ms Low has also been appointed as an independent director of GDEX Berhad, an express delivery and logistics services company. She is also the Group Chief Merchandise and Marketing Officer at AEON Co (M) Berhad, an innovative retailer.

During Miss Low's earlier career with the French multinational retailer Carrefour Malaysia & Singapore as their Marketing and Communications Director from 2008 to 2012, she was instrumental in developing the traditional mom-and-pop stores for modern retail for the Program Transformasi Kedai Runcit. To date, Miss Low is still heavily involved in agendas towards improving blended learning and fairer access to technology, being involved in many a city-liveability and placemaking initiatives that are citizen-initiated. A passionate activist, she is the President of the 23 years 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.

Also 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 2021. The film scored a 10/10 from film critic, Tan Sri Johan Jaafar in The Star and is 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 is also appointed consecutively from 2019 and again, in the year 2022 to sit on the Committee To Culturalise Productivity for Malaysia Productivity Corporation, MPC.

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

Board Of Directors' Profile (Cont'd)



ONG YEE LING @ SHARON

Independent Non-Executive Director

Nationality	Age / Gender	Date of Appointment
Malaysian	45 / Female	28 June 2022

Ong Yee Ling @ Sharon graduated from Victoria University of Wellington in New Zealand with a Bachelor Degree in Law in 2000 as well as in Commerce and Administration majoring in Human Resource Management and Industrial Relations Management in 2002. Ms. Ong has been admitted to the Malaysian Bar, the New Zealand Bar and the Victorian Bar in Australia. She has also held practising certificates to practise law in Malaysia and New Zealand and also in the states of Victoria, Western Australia and Queensland.

Ms. Ong has had an extensive career in the legal industry which started in 2002 with Dawsons Solicitors and Notaries in New Zealand, where she worked as a senior solicitor. She then returned to Malaysia after spending 15 years in New Zealand to join Messrs Lee Hishammuddin Allen & Gledhill as a legal associate in 2006 before moving to Guocoland (M) Berhad in 2008. Following that she joined the legal department of Maxis Berhad for some 4 years before joining Schlumberger, an oil and gas service company, where she held multiple regional roles during her employment there. Ms. Ong presumed her position as counsel for Philip Morris Malaysia in 2016 before taking up the role of APAC legal director in Aker Solutions Malaysia with its headquarters in Oslo, Norway. She has recently joined Honeywell UOP as their AGC for the APAC region in January 2023.

Ms. Ong is the Chairman of the Group's Nomination Committee and a fellow member of the Audit and Remuneration Committee.

Number of Board Meetings attended during the financial year: 2 out of 2.



SAIRA BANU BINTI CHARA DIN

Alternate Director Non-Independent
Non-Executive Director

Nationality	Age / Gender	Date of Appointment
Malaysian	59 / Female	20 October 2022

Saira Banu Binti Chara Din started her career as an External Auditor of Mustapha Law/Touche Ross International in September 1988. She then joined Otomobil Sdn. Bhd. in October 1991 as a Group Accountant. Thereafter, she joined Europe Group of Companies (Related Company of Kumpulan Fima Berhad) in September 1992 as the Head/Group Accountant and subsequently promoted as the Head of Group Internal Audit in Kumpulan Fima Berhad in September 2000.

In September 2003, Puan Saira joined Lembaga Tabung Angkatan Tentera (LTAT) as the Head of Risk Management was promoted as Head of Assets Management in July 2011. She is currently the Senior Director and Head of Investment Operations & Administration of Lembaga Tabung Angkatan Tentera ("LTAT") and Nominee Director of Labuan Re.

Puan Saira holds a Bachelor Degree in Accounting with Honours from University Kebangsaan Malaysia, Bangi and is a Chartered Accountant in Malaysia.

Number of Board Meetings attended during the financial year: Not Applicable.

KEY MANAGEMENT TEAM



ANTHONY THONG YEONG SHYAN

Group Chief Financial Officer

Aged	Gender
57	Male

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



HOW TING HIANG

Director of Group Human Resources
("HR") & Administration Manager

Aged	Gender
54	Male

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



LIM HOOI SEEH

Chief Executive Officer
OCK Setia Engineering Sdn. Bhd.
Malaysia; and PT Putra Mulia
Telecommunication, Indonesia

Aged	Gender
55	Male

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



OMER CHAPPELART

Chief Executive Officer
OCK Yangon Pte. Ltd., Myanmar

Aged	Gender
67	Male

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

Key Management Team (Cont'd)



MARTIN WONG

Chief Executive Officer
OCK Vietnam Towers Pte. Ltd.

Aged	Gender
41	Male

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



TAN YEW TONG

Group Chief Marketing Officer

Aged	Gender
54	Male

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

Additional Information

1. None of the Key Management Personnel has any family relationship with and is not related to any Director and/or major shareholder of OCK Group Berhad.
2. None of the Key Management Personnel has any conflict of interest with OCK Group Berhad.
3. Other than traffic offences, none of the Key Management Personnel has any conviction for offences within the past five years, nor public sanctions or penalties imposed by the relevant regulatory authorities during the financial year.
4. Directorships held by the Key Management Personnel in public companies and listed issuers, other than companies within the OCK Group, if any, are disclosed in the Board of Director section at <https://www.ock.com.my/board-of-director>.
5. The profiles of the Key Management Personnel are available on the OCK Group Berhad website at <https://www.ock.com.my/board-of-director>

CHAIRMAN'S STATEMENT

DATO' INDERA SYED NORULZAMAN BIN SYED KAMARULZAMAN

Non-Independent
Non-Executive Chairman

“ Dear Shareholders,

On behalf of the Board of Directors (“Board”), I am pleased to present you the Annual Report and Financial Statements of OCK Group Berhad (“OCK” or “Group”) for the financial year ended 31 December (“FYE”) 2022. ”



OPERATING ENVIRONMENT

After battling the outbreak of the Coronavirus Disease 2019 (“COVID-19”) for 2 years, Malaysia entered the endemic phase on 1st April 2022. This transition resulted in more vigorous social activities that saw various economic sectors progressively returning to normalcy. Malaysia’s economy delivered stronger than expected Gross Domestic Product (“GDP”) growth of 8.7% in 2022.

With the Group operating across multiple markets, the economic situation in markets where OCK has sizeable telecommunication business becomes imperative for us. Thankfully, our neighbouring countries also fared better in 2022. Vietnam’s economy, for example, where OCK Group has a healthy telecommunication business, recorded a stellar performance. Its economy grew by 8.0% in 2022, the fastest annual pace since 1997, higher than the previous year’s growth of just 2.6%, when COVID-19 lockdowns left a dent on the

economy. The surprisingly high GDP growth in 2022 was backed by strong domestic retail sales and exports.

The Indonesian economy also performed well in 2022, with a full year GDP growth rate of 5.3% as compared to 2021, the highest full year growth rate the country has seen since 2013. This growth was largely driven by government stimulus measures and a rebound in domestic consumption.

It is also to be noted that the restrictions introduced by the COVID-19 pandemic forced the acceleration of digital transformation and created a landscape in Malaysia, the region and globally that will continue to encourage innovation and technological adoption. As one of the largest telecommunications network solutions providers in Malaysia and regionally, OCK undoubtedly stands to benefit from the need for digitalisation and fifth generation (“5G”) technology.

Chairman's Statement (Cont'd)

FINANCIAL HIGHLIGHTS

Riding on the economy reopening regionally, I am heartened to report that our Group posted a profit after tax of RM38.5 million in FYE 2022, exceeding the RM32.6 million recorded in FYE 2021.

The Group's revenue in FYE 2022 totalled RM617.1 million, RM128.9 million higher than the RM488.2 million recorded in FYE 2021:-

- Telecommunication Network Services segment remained as the core contributor to the Group. This segment accounted 89.8% of OCK's FYE 2022 revenue;

- Green Energy and Power Solutions business segment contributed 8.1% of FYE 2022 revenue;
- Trading business segment contributed 0.9% of FYE 2022 revenue; and
- Mechanical and Engineering business segment made up the remaining 1.2% of FYE 2022 revenue.

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 the leading ASEAN independent telecommunication tower company. We believe in the need to constantly expand our tower portfolio beyond the existing footprint. Currently, we own more than 5,300 telecommunication sites in Vietnam, Myanmar and Malaysia. We will continue to build our tower portfolio through both greenfield and brownfield strategies in these countries. In October 2022, the Group inked a shareholder agreement with the Ministry of Finance of Laos to expand its presence there, and in January 2023, OCK achieved another milestone when the Laotian government granted the Group a license to supply telecommunication infrastructure.

As one of the largest providers of full turnkey telecommunications solutions in Malaysia, covering the entire spectrum of telecommunication network services, the Group is heavily involved in the Jalanan Digital Negara ("JENDELA") initiatives. The Group has successfully secured new telecommunication infrastructure works for the expansion of 4G coverage

comprising various tower construction, upgrading, and fiberisation works under Phase 1 of JENDELA, as well as preparatory works for 5G deployment under Phase 2 of JENDELA.

Our Group continues to be one of the largest independent managed services providers in Indonesia with 49,200 telecommunication sites, which makes up approximately 45% of the total telecommunication sites in Indonesia.

Consistent with the global trend of reducing carbon emission and building a more sustainable economy, green energy and power solutions continue to be one of the key drivers of our business growth. We continue to achieve a significant revenue contribution from our green energy business segment with another double digit revenue growth of 37.4% in FYE 2022. Moving ahead, we will continue to expand the green energy business segment. To date, we own a total of 22 solar farms with a total capacity of 12.36 MW in Malaysia.

CORPORATE GOVERNANCE

We continue to adopt an approach of strong corporate governance. The Nomination Committee continues to review the composition, skills and diversity of the Board. The Nomination Committee endeavours to create a diverse pipeline with a good mix of directors with varied experience and background in order to enrich the organisation. In recent years, the Board has made significant progress with regards to promoting gender diversity. In the fiscal year under review, OCK has 20% of women directors on its Board, a positive increase from the 11% in the previous fiscal year.

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

Chairman's Statement (Cont'd)

MOVING FORWARD

2022 was the year when the world made a substantial recovery from the COVID-19 pandemic with the lifting of containment measures and a return to normalcy. However, it was also a year marred by war, inflation, energy and commodity price shocks and interest rate hikes. As such, 2023 looks to be another year with a highly challenging and volatile operating environment.

Be that as it may, OCK remains positive on the prospects for the telecommunication industry. The COVID-19 pandemic has demonstrated the critical importance that telecommunications infrastructure plays in keeping businesses, governments and societies connected and running. It is clear that there has been a seismic shift that has changed the way we live, work and interact with each other. Because of the economic and social disruption caused by the pandemic, people across the globe rely on technology for information, virtual communication and working from home. The demand for more robust and reliable networks such as 5G remains intact in the post-COVID-19 world.

On the local front, upgrading the telecommunication technology and infrastructure continues to be a leading agenda for the Malaysian government. JENDELA is the government's plan to expand the reach of the internet to every corner of Malaysia. Furthermore, Digital Nasional Berhad ("DNB"), a stated-owned company, was established to accelerate deployment of 5G infrastructure and network in Malaysia. DNB recently announced that the national 5G network has achieved an accessibility of 38% coverage of populated areas and the next target is to achieve 80% coverage of populated areas by the end of 2024. OCK is therefore poised to directly benefit from these initiatives and will actively partake in tenders for more projects under this programme that are related to 5G.

OCK will continue to pursue its goal of expanding its regional operations and maintain its status as one of ASEAN's leading tower companies. OCK's tower portfolio is expected to exceed the 6,000 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 our customers.

ACKNOWLEDGEMENT

On behalf of the Board of Directors, I take this opportunity to express our appreciation and gratitude to our shareholders for their trust and confidence. I would also like to convey appreciation to the management team and the entire workforce of OCK for their dedication and commitment that have contributed to the Group's success.

A special appreciation goes out to our business associates, customers, contractors and the regulatory agencies for their invaluable support and advice throughout FYE 2022.

Likewise, i wish to extend my gratitude and appreciation to our former Alternate Director, Mr Khairul Anwar Bin Ismail for his contribution during his tenure with our Board. I would like to wish him all the best in his future endeavours.

At the same time, I warmly welcome Ms Ong Yee Ling @ Sharon and Puan Saira Banu Binti Chara Din, who recently joined the Board. We are confident that their experiences will contribute to a more robust exchange of ideas which will be of significant benefit to the Board and the Group. I also would like to express my gratitude for the cooperation extended to me by my fellow Directors.

Our determination to generate substantial value for our shareholders in the years to come remains steadfast, and I look forward to updating you on our ongoing advancements.

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

MANAGEMENT DISCUSSION & ANALYSIS

OVERVIEW OF THE GROUP'S BUSINESS AND OPERATIONS

OCK Group Berhad ("OCK" or the "Group") operates through four primary business divisions that drives our business, namely Telecommunication Network Services, Trading of Telecommunication and Network Products, Green Energy and Power Solutions, as well as Mechanical & Electrical Engineering Services.



SAM OOI CHIN KHOON

Group Managing Director
OCK GROUP BERHAD

Being one of the leading telecommunication infrastructure and service providers, OCK offers tower construction and operation, end-to-end turnkey solutions and managed network services. Our services offering comprehensively cover 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 can build, own and lease telecommunication towers and rooftop structures to the telecommunication operators in Malaysia.

Management Discussion & Analysis (Cont'd)

TELECOMMUNICATION NETWORK SERVICES

The Group's TNS segment consists of tower company ("towerco") business, full turnkey solutions as well as managed services. This segment remained as the core contributor to the Group which accounted for 89.8% of OCK's financial year ended 31 December ("FYE") 2022's revenue.

Fifth generation ("5G") wireless network provides OCK with an opportunity to showcase its capabilities in enabling connectivity transformation. 5G enables smart solutions such as smart city, healthcare, agriculture and traffic. OCK has completed 5G trials in Malaysia for its self-developed smart poles and is ready to support large-scale 5G rollout.

(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 the home country.

As at FYE 2022, OCK has achieved its tower portfolio targets for 2022 as OCK owns more than 5,300 telecommunication sites across the ASEAN region, with 3,500 in Vietnam, 1,200 in Myanmar and another 600 sites in Malaysia. Notably, our towerco business was the largest contributor to our recurring income stream over the long term. 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. The tenancy ratio across each geographical segment with detail as follows :

- Vietnam Towerco Updates - OCK currently owns over 3,500 sites in Vietnam, with a tenancy ratio of 1.3 times. In FYE 2022, the Group completed the acquisition of approximately 700 towers. OCK aims to increase its tower portfolio in Vietnam to approximately 4,200 towers by FYE 2023, mainly through tower acquisitions, with a small percentage expected to come from newly built-to-suit towers.
- Myanmar Towerco Updates - In Myanmar, OCK owns more than 1,200 sites with tenancy ratio of 1.4 times. OCK targets to have approximately 1,300 towers in Myanmar by FYE 2023, primarily through new built-to-suit towers. OCK is also exploring the possibility of increasing towers through acquisition.
- Malaysia Towerco Updates - In Malaysia, OCK currently owns 600 sites with tenancy ratio of 1.4 times, improvement from prior year's tenancy ratio of 1.2 times. OCK plans to increase approximately 200 towers in Malaysia by FYE 2023 through a combination of built-to-suit towers and acquiring towers. The tenancy ratio in Malaysia is expected to go up with more towers to be leased to Digital Nasional Berhad ("DNB") for the 5G rollout.

(ii) Full Turnkey Solutions

We offer a comprehensive range of services that cover the entire spectrum of telecommunication network services. The scope of the solutions includes tower sites construction, telecommunication equipment installation, testing and commission services for technology vendors and etc.

Our one-stop approach ensures that our clients and partners can rely on us to address every aspect of their project needs, which saves them the inconvenience of sourcing upstream or downstream vendors.

Working together with the Malaysian Communications and Multimedia Commission ("MCMC"), OCK is heavily involved in the Jalanan Digital Negara ("JENDELA") initiatives. OCK has successfully secured new telco infrastructure works for expansion of 4G coverage comprising various tower construction, upgrading, fiberisation works under Phase 1 of JENDELA as well as preparatory works for 5G deployment under Phase 2 of JENDELA.

(iii) Managed Services / Operations Business

OCK manages and maintains telecommunication networks for operators in the region to ensure reliable connectivity and optimised performance. We own and operate 24/7 network operation centres, which provide troubleshooting and maintenance support for all active network elements. Services offered include regular maintenance, inventory management, parts replacement, disaster recovery and back-office support.

As of now, OCK manages around 11,300 sites in Malaysia, which is a significant increase from 5,300 sites in FYE 2022. OCK has achieved an impressive improvement in market share, increasing from approximately 15% to 23%. OCK continues to maintain its position as one of the largest managed services/operations operators in Indonesia, managing a total of 49,200 sites in the country, which gives the Company a market share of around 45%. This sub-segment was the second largest contributor to our recurring income for FYE 2022.

Management Discussion & Analysis (Cont'd)

Green Energy and Power ("GEP") Solutions

OCK is actively involved in the construction and operation of our own solar farms and also offers solar energy services as an engineering, procurement and construction ("EPC") contractor. We use solar energy to boost energy efficiency and performance while providing cost-efficient solutions for businesses. Our EPC offerings include development, investment, building and operation of renewable energy projects, covering power plant installation and testing services.

The GEP Solutions segment contributed 8.1% (FYE 2021: 7.5%) of the Group's overall revenue. On a year-on-year ("YoY") comparison between FYE 2022 and FYE 2021, the Group's GEP Solutions segment reported another commendable double digit growth of 37.4% in revenue. We are currently also embarking on large scale solar energy projects. In totality, we own and operate 22 solar farms with a combined capacity of 12.36 Megawatt ("MW") nationwide as of FYE 2022.

Trading of Telecommunications Network Products

The trading division reported a revenue of RM5.8 million for FYE 2022, with an decrease of 31.0% as compared to revenue of RM8.4 million recorded in FYE 2021 mainly attributed by the absence of a one off transaction in FYE 2021. Additionally, OCK has the largest market share of the Indoor Distributed Antenna System, covering the majority of key buildings in Malaysia.

Mechanical & Electrical ("M&E") Engineering Services

As we explore new opportunities in the rapidly evolving business landscape, OCK is committed to providing ongoing support to establishments across the business spectrum through our comprehensive contracting and maintenance services.

The division reported a remarkable growth with more than four-fold YoY revenue increase in FYE 2022 as compared to FYE 2021. The revenue is recorded at RM7.3 million in FYE 2022, as compared to FYE 2021 of RM1.3 million. The recovery of the economy and private consumption has had a positive impact on the demand for M&E engineering services, resulting in significant growth in revenue for the division.

YEAR-ON-YEAR FINANCIAL REVIEW

After being stuck in a quandary since 2020 due to the on-again off-again lockdowns throughout the Coronavirus Disease 2019 ("COVID-19") pandemic, most of the countries have entered the transition to endemic phase with social activities and businesses can eventually return to normalcy. Nevertheless, 2022 was also a year marred by external headwinds such as war, inflation, energy and commodity price shocks and interest rate hikes to tame inflation.

Malaysia's economy recorded an encouraging performance, with the GDP for 2022 of 8.7%, exceeding the projection of 6.5%-7.0% made in October 2022. This growth performance also far exceeds the 3.1% economic growth achieved in 2021. The similar performance was also observed in Indonesia and Vietnam where majority of OCK's regional business operations are based in these countries.

Vietnam's economy grew by 8.0% in 2022, the fastest annual pace since 1997. The Indonesia economy also performed well in 2022, with a full year GDP growth rate of 5.3%, the highest full year growth rate the Country has seen since 2013.

The pandemic fundamentally changed how we work, learn, connect and shop. And while underlying structural trends, such as a rise in remote working, supply chain disruptions and shifting consumer preferences have been underway for some time, the COVID-19 pandemic turbocharged those behaviours and proclivities. This has essentially speeded digital transformation as well as the need for better network connectivity. As one of the largest telecommunications network solutions providers in Malaysia and regionally, OCK undoubtedly stands to benefit from the need for accelerated digitalisation and 5G technology.

Management Discussion & Analysis (Cont'd)

OCK reported a consolidated revenue of RM617.1 million in FYE 2022, with a notable increase of 26.4% as compared to RM488.2 million in FYE 2021. In tandem with the growth in revenue, the Group's earnings before interest, tax, depreciation and amortisation ("EBITDA") and profit after tax and minority interest ("PATAMI") stood at RM187.2 million and RM32.8 million respectively, translating to a remarkable YoY increase of 20.0% and 29.0% in both EBITDA and PATAMI.

Our financial performance	Audited FYE 2022 RM'000	Audited FYE 2021 RM'000	Variance	
			RM'000	%
Revenue	617,106	488,183	128,923	26.4
Gross profit ("GP")	146,743	124,225	22,518	18.1
Profit before tax ("PBT")	48,439	38,023	10,416	27.4
Profit after tax ("PAT")	38,452	32,588	5,864	18.0
GP margin (%)	23.8%	25.4%	(1.6%)	-
PBT margin (%)	7.8%	7.8%	-	-
PAT margin (%)	6.2%	6.7%	(0.5%)	-

Revenue by segment	Audited FYE 2022 RM'000	Audited FYE 2021 RM'000	Variance	
			RM'000	%
TNS	553,997	441,989	112,008	25.3
GEP Solution	50,034	36,428	13,606	37.4
Trading	5,825	8,444	(2,619)	(31.0)
M&E Engineering Services	7,250	1,322	5,928	448.4
Revenue	617,106	488,183	128,923	26.4

Our Group's revenue increased from RM488.2 million in FYE 2021 to RM617.1 million in FYE 2022, representing a YoY increase of RM128.9 million or 26.4%. The remarkable growth in revenue was mainly contributed by TNS business segment. The revenue growth in TNS business segment of RM112.0 million contributed 89.8% of total revenue growth for OCK. OCK is well-positioned to benefit from the deployment of 4G and 5G infrastructure in the region. As a major tower leasing company, OCK earns substantial annuity revenues from the leasing of its towers to telecommunication operators. The Group continues to see strong recurring revenue contribution, primarily driven by the captive telco site leasing business.

It is notable that in FYE 2022, 58.9% of OCK's revenue was generated from domestic business, which represents an increase from the 50.1% reported in FYE 2021. The thriving growth of RM118.5 million in revenue from domestic business was primarily due to the various initiatives such as JENDELA-related projects driven by the Malaysian government as abovementioned, which OCK has benefitted from.

We remained focus on enhancing our recurring revenue streams, which primarily come from tower leasing, managed services and solar renewable energy as this gives us earning stability and visibility. The Group's recurring revenue contributed a total of 58.5% of the Group's total revenue for FYE 2022 (FYE 2021: 68.0%). FYE 2022's total recurring revenue has also increased by 8.9% to RM361.3 million as compared to RM331.8 million reported in FYE 2021. This was driven largely by the rising numbers of telco towers under OCK's portfolio and management as well as higher rental fees due to higher tenancy ratios.

Management Discussion & Analysis (Cont'd)

Gross profit

In congruence with the increase in revenue, the Group recorded a GP of RM146.7 million in FYE 2022, as compared to RM124.2 million recorded in FYE 2021, it marked a YoY increase of RM22.5 million or 18.1%. Notwithstanding the challenges for the year of the increase in commodities price and supply chain disruption, the GP margin for FYE 2022 remained resilient with a slight deduction of 1.6% when compared to FYE 2021 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 RM10.4 million or 27.4% to RM48.4 million in FYE 2022, when compared to FYE 2021 of RM38.0 million. PBT margin remained the same in FYE 2022 as compared to FYE 2021.

Profit after tax

The Group reported PAT of RM38.5 million in FYE 2022 as compared to RM32.6 million in FYE 2021 with a growth rate of 18.0% that was lower than the growth rate for PBT in FYE 2022. This was due to the increase in effective tax rate for FYE 2022 of 20.6% as compared to 14.3% for FYE 2021.

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

In tandem with the increase in PAT as earlier analysis, the Group achieved a PATAMI of RM32.8 million in FYE 2022, which demonstrated a stellar growth of RM7.4 million or 29.1% as compared to FYE 2021. This has translated to an increase of 0.70 sen in our basic earnings per share for FYE 2022 at 3.11 sen vs 2.41 sen attained in FYE 2021.

Our financial performance	Audited As at 31 December 2022 RM'000	Restated Audited As at 31 December 2021 RM'000	Variance	
			RM'000	%
Non-current assets	1,153,940	1,059,095	94,845	9.0
Current assets	494,727	406,101	88,626	21.8
Non-current liabilities	530,912	343,326	187,586	54.6
Current liabilities	392,822	447,935	(55,113)	(12.3)
Equity attributable to owners of the Company	724,933	673,935	50,998	7.6

Assets

Non-current assets comprise largely by property, plant and equipment, right-of-use assets, intangible assets and others. The non-current assets increased from RM1,059.1 million as at 31 December 2021 to RM1,153.9 million as at 31 December 2022 which was largely due to the addition on property, plant and equipment of RM92.4 million and right-of-use assets of RM56.5 million cushioned by the current year depreciation charges of RM104.8 million.

The additions on property, plant and equipment of RM92.4 million during FYE 2022 were primarily invested in telecommunications sites and premises to continue to drive our revenue stream generated from TNS as well as GEP solutions, whereas the increase in right-of-use assets of RM56.5 million is mainly due to renewal of existing and entering of new lease contracts.

Current assets increased from RM406.1 million as at 31 December 2021 to RM494.7 million as at 31 December 2022 which was mainly contributed by the net increase in trade and other receivables and contract assets of RM92.1 million as well as increase in inventories of RM23.4 million, which was in line with the growth in revenue of the Group. Other investment has reported a reduction of RM14.5 million as at 31 December 2022 due to disposal of other investment to preserve cash flow for working capital purposes. The Group also recorded a net decrease of RM11.9 million in cash and bank balances and fixed deposit as at 31 December 2022 with additional information will be discussed in the "Liquidity, capital resources and gearing" section.

Management Discussion & Analysis (Cont'd)

Liabilities

Non-current liabilities comprise loan and borrowings, lease liabilities, deferred tax liabilities, provision and others which increased substantially by RM187.6 million or 54.6% YoY to RM530.9 million as at 31 December 2022 (31 December 2021: RM343.3 million) mainly due to the net drawdown of RM169.6 millions of long term loan and borrowings in order to finance the on-going orderbooks of the Group as well as increase in long term lease liabilities of RM12.1 million due to renewal of existing and entering of new lease contracts.

Current liabilities comprise mainly short-term loan and borrowings, trade and other payables, lease liabilities and others, which decreased by RM55.1 million or 12.3% YoY to RM392.8 million as at 31 December 2022 (31 December 2021: RM447.9 million). The said decrease was largely due to the net repayment of short-term loan and borrowings of RM35.5 million.

Liquidity, capital resources and gearing

As at 31 December 2022, cash and cash equivalents decreased by RM0.7 million or 2.0% to RM35.2 million compared to RM35.9 million as at 31 December 2021. Cash and cash equivalents comprised net of cash and bank balance, fixed deposits not pledged with licensed banks as well as bank overdraft.

Our cash flow from/(used in)	Audited As at 31 December 2022 RM'000	Audited As at 31 December 2021 RM'000	Variance	
			RM'000	%
Operating activities	30,746	168,120	(137,374)	(81.7)
Investing activities	(70,895)	(148,696)	77,801	52.3
Financing activities	42,331	(45,564)	87,895	192.9
Effect of exchange rate changes	(2,894)	3,074	(5,968)	(194.1)
Net changes in cash and cash equivalents	2,182	(26,140)	28,322	108.3

The PBT reported in FYE 2022 has contributed to the positive cash flow before working capital changes of RM191.1 million. Nonetheless, the majority of the cash flow was used to support working capital requirements as a result of the revenue growth. This has impacted negatively to the cash generated from operation by RM132.9 million. The net payment of interest and income tax of RM17.7 million has further reduced our operating cash flow and resulted in net cash flow from operating activities of RM30.7 million reported in FYE 2022.

Net cash outflow of RM70.9 million was recorded from investing activities during FYE 2022 mainly contributed by the investment made on property, plant and equipment of RM87.3 million as mentioned above.

On the other hand, the Group has reported a positive net cash flow of RM42.3 million from financing activities during FYE 2022 mainly due to the net increase in loan and borrowings of RM393.7 million in order to fund our on-going projects. However, the increase in banking facilities has negated by the net payment of lease liabilities of RM36.6 million, interest cost of RM19.6 million, dividend of RM9.2 million and repayment to minority shareholders of RM8.1 million.

Given the above analysis, our gearing ratio increased marginally from 0.50 times as at 31 December 2021 to 0.53 times as at 31 December 2022.

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 capital agreement to invest in telecommunication tower of approximately RM397.2 million.

Management Discussion & Analysis (Cont'd)

REVIEW OF OPERATING ACTIVITIES

Telecommunications Landscape

Globally, 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 greater demand for more robust and reliable network connectivity worldwide.

(i) Malaysia

Upgrading the telecommunication technology and infrastructure continues to be on top of the agenda for the Malaysian government. On 1 March 2021, the Ministry of Finance announced 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 were unveiled to accelerate the digitalisation of the Malaysian economy which includes bringing 5G to Malaysians in stages.

JENDELA is the government's plan to expand the reach of the internet to every corner of Malaysia, in preparation for 5G technology. Under JENDELA, the Malaysian government through MCMC, 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. 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. DNB recently announced that national 5G network has achieved accessibility of 38% coverage of populated areas and the next target is to achieve 80% coverage of populated areas by end of 2024. To meet its 5G population coverage target, DNB is targeting to roll out 7,500 new sites by end-2024, from 4,000 by the end-2022.

Working together with MCMC, OCK is heavily involved in the JENDELA initiatives. OCK has successfully secured new telco infrastructure works for expansion of 4G coverage comprising various tower construction, upgrading, fiberisation works under Phase 1 of JENDELA as well as preparatory works for 5G deployment under Phase 2 of JENDELA.

OCK is involved in the 5G deployment locally in two ways. Firstly, the upgrading of more than 160 existing 4G towers to support 5G service, which will in turn be leased to DNB. Secondly, OCK is involved in certain parts of the work in the construction of more than 80 new 5G towers of DNB.

(ii) Vietnam

Vietnam is viewed as the country with high potential for fast digital economic development and digital transformation trend across all field. The government has been dedicating significant efforts in recent years to accelerate the national digital transformation. This holistic drive towards digital transformation has already yielded positive results. Vietnam has the faster-growing digital economy in Southeast Asia, which recorded USD23 billion of gross merchandise value (GMV) in 2022, and is set to achieve over USD50 billion by 2025, according to the "e-Economy SEA 2022" report released by Google, Temasek and Bain & Company.

Vietnam's growing digital population reinforces the need for this focus on telecommunications infrastructure enhancement. It is necessary to first establish seamless widespread nationwide connectivity to sustain the momentum of this digital transformation push.

With 5G connectivity the next frontier for digital transformation, Vietnam is already ahead as a regional frontrunner in this space. It is one of the first Southeast Asian countries to deploy 5G trials and has declared its intent to achieve national 5G coverage by 2030. As of mid-2022, the 5G network has been successfully piloted in at least 40 cities and provinces in Vietnam. However, the deployment of 5G services to the national population is limited by the infrastructure. Hence this requires investment by both government and communication service providers to upgrade and widen domestic and international bandwidth. The cooperation and sharing 5G telecommunications equipment and infrastructure among communication service providers are expected to spur growth.

OCK increased its towers by more than 700 during FYE 2022 through acquisitions, with the Group targeting another 1,000 sites in FYE 2023.

Management Discussion & Analysis (Cont'd)

(iii) Indonesia

Indonesia is currently in the early stages of 5G deployment, with several telecommunication companies conducting trials and implementing 5G networks in selected locations. The government has also established a roadmap for the development of 5G infrastructure in the country, aiming for nationwide coverage by 2023.

The adoption of 5G in Indonesia is expected to bring significant benefits, such as faster download and upload speeds, low latency and improved network reliability. This will enable the development of new technologies and services, including smart cities, autonomous vehicles and remote healthcare.

However, the rollout of 5G in Indonesia also faces challenges such as limited spectrum availability, high infrastructure costs, and regulatory issues. Despite these challenges, Indonesia remains optimistic about the potential of 5G and is taking steps to accelerate its deployment and development.

(iv) Myanmar

Myanmar's economy is showing signs of stabilising in 2022. Business conditions in Myanmar improved towards the end of 2022. OCK will continue to build and deliver order book on hand in the region of Myanmar.

Solar Renewable Energy Landscape

An attempt to become carbon-neutral will be a major demand-driver in our economy, requiring technical advancements and socio-economic transitions like switching to renewable energy, such as solar power, instead of coal and investing in carbon-absorbing initiatives such as reforestation programmes.

Malaysia had in September 2022 published its National Energy Policy ("NEP") 2022-2040, which provides details of government's priorities for the energy sector over the next 20 years. The policy is aimed at streamlining various existing policies, creating a long-term vision which is coordinated across various stakeholders, and providing updated direction for the energy sector.

Based on the energy mix in Malaysia, hydropower is currently the highest contributor to the total renewable energy use. However, large hydropower could be affected as river sources deplete as well as siltation and sedimentation increase. Hence solar power has the potential to contribute more to the energy mix.

NEP continues to set long-term pipeline of large scale solar ("LSS") projects to ensure domestic energy self-sufficiency and environmental sustainability and extend Net Energy Metering ("NEM") system, where excess energy produced from solar panels fixed on private or commercial buildings can be sold back to the grid based on the Feed-In-Tariff, to continue spur solar development prior to transitioning to an alternative form of compensation scheme.

OCK has been reducing our carbon footprint through our solar segments since 2012. As an EPC contractor and solar farm owner, the Group is optimistic that there will be more upcoming projects from the public and private sector to meet Malaysia's carbon neutral goals. It is worth to be noted that OCK is also actively participated in the Government's Corporate Green Power Programme (CGPP) that provides opportunity for business entities to participate in the promotion and use of renewable energy in their business operation. This allows the energy produced by the solar power producer to be exported through the electricity supply system of the electricity utility company in accordance with the New Enhanced Dispatch Arrangement (NEDA) rules.

Management Discussion & Analysis (Cont'd)

RISK PROFILES

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 may have an adverse effect on our Group's business and financial performance.

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

We are exposed to credit risk due to slowdown in the collection of payments. The Group evaluated the likelihood and the severity and concluded that the Group would not be significantly affected by the expected credit loss of financial assets.

(iv) Foreign exchange risks

41.1% of OCK's revenue in FYE 2022 was derived from the regional business such as Vietnam, Myanmar and Indonesia. 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 2022, our Group has not encountered any significant foreign currency exchange fluctuation that has resulted in material adverse impact on our Group's financials.

(v) Competition risks

The Group's revenue and profitability are exposed to the risk of uncertainty arising from global and local economic conditions. 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.

Management Discussion & Analysis (Cont'd)

FUTURE PROSPECT

Telecommunications Landscape

The pandemic has significantly increased the demand for more robust and reliable networks globally. Hence it will be essential to improve the telecommunications infrastructure to support the technology. The acceleration of 5G rollout and extension of the JENDELA programme should continue to drive earnings growth as OCK remains committed in the delivery of order book of more than RM386 million.

Elsewhere, OCK aims to replicate their successful venture into Vietnam and Myanmar into other regional markets. The Group has signed a Shareholders Agreement with Laos People's Democratic Republic's Ministry of Finance in bid to tap into the telecommunications industry in Laos as one of the key players in building and owning of telecommunication towers. OCK expects to setup its Laos towerco in 2023 with a mid-term focus on build-to-suit sites. In January 2023, OCK made a remarkable milestone where the Laotian government has granted OCK a license to supply telco infrastructure.

As a towerco, OCK targets to increase our tower portfolio to more than 6,000 telecommunication sites in 2023 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. OCK continues to see tremendous growth opportunities in telco infrastructure space in Vietnam and Myanmar that are still relatively under-served especially in the rural areas.

In addition, OCK, as one of the largest managed services companies in Malaysia and Indonesia with a combined portfolio of more than 60,500 sites under management, will continue to provide this operational expenditure value proposition to telecommunication operators.

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 one of the largest TNS providers in Malaysia and continues to provide connectivity nationwide and transition to 5G technologies which is in line with the Malaysian government's plans.

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 as well as LSS programme. To date, OCK owns 22 solar farms in Malaysia with total capacity of 12.36 MW. Under the NEM programme, the Group will be constructing 18 rooftop solar farms in Kuala Terengganu with 3.2 MW capacity for a lease period of 21 to 25 years. This project is expected to commercialize before end of 2023.

One of the latest initiatives launched by the Government of Malaysia in September 2022 is the NEP.

OCK supports the new targets under the NEP 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.

SAM OOI CHIN KHOON

Group Managing Director

SUSTAINABILITY STATEMENT

THE REPORT

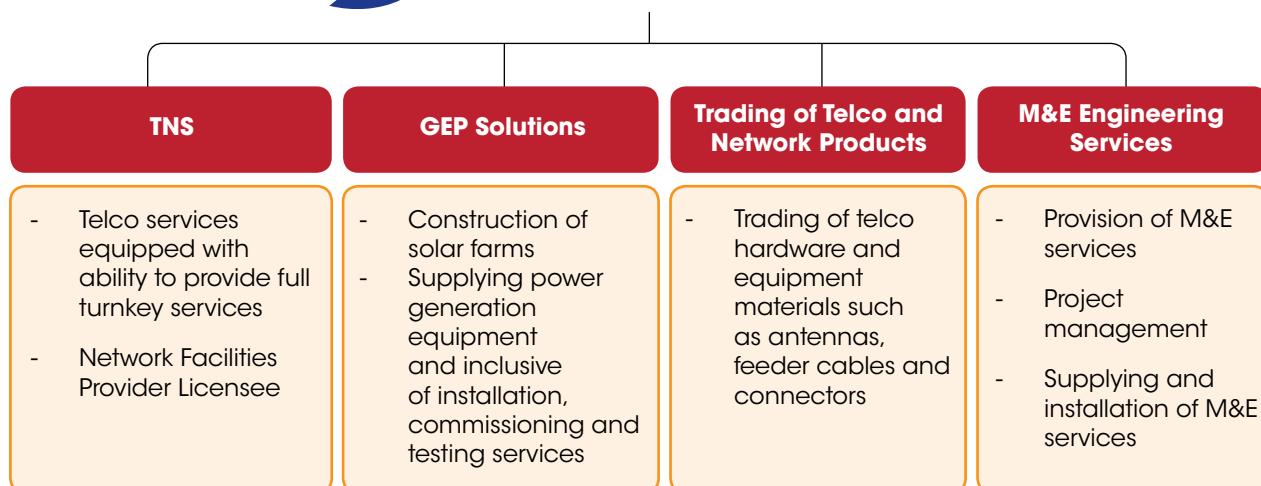
OCK Group Berhad ("OCK" or the "Company") has issued the Sustainability Report ("Report") for six consecutive years since the Report was first released for the financial year ended 31 December ("FYE") 2017. This Report provides an in-depth explanation of the Group's ideas, methods and accomplishments in relation to sustainable development, social responsibility and governance during FYE 2022. It covers the Group's performance and activities in economic, environmental and social ("EES") as well as governance aspects. The purpose of this Report is to demonstrate the Group's dedication and responsibility to sustainability as well as to inform stakeholders, including shareholders, employees, customers, and the general public about its efforts in these areas.



OCK was honoured with the gold award in the Most Improved Performance over Three Years category for companies with a market capitalisation between RM300 million and RM800 million at The Edge Environmental, Social, and Governance ("ESG") Award 2022. This prestigious award recognises OCK's impressive progress and achievements in ESG practices over the past years. OCK's commitment to sustainability and responsible business practices has been acknowledged and praised by the award committee, making it a well-deserved achievement for the Company.

SCOPE OF THE REPORT

The Report covers OCK and its subsidiaries ("the Group"). Information disclosed in this Report 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 Report is not disclosing any of this segment's contributions. This Report also excludes joint ventures or associates and partner's assets.

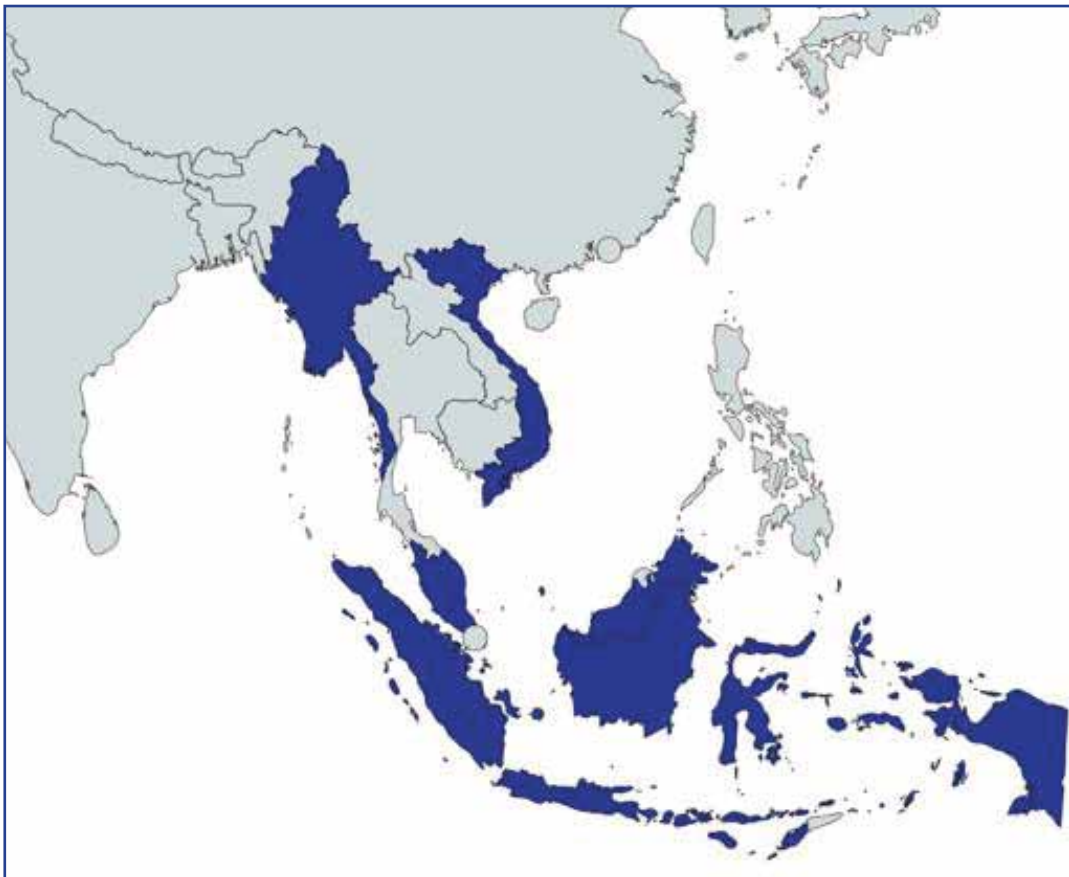


This Report covers data which had been compiled internally from 1 January 2022 to 31 December 2022. Where available and relevant, historical data of the preceding year has been included for comparison.

Sustainability Statement (Cont'd)

ROAD MAP

Our sustainability framework remains centred on our headquarters in Malaysia as the core of our sustainability initiatives. While we have expanded our regional footprint with presence in Vietnam, Myanmar, Indonesia and Laos, this year's Report will continue to cover Vietnam, Myanmar and Indonesia in addition to Malaysia.



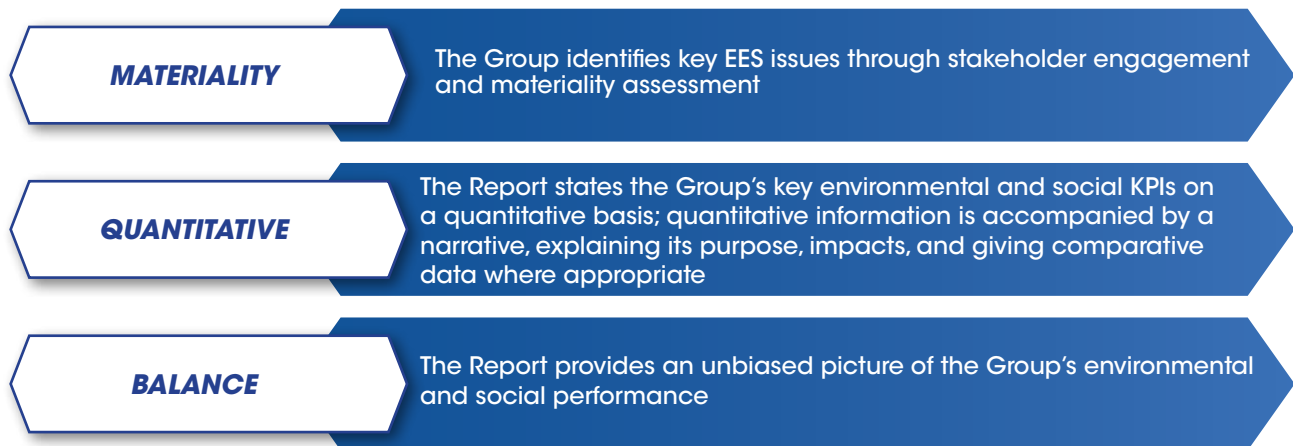
Sustainability Statement (Cont'd)

REPORTING PRINCIPLES

The Report is prepared in compliance 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 Report follows the reporting principles of:



COMMITMENT TO SUSTAINABILITY DEVELOPMENT

OCK has always considered sustainability to be a fundamental aspect of our organisational culture, as we aim to attain sustained growth and profitability while prioritising safety, care and environmental sustainability. We acknowledge that sustainability practices are a crucial factor in investors' decisions regarding investments.

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.

As a responsible corporate entity, our objective is to uphold high standards of governance throughout our operations. This is in line with our corporate culture, which seeks to promote responsible business practices, manage our environmental footprint and address the social needs of the communities where we operate.

OUR POLICY ON SUSTAINABILITY



Sustainability Statement (Cont'd)

The Group's ability to maintain a sustainable business and create long-term value for its shareholders is subject to various 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.

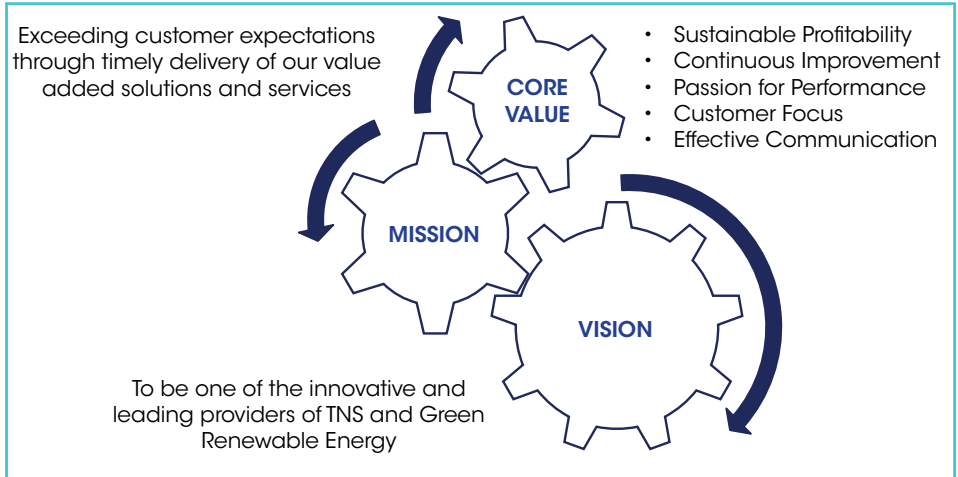


Sustainability Statement (Cont'd)

GOVERNANCE FRAMEWORK

Vision, Mission and Core Value

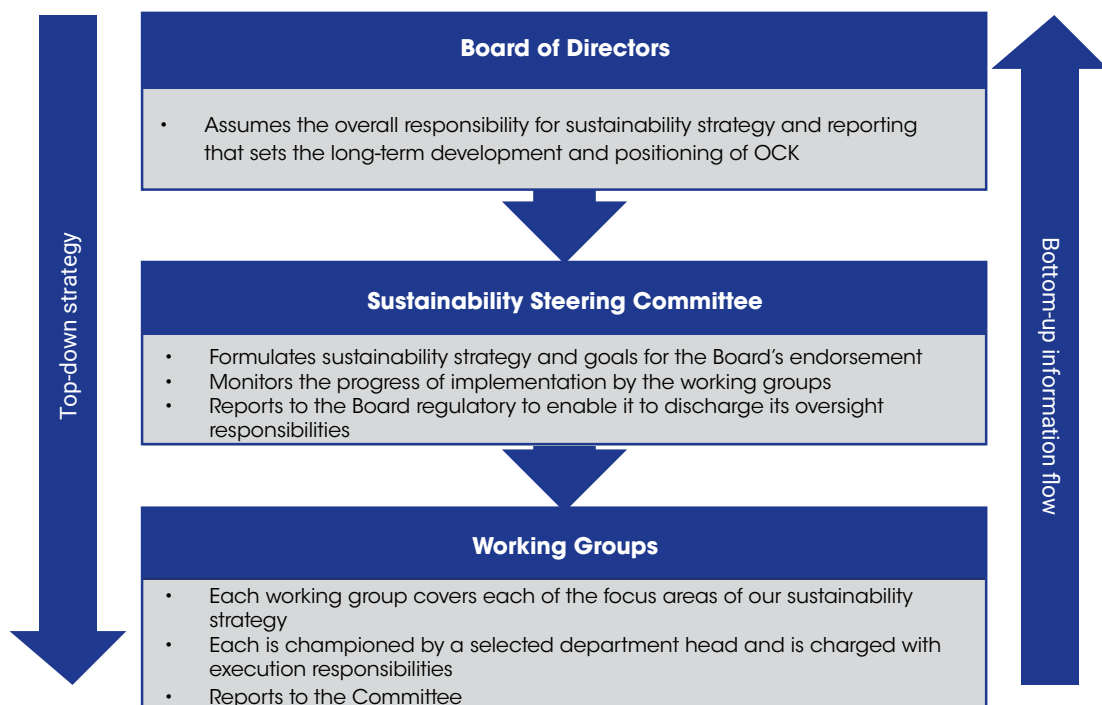
Our vision and mission are the cornerstones of our commitment to the sustainability of the Group. Our core values are the guiding principles that we uphold in day-to-day operations and conduct ourselves to support our vision and shape our culture.



Corporate Governance

We have integrated sustainability into our organisational approach, which is championed by our top leadership. The Board of Directors ("Board") plays a vital role in guiding and overseeing sustainability initiatives throughout the organisation. It is imperative for the Board to possess a comprehensive understanding of sustainability in order to connect sustainability issues with strategic decision-making for the business. The Board must be familiar with the fundamentals of sustainability to enable them to ask pertinent questions and ultimately link sustainability with the business and strategic decision-making processes.

Hence the Group has formed a Sustainability Steering Committee ("the Committee") which is directly accountable to the Board. 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, minimise 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.



Sustainability Statement (Cont'd)

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.

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

The Board acknowledges the significance of ethical business practices throughout the organisation to preserve the trust of our stakeholders. We uphold the highest standards of integrity in our operations through good governance, as outlined in the Group's Code of Business Conduct and Ethics.

At the core of our business lies good governance, which is founded upon ethical business practices and integrity. We have incorporated the highest standards of governance into our business, not only by adhering to the law, but also by implementing processes and guidelines that reinforce these 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 practices ethical and transparent purchasing activities and we treat all of our suppliers with fairness. We encourage fair competition wherein our purchasing officers cannot favour one supplier over another. Open tendering is conducted on applicable contractual services. All employees are prohibited from accepting gifts and freebies if any conflict of interest is identified. The Group has a strong stance against bribery and corruption in our operations, and in our bid to ensure that our employees operate with integrity, we require all employees and directors to submit their Declaration Form in relation to our Anti-Corruption and Anti-Bribery policy.

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.

The Whistle Blowing Policy provides an anonymous platform where all our stakeholders can raise concerns about possible breaches of policies and other questionable practices without fear of reprisals or retaliation. Our policies are published on our website and disseminated to our employees and business partners. There was no reported complaints of bribery or corruptions in FYE 2022.

Sustainability Statement (Cont'd)

RESPONSES TO SUSTAINABLE DEVELOPMENT GOALS ("SDG(s)")

"Agenda 2030" was adopted by all 193 United Nation member states in September 2015. This plan aims to address the world's most pressing EES problems over the next 15 years. It consists of 17 goals and 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 dedicated to achieving "Agenda 2030" through its SDG Roadmap.

We endorse the SDGs and acknowledge their significance to our business and the world. As a result, we are determined to aid in achieving them. The Group has implemented well-established initiatives to ensure sustainable and responsible operations, in accordance with our longstanding pledge to ethical corporate citizenship and sustainability promotion in all our endeavors. All of the SDGs are relevant to our operations to varying extents, and we already contribute to several of these objectives. Our attention is on supporting 5 goals where we can make the most substantial impact.



Sustainability Statement (Cont'd)

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



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

Failure to address climate change can have detrimental effects on economic growth and progress towards achieving all SDGs. As a responsible corporate citizen, we aim to take a leading role in achieving SDG 7 by promoting the use of green renewable energy. Green renewable energy from sources like solar power provides a cleaner and sustainable alternative to fossil fuels, benefitting the environment. It is our vision to become an innovative and leading provider of green renewable energy, thereby reducing our dependence on non-renewable energy sources.

We have set an ambitious goal to generate a substantial portion of our revenue from the green energy business segment, and we are pleased to report that we have been making significant progress towards this objective. In totality, we own and operate 22 solar farms with a combined capacity of 12.36 Megawatt ("MW") nationwide as of FYE 2022.

In FYE 2022, we have achieved another remarkable revenue contribution from our green energy business segment with double digit revenue growth of 37.4%. Under the Malaysian government Net Energy Metering ("NEM") programme, the Group will be constructing 18 rooftop solar farms in Kuala Terengganu with 3.2 MW capacity for a lease period of 21 to 25 years. This project is expected to commercialise before end of 2023.

We incorporate usage of on-site solar photovoltaic ("PV") solutions in our headquarter. 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 more than 270 sites with solar hybrid power solution, and we aspire to achieve more than 350 sites by 2023. This is consistent with the global trend of reducing carbon emission and building a more sustainable economy.



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

OCK Group recognises that stimulating economic growth must be done responsibly and sustainably, without compromising the planet or the welfare of our employees. As part of our commitment to the SDGs, we have identified four out of eleven Material Sustainability Matters that are related to our employees. This highlights the importance of our employees to the success of our business.

At our company, we strive to cultivate a thriving and robust organisation by recruiting and nurturing skilled individuals, strengthening our leadership, and improving employee performance through active engagement. We are committed to providing a safe and healthy work environment for our staff, as well as ensuring equal employment opportunities for all employees, regardless of gender, ethnicity, or physical ability, in areas such as recruitment, career development, promotion, training, and compensation.

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)



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

Being a top-tier telecommunication infrastructure and service provider, OCK contributes to SDG 9 via building and maintaining telecommunications infrastructure as it helps to improve access to communication networks, promote digital inclusion and bridge the digital divide.

When we enter a green field site where industrialisation needs are concerned, 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 arrival of fifth generation ("5G") wireless network presents excellent opportunities for OCK to showcase our capabilities in enabling connectivity transformation. With 5G comes a host of smart solutions such as smart city, smart healthcare, smart agriculture and smart traffic. Having completed 5G trials in Malaysia for our self-developed smart poles, OCK is ready to support large-scale rollout of 5G networks that facilitate highspeed, low-latency connectivity with superb reliability for unlimited applications that cover every aspect of life.

Working together with the Malaysian Communications and Multimedia Commission ("MCMC"), OCK is heavily involved in the Jalinan Digital Negara ("JENDELA") initiatives. OCK has successfully secured new telco infrastructure works for expansion of 4G coverage comprising various tower construction, tower upgrading, fibreisation works under Phase 1 of JENDELA as well as preparation works for 5G deployment under Phase 2 of JENDELA.



ENSURE SUSTAINABLE CONSUMPTION AND PRODUCTION PATTERNS

By committing to reduce consumption and responsibly use resources, OCK Group is contributing to SDG 12 - Responsible Consumption and Production. The Group can achieve this goal by implementing sustainable practices in its operations, such as reducing energy and water consumption, minimising waste generation, and promoting the circular economy through the reuse and recycling of resources. The Group can also encourage its stakeholders to adopt sustainable practices by promoting awareness and providing education and training programs. Through these efforts, OCK Group can help ensure that resources are used in a responsible and sustainable manner, promoting a more sustainable future for all.

Sustainability Statement (Cont'd)

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



ACHIEVE GENDER EQUALITY AND EMPOWER ALL WOMEN AND GIRLS

Having a diverse board and senior management team can bring various benefits to a company, such as a wider range of perspectives, improved decision-making, and better performance in a dynamic business environment. Gender diversity is one aspect of diversity that companies should prioritise, as it can bring unique perspectives and skillsets to the table.

To promote gender diversity, companies should take proactive measures to seek out and recruit qualified women candidates for board and senior management positions. This can include initiatives such as targeted outreach to women candidates, unbiased recruitment processes, and mentorship and sponsorship programs to support the development and advancement of women leaders. By creating a more diverse and inclusive leadership team, companies can foster a culture of innovation and drive sustainable business success.

OCK has taken cognisance of the changes in the Malaysian Code on Corporate Governance ("MCCG") announced on 28 April 2021, of which one of the changes required companies to have 30% women directors. It is worth noting that during the fiscal year under review, OCK had 20% women directors on its board of the holding company, a positive increase from the 11% in the previous fiscal year.

STAKEHOLDERS' ENGAGEMENT AND COMMUNICATION

Throughout the fiscal year, we remained committed to actively engaging with our stakeholders as part of our sustainability assessment process. By engaging with our stakeholders, we are better able to gain a comprehensive understanding of the material issues and concerns they may have. Through this engagement, 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	<ul style="list-style-type: none"> Annual General & Extraordinary Meetings Press releases Bursa announcements Quarterly report Annual report Timely update on corporate website 	<ul style="list-style-type: none"> Financial and operational performance Dividend policy Return on investments
Government	<ul style="list-style-type: none"> Compliances to laws and regulations Attend webinars or events organised by government 	<ul style="list-style-type: none"> Operation regulations Bursa listing requirements Companies Act Labour law Taxations Occupational Safety and Health Act
Board of directors	<ul style="list-style-type: none"> Board meetings 	<ul style="list-style-type: none"> Corporate strategy Corporate governance

Sustainability Statement (Cont'd)

STAKEHOLDERS' ENGAGEMENT AND COMMUNICATION (CONT'D)

STAKEHOLDERS	ENGAGEMENT METHODS	ENGAGEMENT AREAS
Employees	<ul style="list-style-type: none"> • Technical and skills trainings • Employee engagement survey • Performance review • Dialogues between employers and employees • Internal memo • Notice board announcement 	<ul style="list-style-type: none"> • Occupational safety & health • Remuneration policy • Career development • Performance review • Fair employment practices
Financial Institutions	<ul style="list-style-type: none"> • Bursa announcements • Quarterly report • Annual report • Timely update on corporate website 	<ul style="list-style-type: none"> • Financial and operational performance • Funding requirement
Customers	<ul style="list-style-type: none"> • Regular meetings • Client satisfaction survey form 	<ul style="list-style-type: none"> • Customer satisfactions • After-sales services • Quality assurance
Suppliers & Vendors	<ul style="list-style-type: none"> • Vendor registration form (new supplier) • Regular meetings • Quality audit on services and products • Contract negotiation 	<ul style="list-style-type: none"> • Services and products' quality • Legal compliances • Company's policies
Communities	<ul style="list-style-type: none"> • Charity and welfare programs • Corporate website 	<ul style="list-style-type: none"> • Social contribution • Job opportunities • Donation and financial aid
Analyst/Media	<ul style="list-style-type: none"> • Annual General & Extraordinary Meetings • Press conferences and media releases 	<ul style="list-style-type: none"> • 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: Coronavirus Disease 2019 ("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.	<p>Working together with MCMC, OCK is heavily involved in the JENDELA initiatives. OCK has successfully secured new telco infrastructure works for expansion of 4G coverage comprising various tower construction, tower upgrading, fiberisation works under Phase 1 of JENDELA as well as preparation works for 5G deployment under Phase 2 of JENDELA.</p> <p>OCK is involved in the 5G deployment locally in two ways. Firstly, the upgrading of 160 existing 4G towers to support 5G service, which will in turn be leased to Digital Nasional Berhad ("DNB"). Secondly, OCK is involved in certain parts of the work in the construction of 80 new 5G towers of DNB.</p> <p>OCK is poised to have positive growth in the region telco infrastructure space in Vietnam and Myanmar which are still relatively under-served especially in the rural areas. As a towerco, OCK targets to increase our tower portfolio to more than 6,000 telecommunication sites in 2023 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.</p> <p>Elsewhere, OCK aims to replicate their successful venture into Vietnam and Myanmar into other regional markets. The Group has signed a Shareholders Agreement with Laos People's Democratic Republic's Ministry of Finance in bid to tap into the telecommunications industry in Laos. In January 2023, OCK made a remarkable milestone where the Laotian government has granted OCK the license to supply telco infrastructure.</p>

Sustainability Statement (Cont'd)

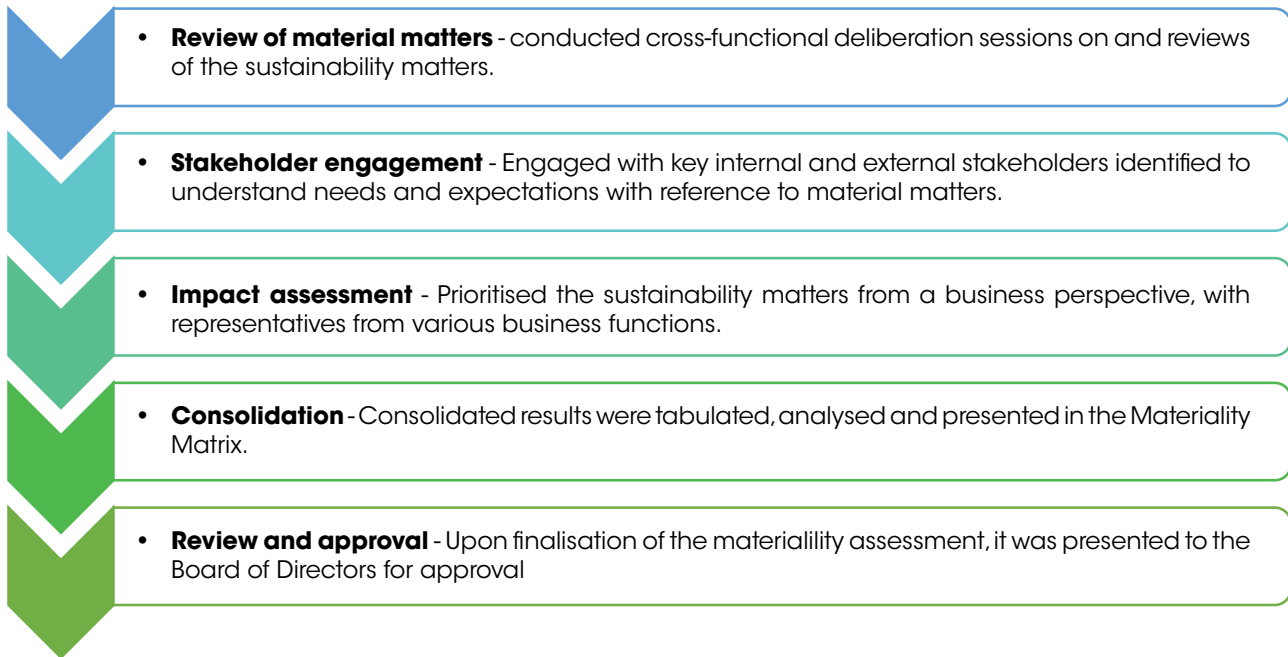
SUSTAINABILITY RISKS AND RESPONSES (CONT'D)

RISK	RISK ANALYSIS	RISK RESPONSES
Intensified climate change	<p>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.</p>	<p>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.</p>
Staff engagement	<p>Staff engagement: Transforming staff to evolving needs and supporting employment with limited resources without compromise is challenging.</p> <p>Workplace wellness: Expectation on work-life balance and workplace health and safety are even higher after the pandemic.</p>	<p>The Group continues to cultivate a high-performance culture and nurture a vibrant and diverse workforce with robust training and succession plan.</p>

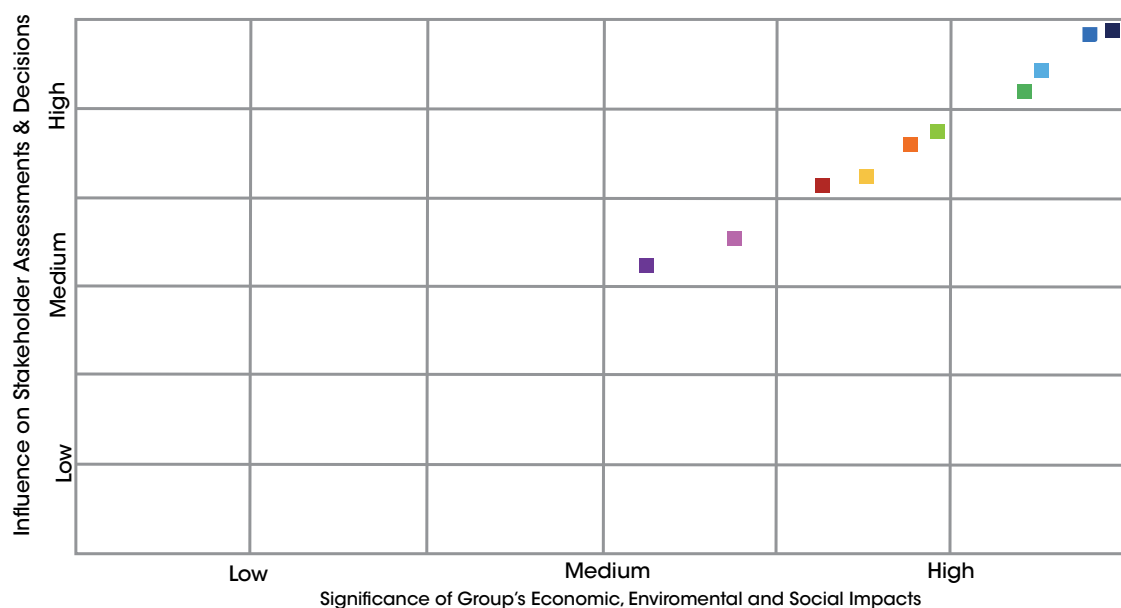
Sustainability Statement (Cont'd)

MATERIALITY ASSESSMENT

We conducted a structured materiality assessment exercise to prioritise our sustainability matters based on both business and stakeholder expectations. Our materiality assessment process was guided by Bursa Malaysia's Sustainability Reporting Guide (2nd Edition) and Bursa Malaysia Toolkit.



We assess our sustainability material 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.



- Consumers & products
- Shareholders
- Suppliers & vendors
- Energy savings
- Waste management
- Labour practices
- Safe workplace
- Talent motivation & skill development
- Diversity & inclusion
- Community engagement

Sustainability Statement (Cont'd)

MATERIALITY ASSESSMENT (CONT'D)

The table below shows key relationships between the Group's top material sustainability matters, and the related SDGs.

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

 Economic
  Environment
  Social

Sustainability Statement (Cont'd)

MATERIALITY ASSESSMENT (CONT'D)

Economic

- Shareholders
- Customers & Products
- Suppliers & Vendors

Shareholders

As the ultimate proprietors of our company, our shareholders' interests are of utmost importance to us. Therefore, one of the significant sustainability concerns for our group is maintaining a robust and sustainable financial performance and position. We are committed to achieving economic growth that is sustainable for the benefit of our shareholder.

The Group recognises the importance of prioritising financial sustainability and considers it a crucial aspect of its operations. Our fundamental principle is that the long-term profitability and value for shareholders are best achieved by taking into account the interests of all stakeholders, including shareholders, employees, suppliers,

and the wider community. We believe that by adopting a holistic approach that considers the needs of all stakeholders, we can create sustainable value for our shareholders over the long run.

To promote transparency, our shareholders 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 dedicated to ensuring that not only our shareholders' interests but also those of our customers and suppliers are well-taken care of. For our customers, we are committed to supplying and providing high-quality products and services that meet their satisfaction and expectations. We strive to achieve this by continually improving our technology and processes as required.

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

To ensure that our products consistently meet the highest standards of quality, our project management processes have been accredited with ISO 9001:2015 - Quality Management Systems. This certification guarantees that we comply with our customers' security and safety requirements and take necessary measures to minimise hazard risks during installation. Moreover, our Group adheres to all relevant laws and regulations governing safety and quality. Our unwavering commitment to maintaining the highest standards of product quality has helped us become one of the largest TNS providers in Malaysia.

As one of the leading players in the industry, we boast a team of highly skilled employees who possess in-depth industry knowledge and expertise. Our team is well-equipped to manage and exceed our customers' expectations with ease. We understand the significance of leveraging new technologies to improve our business processes and operations. Therefore, we strive to keep up-to-date with the latest technological advances and innovations in the fields of telecommunications and green energy.

The COVID-19 pandemic fundamentally changed how we work, learn, connect and shop. And while underlying structural trends, such as a rise in remote working, supply chain disruptions and shifting consumer preferences have been underway for some time, the COVID-19 pandemic turbocharged those behaviours and proclivities. This has essentially speeded digital transformation as well as the need for better network connectivity. As one of the largest telecommunications network solutions providers in Malaysia and regionally, OCK undoubtedly stands to benefit from the need for accelerated digitalisation and 5G technology.

Sustainability Statement (Cont'd)

MATERIALITY ASSESSMENT (CONT'D)

ECONOMIC (CONT'D)

Customers & Products (Cont'd)

JENDELA is the government's plan to expand the reach of the internet to every corner of Malaysia, in preparation for 5G technology. Under JENDELA, the Malaysian government through MCMC laid the foundation to provide wider coverage and better broadband experiences. Working together with MCMC, OCK is heavily involved in the JENDELA initiatives. OCK has successfully secured new telco infrastructure works for expansion of 4G coverage comprising various tower construction, tower upgrading, fiberisation works under Phase 1 of JENDELA as well as preparation works for 5G deployment under Phase 2 of JENDELA. OCK is involved in the 5G deployment locally in two ways. Firstly, it is the upgrading of over 160 existing 4G towers to support 5G service, which will in turn be leased to DNB. Secondly, OCK is involved in certain parts of the work in the construction of 80 new 5G towers of DNB.

Vietnam is viewed as the country with high potential for fast digital economic development and digital transformation trend across all field. Vietnam's growing digital population reinforces the need for this focus on telecommunications infrastructure enhancement. It is necessary to first establish seamless widespread nationwide connectivity to sustain the momentum of this digital transformation push. OCK saw more than 700 towers added during FYE 2022 through inorganic acquisitions, with the Group targeting another 800 sites in FYE 2023.

Elsewhere, OCK aims to replicate their successful venture into Vietnam and Myanmar into other regional markets. The Group has signed a Shareholders Agreement with Laos People's Democratic Republic's Ministry of Finance in bid to tap into the telecommunications industry in Laos. In January 2023, OCK made a remarkable milestone where the Laotian government has granted OCK a license to supply telco infrastructure.

OCK has received the prestigious title of "Telecom Network Services Provider of the Year - Malaysia" from the Asian Business Review. This award recognises the Company's excellence in providing telecommunications network services in Malaysia, and highlights OCK's commitment to delivering high-quality services to its customers. It is a significant achievement for OCK and demonstrates the Company's success in the telecommunications industry.

During FYE 2022, our subsidiary was also honoured with an award from Telekom Malaysia for being the Best Output Delivery State in the Network Eastern



Region under Certified Network Contractor category. 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.

In today's business environment, ensuring the security and privacy of clients' data is a top priority. The Group recognises the risks associated with cyberattacks and takes measures to minimise or eliminate them. To this end, the Company provides training for its Information Technology ("IT") officers to enhance their skills in addressing cybersecurity concerns. This helps to instil confidence in clients that their data is being protected and that the company is taking appropriate steps to prevent cyberattacks.

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 in September 2022 and has given the Group's assets a clean bill of health, including exposure from unauthorised software usage.

We conduct our business in compliance with the PDPA's guidance with the collection, use and disclosure of personal data. We have also safeguarded against external attempts to breach any confidential information. There were no reported cases of non-compliance with Personal Data Protection Act 2010 in FYE 2022.

FYE 2022

Number of substantiated complaints concerning breaches of customer privacy and losses of customer data

Nil

Sustainability Statement (Cont'd)

MATERIALITY ASSESSMENT (CONT'D)

ECONOMIC (CONT'D)

Suppliers & Vendors

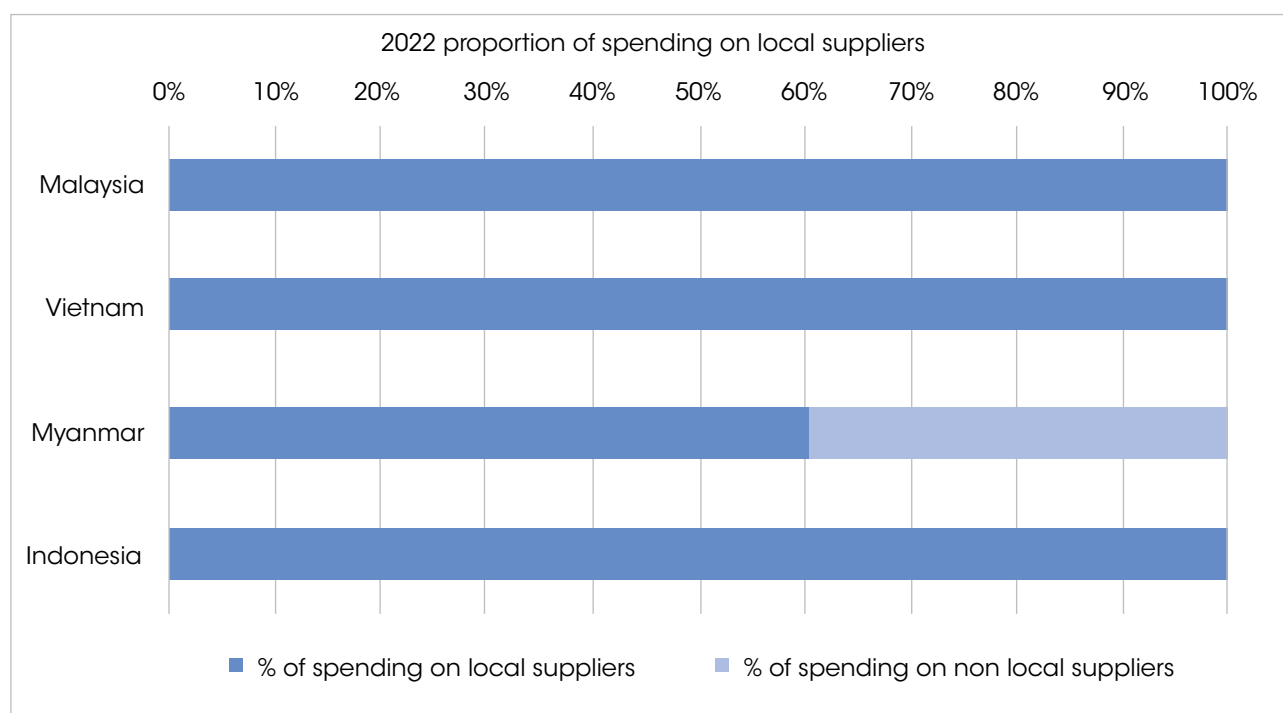
To our suppliers and vendors, we are committed to enhance our processes and engage with our suppliers and vendors to identify and manage risks, increase productivity and efficiency within the supply chain, underpinned by values of integrity and transparency. We look to create value, by looking for opportunities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



Sustainability Statement (Cont'd)

MATERIALITY ASSESSMENT (CONT'D)

ENVIRONMENT

- **Energy Savings**
- **Water Savings**
- **Waste Management**

Energy Savings

At OCK, we are deeply concerned about the impact our business has on the environment especially through global warming. The extreme weather events of the past year have highlighted the growing reality and urgency of climate change focus. 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.

The GEP Solutions segment contributed 8.1% of the Group's overall revenue. On a year-on-year ("YoY") comparison between FYE 2022 and FYE 2021, the Group's GEP Solutions segment reported another commendable double-digit growth of 37.4% in revenue. We are currently also embarking on large scale solar energy projects. OCK presently owns 22 solar farms, generating 12.36 Megawatt ("MW") in Malaysia.

It is worth to be noted that OCK is also actively participated 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 photovoltaic plants. To-date, a total of 3.2 MW of has been awarded to OCK under NEM programme over a lease period of 21 to 25 years. This project is expected to commercialise before end of 2023.

Internally, the Group incorporates usage of on-site PV solutions in our headquarter. At the Group's headquarter, 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.

Our initiatives to reduce our energy consumption every year are regular inspection of air-conditioning system of all our office places so that the temperature setting conforms to the range of 22-25 degree Celsius. Each year we install and replace lightings with energy saving LED lights. Apart from that, we switch off unnecessary ventilation, air conditioning systems, lighting when not in use and during non-business hours.



We experienced a slight increase in our electricity consumptions in OCK's headquarter in FYE 2022, mainly due to the increased number of physical events that took place as we entered the "Transition to Endemic" phase.

	FYE 2020	FYE 2021	FYE 2022
Electricity consumptions	178,299 kWh	200,822 kWh	215,250 kWh
Total space	4,868m ²	4,868m ²	4,868m ²
Electricity intensity	36.6kWh/m ²	41.3kWh/m ²	44.2kWh/m ²

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)

MATERIALITY ASSESSMENT (CONT'D)

ENVIRONMENT (CONT'D)

Water Savings

Water is a limited resource, and as the world continues to advance and the global population continues to grow, an increasing strain is being placed on the supply of clean water. Water conservation is therefore an area that our Group works hard on, both improving the efficiency with which we use our water, as well as working to educate our employees about the need to conserve it by placing reminders near water taps. A reduction of 16.5% in water usage has been reported in FYE 2022 on water used in OCK's headquarter.

	FYE 2020	FYE 2021	FYE 2022
Water usage	2,736m ³	4,556m ³	3,804m ³

Waste Management

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





Schedule by Year 2022: *(Every third Friday of the month)*

February	18 th
April	15 th
June	17 th
September	22 th
November	25 th



Your great effort and participation will be highly appreciated!
We go green & build environmental friendly office together.



Sustainability Statement (Cont'd)

MATERIALITY ASSESSMENT (CONT'D)

SOCIAL

- **Safe Workplace**
- **Labour Practices**
- **Talent Motivation and Skill Development**

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 aimed to achieve a zero-accident rate for Occupational Safety and Health. There were no work-related fatalities as well as zero accident on our employees reported in FYE 2022. One accident caused by our outsourced subcontractor was recorded in FYE 2022. The Group has taken a proactive approach to enhance its safety measures among its outsourced subcontractors and prevent the recurrence of similar accidents in the future:

	FYE 2022
Number of fatalities	Nil
Number of lost time injuries	Nil
Total number of hours worked	1,226,200
Lost Time Incident Rate ("LTIR")	Nil

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

In FYE 2022, a total of 297 employees from Malaysia operation underwent safety training. 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.

	FYE 2022
Number of employees trained on health and safety standards	297

Sustainability Statement (Cont'd)

MATERIALITY ASSESSMENT (CONT'D)

SOCIAL

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. No complaint concerning human right violations or unfair treatment of all employees has been filed throughout 2022.

	FYE 2022
Number of substantiated complaints concerning human rights violations	Nil

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.

Talent Motivation and Skill Development

The old adage, "Our people are our best assets" may sound cliché but it is nonetheless true. At OCK, we have always recognised this and have strived to bring out the best in our people and ensure that they share a vision to always be ahead in all we do. The development of our employees is a key priority which we take seriously as we believe in creating value through the growth of our own people. Our approach is a holistic one that considers learning needs, individual development plans to drive career growth and retention, and the embedding of our culture and values.

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.

FYE 2022	External Training		Internal Training	
	No. of employees	Training hours	No. of employees	Training hours
Senior Management	36	453	3	12
Middle Management	146	1,447	106	396
Administrative workforce	49	403	39	146
Technical workforce	201	2,118	96	291
Total	432	4,421	244	845

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)

MATERIALITY ASSESSMENT (CONT'D)

SOCIAL (CONT'D)

Talent Motivation and Skill Development (Cont'd)



Sustainability Statement (Cont'd)

MATERIALITY ASSESSMENT (CONT'D)

SOCIAL (CONT'D)

Talent Motivation and Skill Development (Cont'd)



Sustainability Statement (Cont'd)

MATERIALITY ASSESSMENT (CONT'D)

SOCIAL (CONT'D)

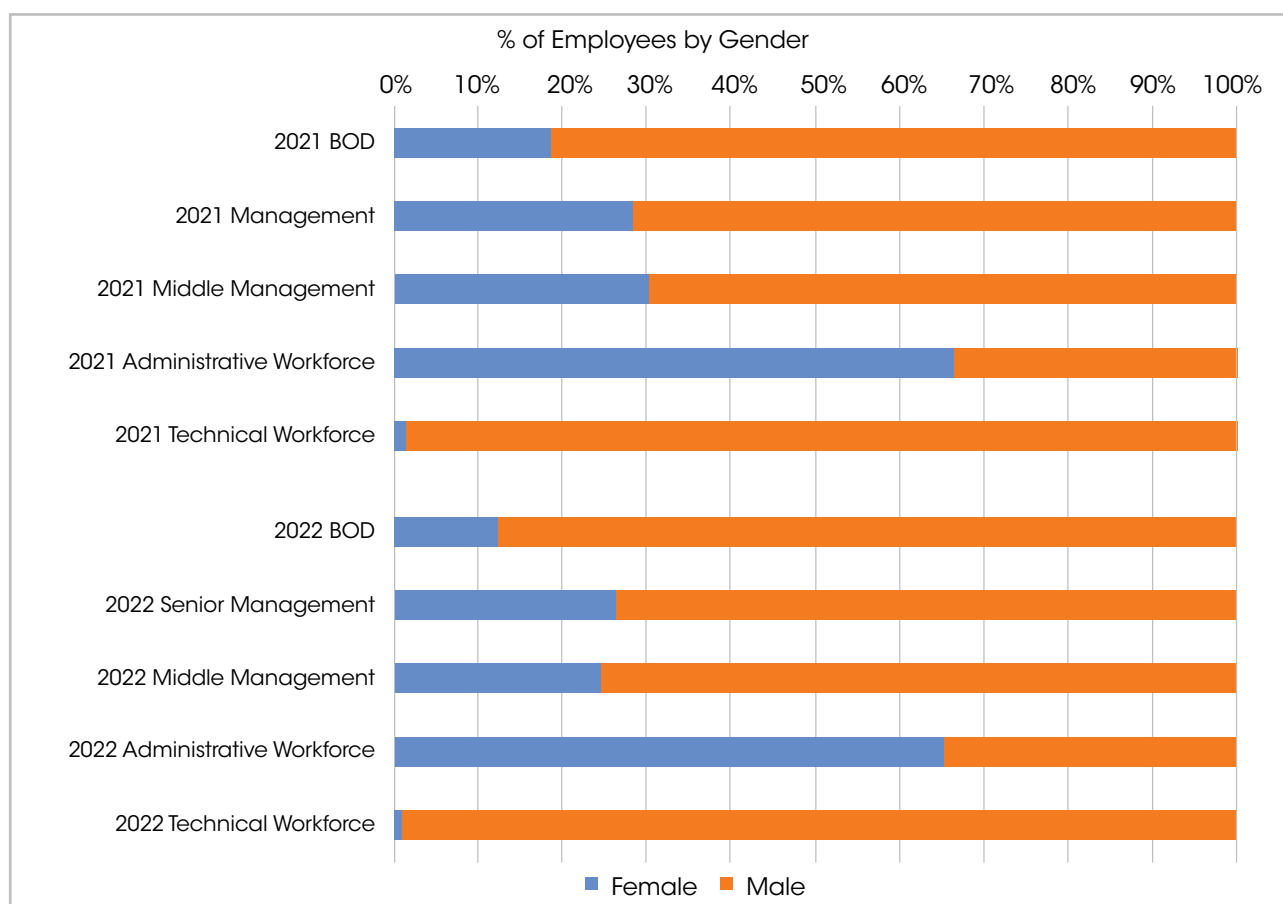
Talent Motivation and Skill Development (Cont'd)

FYE 2022	No. of staff as at 1 January	Recruitment	Resignation	Number of staff as 31 December
BOD	16	2	2	16
Senior Management	48	8	5	51
Middle Management	100	28	12	116
Administrative workforce	199	81	56	224
Technical workforce	2,850	1,719	1,171	3,398
Total	3,213	1,838	1,246	3,805

Diversity & Inclusion

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



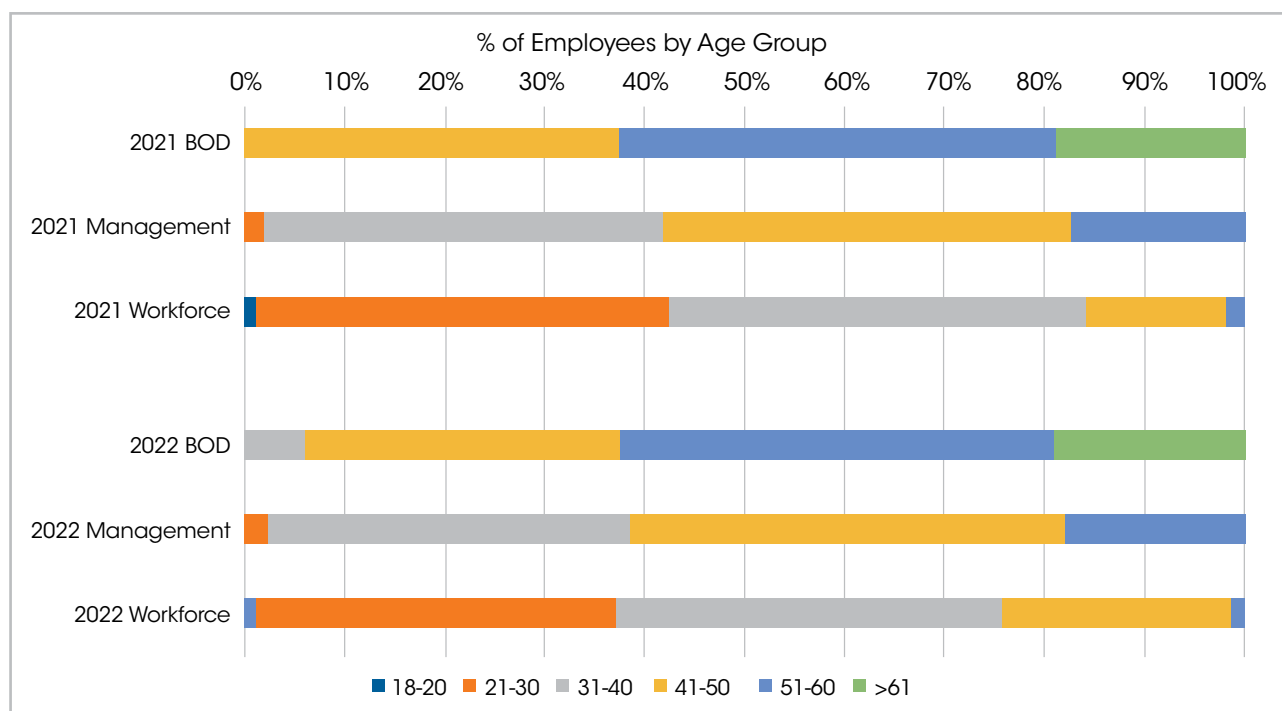
Sustainability Statement (Cont'd)

MATERIALITY ASSESSMENT (CONT'D)

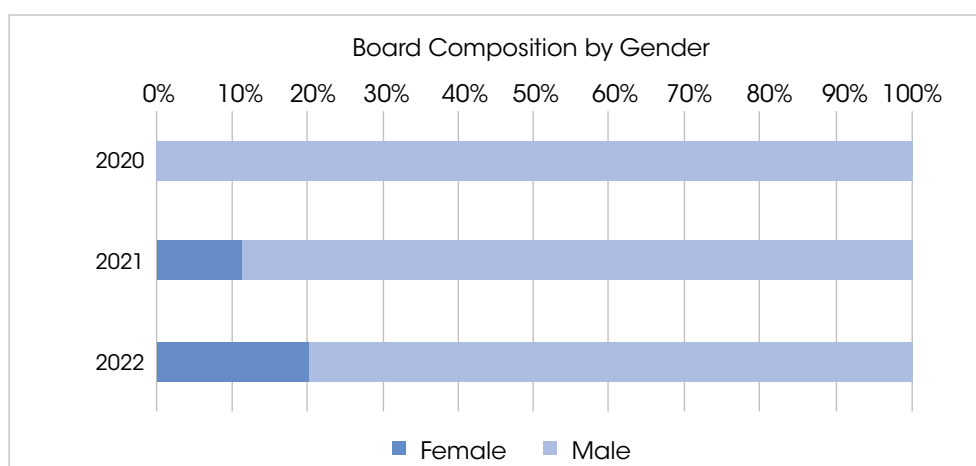
SOCIAL (CONT'D)

Diversity & Inclusion (Cont'd)

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.



We continue to adopt an approach of strong corporate governance. The Nomination Committee continues to review the composition of the Board and skills and diversity of the Directors and will make further appointments where it considers them necessary, having particular regard to diversity. The Nomination Committee endeavours to create a diverse pipeline with a good mix of people with varied experiences and backgrounds to enrich the organisation including board composition. It is worth noting that during the fiscal year under review, OCK had 20% women directors on its board of the holding company, a positive increase from the 11% of women directors in the previous fiscal year.

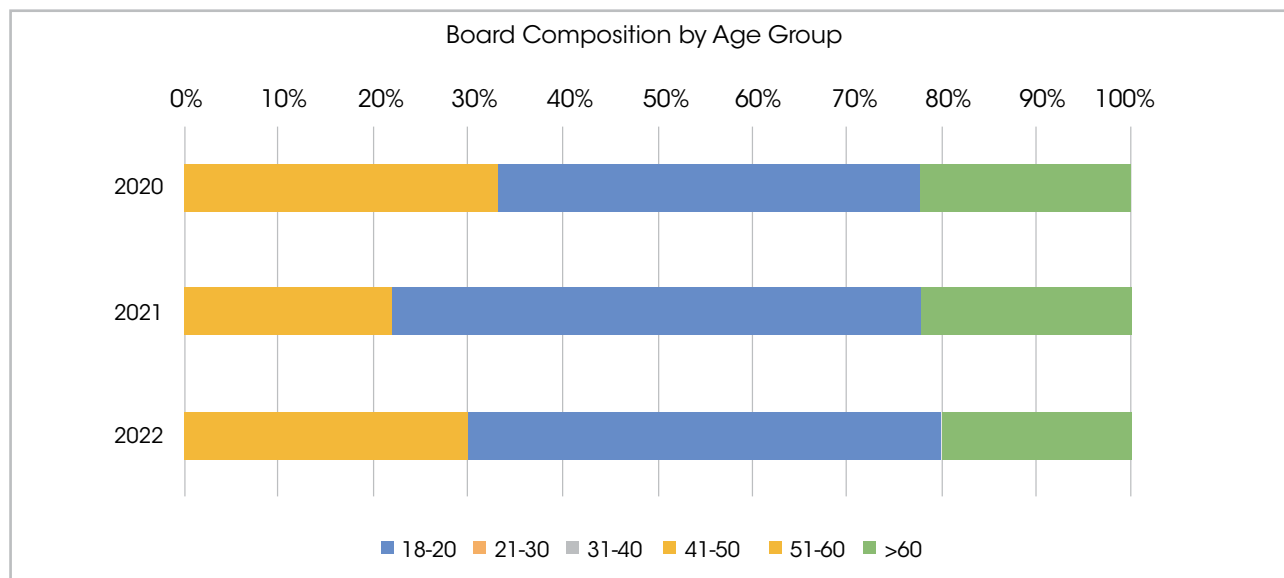


Sustainability Statement (Cont'd)

MATERIALITY ASSESSMENT (CONT'D)

SOCIAL (CONT'D)

Diversity & Inclusion (Cont'd)



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.

Community Engagement

Community engagement and support especially for those from vulnerable groups is an important part of our outreach activities. We are proud of having the privilege to serve various segments of the community such as those on low incomes, people living with disabilities, senior citizens and etc. 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.

	2022
Total amount invested in the communities with external beneficiaries	RM112,000

Sustainability Statement (Cont'd)

MATERIALITY 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

The Group aims to be a responsible member of the corporate community by prioritising sustainable and responsible practices that promote sustainable business growth, environmental stewardship, and social responsibility.

Rewarding our shareholders	Dividend
Sustaining long term value	Investment in our resources to ensure long term benefits to our various stakeholders
Advancing our business	Reinvestment in our core business
Investing in our human resources	Competitive remuneration, compensation, benefits and trainings
Contributing to society	Continued upliftment of our society's well-being through taxes and donations

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 regulatory bodies to keep abreast with the relevant updates on statutory and regulatory requirements and updates on the Main Market Listing Requirements ("MMLR") of Bursa Securities.

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

Information and support for Directors

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

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

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

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

Code of Conduct and Ethics

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

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

Corporate Governance Overview Statement (Cont'd)

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

I. Board Responsibilities (Cont'd)

Whistle-blowing Policy

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

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

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

The Independent Non-Executive Directors are responsible in exercising independent judgement and to act in the best interests of the Group in ensuring that decisions made by the Board are 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. Dato' Indera Syed Norulzaman Bin Syed Kamarulzaman who has completed his 9 years of service on the Board of OCK at the 11th AGM on 27 June 2022 and was redesignated as Non-independent Non-Executive Chairman after the conclusion of the 11th AGM.

At this juncture, all the three (3) Independent Directors have served the Board for less than 9 years as at 31 December 2022.

However, the Board believes that the length of service on the Board did not impair the objectivity of these Independent Directors. Moreover, the Independent Directors had 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.

In line with the recommendation of MCCG 2021, Ms. Ong Yee Ling @ Sharon was appointed as additional Independent Non-Executive Director, to have at least 30% women participation.

Besides, the Board has decided to maintain the optimum Board size at 10 based on the review of the Board composition in 2022. 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 acknowledged the importance of 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, two (2) meeting was carried out, with attendance as follows:

Name of Director	Designation	No. of Meetings Attended
Ong Yee Ling @ Sharon (Independent Non-Executive Director) (Appointed on 28 June 2022)	Chairperson	Not Applicable.
Mahathir Bin Mahzan (Independent Non-Executive Director)	Member	2/2
Low Ngai Yuen (Independent Non-Executive Director)	Member	2/2
Dato' Indera Syed Norulzaman Bin Syed Kamarulzaman (Non-Independent Non-Executive Chairman) (Resigned as Chairman of Nomination Committee on 28 June 2022)	Former Chairman	2/2

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

- 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;
- Assessed the independence of all three (3) Independent Directors whose tenure had exceeded a nine (9) year term;
- Reviewed the performance of retiring Directors and recommended them to the Board for re-election at the forthcoming AGM;
- Reviewed the position of the Independent Director and recommended the same to the Board;
- 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;
- Reviewed and assessed the performance of the key Senior Management;
- Ensure all Directors receive appropriate continuous training programmes;
- Leads the succession planning and appointment of new Audit and Risk Management Committee's chairman and new Chief Executive Officer;
- Reviewed and updated the Director's Recruitment Criteria and Process; and
- Reviewed and updated its Term of Reference pursuant to the new MCCG.

Evaluation of Board, Board Committees and Individual Directors

The Nomination Committee annually performs a board self-evaluation to evaluate the performance of the Board, Board Committees and individual Directors, in order to verify that the Board is operating effectively and efficiently as a whole. Each Director completed a detailed questionnaire in the Directors' Performance Evaluation which covered matters relevant to the Board performance, among other things, contribution to interaction, quality of input, understanding of role and personal developments. An evaluation of each Board Committee was done by assessing the structure, roles and responsibilities, performance of the respective Chairman, as well as Committee's performance against its Term of Reference. The assessment was internally facilitated, 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	29.03.2022	Working Together Towards The Future of Cyber Security in Southeast Asia
	30.05.2022	Internal Auditors' Briefing on Guidelines of Directors of Listed Corporations and Their Subsidiaries
	13.09.2022	Advocacy Sessions for Directors and Senior Management of Main Market Listed Issuers
	01.12.2022	Bursa Immersive Session: The Board "Agender"
Mahathir Bin Mahzan	30.05.2022	Internal Auditors' Briefing on Guidelines of Directors of Listed Corporations and Their Subsidiaries
Low Ngai Yuen	30.05.2022	Internal Auditors' Briefing on Guidelines of Directors of Listed Corporations and Their Subsidiaries
Ong Yee Ling @ Sharon (Appointed on 28 June 2022)	20.09.2022 to 22.09.2022	Mandatory Accreditation Programme
Ooi Chin Khoon	30.05.2022	Internal Auditors' Briefing on Guidelines of Directors of Listed Corporations and Their Subsidiaries
Low Hock Keong	14.01.2022	2022 Economic & Market Outlook
	30.05.2022	Internal Auditors' Briefing on Guidelines of Directors of Listed Corporations and Their Subsidiaries
Abdul Halim Bin Abdul Hamid	30.05.2022	Internal Auditors' Briefing on Guidelines of Directors of Listed Corporations and Their Subsidiaries
Chang Tan Chin	30.05.2022	Internal Auditors' Briefing on Guidelines of Directors of Listed Corporations and Their Subsidiaries

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)

Name of Directors	Date	Seminar / Training Course Title
Chong Wai Yew	30.05.2022	Internal Auditors' Briefing on Guidelines of Directors of Listed Corporations and Their Subsidiaries
Rear Admiral (R) Dato' Mohd Som Bin Ibrahim	30.05.2022	Internal Auditors' Briefing on Guidelines of Directors of Listed Corporations and Their Subsidiaries

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.

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:-

<u>Name of Director</u>	<u>Designation</u>
Low Ngai Yuen (Independent Non-Executive Director) (Appointed as Chairperson of Remuneration Committee on 28 June 2022)	Chairperson
Mahathir Bin Mahzan (Independent Non-Executive Director)	Member
Ong Yee Ling @ Sharon (Independent Non-Executive Director) (Appointed on 28 June 2022)	Member
Dato' Indera Syed Norulzaman Bin Syed Kamarulzaman (Non-Independent Non-Executive Chairman) (Resigned as Chairman of Remuneration Committee on 28 June 2022)	Former Chairman
Ooi Chin Khoo (Resigned as Member of Remuneration Committee on 28 June 2022)	Former Member

Corporate Governance Overview Statement (Cont'd)

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

III. Remuneration (Cont'd)

Remuneration Committee (Cont'd)

The responsibilities of Remuneration Committee are as follows: -

- (a) Reviewed and assessed the performance and the remuneration package of the Executive Directors and key Senior Management;
- (b) Reviewed and assessed the Directors' fees and benefits payable for the financial year ended 2022;
- (c) Reviewed and updated its Term of Reference;
- (d) Reviewed the Board and Key Senior Management 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.

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

Group Level

Name of Directors	Salaries and Other Emoluments (RM'000)	Bonus (RM'000)	EPF and SOCSO (RM'000)	Benefits in Kind (RM'000)	Total (RM'000)
Non-Executive Directors					
Dato' Indera Syed Norulzaman Bin Syed Kamarulzaman	66.00	-	-	13.30	79.30
Mahathir Bin Mahzan	55.00	-	-	-	55.00
Low Ngai Yuen	42.50	-	-	-	42.50
Ong Yee Ling @ Sharon (Appointed on 28.06.2022)	20.30	-	-	-	20.30
Rear Admiral (R) Dato' Mohd Som Bin Ibrahim	39.00	-	-	-	39.00
Executive Directors					
Ooi Chin Khoon	1,204.00	126.00	160.10	24.00	1,514.10
Low Hock Keong	786.50	87.20	105.10	24.00	1,002.80
Abdul Halim Bin Abdul Hamid	396.80	31.30	52.00	-	480.10
Chong Wai Yew	396.80	46.90	53.90	-	497.60
Chang Tan Chin	378.10	31.30	49.80	-	459.20

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)
Non-Executive Directors					
Dato' Indera Syed Norulzaman Bin Syed Kamarulzaman	66.00	–	–	13.30	79.30
Mahathir Bin Mahzan	55.00	–	–	–	55.00
Low Ngai Yuen	42.50	–	–	–	42.50
Ong Yee Ling @ Sharon (Appointed on 28.06.2022)	20.30	–	–	–	20.30
Rear Admiral (R) Dato' Mohd Som Bin Ibrahim	39.00	–	–	–	39.00
Executive Directors					
Ooi Chin Khoon	1,204.00	126.00	160.10	24.00	1,514.10
Low Hock Keong	786.50	87.20	105.10	24.00	1,002.80
Abdul Halim Bin Abdul Hamid	396.80	31.30	52.00	–	480.10
Chong Wai Yew	3.00	–	–	–	3.00
Chang Tan Chin	3.00	–	–	–	3.00

Remuneration of Senior Management

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

Range of Remuneration (RM)	Number of Senior Management
RM100,000 to RM150,000	1
RM150,001 to RM200,000	–
RM200,001 to RM250,000	2
RM250,001 to RM300,000	–
RM300,001 to RM350,000	–
RM350,001 to RM400,000	2
Above RM400,001	4

(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) Ms. Low Ngai Yuen
- (c) Ms. Ong Yee Ling @ Sharon (*Appointed as Member of Audit and Risk Management Committee on 28 June 2022*)
- (d) Dato' Indera Syed Norulzaman Bin Syed Kamarulzaman (*Resigned as Member of Audit and Risk Management Committee on 28 June 2022*)

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

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

In the course of their audit, the External Auditors presented for the Audit and Risk Management Committee review its 2022 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

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, press releases, analyst briefings, analyst coverage and other corporate information.

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

Corporate Governance Overview Statement (Cont'd)

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

Integrated Reporting

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

II. Conduct of General Meetings

Notice of general meeting

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

Given the significance of general meetings, the notice of meeting together with the annual report is sent to the shareholders at least 28 days prior to the AGM, so as to maximise their attendance and to provide sufficient time to consider the resolutions that will be discussed and decided at the general meeting. Concurrently, the notice of AGM is advertised in a nationally circulated English daily newspaper. In order to facilitate informed 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 11th AGM which was held on 27 June 2022 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.

The Company conducts a poll voting on each resolution tabled during the general meetings to support shareholders participation. At its 11th AGM held on 27 June 2022, OCK had leverage technology to facilitate online electronics voting (e-voting) for the conduct of poll on all resolutions for the second time. Online electronic voting was used to provide a more efficient and accurate outcome of the results.

Corporate Governance Overview Statement (Cont'd)

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

II. Conduct of General Meetings (Cont'd)

Voting (Cont'd)

For the 10th and 11th AGM held on 25 June 2021 and 27 June 2022, 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 20 April 2023.

AUDIT AND NON-AUDIT FEES

During the financial year under review, the audit and non-audit fees for External Auditors of the Group were RM798,459.00 and RM33,769.00 respectively.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

1. COMPOSITION AND DESIGNATION OF AUDIT AND RISK MANAGEMENT COMMITTEE

The Audit and Risk Management Committee comprises of three (3) members of the Board, all of whom are Non-Executive Independent Directors. The members during financial year ended 31 December 2022 are as follows:-

		Designation
Chairman:	Encik Mahathir Bin Mahzan	Independent Non-Executive Director
Members:	Ms. Low Ngai Yuen	Independent Non-Executive Director
	Ms. Ong Yee Ling @ Sharon (Appointed on 28 June 2022)	Independent Non-Executive Director
	Dato' Indera Syed Norulzaman Bin Syed Kamarulzaman (Resigned as Member on 28 June 2022)	Non-Independent and Non-Executive Chairman

2. AUDIT AND RISK MANAGEMENT COMMITTEE MEETINGS ATTENDANCE

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

Representatives from the External Auditors and Internal Auditors, as the case may be, were in attendance to present the relevant reports and proposals to the Audit and Risk Management Committee at the meetings including inter alia, the Auditors' audit plans and audit reports and the audited financial statements for the financial year ended 31 December 2022.

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

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

	Designation	Attendance
Encik Mahathir Bin Mahzan	Independent Non-Executive Director	5/5
Ms. Low Ngai Yuen	Independent Non-Executive Director	5/5
Ms. Ong Yee Ling @ Sharon (Appointed on 28 June 2022)	Independent Non-Executive Director	2/2
Dato' Indera Syed Norulzaman Bin Syed Kamarulzaman (Resigned as Member on 28 June 2022)	Non-Independent and Non-Executive Chairman	-

Audit and Risk Management Committee Report (Cont'd)

3. ACTIVITIES OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

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

Quarterly Financial Statements and Audited Financial Statements

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

External Auditors

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

At the Audit and Risk Management Committee Meeting held on 20 April 2023, the Audit and Risk Management Committee recommended to the Board for approval of the audit fee of RM497,100 in respect of the financial year ended 31 December 2022.

The Board at its meeting held on 20 April 2023, approved the audit fee based on the recommendation of the Audit and Risk Management Committee.

Internal Auditors

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

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

The Audit and Risk Management Committee had the following:-

- Internal Audit on Dynasynergy Services Sdn. Bhd.
- Internal Audit Report on PT Putra Mulia Telecommunication
- Internal Audit Report on PT Harapan Utama Prima
- Internal Audit Report on Firatel Sdn. Bhd.
- Corporate Governance Review
- Recurrent Related Party Transactions
- Updates on Group Oversight Framework
- Follow up Audit Report

The cost of the Internal Audit was RM71,250 (2021:RM70,000).

Audit and Risk Management Committee Report (Cont'd)

4. RELATED PARTY TRANSACTION AND CONFLICT OF INTEREST

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

The Audit and Risk Management Committee reviewed the RPT and conflict of interest situations presented by the Management prior to the Company entering into such transaction. The Audit and Risk Management Committee also ensured adequate oversight of controls on the identification of interested parties and possible conflict of interest situations before entering into such transactions.

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 2022. 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 actions by management as well as outstanding audit issues which required corrective actions 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 ending 31 December 2022. 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 in the Group;
- Understand the principal risks of the Group'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 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. The Board also understands the principal risks of the business that the Group involves and accepts that business decisions require the incurrence and balancing of risks and generation of 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 its comfort on these systems:

- i. Review of financial results, annual reports and audited financial statements in consultation with the management before and after the completion of a statutory yearly financial audit to assess the integrity of the financial information and performance;
- ii. Deliberation on external audit memorandum and audit findings reported by the External Auditors in the course of their annual financial audit on key audit matters and recommended corrective actions to be taken to address the audit matters;
- iii. The Audit and Risk Management Committee's review of the Group's financial results, and internal control observations and issues reported by the External and Internal Auditors, and the follow-up audit reviews to ensure that appropriate corrective action plans are implemented accordingly by management;
- iv. Internal audit review covering the assessment of the governance practices, risk management and internal control and the subsequent management actions for improvement;
- v. Reviews of the related party and potential conflict of interest transactions and the control procedure thereof;
- vi. Group Managing Director, Group CEO, and Group CFO briefings on business, financial and operational performances and updates during the board meetings;
- vii. Board and management discussions on the business and operational challenges and measures taken by the Group to mitigate and manage these challenges; and
- viii. 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 Group's risk management is primarily driven and managed by all Executive Directors, Chief Executives and members of senior management. The Group has defined its Risk Policy with reference to the general principles of the international risk management framework.

The Group's financial performance improved in 2022 due to the recovery in the market in line with the National Recovery Plan ("NRP") and the launching of the Jalanan Digital Negara ("JENDELA") Plan by the government. In view of the economic recovery and improvement in business activities and market sentiment, the credit risk and cash flows position of the Group is seeing signs of improvement too. Besides, the Group also experienced an improvement in its recurring income which helped in mitigating the cyclical nature of the M&E business segment.

Despite the overall improvement in the Group's financial performance, management continues to upscale its participation in larger tenders, government initiatives, and other specialised telecommunication connectivity projects in Malaysia and other regions. This strategy is important to achieve better profit margins and avoid stiff competition under the current higher cost pressure arising from inflation and the weakening of the Ringgit.

On the other hand, the weakening of the Ringgit is also impacting the foreign currency borrowing of the Group. To manage this currency risk, management evaluates other financial instrument forms to mitigate its foreign currency loan exposure.

Although the Group has 59% of its income stream from the recurring income sources, management will continue to manage the portfolio risk of the recurring incomes. This can be achieved by improving the mixture and quality of the portfolio through spin-off or divestment, acquisition and exploration of new business opportunities in other regions, and investments in solar farms to generate income from the production and sales of renewable energy.

INTERNAL CONTROLS

Complementing the above risk management oversights and procedures, the following control frameworks and controls are in place to protect the Group assets, facilitate decision-making, achieve operation goals, and ensure compliance:

- (i) Management organisation structure defining the level of accountability and authority of the management functions in all subsidiaries;
- (ii) Limits of Authority are defined facilitating the delegation of authority and approval limit threshold;
- (iii) Head Office oversight on subsidiaries through monthly management reporting of financial performance, cash flow projection, projects status, procurement, business outlook, headcount and operating expenses;
- (iv) Yearly Group Budget detailing the estimation of revenue and expenditures of the Group which is used as a yardstick to control and identify performance deviations;
- (v) Periodic group management review meeting monitoring the Group's performance against budget, business plans and initiatives, and other management, operational and corporate issues;
- (vi) Business review meetings with the subsidiaries' management teams to review the budget and actual financial and operational performance, status and progress of the various projects as well as issues and challenges faced by the subsidiaries;
- (vii) Insurances covering fire insurance, burglary insurance, vehicle, machine and equipment insurance, tender/performance bond insurance, contractor all risk insurance, workers' compensation insurance, public liability, consequential loss, personal accident insurance and hospitalisation and surgical insurance to protect the assets and interests of the Group;

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

INTERNAL CONTROLS (CONT'D)

Complementing the above risk management oversights and procedures, the following control frameworks and controls are in place to protect the Group assets, facilitate decision-making, achieve operation goals, and ensure compliance (cont'd):

- (viii) 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
- (ix) Establishment of the Anti-Corruption and Anti-Bribery Policy ("Policy") and whistleblowing reporting channel setting the responsibilities of the Group, the employees and business partners to comply with the corruption and bribery laws and whistleblowing procedures for suspected corruption and bribery.

BOARD ASSURANCE AND LIMITATION

In concluding this Statement, the Board has received assurance from the Group Managing Director, Group CEO and Group CFO that the Group's risk management and internal control systems 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

Under Paragraph 15.23 of 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, the External Auditors have reviewed the Statement on Risk Management and Internal Control for the inclusion in this Annual Report.

The External Auditors have reviewed this Statement and reported that nothing has come to their attention that is inconsistent with their understanding of the process adopted by the Board and the management in reviewing the adequacy and effectiveness of the risk management and internal control systems of the Group.

This Statement is approved by the Board of Directors at its meeting held on 20 April 2023.

ADDITIONAL COMPLIANCE INFORMATION

STATEMENT OF DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors are responsible for ensuring that:

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

In the preparation of the financial statements for the financial year ended 31 December 2022, the Directors have adopted appropriate accounting policies and have consistently applied them in the financial statements with reasonable and prudent judgments and estimates. The Directors are also satisfied that all relevant approved accounting standards have been followed in the preparation of the financial statements.

MATERIAL CONTRACTS

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

RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

Details of transactions with related parties undertaken by the Group during the financial year under review are disclosed in Note 38 to the Financial Statements.

EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

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

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

Description	Number of Options (Since commencement of ESOS to 31 December 2022)	
	Grand Total	Directors
(a) Granted	26,502,000	5,600,000
(b) Exercised	67,600	-
(c) Lapsed	-	-
(d) Outstanding	26,434,400	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 2022	Since commencement up to 31 December 2022
(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

DIRECTORS' REPORT

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

PRINCIPAL ACTIVITIES

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

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

RESULTS

	Group RM'000	Company RM'000
Profit/(Loss) for the financial year, net of tax	<u>38,452</u>	<u>(2,258)</u>
Attributable to:		
Owners of the Company	32,769	(2,258)
Non-controlling interests	<u>5,683</u>	<u>-</u>
	<u>38,452</u>	<u>(2,258)</u>

DIVIDENDS

The amount of dividend declared and paid by the Company since the end of the previous financial year were as follows:

	RM'000
Single tier interim dividend of RM0.005 per ordinary share in respect of the financial year ended 31 December 2021, paid on 25 March 2022	<u>5,273</u>

The directors do not recommend the payment of any dividends in respect of the financial year ended 31 December 2022.

RESERVES OR PROVISIONS

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

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; and
- (ii) any contingent liabilities in respect of the Group or of the Company which has arisen since the end of the financial year.

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

Directors' Report (Cont'd)

CHANGE OF CIRCUMSTANCES

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

ITEMS OF MATERIAL AND UNUSUAL NATURE

In the opinion of the directors,

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

AUDITORS' REMUNERATION

The auditors' remuneration of the Group and the Company during the financial year were RM832,000 and RM138,000 respectively.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company issued 28,000 new ordinary shares pursuant to the exercise of the Company's Employee Share Option Scheme ("ESOS") amounted to RM12,264.

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

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

Directors' Report

(Cont'd)

OPTIONS GRANTED OVER UNISSUED SHARES (continued)

The share options are granted to eligible directors and employees. The settlement of the option granted is by issuance of fully paid ordinary shares. The exercise price in each grant is set 10% below the weighted average of the market prices of the Company's ordinary shares in the last five trading days before the grant date. The contractual term of each option granted is five years. There are no cash settlement alternatives. The options carry neither rights to dividends nor voting rights. Options may be exercised any time from the date of vesting to the date of expiry.

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

Grant date	Expiry date	Exercise price	Number of option over ordinary shares			
			At 1.1.2022	Granted	Exercised	31.12.2022
13.11.2020	12.11.2025	RM0.37	26,462,400	-	(28,000)	26,434,400

WARRANTS

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

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

The salient features of the warrants are as follows:

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

Directors' Report (Cont'd)

WARRANTS (continued)

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

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

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

	2021/2025		
	Number of warrants of RM0.42 each		
	1.1.2022	Issued	Exercised
	Unit'000	Unit'000	Unit'000
			31.12.2022
			Unit'000
Number of unissued shares under warrants	95,848	-	-
			95,848

DIRECTORS

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

Dato' Indera Syed Norulzaman Bin Syed Kamarulzaman

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

Ong Yee Ling @ Sharon

Saira Banu Binti Chara Din

(Appointed on 28 June 2022)

(Appointed as alternate director to Rear Admiral (R)

Dato' Mohd Som Bin Ibrahim on 20 October 2022)

(Resigned as alternate director to Rear Admiral (R)

Dato' Mohd Som Bin Ibrahim on 20 October 2022)

Khairul Anwar Bin Ismail

* 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

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)

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	
Wong Shau Yang @ Apollo	
Levin Tan Eng Kien	
Dhani Prayudi	
Chong Chin Siong	(Appointed on 28 January 2022)
Tan Yew Tong	(Appointed on 28 January 2022)
Mech Sokhem	(Appointed on 11 July 2022)
Tan Ping Wey	(Appointed on 3 March 2023)
Rajeev Kalra	(Appointed on 13 March 2023)
Annur Bin Shamsudin	(Appointed on 16 February 2022 and resigned on 11 May 2022)
Yap Kian Mun	(Resigned on 16 February 2022)
Chrea Dalya	(Resigned on 11 July 2022)

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 1.1.2022	Bought	Sold	At 31.12.2022
Interests in the Company				
Direct interests				
Low Hock Keong	12,100,000	-	-	12,100,000
Chang Tan Chin	5,485,100	-	(51,490)	5,433,610
Chong Wai Yew	7,550,000	-	-	7,550,000
Ooi Chin Khoon	372,000	37,500	-	409,500
Indirect interests				
Ooi Chin Khoon ²	327,051,225	41,429,614	-	368,480,839
Low Hock Keong ²	2,955,500	-	-	2,955,500

Directors' Report (Cont'd)

DIRECTORS' INTERESTS (continued)

According to the Registers of Directors' Shareholding required to be kept by the Company under Section 59 of the Companies Act 2016 in Malaysia, the interests of directors in office at the end of the financial year in shares, warrant and share option granted under ESOS in the Company and its related corporations during the financial year were as follows: (continued)

Interests in the Ultimate Holding Company

- Aliran Armada Sdn. Bhd.

	Number of ordinary shares		
	At 1.1.2022	Bought	Sold
Direct interests			
Abdul Halim Bin Abdul Hamid ¹	36,000	-	-
Ooi Chin Khoo ¹	1,622,700	-	-
Indirect interests			
Ooi Chin Khoo ²	141,300	-	-

	Number of Warrants B		
	At 1.1.2022	Granted	Exercised
Warrants in the Company			
Direct interests			
Low Hock Keong	480,000	-	-
Ooi Chin Khoo	37,200	-	-
Chang Tan Chin	510	-	-
Indirect interests			
Ooi Chin Khoo ²	2,543,114	-	-

	Number of Share Options		
	At 1.1.2022	Granted	Exercised
Share options in the Company			
Abdul Halim Bin Abdul Hamid	500,000	-	-
Dato' Indera Syed Norulzaman			
Bin Syed Kamarulzaman	200,000	-	-
Low Hock Keong	900,000	-	-
Rear Admiral (R) Dato' Mohd			
Som Bin Ibrahim	100,000	-	-
Ooi Chin Khoo	2,000,000	-	-

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

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

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

Directors' Report

(Cont'd)

DIRECTORS' BENEFITS

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

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

	Group RM'000	Company RM'000
Directors of the Company		
- Salaries, allowances and bonuses	3,510	2,663
- Other emoluments	421	317
- Fees	198	198
- Benefits-in-kind	61	61
	<u>4,190</u>	<u>3,239</u>
Directors of the subsidiaries		
- Salaries, bonus and emoluments	<u>1,208</u>	<u>-</u>
	<u>5,398</u>	<u>3,239</u>

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

INDEMNITY TO DIRECTORS AND OFFICERS

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

Directors' Report (Cont'd)

SUBSIDIARIES

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

Name of Company	Principal Place of Business/ Country of Incorporation	Equity Interest		Principal Activities
		2022	2021	
Direct subsidiaries:				
Milab Marketing Sdn. Bhd.	Malaysia	100%	100%	Provision of renewable energy and power solutions.
OCK International Sdn. Bhd.	Malaysia	100%	100%	Investment holding.
OCK Setia Engineering Sdn. Bhd.	Malaysia	100%	100%	Provision of turnkey telecommunications network services.
Agensi Pekerjaan OCK Ventures Sdn. Bhd.	Malaysia	100%	100%	Investment holding and general trading.
OCK SEA Towers Pte. Ltd.	Singapore	100%	100%	Provision of tower facilities, utilities and communication network for mobile and broadband operators.
Massive Connection Sdn. Bhd.	Malaysia	100%	100%	Provision of information technology services.
Avion Drone Sdn. Bhd.	Malaysia	55%	-	Supply and commission of drone related apparatus, equipment, solutions and provision of related supporting 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.

Directors' Report

(Cont'd)

SUBSIDIARIES (continued)

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

Name of Company Subsidiaries of Milab Marketing Sdn. Bhd. (continued)	Principal Place of Business/ Country of Incorporation	Equity Interest		Principal Activities
		2022	2021	
Suluk Damai Sdn. Bhd.	Malaysia	100%	100%	Provision of electrical, mechanical, motor and generation of power including all forms of renewable energy generation.
Epic Solartech Sdn. Bhd.	Malaysia	100%	100%	Provision of electrical, mechanical, motor and generation of power including all forms of renewable energy generation.
Energetic Sdn. Bhd.	Malaysia	100%	100%	Provision of electrical, mechanical, motor and generation of power including all forms of renewable energy generation.
Tanda Hebat Sdn. Bhd.	Malaysia	100%	100%	Provision of electrical, mechanical, motor and generation of power including all forms of renewable energy generation.
Powerlator Sdn. Bhd.	Malaysia	100%	100%	Provision of electrical, mechanical, motor and generation of power including all forms of renewable energy generation.
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.

Directors' Report (Cont'd)

SUBSIDIARIES (continued)

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

Name of Company Subsidiaries of Milab Marketing Sdn. Bhd. (continued)	Principal Place of Business/ Country of Incorporation	Equity Interest		Principal Activities
		2022	2021	
Green Leadership Sdn. Bhd.	Malaysia	100%	100%	Provision of electrical, mechanical, motor and generation of power including all forms of renewable energy generation.
Sinar Lebar Sdn. Bhd.	Malaysia	100%	100%	Provision of electrical, mechanical, motor and generation of power including all forms of renewable energy generation.
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.

Directors' Report (Cont'd)

SUBSIDIARIES (continued)

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

Name of Company Subsidiaries of OCK International Sdn. Bhd.	Principal Place of Business/ Country of Incorporation	Equity Interest		Principal Activities
		2022	2021	
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.
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.

Directors' Report (Cont'd)

SUBSIDIARIES (continued)

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

Name of Company Subsidiaries of OCK Setia Engineering Sdn. Bhd. (continued)	Principal Place of Business/ Country of Incorporation	Equity Interest		Principal Activities
		2022	2021	
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%	100%	Provision of building and facilities maintenance services.
Mercu Sepadu Sdn. Bhd.	Malaysia	51%	-	Provision of engineering services and reseller of telecommunication equipment.
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.

Directors' Report (Cont'd)

SUBSIDIARIES (continued)

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

Name of Company	Principal Place of Business/ Country of Incorporation	Equity Interest		Principal Activities
		2022	2021	
Subsidiaries of Firatel Sdn. Bhd.				
Firatel Infra Sdn. Bhd.	Malaysia	100%	100%	Provision of civil and mechanical engineering services and telecommunication network services.
Sunvoltic Sdn. Bhd.	Malaysia	50%	50%	Provision of investing, design, construction, commissioning, operation and maintenance of renewable energy power generation facilities.
Subsidiary of Agensi Pekerjaan OCK Ventures Sdn. Bhd.				
OCK Industries Sdn. Bhd.	Malaysia	100%	65%	Provision of engineering services and general trading.
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.

Directors' Report (Cont'd)

SUBSIDIARIES (continued)

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

Name of Company Subsidiary of OCK Myanmar Towers Pte. Ltd.	Principal Place of Business/ Country of Incorporation	Equity Interest		Principal Activities
		2022	2021	
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.
Subsidiary of OCK Telco Infra Sdn. Bhd.				
Nexgen Ventures Sdn. Bhd.	Malaysia	60%	60%	Renting of telecommunication facilities and network service provider.
Subsidiaries of OCK Vietnam Towers Pte. Ltd.				
Southeast Asia Telecommunications Holdings Pte. Ltd.	Singapore	100%	100%	Investment holding and telecommunication service provider.
OCK Vietnam Towers (Labuan) Ltd.	Federal Territory of Labuan	100%	100%	Investment holding.

Directors' Report

(Cont'd)

SUBSIDIARIES (continued)

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

Name of Company	Principal Place of Business/ Country of Incorporation	Equity Interest		Principal Activities
		2022	2021	
Subsidiaries of Southeast Asia Telecommunications Holdings Pte. Ltd.				
Eastern Tower Joint Stock Company	Vietnam	100%	100%	Real estate consulting, management service, business management consulting service and investment holding.
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.

Directors' Report (Cont'd)

SUBSIDIARIES (continued)

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

Name of Company	Principal Place of Business/ Country of Incorporation	Equity Interest		Principal Activities
		2022	2021	
Subsidiaries of Global Infrastructure Investment Company Limited				
Truong Loc Telecom Trading and Service Joint Stock Company	Vietnam	100%	100%	Development, installation, ownership, operation and leasing out of BTS towers, infrastructure and other assets.
Global Technical Infrastructure One Member Company Limited	Vietnam	100%	-	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.
Subsidiary of Zone II Mobile Information Services Joint Stock Company				
Tan Phat Telecommunications Company Limited	Vietnam	100%	100%	Development, installation, ownership, operation and leasing out of BTS towers, infrastructure and other assets.
Subsidiary of VNC-55 Infrastructure Investment Company Limited				
T&A Company Limited	Vietnam	100%	100%	Development, installation, ownership, operation and leasing out of BTS towers, infrastructure and other assets.

Directors' Report (Cont'd)

INTERESTS IN HOLDING COMPANY AND OTHER RELATED CORPORATIONS

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

ULTIMATE HOLDING COMPANY

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

Directors' Report (Cont'd)

AUDITORS

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

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

.....
OOI CHIN KHOON

Director

.....
ABDUL HALIM BIN ABDUL HAMID

Director

Date: 20 April 2023

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

		Group		Company	
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Revenue	5	617,106	488,183	-	-
Cost of sales	6	(470,363)	(363,958)	-	-
Gross profit		146,743	124,225	-	-
Other income		7,403	7,166	12,869	24,236
Administrative expenses		(63,411)	(57,398)	(10,572)	(6,972)
Net (impairment loss)/reversal of impairment losses on financial assets		(306)	(397)	380	(54)
Other operating expenses		(11,927)	(8,786)	(2,723)	-
		(75,644)	(66,581)	(12,915)	(7,026)
Operating profit/(loss)		78,502	64,810	(46)	17,210
Finance costs	7	(30,043)	(26,783)	(2,155)	(1,120)
Share of results of associates		(20)	(4)	-	-
Profit/(Loss) before tax	8	48,439	38,023	(2,201)	16,090
Tax expense	9	(9,987)	(5,435)	(57)	(97)
Profit/(Loss) for the financial year		38,452	32,588	(2,258)	15,993
Other comprehensive (loss)/ income, net of tax					
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Actuarial loss from employee benefits	32	(6)	(47)	-	-
Revaluation gain/(loss) on right-of-use assets		14	(20)	-	-
Revaluation gain on property, plant and equipment		228	-	-	-
		236	(67)	-	-

Statements of Comprehensive Income (Cont'd)

Note	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Other comprehensive (loss)/ income, net of tax (continued)				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Foreign currency translation	12,623	15,255	-	-
Reclassification adjustments of exchange translation reserve upon disposal of subsidiaries	-	(111)	-	-
16(iii)				
	12,623	15,144	-	-
Other comprehensive income for the financial year				
	12,859	15,077	-	-
Total comprehensive income/ (loss) for the financial year				
	51,311	47,665	(2,258)	15,993
Profit/(Loss) attributable to:				
Owners of the Company	32,769	25,393	(2,258)	15,993
Non-controlling interests	5,683	7,195	-	-
	38,452	32,588	(2,258)	15,993
Total comprehensive income/ (loss) attributable to:				
Owners of the Company	46,823	40,630	(2,258)	15,993
Non-controlling interests	4,488	7,035	-	-
	51,311	47,665	(2,258)	15,993
Earnings per share (sen):				
- Basic	10	3.11	2.41	
- Diluted	10	3.10	2.38	

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

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

		Group		Company	
	Note	2022 RM'000	2021 RM'000 (Restated)	2022 RM'000	2021 RM'000
ASSETS					
Non-Current Assets					
Property, plant and equipment	11	758,189	681,689	-	-
Right-of-use assets	12	174,704	157,325	-	-
Investment properties	13	20,146	19,780	-	-
Intangible assets	14	186,756	183,558	-	-
Deferred tax assets	15	1,573	1,178	-	-
Investment in subsidiaries	16	-	-	618,792	423,009
Investment in associates	17	177	197	-	-
Trade and other receivables	19	12,395	15,368	14,983	12,889
Total Non-Current Assets		1,153,940	1,059,095	633,775	435,898
Current Assets					
Inventories	18	86,784	63,392	-	-
Trade and other receivables	19	268,203	166,600	1,404	1,314
Contract assets	20	65,951	75,441	-	-
Tax assets		1,205	1,765	423	487
Other investments	21	2,565	17,023	2,447	16,825
Cash and short-term deposits	22	70,019	81,880	14,678	4,142
Total Current Assets		494,727	406,101	18,952	22,768
TOTAL ASSETS		1,648,667	1,465,196	652,727	458,666

Statements of Financial Position (Cont'd)

		Group		Company	
	Note	2022 RM'000	2021 RM'000 (Restated)	2022 RM'000	2021 RM'000
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	23	300,848	300,835	300,848	300,835
Foreign currency translation reserve	24	(37)	(13,855)	-	-
Revaluation reserve	25	7,204	7,064	-	-
Reverse acquisition reserve		(17,007)	(17,007)	-	-
Warrant reserve	26	12,959	12,959	12,959	12,959
Share option reserve	27	1,277	840	1,277	840
Other reserve		208	208	-	-
Retained earnings		333,745	306,165	99,983	107,514
		639,197	597,209	415,067	422,148
Non-controlling interests		85,736	76,726	-	-
Total Equity		724,933	673,935	415,067	422,148
Non-Current Liabilities					
Loans and borrowings	28	348,208	178,607	182,260	-
Lease liabilities	29	144,117	132,018	-	-
Deferred tax liabilities	15	20,706	19,018	-	-
Deferred income	30	1,686	1,811	-	-
Provision for liabilities	31	15,431	11,119	-	-
Post employment benefit liabilities	32	764	753	-	-
Total Non-Current Liabilities		530,912	343,326	182,260	-
Current Liabilities					
Contract liabilities	20	4,115	4,537	-	-
Trade and other payables	33	116,473	148,908	32,488	36,518
Loans and borrowings	28	228,067	263,534	22,912	-
Lease liabilities	29	40,998	28,895	-	-
Tax liabilities		3,169	2,061	-	-
Total Current Liabilities		392,822	447,935	55,400	36,518
Total Liabilities		923,734	791,261	237,660	36,518
TOTAL EQUITY AND LIABILITIES		1,648,667	1,465,196	652,727	458,666

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

Attributable to owners of the Company ----->											
	Note	Share Capital		Foreign Currency Translation Reserve		Revaluation Reserve		Reverse Acquisition Reserve		Share Option Reserve	
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	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/(loss) for the financial year											
Profit for the financial year		-	-	-	-	-	-	25,393	25,393	7,195	32,588
Actuarial loss 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/(loss)		-	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)

<----- Attributable to owners of the Company ----->

Note	Group	Foreign Currency												Non-Controlling Interests	Total Equity
		Share Capital	Translation Reserve	Revaluation Reserve	Reverse Acquisition Reserve	Share Option Reserve	Warrant Reserve	Other Reserve	Retained Earnings	Sub-total					
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
	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 charged arising from ESOS granted	27	-	-	-	-	-	844	-	-	-	844	-	844	
	Dividends paid on shares		-	-	-	-	-	-	-	-	-	-	(3,328)	(3,328)	
	Disposal of a subsidiary		-	-	-	-	-	-	-	-	-	(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)

Attributable to owners of the Company ----->											
	Note	Foreign Currency									
		Share Capital RM'000	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	Retained Earnings RM'000	Sub-total RM'000	Non-Controlling Interests RM'000
Group											
At 1 January 2022		300,835	(13,855)	7,064	(17,007)	840	12,959	208	306,165	597,209	76,726
											673,935
Total comprehensive income/(loss) for the financial year											
Profit for the financial year		-	-	-	-	-	-	-	32,769	32,769	5,683
Actuarial loss from employee benefits	32	-	-	-	-	-	-	-	(6)	(6)	(6)
Foreign currency translation reserve		-	13,818	-	-	-	-	-	-	13,818	(1,195)
Revaluation gain	25	-	-	242	-	-	-	-	-	242	-
Total comprehensive income/(loss)		-	13,818	242	-	-	-	-	32,763	46,823	4,488
											51,311
Realisation of revaluation reserve	25	-	-	(102)	-	-	-	-	102	-	-

Statements of Changes in Equity (Cont'd)

<----- Attributable to owners of the Company ----->

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

Statements of Changes in Equity

(Cont'd)

<----- Attributable to owners of the Company ----->						
		Share Capital RM'000	Share Option Reserve RM'000	Warrant Reserve RM'000	Retained Earnings RM'000	Total Equity RM'000
Company	Note					
At 1 January 2021		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 charged arising from ESOS granted	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
Total comprehensive loss for the financial year						
Loss for the financial year, representing total comprehensive loss		-	-	-	(2,258)	(2,258)
Transactions with owners						
Issuance of ordinary shares pursuant to ESOS	23	13	(2)	-	-	11
Share option charged arising from ESOS granted	27	-	439	-	-	439
Dividends paid on shares	34	-	-	-	(5,273)	(5,273)
Total transactions with owners		13	437	-	(5,273)	(4,823)
At 31 December 2022		300,848	1,277	12,959	99,983	415,067

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

		Group		Company	
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Cash Flows from Operating Activities					
Profit/(Loss) before tax		48,439	38,023	(2,201)	16,090
Adjustments for:					
Amortisation of intangible assets	14	4,032	4,482	-	-
Amortisation of government grants	30	(125)	(125)	-	-
Bad debts written off		230	850	-	-
Depreciation of property, plant and equipment	11	61,364	50,692	-	-
Depreciation of right-of-use assets	12	43,406	36,056	-	-
Gain on disposal of subsidiaries	16	-	(1,061)	-	-
Gain on lease modification		(21)	(417)	-	-
Impairment loss on goodwill	14	200	400	-	-
Impairment losses on trade receivables	19	352	382	-	-
Impairment losses on other receivables	19	-	15	-	54
Income from short-term cash investments		(44)	(38)	(44)	(18)
Interest expense	7	30,043	26,783	2,155	1,120
Interest income		(165)	(2,856)	(590)	(9,236)
Inventories written off	18	-	7	-	-
Loss on waiver of debts		-	95	-	-
Net fair value (gain)/loss on investment properties	13	(366)	211	-	-
Net loss on disposal of property, plant and equipment		38	173	-	-
Net unrealised loss/(gain) on foreign exchange		2,718	586	2,723	(9,861)
Property, plant and equipment written off	11	77	1,253	-	-
Provision/(Reversal of provision) for post employment benefits	32	31	(61)	-	-
Reversal of impairment losses on other receivable	19	-	-	(380)	-
Reversal of impairment losses on trade receivable	20	(46)	-	-	-
Share-based payment		439	845	100	192
Share of results of associates	17	20	4	-	-
Unwinding effect on provision for site restoration	31	508	423	-	-
Operating profit/(loss) before working capital changes, balances brought forward		191,130	156,722	1,763	(1,659)

Statements of Cash Flows

(Cont'd)

		Group		Company	
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Operating profit/(loss) before working capital changes, balances carried forward		191,130	156,722	1,763	(1,659)
<u>Changes in working capital:</u>					
Contract assets		3,609	3,443	-	-
Contract liabilities		(455)	2,143	-	-
Inventories		(23,374)	(2,284)	-	-
Receivables		(95,451)	27,031	(68)	(63)
Payables		(27,032)	(5,695)	31	(58)
Net cash generated from/(used in) operations		48,427	181,360	1,726	(1,780)
Interest paid		(10,455)	(8,822)	-	-
Interest received		165	2,856	590	9,236
Tax paid		(7,929)	(9,469)	(68)	(532)
Tax refunded		538	2,195	74	1,692
Net cash from operating activities		30,746	168,120	2,322	8,616
Cash Flows from Investing Activities					
Acquisition of subsidiaries, net of cash acquired	16(i)	(16,784)	(46)	-	-
(Advances to)/Repayment from related parties		(30)	150	-	-
(Advances to)/Repayment from subsidiaries		-	-	(61,318)	1,586
Advances to ultimate holding company		(26)	(71)	(21)	(66)
Change in pledged deposits	22	18,329	(23,591)	-	-
Income from short-term cash investments		44	38	44	18
Investment in subsidiaries	16	-	-	(138,504)	-
Net decrease/(increase) in other investments		14,458	(16,441)	14,378	(16,506)
Proceeds from disposal of a subsidiary, net of cash disposed	16(iii)	-	640	-	-
Proceeds from disposal of property, plant and equipment		401	6,554	-	-
Purchase of investment properties		-	(2,230)	-	-
Purchase of property, plant and equipment	(a)	(87,287)	(113,699)	-	-
Net cash used in investing activities		(70,895)	(148,696)	(185,421)	(14,968)

Statements of Cash Flows (Cont'd)

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Cash Flows from Financing Activities	(b)				
Dividends paid to:					
- non-controlling interests		(3,884)	(3,328)	-	-
- owners		(5,273)	-	(5,273)	-
Drawdown of term loans		335,366	159,312	199,250	-
Interest paid		(19,588)	(17,961)	(2,155)	(1,120)
Net drawdown of bankers' acceptance		17,756	12,072	-	-
Net drawdown of project financing		27,957	94	-	-
Net drawdown of revolving projects loan		12,573	718	-	-
Net payments of hire purchase payables		(1,216)	(2,539)	-	-
Net proceeds from issuance of shares pursuant to:					
- exercise of warrants	23	-	4	-	4
- rights issue	23	-	18,245	-	18,245
- ESOS	23	11	15	11	15
Net (repayment)/drawdown of revolving credit		(7,615)	(21,069)	10,000	(20,000)
Payments of lease liabilities		(36,647)	(31,338)	-	-
(Repayments to)/Advances from minority shareholders of subsidiaries		(8,065)	11,577	-	-
Repayment of term loans		(273,984)	(157,523)	(4,078)	-
Repayment to a related party		(2,564)	(2,855)	(3,076)	(2,922)
(Repayment to)/Advances from subsidiaries		-	-	(1,497)	14,267
Repayment to directors of subsidiaries		(889)	(68)	-	-
Subscription/(Redemption) of shares by non-controlling interests in subsidiaries					
- ordinary shares		470	-	-	-
- preference shares		7,923	(10,920)	-	-
Net cash from/(used in) financing activities		42,331	(45,564)	193,182	8,489
Net increase/(decrease) in cash and cash equivalents		2,182	(26,140)	10,083	2,137
Cash and cash equivalents at the beginning of the financial year		35,907	58,973	4,142	2,065
Effect of exchange rate changes on cash and cash equivalents		(2,894)	3,074	453	(60)
Cash and cash equivalents at the end of the financial year	22	35,195	35,907	14,678	4,142

Statements of Cash Flows

(Cont'd)

(a) Purchase of property, plant and equipment:

	Group	
	2022	2021
	RM'000	RM'000
Purchase of property, plant and equipment	92,428	115,977
Financed by way of finance lease arrangements	(1,683)	(1,318)
Provision for liabilities	(3,458)	(960)
Cash payments on purchase of property, plant and equipment	<u>87,287</u>	<u>113,699</u>

Statements of Cash Flows (Cont'd)

(b) Reconciliation of liabilities arising from financing activities:

Group	1.1.2022 RM'000	Cash flows RM'000	Non-cash			31.12.2022 RM'000
			Acquisition of new leases RM'000	Others RM'000	Foreign exchange movement RM'000	
Amounts owing to minority shareholders of subsidiaries	11,577	(8,065)	-	-	-	3,512
Amounts owing to directors of subsidiaries	991	(889)	-	-	-	102
Amount owing to a related party	10,664	(2,564)	-	-	-	8,100
Lease liabilities	160,913	(36,647)	56,526	(199)	4,522	185,115
Term loans	328,711	61,382	-	-	14,434	404,527
Bankers' acceptance	23,956	17,756	-	-	-	41,712
Revolving projects loan	18,473	12,573	-	-	-	31,046
Revolving credit	38,666	(7,615)	-	-	-	31,051
Hire purchase payables	2,663	(1,216)	1,683	-	-	3,130
Project financing	12,423	27,957	-	-	-	40,380
	609,037	62,672	58,209	(199)	18,956	748,675

Statements of Cash Flows

(Cont'd)

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

Group	1.1.2021 RM'000	Cash flows RM'000	Non-cash		Foreign exchange movement RM'000	31.12.2021 RM'000
			Acquisition of new leases RM'000	Others 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	161,107	(31,338)	29,031	(1,783)	3,896	160,913
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
Hire purchase payables	3,884	(2,539)	1,318	-	-	2,663
Project financing	12,329	94	-	-	-	12,423
	598,364	(31,619)	30,349	(1,783)	13,726	609,037

Statements of Cash Flows (Cont'd)

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

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

	1.1.2021 RM'000	Cash flows RM'000	Non-cash Foreign exchange movement	31.12.2021 RM'000
			RM'000	
Amount 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)	-	-
	<u>44,822</u>	<u>(8,655)</u>	<u>67</u>	<u>36,234</u>

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

	Note	Group	
		2022 RM'000	2021 RM'000
Included in net cash from operating activities:			
Payment relating to short-term leases	8	7,547	3,989
Payment relating to leases of low-value assets	8	63	90
Interest paid in relation to lease liabilities		10,455	8,822
Included in net cash from/(used in) financing activities:			
Payment of lease liabilities		<u>36,647</u>	<u>31,338</u>
Total cash outflows for leases		<u>54,712</u>	<u>44,239</u>

Statements of Cash Flows

(Cont'd)

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

		Company	
		2022	2021
	Note	RM'000	RM'000
Included in net cash from operating activities:			
Payment relating to short-term leases	8	<u>87</u>	<u>83</u>

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

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

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

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

The registered office of the Company is located at Level 5, Tower 8, Avenue 5, Horizon 2, 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 20 April 2023.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), 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 1	First-time Adoption of Malaysian Financial Reporting Standards
MFRS 3	Business Combinations
MFRS 9	Financial Instruments
MFRS 116	Property, Plant and Equipment
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets
MFRS 141	Agriculture

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

Notes to the Financial Statements

(Cont'd)

2. BASIS OF PREPARATION (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
<u>New MFRS</u>		
MFRS 17	Insurance Contracts	1 January 2023
<u>Amendments/Improvements to MFRSs</u>		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2023 [#]
MFRS 3	Business Combinations	1 January 2023 [#]
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2023 [#]
MFRS 7	Financial Instruments: Disclosures	1 January 2023 [#]
MFRS 9	Financial Instruments	1 January 2023 [#]
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 15	Revenue from Contracts with Customers	1 January 2023 [#]
MFRS 16	Leases	1 January 2024
MFRS 17	Insurance Contracts	1 January 2023
MFRS 101	Presentation of Financial Statements	1 January 2023/ 1 January 2023 [#] / 1 January 2024
MFRS 107	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 2023 [#]
MFRS 119	Employee Benefits	1 January 2023 [#]
MFRS 128	Investments in Associates and Joint Ventures	Deferred/ 1 January 2023 [#]
MFRS 132	Financial instruments: Presentation	1 January 2023 [#]
MFRS 136	Impairment of Assets	1 January 2023 [#]
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2023 [#]
MFRS 138	Intangible Assets	1 January 2023 [#]
MFRS 140	Investment Property	1 January 2023 [#]

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

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

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

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

Amendments to MFRS 16 Leases

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

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

Amendments to MFRS 101 Presentation of Financial Statements

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

In another amendments, an entity is required 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.

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) 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. (continued)

Amendments to MFRS 101 Presentation of Financial Statements (continued)

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

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.

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.

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.

Notes to the Financial Statements (Cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. The financial statements of the subsidiaries and associates used in the preparation of the consolidated financial statements are prepared for the same reporting 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.

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.

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)

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.

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.

Notes to the Financial Statements (Cont'd)

3.1 Basis of consolidation (continued)

(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.

(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.

Notes to the Financial Statements

(Cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 date, 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).

(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.

Notes to the Financial Statements (Cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

Notes to the Financial Statements (Cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Revenue and other income (continued)

(c) Construction contracts

Construction service contracts comprise multiple deliverables that require significant integration service and therefore accounted as a single performance obligation.

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

Sales are made with a credit term ranging from 30 to 90 days, 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.

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

(e) Interest income

Interest income is recognised using the effective interest method.

(f) Lease of telecommunication towers or rental income

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

(g) Income from short term funds

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

(h) Management fees income

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

(i) Dividend income

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

Notes to the Financial Statements (Cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 actuary using the projected unit credit method. In the intervening years, the calculation may be updated by the actuary 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.

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

Notes to the Financial Statements

(Cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

(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.

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 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.

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.

Notes to the Financial Statements

(Cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

(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.

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)

(i) Financial assets (continued)

Debt instruments

Subsequent measurement of debt instruments depends on the Group's and the Company's business model for managing the asset and the cash flow characteristics of the asset. There are 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 fair value through other comprehensive income ("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 at amortised cost.

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

(b) Financial guarantee contracts

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

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

(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 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.

Notes to the Financial Statements

(Cont'd)

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 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 41(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. Reviews are performed if events indicate that this is necessary. Where such indication exists, the Company determines the recoverable amount based on present value of the estimated future cash flows expected to be generated by the subsidiaries.

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

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

(d) Impairment of amounts owing by subsidiaries

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

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

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

5. REVENUE

	Group	
	2022	2021
	RM'000	RM'000
Revenue from contracts with customers:		
At a point in time:		
Telecommunication network services	373,227	280,873
Green energy and power solutions	50,034	36,428
Sales of goods	5,825	8,444
	<u>429,086</u>	<u>325,745</u>
Over time:		
M&E engineering services	7,250	1,322
	<u>436,336</u>	<u>327,067</u>
Revenue from other source:		
Lease income of telecommunication towers	180,770	161,116
	<u>617,106</u>	<u>488,183</u>

Notes to the Financial Statements

(Cont'd)

5. REVENUE (continued)

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

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

6. COST OF SALES

	Group	
	2022 RM'000	2021 RM'000
Telecommunication network services	329,762	257,919
Lease of telecommunication towers	94,655	73,373
Green energy and power solutions	36,971	25,778
Sales of goods	3,498	4,167
M&E engineering services	5,477	2,721
	<u>470,363</u>	<u>363,958</u>

7. FINANCE COSTS

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Bank overdrafts	1,585	1,085	-	-
Hire purchase interest	207	205	-	-
Lease liabilities	10,455	8,822	-	-
Revolving project loan	2,599	2,321	-	-
Revolving credit	1,428	1,078	388	59
Term loans	10,384	10,945	-	-
Trade financing	751	313	-	-
Project financing	1,624	642	-	-
Unwinding of discount on payables	508	423	-	-
Interest on loan from a related party	502	949	502	486
Interest on intercompany loans	-	-	1,265	575
	<u>30,043</u>	<u>26,783</u>	<u>2,155</u>	<u>1,120</u>

Notes to the Financial Statements (Cont'd)

8. PROFIT/(LOSS) BEFORE TAX

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

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Amortisation of intangible assets	4,032	4,482	-	-
Amortisation of government grants	(125)	(125)	-	-
Auditors' remuneration:				
- statutory audit				
- current year	798	745	131	120
- (over)/under provision in prior years	-	(33)	-	3
- non-statutory audit				
- current year	34	7	7	7
Bad debts recovered	-	(50)	-	-
Bad debts written off	230	850	-	-
Depreciation of property, plant and equipment	61,364	50,692	-	-
Depreciation of right-of-use assets	43,406	36,056	-	-
Directors' remuneration (Note (a))	5,337	5,330	3,178	2,866
Employee benefits expenses (Note (b))	142,670	127,022	3,390	1,530
Gain on disposal of subsidiaries	-	(1,061)	-	-
Gain on lease modification	(21)	(417)	-	-
Impairment loss on goodwill	200	400	-	-
Impairment losses on:				
- trade receivables	352	382	-	-
- other receivables	-	15	-	54
Income from short-term cash investments	(44)	(38)	(44)	(18)
Interest income	(165)	(2,856)	(590)	(9,236)
Inventories written off	-	7	-	-

Notes to the Financial Statements

(Cont'd)

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

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

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Loss on waiver of debts	-	95	-	-
Net fair value (gain)/loss on investment properties	(366)	211	-	-
Net loss on disposal of property, plant and equipment	38	173	-	-
Net loss/(gain) on foreign exchange:				
- realised	1,109	927	(3,007)	-
- unrealised	2,718	586	2,723	(9,861)
Property, plant and equipment written off	77	1,253	-	-
Provision/(Reversal of provision) for post employment benefits	31	(61)	-	-
Reversal of impairment losses on:				
- trade receivables	(46)	-	-	-
- other receivables	-	-	(380)	-
Expenses relating to short-term lease:				
- equipment	3,059	116	-	-
- premises	2,385	1,947	87	83
- sites	137	907	-	-
- vehicles	1,881	785	-	-
- warehouse	85	234	-	-
Expenses relating to low-value assets:				
- equipment	56	87	-	-
- premises	7	3	-	-
Rental income from:				
- premises	(1,081)	(923)	-	-
- vehicles	-	(3)	-	-
Unwinding effect on provision for site restoration	508	423	-	-

Notes to the Financial Statements (Cont'd)

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

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

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Directors of the Company				
Executive Directors:				
- salaries, allowances and bonuses	3,485	3,227	2,638	2,383
- other emoluments	421	387	317	284
	3,906	3,614	2,955	2,667
Non-executive Directors:				
- fees	198	177	198	177
- allowances	25	22	25	22
	223	199	223	199
Directors of the subsidiaries				
Executive Directors:				
- fees	54	54	-	-
- salaries, allowances and bonuses	1,037	1,348	-	-
- other emoluments	117	115	-	-
	1,208	1,517	-	-
Total directors' remuneration	5,337	5,330	3,178	2,866

The estimated monetary value of benefit-in-kind received by executive and non-executive directors otherwise than in cash from the Group and the Company amounted to RM61,225 (2021: RM68,338) and RM61,225 (2021: RM68,338) respectively.

Notes to the Financial Statements

(Cont'd)

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

(b) Employee benefits expenses are:

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Salaries, allowances and bonuses	133,640	119,206	2,951	1,193
Contributions to defined contribution plans and Socso	7,463	6,029	338	145
Other benefits	1,128	942	1	-
Share-based payment	439	845	100	192
	<u>142,670</u>	<u>127,022</u>	<u>3,390</u>	<u>1,530</u>

9. TAX EXPENSE

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

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Statements of comprehensive income				
Current income tax:				
- Current income tax charge	8,939	7,578	84	185
- Adjustment in respect of prior years	21	(58)	(27)	(88)
	8,960	7,520	57	97
Deferred tax (Note 15):				
- Reversal of temporary differences	2,505	(368)	-	-
- Adjustment in respect of prior years	(1,478)	(1,717)	-	-
	1,027	(2,085)	-	-
Tax expense	<u>9,987</u>	<u>5,435</u>	<u>57</u>	<u>97</u>

Domestic income tax is calculated at the Malaysian statutory income tax rate of 24% (2021: 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	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) before tax	48,439	38,023	(2,201)	16,090
Tax at Malaysian statutory income tax rate of 24%	11,625	9,126	(528)	3,862
Tax effects arising from:				
- non-deductible expenses	17,506	23,549	1,375	447
- non-taxable income	(13,989)	(22,261)	(763)	(4,124)
- income exempted from tax under Myanmar Investment Law	(3,207)	(4,348)	-	-
Effect of different tax rates in foreign jurisdictions	(249)	816	-	-
Deferred tax not recognised on tax losses and temporary differences	21	529	-	-
Utilisation of previously unrecognised tax losses and capital allowances	(263)	(201)	-	-
Adjustments in respect of prior years:				
- income tax	21	(58)	(27)	(88)
- deferred tax	(1,478)	(1,717)	-	-
Tax expense	9,987	5,435	57	97

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 ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the financial year, calculated as follows:

	Group	
	2022	2021
	RM'000	RM'000
Profit attributable to owners/ordinary shareholders of the Company	<u>32,769</u>	<u>25,393</u>
Weighted average number of ordinary shares for basic earnings per share	<u>1,054,506</u>	<u>1,052,354</u>
Basic earnings per ordinary share (sen)	<u>3.11</u>	<u>2.41</u>

Diluted earnings per ordinary share

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

	Group	
	2022	2021
	RM'000	RM'000
Profit attributable to owners/ordinary shareholders of the Company	<u>32,769</u>	<u>25,393</u>
Weighted average number of ordinary shares for basic earnings per share	1,054,506	1,052,354
Effect of dilution from:		
- Warrants	- #	10,197
- Share option	<u>2,520</u>	<u>5,630</u>
Weighted average number of ordinary shares for diluted earnings per share	<u>1,057,026</u>	<u>1,068,181</u>
Diluted earnings per ordinary share (sen)	<u>3.10</u>	<u>2.38</u>

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

There have been no transactions involving ordinary shares or potential ordinary shares since the reporting date and before the authorisation of these financial statements other than the issuance of 176,000 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
Cost / Valuation	RM'000	At Valuation RM'000	RM'000	RM'000	RM'000	RM'000	At Cost RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1.1.2021, as previously reported	17,020	559	518	6,007	2,614	2,355	6,647	16,923	672,728	117,121	35,903	878,395
Reclassification (Note 43)	-	-	-	309	-	2,803	-	3,963	4,279	8,707	-	20,061
At 1.1.2021, as restated	17,020	559	518	6,316	2,614	5,158	6,647	20,886	677,007	125,828	35,903	898,456
Additions	-	-	-	812	132	567	18	6,423	35,024	4,886	68,115	115,977
Disposals	-	-	-	(14)	-	(578)	-	(6)	(10,531)	-	(320)	(11,449)
Written off	-	-	(1)	(7)	(37)	(63)	-	-	(1,441)	-	(106)	(1,655)
Transfer (to)/from right-of-use assets (Note 12)	-	(59)	-	-	-	-	-	-	-	-	-	(59)
Reclassifications	-	-	-	-	-	-	-	-	39,778	-	(39,778)	-
Disposal of a subsidiary (Note 16)	-	-	-	(186)	-	-	-	-	-	-	-	(186)
Translation differences	1	-	-	(45)	(32)	13	-	265	21,260	313	1,270	23,045
At 31.12.2021	17,021	500	517	6,876	2,677	5,097	6,665	27,568	761,097	131,027	65,084	1,024,129
Additions	-	-	21	1,403	296	781	519	5,241	26,234	3,779	54,154	92,428
Disposals	-	-	(8)	(58)	-	(449)	-	(763)	(3,051)	-	-	(4,329)
Written off	-	-	-	(422)	-	(143)	-	(6,588)	-	-	-	(7,153)
Adjustments	-	-	-	-	-	-	-	(44)	5,676	-	(2)	5,630
Reclassifications	-	-	346	105	(377)	-	-	(541)	53,645	467	(53,645)	-
Acquisition of a subsidiary (Note 16)	-	-	-	-	-	-	-	-	22,837	-	-	22,837
Translation differences	-	-	19	17	(6)	(12)	-	(430)	28,999	216	3,357	32,160
At 31.12.2022	17,021	500	895	7,921	2,590	5,274	7,184	24,443	895,437	135,489	68,948	1,165,702

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 Valuation	At Valuation	At Valuation	At Valuation	At Valuation	At Cost	At Cost	At Cost	At Cost	At Cost	At Cost
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Accumulated depreciation												
At 1.1.2021, as previously reported	120	23	364	5,079	1,449	2,261	4,033	12,338	218,208	37,484	-	281,359
Reclassification (Note 43)	-	-	-	154	-	1,654	-	3,908	808	1,838	-	8,362
At 1.1.2021, as restated	120	23	364	5,233	1,449	3,915	4,033	16,246	219,016	39,322	-	289,721
Charge for the financial year	100	12	37	660	287	549	658	2,744	38,090	7,555	-	50,692
Disposals	-	-	-	(14)	-	(577)	-	(6)	(4,125)	-	-	(4,722)
Written off	-	-	(1)	(7)	(16)	(57)	-	-	(321)	-	-	(402)
Disposal of a subsidiary (Note 16)	-	-	-	(170)	-	-	-	-	-	-	-	(170)
Translation differences	1	-	-	(55)	9	12	-	153	7,013	188	-	7,321
At 31.12.2021	221	35	400	5,647	1,729	3,842	4,691	19,137	259,673	47,065	-	342,440
Charge for the financial year	100	13	70	787	122	513	677	3,606	46,770	8,706	-	61,364
Disposals	-	-	(6)	(58)	-	(449)	-	(762)	(2,615)	-	-	(3,890)
Written off	-	-	-	(420)	-	(143)	-	(6,513)	-	-	-	(7,076)
Adjustments	-	-	-	-	-	-	-	-	(34)	-	-	(34)
Revaluation	(300)	-	-	-	-	-	-	-	-	-	-	(300)
Reclassifications	-	-	124	102	(226)	-	-	-	-	-	-	-
Acquisition of a subsidiary (Note 16)	-	-	-	-	-	-	-	-	8,393	-	-	8,393
Translation differences	-	-	7	2	(9)	(5)	-	(353)	6,887	87	-	6,616
At 31.12.2022	21	48	595	6,060	1,616	3,758	5,368	15,115	319,074	55,858	-	407,513
Net carrying amount												
At 31.12.2021	16,800	465	117	1,229	948	1,255	1,974	8,431	501,424	83,962	65,084	681,689
At 31.12.2022	17,000	452	300	1,861	974	1,516	1,816	9,328	576,363	79,631	68,948	758,189

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

Notes to the Financial Statements (Cont'd)

11. PROPERTY, PLANT AND EQUIPMENT (continued)

- (a) The carrying amount of property, plant and equipment of the Group pledged to the licensed banks for credit facilities granted to subsidiaries are as follows (Note 28):

	Group	
	2022	2021
	RM'000	RM'000
Freehold land and building	17,000	16,800
Leasehold building	452	465
Network facilities	47,696	39,763
Plant and machinery	6,586	7,000
	<u>71,734</u>	<u>64,028</u>

- (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. The fair value has been derived using sales comparison approach based on the valuation performed by independent firms of professional valuers. Sales prices of comparable land and buildings in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable land and buildings.

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

	Group	
	2022	2021
	RM'000	RM'000
Freehold land and building	13,283	13,383
Leasehold building	322	331

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, plant and machinery, network facilities, offices and warehouses, sites and premises.

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

Group Cost/Valuation	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 Valuation	At Valuation	At Valuation	At Valuation	At Valuation	At Valuation	At Valuation
At 1.1.2021, as previously reported	3,791	309	2,803	12,846	4,279	856	218,497	243,381
Reclassification (Note 43)	-	(309)	(2,803)	(12,670)	(4,279)	-	-	(20,061)
At 1.1.2021, as restated	3,791	-	-	176	-	856	218,497	223,320
Additions	-	-	-	-	-	37	28,994	29,031
Revaluation loss	(20)	-	-	-	-	-	-	(20)
Transfer from/(to)								
property, plant and equipment								
(Note 11)	59	-	-	-	-	-	-	59
Termination	-	-	-	-	-	(149)	(8,568)	(8,717)
Translation differences	-	-	-	-	-	-	5,380	5,380
At 31.12.2021	3,830	-	-	176	-	744	244,303	249,053
Additions	-	-	-	-	-	1,462	55,064	56,526
Revaluation loss	(30)	-	-	-	-	-	-	(30)
Termination	-	-	-	-	-	(707)	(1,689)	(2,396)
Translation differences	-	-	-	-	-	-	6,264	6,264
At 31.12.2022	3,800	-	-	176	-	1,499	303,942	309,417

Notes to the Financial Statements (Cont'd)

12. RIGHT-OF-USE ASSETS (continued)

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

Group	62	154	1,654	5,787	808	454	61,042	69,961
Accumulated depreciation	-	(154)	(1,654)	(5,746)	(808)	-	-	(8,362)
At 1.1.2021, as previously reported								
Reclassification (Note 43)								
	62	-	-	41	-	454	61,042	61,599
Depreciation for the financial year	45	-	-	35	-	234	35,742	36,056
Termination	-	-	-	-	-	(149)	(7,203)	(7,352)
Translation differences	-	-	-	-	-	-	1,425	1,425
At 31.12.2021	107	-	-	76	-	539	91,006	91,728
Depreciation for the financial year	43	-	-	35	-	411	42,917	43,406
Revaluation	(44)	-	-	-	-	-	-	(44)
Termination	-	-	-	-	-	(530)	(1,689)	(2,219)
Translation differences	-	-	-	-	-	-	1,842	1,842
At 31.12.2022	106	-	-	111	-	420	134,076	134,713
Net carrying amount								
At 31.12.2021	3,723	-	-	100	-	205	153,297	157,325
At 31.12.2022	3,694	-	-	65	-	1,079	169,866	174,704

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 (2021: 3 to 30 years).
- (b) The remaining useful life of leasehold land is generally 73 to 85 years (2021: 74 to 86 years).
- (c) During the financial year, leasehold land with net carrying amount of RM1,300,000 (2021: RM1,300,000) was held in trust by a director of the Group.
- (d) The carrying amount of right-of-use assets of the Group pledged to the licensed banks for credit facilities granted to subsidiaries are as follows (Note 28):

	Group	
	2022	2021
	RM'000	RM'000
Leasehold land	<u>3,694</u>	<u>3,723</u>

- (e) 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. The fair value has been derived using sales comparison approach based on the valuation performed by independent firms of professional valuers. Sales prices of comparable land and buildings in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable land.

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

	Group	
	2022	2021
	RM'000	RM'000
Leasehold land	<u>2,100</u>	<u>2,128</u>

Notes to the Financial Statements (Cont'd)

13. INVESTMENT PROPERTIES

Group	Freehold land and buildings RM'000	Leasehold land and building RM'000	Total RM'000
At 1 January 2021	15,611	2,150	17,761
Addition	2,230	-	2,230
Net loss arising from fair value adjustment	(211)	-	(211)
At 31 December 2021	17,630	2,150	19,780
Net gain arising from fair value adjustment	366	-	366
At 31 December 2022	17,996	2,150	20,146

Included in the above are:

	Group	
	2022 RM'000	2021 RM'000
At fair value		
Freehold land and buildings	16,895	16,529
Leasehold land and building	2,150	2,150
At cost		
Building under construction	1,101	1,101
	20,146	19,780

(a) Investment properties of the Group with an aggregate carrying amount of RM18,300,000 (2021: RM17,550,000) 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	
	2022 RM'000	2021 RM'000
Rental income	969	790
Direct operating expenses	(55)	(52)

Notes to the Financial Statements

(Cont'd)

13. INVESTMENT PROPERTIES (continued)

(c) Fair value information

Fair value of investment properties are categorised as follows:

	Group			
	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
2022				
Freehold land and buildings	-	16,895	-	16,895
Leasehold land and building	-	2,150	-	2,150
	<u>-</u>	<u>19,045</u>	<u>-</u>	<u>19,045</u>
2021				
Freehold land and buildings	-	16,529	-	16,529
Leasehold land and building	-	2,150	-	2,150
	<u>-</u>	<u>18,679</u>	<u>-</u>	<u>18,679</u>

The valuation of investment properties as at 31 December 2022 and 31 December 2021 has been revalued by an accredited independent valuer. The valuations are based on the comparison and open market value method that makes reference to comparable properties that were transacted within reasonable time frame, close proximity and similar nature of properties.

There are no Level 1 and Level 3 investment properties or transfer between Level 1 and Level 2 during the financial years ended 31 December 2022 or 31 December 2021.

Notes to the Financial Statements (Cont'd)

14. INTANGIBLE ASSETS

Group	Goodwill RM'000	Other intangible assets RM'000	Total RM'000
Cost			
At 1 January 2021	135,888	63,264	199,152
Acquisition of subsidiaries (Note 16)	156	-	156
Translation differences	4,733	1,038	5,771
At 31 December 2021	140,777	64,302	205,079
Translation differences	6,539	718	7,257
At 31 December 2022	147,316	65,020	212,336
Accumulated amortisation and impairment loss			
At 1 January 2021	-	16,245	16,245
Charge for the financial year	-	4,482	4,482
Impairment loss	400	-	400
Translation differences	-	394	394
At 31 December 2021	400	21,121	21,521
Charge for the financial year	-	4,032	4,032
Impairment loss	200	-	200
Translation differences	-	(173)	(173)
At 31 December 2022	600	24,980	25,580
Net carrying amount			
At 31 December 2021	140,377	43,181	183,558
At 31 December 2022	146,716	40,040	186,756

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	
	2022	2021
	RM'000	RM'000
Telecommunication network services - CGU 1	145,091	138,552
Green energy and power solutions - CGU 2	1,625	1,825
	<u>146,716</u>	<u>140,377</u>

CGU 1

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

CGU 2

The estimated recoverable amount of the CGU 2 is lower than its carrying amount. As a result of the analysis, the management had recognised a goodwill impairment of RM200,000 (2021: 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	
	CGU 1	CGU 2
2022		
Average gross profit margin	38%	32%
Average revenue growth rate	9%	1%
Pre-tax discount rate	11%	12%
	<hr/>	<hr/>
2021		
Average gross profit margin	42%	31%
Average revenue growth rate	10%	-1%
Pre-tax discount rate	11%	11%
	<hr/>	<hr/>

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 RM4,032,000 (2021: RM4,482,000) 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	
	2022	2021
	RM'000	RM'000
Deferred tax assets/(liabilities)		
At beginning of the financial year	(17,840)	(19,888)
Recognised in profit or loss (Note 9)	(1,027)	2,085
Deferred tax relating to revaluation reserve	(72)	-
Translation differences	(194)	(37)
	<u>(19,133)</u>	<u>(17,840)</u>
At end of the financial year	<u>(19,133)</u>	<u>(17,840)</u>

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

	Group	
	2022	2021
	RM'000	RM'000
Deferred tax assets	1,573	1,178
Deferred tax liabilities	<u>(20,706)</u>	<u>(19,018)</u>
	<u>(19,133)</u>	<u>(17,840)</u>

Notes to the Financial Statements (Cont'd)

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

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

	Group					
	Recognised in		Recognised in		Other comprehensive income	
	At 1.1.2021	Profit or loss	At 31.12.2021	Profit or loss	At 31.12.2021	At 31.12.2022
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Deferred tax assets						
Post employment benefits	162	4	-	166	20	186
Unused tax losses	158	(78)	-	80	(24)	56
Provisions	-	-	-	-	4	4
Differences between the carrying amounts of right-of-use assets and their tax base	1,176	(207)	(37)	932	589	1,327
	1,496	(281)	(37)	1,178	589	1,573
Deferred tax liabilities						
Differences between the carrying amounts of property, plant and equipment and their tax base	(10,558)	1,314	-	(9,244)	(2,546)	(11,790)
Fair value changes arising from investment properties	88	(77)	-	11	17	28
Fair value changes arising from property, plant and equipment	-	-	-	-	-	(72)
Deferred tax relating to intangible assets	(10,914)	1,129	-	(9,785)	913	(8,872)
	(21,384)	2,366	-	(19,018)	(1,616)	(20,706)

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	
	2022	2021
	RM'000	RM'000
Deductible temporary differences	96	-
Unabsorbed capital allowances	2,399	2,692
Unused tax losses	9,654	10,465
	<u>12,149</u>	<u>13,157</u>

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

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

	Group	
	2022	2021
	RM'000	RM'000
2028	1,576	1,587
2029	79	186
2030	6,430	6,876
2031	45	-

16. INVESTMENT IN SUBSIDIARIES

	Company	
	2022	2021
	RM'000	RM'000
Unquoted shares, at cost		
At beginning of the financial year	121,746	121,746
Additions	138,504	-
	<u>260,250</u>	<u>121,746</u>
Loans that are part of net investments	357,551	300,611
Equity contribution in respect of ESOS	991	652
At end of the financial year	<u>618,792</u>	<u>423,009</u>

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		Principal Activities
		2022	2021	
Direct subsidiaries:				
Milab Marketing Sdn. Bhd.	Malaysia	100%	100%	Provision of renewable energy and power solutions.
OCK International Sdn. Bhd.	Malaysia	100%	100%	Investment holding.
OCK Setia Engineering Sdn. Bhd.	Malaysia	100%	100%	Provision of turnkey telecommunications network services.
Agensi Pekerjaan OCK Ventures Sdn. Bhd. ~	Malaysia	100%	100%	Investment holding and general trading.
OCK SEA Towers Pte. Ltd. * ^	Singapore	100%	100%	Provision of tower facilities, utilities and communication network for mobile and broadband operators.
Massive Connection Sdn. Bhd.	Malaysia	100%	100%	Provision of information technology services.
Avion Drone Sdn. Bhd.	Malaysia	55%	-	Supply and commission of drone related apparatus, equipment, solutions and provision of related supporting 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.

Notes to the Financial Statements

(Cont'd)

16. INVESTMENT IN SUBSIDIARIES (continued)

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

Name of Company Subsidiaries of Milab Marketing Sdn. Bhd. (continued)	Principal Place of Business/ Country of Incorporation	Equity Interest		Principal Activities
		2022	2021	
Suluk Damai Sdn. Bhd.	Malaysia	100%	100%	Provision of electrical, mechanical, motor and generation of power including all forms of renewable energy generation.
Epic Solartech Sdn. Bhd.	Malaysia	100%	100%	Provision of electrical, mechanical, motor and generation of power including all forms of renewable energy generation.
Energetic Sdn. Bhd.	Malaysia	100%	100%	Provision of electrical, mechanical, motor and generation of power including all forms of renewable energy generation.
Tanda Hebat Sdn. Bhd.	Malaysia	100%	100%	Provision of electrical, mechanical, motor and generation of power including all forms of renewable energy generation.
Powerlator Sdn. Bhd.	Malaysia	100%	100%	Provision of electrical, mechanical, motor and generation of power including all forms of renewable energy generation.
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.

Notes to the Financial Statements (Cont'd)

16. INVESTMENT IN SUBSIDIARIES (continued)

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

Name of Company Subsidiaries of Milab Marketing Sdn. Bhd. (continued)	Principal Place of Business/ Country of Incorporation	Equity Interest		Principal Activities
		2022	2021	
Green Leadership Sdn. Bhd.	Malaysia	100%	100%	Provision of electrical, mechanical, motor and generation of power including all forms of renewable energy generation.
Sinar Lebar Sdn. Bhd.	Malaysia	100%	100%	Provision of electrical, mechanical, motor and generation of power including all forms of renewable energy generation.
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.				
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		Principal Activities
		2022	2021	
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%	100%	Provision of building and facilities maintenance services.
Mercu Sepadu Sdn. Bhd.	Malaysia	51%	-	Provision of engineering services and reseller of telecommunication equipment.

Notes to the Financial Statements (Cont'd)

16. INVESTMENT IN SUBSIDIARIES (continued)

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

Name of Company	Principal Place of Business/ Country of Incorporation	Equity Interest		Principal Activities
		2022	2021	
Subsidiaries of Steadcom Sdn. Bhd.				
Device Vision Sdn. Bhd.	Malaysia	51%	51%	Provision of information technology services.
OCK Steadcom (Thailand) Co., Ltd. * ^	Thailand	100%	100%	Provision of tower facilities, utilities and communication network for mobile and broadband operators.
Subsidiaries of Firatel Sdn. Bhd.				
Firatel Infra Sdn. Bhd.	Malaysia	100%	100%	Provision of civil and mechanical engineering services and telecommunication network services.
Sunvoltic Sdn. Bhd. α	Malaysia	50%	50%	Provision of investing, design, construction, commissioning, operation and maintenance of renewable energy power generation facilities.
Subsidiary of Agensi Pekerjaan OCK Ventures Sdn. Bhd.				
OCK Industries Sdn. Bhd. ~	Malaysia	100%	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		Principal Activities
		2022	2021	
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 Subsidiary of OCK Telco Infra Sdn. Bhd.	Principal Place of Business/ Country of Incorporation	Equity Interest		Principal Activities
		2022	2021	
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.
Subsidiary of Southeast Asia Telecommunications Holdings Pte. Ltd.				
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		Principal Activities
		2022	2021	
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.
Subsidiaries of Global Infrastructure Investment Company Limited				
Truong Loc Telecom Trading and Service Joint Stock Company #	Vietnam	100%	100%	Development, installation, ownership, operation and leasing out of BTS towers, infrastructure and other assets.
Global Technical Infrastructure One Member Company Limited #	Vietnam	100%	-	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 (Cont'd)

16. INVESTMENT IN SUBSIDIARIES (continued)

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

Name of Company	Principal Place of Business/ Country of Incorporation	Equity Interest		Principal Activities
		2022	2021	
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.

β Shares pledged to a bank for term loan facilities granted to subsidiaries (Note 28).

~ Yet to commence operation.

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

Notes to the Financial Statements

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16. INVESTMENT IN SUBSIDIARIES (continued)

(i) Acquisition/Incorporation of subsidiaries

2022

- (a) On 26 January 2022, the Company had incorporated a 55% owned subsidiary, namely Avion Drone Sdn. Bhd. ("Avion Drone") with an issued and paid-up capital of 55 ordinary shares of RM1 each. The intended principal activity of Avion Drone is the supply and commission of drone related apparatus, equipment, solutions and provision of related supporting services.
- (b) On 11 May 2022, the Company's wholly-owned subsidiary, OCK Setia Engineering Sdn. Bhd. ("OCKSE") had acquired 51% equity interest in Mercu Sepadu Sdn. Bhd. ("Mercu Sepadu") for cash consideration of RM1. The intended principal activity of Mercu Sepadu is the provision of engineering services and reseller of telecommunication equipment.
- (c) On 31 March 2022, the Company's wholly-owned subsidiary, Global Infrastructure Investment Company Limited ("GII") had acquired entire equity interest in Global Technical Infrastructure One Member Ltd. ("GTI") for cash consideration of RM16,808,129. The principal activity of GTI is the development, installation, ownership, operation and leasing out of BTS towers, infrastructure and other assets.
- (i) The fair value of the identifiable assets and liabilities of GTI as at the date of acquisition were as follows:

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

Notes to the Financial Statements (Cont'd)

16. INVESTMENT IN SUBSIDIARIES (continued)

(i) Acquisition/Incorporation of subsidiaries (continued)

2022 (continued)

(c) (continued)

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

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

(iii) Effects of acquisition in statements of comprehensive income

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

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

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

	GTI RM'000
Revenue	5,873
Profit for the financial year	<u><u>902</u></u>

2021

- (a) On 20 January 2021, the Company's indirect 61% and 52% owned subsidiaries, namely Firatel Sdn. Bhd. ("Firatel") and El 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.

Notes to the Financial Statements

(Cont'd)

16. INVESTMENT IN SUBSIDIARIES (continued)

(i) Acquisition/Incorporation of subsidiaries (continued)

2021

- (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.
- (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
	<hr/> 19
Liabilities	
Trade and other payables	<hr/> (125)
Total identifiable net liabilities acquired	(106)
Goodwill arising from acquisition (Note 14)	<hr/> 156
Fair value of consideration paid	<hr/> <hr/> 50

Notes to the Financial Statements (Cont'd)

16. INVESTMENT IN SUBSIDIARIES (continued)

(i) Acquisition/Incorporation of subsidiaries (continued)

2021 (continued)

(e) (continued)

- (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	<u>(4)</u>
Net cash outflow on acquisition	<u><u>46</u></u>

(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	<u><u>66</u></u>

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	<u><u>53</u></u>

(ii) Subscription for additional interests in subsidiaries

2022

Avion Drone Sdn. Bhd.

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

Mercu Sepadu Sdn. Bhd.

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

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

Notes to the Financial Statements

(Cont'd)

16. INVESTMENT IN SUBSIDIARIES (continued)

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

2022 (continued)

OCK SEA Towers Pte. Ltd.

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

OCK Industries Sdn. Bhd.

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

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

	RM'000
Fair value of consideration transferred	-
Increase in share of net assets	<u>(12,067)</u>
Excess charged directly to equity	<u><u>(12,067)</u></u>

2021

OCK Tower Infra Sdn. Bhd.

On 8 October 2021, the Company's wholly owned-subsiidiary, 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.

Notes to the Financial Statements (Cont'd)

16. INVESTMENT IN SUBSIDIARIES (continued)

(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
	<u>2,340</u>
Liabilities	
Trade and other payables	<u>(429)</u>
Net assets disposed	<u><u>1,911</u></u>
Recognised:	
Cash consideration received, representing the fair value of the consideration received	1,727
Reclassification adjustment of exchange translation reserve	111
	<u>1,838</u>
Derecognised:	
Non-controlling interests	(1,134)
Fair value of identified net assets at disposal date	<u>1,911</u>
	<u>777</u>
Gain on disposal	<u><u>1,061</u></u>

(ii) Effects of disposals on cash flows

	Fuzhou RM'000
Fair value of consideration received	1,727
Less: Non-cash consideration	<u>-</u>
Cash consideration received	1,727
Less: Cash and cash equivalents of a subsidiary disposed off	<u>(1,087)</u>
Net cash inflow on disposals	<u><u>640</u></u>

Notes to the Financial Statements

(Cont'd)

16. INVESTMENT IN SUBSIDIARIES (continued)

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

2022

Sunvoltic Sdn. Bhd.

On 6 October 2022, the shareholders of the Company's indirect subsidiary, Sunvoltic Sdn. Bhd. ("Sunvoltic") have approved a voluntary winding-up and have commenced Members' Voluntary Winding-Up process.

OCK Energy Venture Sdn. Bhd.

On 18 November 2022, the Company's indirect 85% subsidiary, OCK Energy Venture Sdn. Bhd. ("OCKEV") had been struck-off with Register of Companies Commission of Malaysia.

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 (Cont'd)

16. INVESTMENT IN SUBSIDIARIES (continued)

(v) Non-controlling interests in subsidiaries

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

	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
2022									
NCI Percentage of ownership interest and voting interest	15%	49%	48%	49%	39%	40%	40%		
Carrying amount of NCI	3,557	5,109	3,571	4,185	5,865	47,021	11,019	5,409	85,736
Profit/(Loss) allocated to NCI	575	526	1,395	674	224	(1,116)	1,166	2,239	5,683
Total comprehensive income/(loss) allocated to NCI	450	526	1,395	674	224	(524)	(263)	2,006	4,488
2021									
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

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:

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

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)

2021	PT Putra Mulia Tele- Communication RM'000	Dynasnergy 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
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	-	-	-

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

Notes to the Financial Statements
(Cont'd)

17. INVESTMENT IN ASSOCIATES

	Group	
	2022 RM'000	2021 RM'000
Unquoted shares, at cost		
At beginning/end of the financial year	422	422
Share of post-acquisition losses		
At beginning of the financial year	(225)	(221)
Share of results	(20)	(4)
At end of the financial year	(245)	(225)
	<u>177</u>	<u>197</u>

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

Details of the associates are as follows:

Name of Company	Principal Place of Business/ Country of Incorporation	Proportion Equity Interest		Principal Activities
		2022	2021	
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.

^ Equity accounted 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 (Cont'd)

17. INVESTMENT IN ASSOCIATES (continued)

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

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

Notes to the Financial Statements
(Cont'd)

17. INVESTMENT IN ASSOCIATES (continued)

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

2021	OCK Digital Infra (Sarawak) Sdn. Bhd. RM'000	Irat Civil Works Sdn. Bhd. RM'000	Total RM'000
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 Group has not recognised its share of losses of OCK Digital Infra (Sarawak) Sdn. Bhd. amounting to RM1,243 (2021: RM1,164) 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 RM4,004 (2021: RM2,761).

18. INVENTORIES

	Group	
	2022	2021
	RM'000	RM'000
At lower of cost and NRV:		
Raw materials	12,750	11,864
Work-in-progress	72,529	50,748
Finished goods	1,505	780
	<u>86,784</u>	<u>63,392</u>
Inventories recognised as cost of sales during the financial year	<u>253,074</u>	<u>177,530</u>
Inventories written off recognised as an expense in cost of sales during the financial year	<u>-</u>	<u>7</u>

19. TRADE AND OTHER RECEIVABLES

		Group		Company	
		2022	2021	2022	2021
	Note	RM'000	RM'000	RM'000	RM'000
Non-current:					
Trade receivable					
- Trade receivable from contract with a customer	(a)	7,656	11,656	-	-
Other receivables					
- Third parties		1,804	1,188	-	-
- Prepayments		2,302	1,742	-	-
- Deposits		633	782	-	-
- Amounts owing by subsidiaries	(e)	-	-	27,316	25,602
		4,739	3,712	27,316	25,602
Less: Allowance for impairment loss					
- Amounts owing by subsidiaries		-	-	(12,333)	(12,713)
		<u>4,739</u>	<u>3,712</u>	<u>14,983</u>	<u>12,889</u>
Total trade and other receivables (non-current)		<u>12,395</u>	<u>15,368</u>	<u>14,983</u>	<u>12,889</u>

Notes to the Financial Statements
(Cont'd)

19. TRADE AND OTHER RECEIVABLES (continued)

Note	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Current:				
Trade receivables				
- Trade receivable from contract with a customer	146,021	78,048	-	-
- Trade receivable from other sources	24,362	10,210	-	-
- Retention sum	932	954	-	-
(c)	171,315	89,212	-	-
Less: Allowance for impairment loss				
- Third parties	(1,223)	(985)	-	-
(b) (d)	170,092	88,227	-	-
Other receivables				
- Third parties	11,807	10,736	18	7
- Amount owing by ultimate holding company	583	557	532	511
- Amounts owing by related parties	150	120	-	-
- Amount owing by an associate	6	6	-	-
(f)	12,546	11,419	550	518
Less: Allowance for impairment loss				
- Third party	(11)	(15)	-	-
Total other receivables, net	12,535	11,404	550	518
Deposits	16,339	11,908	-	-
Advances to sub-contractors	26,046	15,770	-	-
GST refundable	812	859	-	-
Prepayments	42,379	38,432	854	796
(g)	98,111	78,373	1,404	1,314
Total trade and other receivables (current)	268,203	166,600	1,404	1,314
Total trade and other receivables (non-current and current)	280,598	181,968	16,387	14,203

(a) Included in trade receivables of the Group is an amount of RM7,656,080 (2021: RM11,656,080) which is unsecured, interest-bearing at a rate of 5.50% (2021: 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 (2021: 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	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Trade receivables				
At beginning of the financial year	985	868	-	-
Charge for the financial year (Note 8)				
- individually assessed	352	382	-	-
Reversal of impairment loss	(46)	-	-	-
Written off	(63)	(265)	-	-
Translation differences	(5)	-	-	-
At end of the financial year	<u>1,223</u>	<u>985</u>	<u>-</u>	<u>-</u>
Other receivables				
At beginning of the financial year	15	-	12,713	12,659
Charge for the financial year (Note 8)				
- individually assessed	-	15	-	54
Reversal of impairment loss	-	-	(380)	-
Written off	(4)	-	-	-
At end of the financial year	<u>11</u>	<u>15</u>	<u>12,333</u>	<u>12,713</u>

- (c) Included in trade receivables of the Group are retention sum of RM932,308 (2021: RM954,235) 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) In the previous financial year, included in trade receivables is an amount of RM5,840,000 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% (2021: 3.5% to 4%) 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 RM73,164 (2021: RM1,864,745) in relation to the undrawn loan facilities of the Group; and
- (ii) down payments to suppliers of RM19,777,923 (2021: RM8,750,588) 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	
	2022	2021
	RM'000	RM'000
Myanmar Kyat	32,586	14,192
Singapore Dollar	2,075	1,969
United States Dollar	2,017	-

(i) The information about the credit exposures are disclosed in Note 41(a).

20. CONTRACT ASSETS/(LIABILITIES)

	Group	
	2022	2021
	RM'000	RM'000
Contract assets relating to construction service contracts	63,331	72,103
Contract assets relating to unbilled services	2,620	3,338
	<u>65,951</u>	<u>75,441</u>
Contract liabilities relating to construction service contracts	<u>(4,115)</u>	<u>(4,537)</u>

Notes to the Financial Statements (Cont'd)

20. CONTRACT ASSETS/(LIABILITIES) (continued)

(a) Significant changes in contract balances

	2022		2021	
	Contract assets increase/ (decrease) RM'000	Contract liabilities (increase)/ decrease RM'000	Contract assets increase/ (decrease) RM'000	Contract liabilities (increase)/ decrease RM'000
Group				
Revenue recognised that was included in contract liability at the beginning of the financial year	-	3,966	-	1,698
Increases due to cash received, excluding amounts recognised as revenue during the period	-	(3,511)	-	(3,791)
Increase due to revenue recognised for unbilled goods or services transferred to customers	56,018	-	61,323	-
Increases as a result of changes in the measure of progress	-	-	879	-
Transfers from contract assets recognised at the beginning of the period to receivables	(65,365)	-	(66,177)	-
Translation difference	(143)	(33)	532	(50)

(b) Revenue recognised in relation to contract balances

	Group	
	2022 RM'000	2021 RM'000
Revenue recognised that was included in contract liability at the beginning of the financial year	<u>3,966</u>	<u>1,698</u>

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

Notes to the Financial Statements
(Cont'd)

21. OTHER INVESTMENTS

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Financial assets at fair value through profit or loss ("FVPL")				
At fair value:				
Short-term cash investments				
- Money market fund	2,565	17,023	2,447	16,825

22. CASH AND SHORT-TERM DEPOSITS

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances	58,952	52,629	14,678	4,142
Short-term deposits placed with licensed banks	11,067	29,251	-	-
Cash and short-term deposits as presented in statements of financial position	70,019	81,880	14,678	4,142

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

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Short-term deposits placed with licensed banks	11,067	29,251	-	-
Less: Pledged deposits	(10,395)	(28,724)	-	-
	672	527	-	-
Cash and bank balances	58,952	52,629	14,678	4,142
Less: Bank overdrafts (Note 28)	(24,429)	(17,249)	-	-
Cash and short-term deposits as presented in statements of cash flows	35,195	35,907	14,678	4,142

- (a) Deposits placed with licensed banks amounting to RM10,395,319 (2021: RM28,723,612) 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 0.25% to 2.70% (2021: 0.95% to 1.80%) 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		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Myanmar Kyat	6,825	3,136	-	-
Singapore Dollar	1	-	-	-
United States Dollar	13,811	1,388	12,618	12

23. SHARE CAPITAL

	Group and Company			
	Number of ordinary shares		<----- Amounts ----->	
	2022	2021	2022	2021
	Unit'000	Unit'000	RM'000	RM'000
Issued and fully paid up (no par value):				
At beginning of the financial year	1,054,480	958,574	300,835	295,526
Issuance of shares pursuant to:				
- rights issue	-	95,857	-	5,464
- ESOS	28	40	13	19
- exercise of warrants	-	9	-	5
Transaction costs of share issue	-	-	-	(179)
At end of the financial year	1,054,508	1,054,480	300,848	300,835

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 issued 28,000 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 RM12,264.

Notes to the Financial Statements

(Cont'd)

23. SHARE CAPITAL (continued)

In the previous 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.

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	
	2022	2021
	RM'000	RM'000
At beginning of the financial year	7,064	7,188
Revaluation of property, plant and equipment and right-of-use assets	314	-
Revaluation loss on right-of-use assets	(72)	(20)
Realisation of revaluation reserve	(102)	(104)
At end of the financial year	<u>7,204</u>	<u>7,064</u>

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

Notes to the Financial Statements (Cont'd)

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.

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	
	2022	2021
	Unit'000	Unit'000
Number of unissued shares under warrants		
At beginning of the financial year	95,848	-
Issued	-	95,857
Exercised	-	(9)
At end of the financial year	<u>95,848</u>	<u>95,848</u>

Notes to the Financial Statements

(Cont'd)

26. WARRANT RESERVE (continued)

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

	2021
Fair value of warrants and assumptions	
Fair value at grant date (RM)	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.

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:

	Number 2022 Unit'000	Group and Company WAEP 2022	Number 2021 Unit'000	WAEP 2021
At beginning of the financial year	26,462	RM0.37	-	-
Granted	-	RM0.37	26,502	RM0.37
Exercised during the year	(28)	RM0.37	(40)	RM0.37
At end of the financial year	26,434	RM0.37	26,462	RM0.37
Exercisable at end of the year	26,434	RM0.37	26,462	RM0.37

The options outstanding at 31 December 2022 have exercise price of RM0.37 (31.12.2021: RM0.37) and the weighted average remaining contractual life for the share options outstanding as at 31 December 2022 is 2.99 years (31.12.2021: 3.99 years).

Notes to the Financial Statements (Cont'd)

27. SHARE OPTION RESERVE (continued)

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.

28. LOANS AND BORROWINGS

		Group		Company	
	Note	2022 RM'000	2021 RM'000 (Restated)	2022 RM'000	2021 RM'000
Non-current:					
Secured					
Term loans	(a)	344,594	173,209	182,260	-
Revolving projects loan	(c)	1,639	3,851	-	-
Hire purchase payables	(f)	1,975	1,547	-	-
		348,208	178,607	182,260	-
Current:					
Secured					
Bankers' acceptance	(b)	41,712	23,956	-	-
Revolving projects loan	(c)	29,407	14,622	-	-
Bank overdrafts (Note 22)	(d)	24,429	17,249	-	-
Term loans	(a)	59,933	155,502	12,912	-
Revolving credit	(e)	31,051	38,666	10,000	-
Hire purchase payables	(f)	1,155	1,116	-	-
Project financing	(g)	40,380	12,423	-	-
		228,067	263,534	22,912	-
		576,275	442,141	205,172	-
Total loans and borrowings:					
Term loans	(a)	404,527	328,711	195,172	-
Bankers' acceptance	(b)	41,712	23,956	-	-
Revolving projects loan	(c)	31,046	18,473	-	-
Bank overdrafts (Note 22)	(d)	24,429	17,249	-	-
Revolving credit	(e)	31,051	38,666	10,000	-
Hire purchase payables	(f)	3,130	2,663	-	-
Project financing	(g)	40,380	12,423	-	-
		576,275	442,141	205,172	-

Notes to the Financial Statements
(Cont'd)**28. LOANS AND BORROWINGS (continued)****(a) Term loans - secured**

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Term loan I	-	430	-	-
Term loan II	5,241	6,074	-	-
Term loan III	744	829	-	-
Term loan IV	1,596	2,124	-	-
Term loan V	2,129	1,240	-	-
Term loan VI - Indonesian Rupiah	5,851	1,489	-	-
Term loan VII - United States Dollar	-	62,025	-	-
Term loan VIII	10,244	13,041	-	-
Term loan IX	1,443	1,528	-	-
Term loan X	824	1,590	-	-
Term loan XI - United States Dollar	-	62,461	-	-
Term loan XII	4,558	6,738	-	-
Term loan XIII	1,525	2,151	-	-
Term loan XIV	2,378	5,060	-	-
Term loan XV	1,290	2,262	-	-
Term loan XVI	-	20,825	-	-
Term loan XVII	5,688	8,166	-	-
Term loan XVIII	320	5,797	-	-
Term loan XIX	8,143	9,038	-	-
Term loan XX - Indonesian Rupiah	1,692	760	-	-
Term loan XXI	30,141	30,034	-	-
Term loan XXII	10,149	9,680	-	-
Term loan XXIII	-	75,369	-	-
Term loan XXIV	6,516	-	-	-
Term loan XXV	2,425	-	-	-
Term loan XXVI	580	-	-	-
Term loan XXVII	1,912	-	-	-
Term loan XXVIII	1,574	-	-	-
Term loan XXIX	7,546	-	-	-
Term loan XXX	5,728	-	-	-
Term loan XXXI	1,705	-	-	-
Term loan XXXII	12,998	-	-	-
Term loan XXXIII	3,816	-	-	-
Term loan XXXIV	4,040	-	-	-
Term loan XXXV	66,559	-	-	-
Term loan XXXVI - United States Dollar	195,172	-	195,172	-
	<u>404,527</u>	<u>328,711</u>	<u>195,172</u>	<u>-</u>

Notes to the Financial Statements (Cont'd)

28. LOANS AND BORROWINGS (continued)

(a) Term loans - secured (continued)

The term loans are repayable as follows:

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Non-current liabilities:				
- due more than 1 year but not later than 5 years	277,812	164,200	131,769	-
- due after 5 years	66,782	9,009	50,491	-
	344,594	173,209	182,260	-
Current liabilities:				
- due within 1 year	59,933	155,502	12,912	-
	<u>404,527</u>	<u>328,711</u>	<u>195,172</u>	<u>-</u>

(i) The term loans bear interest at rates ranging from 3.60% to 12.50% (2021: 3.25% to 10%) 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;

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 3.60% to 12.50% (2021: 3.25% to 10%) per annum and are secured and supported as follows: (continued)
- (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;
 - (z) Master security agreement;
 - (aa) Charge over Onshore Accounts;
 - (ab) Letters of Undertaking;
 - (ac) Debentures;
 - (ad) Share Pledge;
 - (ae) Assignment of Contracts; and
 - (af) Charge over Revenue Account.
- (ii) The foreign currency exposure profile of the Group's term loans is as follows:

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
United States Dollar	195,172	-	195,172	-

(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 3.17% to 6.81% (2021: 2.04% to 5.45%) per annum.

Notes to the Financial Statements (Cont'd)

28. LOANS AND BORROWINGS (continued)

(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 7.00% to 7.25% (2021: 6.70% to 7.25%) per annum.

(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 6.64% to 8.40% (2021: 5.64% to 7.40%) per annum.

(e) Revolving credit

The revolving credit is secured by way of:

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

The revolving credit bears effective interest rates ranging from 5.10% to 6.51% (2021: 4.10% to 5.76%) per annum.

Notes to the Financial Statements

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28. LOANS AND BORROWINGS (continued)

(f) Hire purchase payables

Hire purchase payables of the Group of RM3,130,000 (2021: RM2,663,000) bears interest ranging from 2.13% to 4.80% (2021: 2.13% to 5.23%) per annum and are secured by the Group's motor vehicles under hire purchase arrangements as disclosed in Note 5(c).

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

	Group	
	2022	2021
	RM'000	RM'000
		(Restated)
Future minimum payments	3,461	2,991
Less: Future finance charges	(331)	(328)
Total present value of minimum payments	<u>3,130</u>	<u>2,663</u>
Payable within one year		
Future minimum payments	1,346	1,297
Less: Future finance charges	(191)	(181)
Present value of minimum payments	1,155	1,116
Payable more than 1 year but not more than 5 years		
Future minimum payments	2,054	1,694
Less: Future finance charges	(135)	(147)
Present value of minimum payments	1,919	1,547
Payable more than 5 years		
Future minimum payments	61	-
Less: Future finance charges	(5)	-
Present value of minimum payments	<u>56</u>	<u>-</u>
Total present value of minimum payments	<u>3,130</u>	<u>2,663</u>

(g) Project financing

The project financing is secured by way of:

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

The project financing bears effective interest rates ranging from 6.01% (2021: 5.01%) per annum.

Notes to the Financial Statements (Cont'd)

29. LEASE LIABILITIES

	Group	
	2022	2021
	RM'000	RM'000
		(Restated)
Non-current:		
Lease liabilities	144,117	132,018
Current:		
Lease liabilities	40,998	28,895
	<u>185,115</u>	<u>160,913</u>

The incremental borrowing rates applied to the lease liabilities ranging from 4.23% to 8.93% (2021: 4.43% to 7.00%) per annum.

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

	Group	
	2022	2021
	RM'000	RM'000
		(Restated)
Future minimum lease payments	222,313	195,315
Less: Future finance charges	<u>(37,198)</u>	<u>(34,402)</u>
Total present value of minimum lease payments	<u>185,115</u>	<u>160,913</u>
Payable within one year		
Future minimum lease payments	50,015	36,641
Less: Future finance charges	<u>(9,017)</u>	<u>(7,746)</u>
Present value of minimum lease payments	40,998	28,895
Payable more than 1 year but not more than 5 years		
Future minimum lease payments	114,367	93,314
Less: Future finance charges	<u>(19,587)</u>	<u>(18,259)</u>
Present value of minimum lease payments	94,780	75,055
Payable more than 5 years		
Future minimum lease payments	57,931	65,360
Less: Future finance charges	<u>(8,594)</u>	<u>(8,397)</u>
Present value of minimum lease payments	<u>49,337</u>	<u>56,963</u>
Total present value of minimum lease payments	<u>185,115</u>	<u>160,913</u>

Notes to the Financial Statements

(Cont'd)

30. DEFERRED INCOME

	Group	
	2022	2021
	RM'000	RM'000
Non-current		
Government grants:		
At beginning of the financial year	1,811	1,936
Released to profit or loss (Note 8)	(125)	(125)
At end of the financial year	<u>1,686</u>	<u>1,811</u>

Government grants related to assets

Government grants have been received for the purchase of certain items of property, plant and equipment by a subsidiary.

31. PROVISION FOR LIABILITIES

	Group	
	2022	2021
	RM'000	RM'000
Site restoration costs		
At beginning of the financial year	11,119	9,522
Additions	3,458	960
Unwinding of discount (Note 8)	508	423
Translation difference	346	214
At end of the financial year	<u>15,431</u>	<u>11,119</u>

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 RM3,458,000 (2021: RM960,000) was made during the financial year ended 31 December 2022 and 31 December 2021 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 (2021: 19 to 22 years) tenure periods. The Group has estimated a range of reasonably possible outcomes of the total cost of RM23,126,000 (2021: RM18,990,000), 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 6.00% (2021: 2.12% to 4.50%), which is the risk-free rate in the jurisdiction of the liability.

Notes to the Financial Statements (Cont'd)

32. POST EMPLOYMENT BENEFIT LIABILITIES

	Group	
	2022	2021
	RM'000	RM'000
At beginning of the financial year	753	738
Recognised in profit or loss (Note 8)	31	(61)
Actuarial loss recognised in other comprehensive income	6	47
Translation differences	(26)	29
At end of the financial year	<u>764</u>	<u>753</u>

- (a) This is in respect of provision for employees' benefits related to retirement, separation fee, service fee, compensation payments and other benefits recognised.
- (b) The provision is made based on the actuarial valuation performed by an independent actuary on its report dated 26 January 2023 (2021: 25 January 2022) using the projected unit credit method.
- (c) Principal actuarial assumptions used at the reporting date are as follows:

	Group	
	2022	2021
Discount rate	5.52% to 7.43%	7.37% - 7.58%
Normal retirement age	55 years	55 years
Salary increase rate	<u>10%</u>	<u>10%</u>

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

Sensitivity analysis

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

Group	Reasonably possible change in assumption	Effect on defined benefit obligation	
		Increase RM'000	Decrease RM'000
2022			
Discount rate	1.0%	(70)	81
Future salary growth	1.0%	83	(74)
2021			
Discount rate	1.0%	(81)	95
Future salary growth	1.0%	91	(80)

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

Notes to the Financial Statements
(Cont'd)

33. TRADE AND OTHER PAYABLES

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Trade payables					
- Third parties		54,818	83,086	-	-
- Accruals		18,954	13,301	-	-
- Retention sum		2,286	2,650	-	-
(a) (b)		76,058	99,037	-	-
Other payables		4,149	8,827	53	42
Accruals		19,342	11,977	262	242
Deposits		5,210	5,835	-	-
Amounts owing to minority shareholders of subsidiaries	(c)	3,512	11,577	-	-
Amounts owing to subsidiaries	(d)	-	-	24,073	25,570
Amount owing to a related party	(e)	8,100	10,664	8,100	10,664
Amounts owing to directors of subsidiaries	(f)	102	991	-	-
		40,415	49,871	32,488	36,518
Total trade and other payables		<u>116,473</u>	<u>148,908</u>	<u>32,488</u>	<u>36,518</u>

(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 (2021: 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	
	2022 RM'000	2021 RM'000
Myanmar Kyat	8,096	60,580
United States Dollar	<u>153,493</u>	<u>-</u>

(c) Amounts owing to minority shareholders of subsidiaries are non-trade in nature, unsecured, interest-free and repayable upon demand in cash.

(d) Amount owing to subsidiaries is non-trade in nature, unsecured, bears interest rates ranging from 3.50% to 7.89% (2021: 3.50% to 7.24%) and repayable upon demand in cash.

(e) Amount owing to a related party is non-trade in nature, unsecured, bears interest at rate of 4.00% (2021: 4.00%) and repayable upon demand in cash.

Notes to the Financial Statements (Cont'd)

33. TRADE AND OTHER PAYABLES (continued)

- (f) Amounts owing to directors of subsidiaries are non-trade in nature, unsecured, interest-free and repayable upon demand in cash.
- (g) For explanation on the Group's and the Company's liquidity risk management processes, refer to Note 41(b).

34. DIVIDENDS

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

35. FINANCIAL GUARANTEES

	Company	
	2022 RM'000	2021 RM'000
Corporate guarantees given to licensed banks for outstanding banking facilities granted to subsidiaries	313,135	436,391

36. CAPITAL COMMITMENTS

	Group	
	2022 RM'000	2021 RM'000
In respect of capital expenditure:		
Property, plant and equipment		
- approved and contracted for	191,274	122,694
- approved but not contracted for	205,973	190,108

37. LEASE COMMITMENTS

(a) The Group as lessee

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

Notes to the Financial Statements

(Cont'd)

37. LEASE COMMITMENTS (continued)

(a) The Group as lessee (continued)

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

	Group	
	2022	2021
	RM'000	RM'000
Not later than one year	1,785	1,107
Later than one year and not later than five years	1,727	771
Later than five years	-	13
	<u>3,512</u>	<u>1,891</u>

(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	
	2022	2021
	RM'000	RM'000
Not later than one year	165,953	158,495
Later than one year and not later than five years	535,618	513,944
Later than five years	477,012	489,024
	<u>1,178,583</u>	<u>1,161,463</u>

Notes to the Financial Statements (Cont'd)

38. 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
PLY Technology	A company in which a director and shareholder of a subsidiary (Steadcom Sdn. Bhd.) is a director and a substantial shareholder
Profit Hover Limited	A company in which a director of the Company is a director

Notes to the Financial Statements
(Cont'd)**38. RELATED PARTY TRANSACTIONS (continued)**

(b) Transactions with related parties are as follows:

	Group	
	2022	2021
	RM'000	RM'000
Ultimate holding company		
<i>Aliran Armada Sdn. Bhd.</i>		
Finance charges received/receivable	(5)	(6)
Related parties		
<i>Dynasynergy Sdn. Bhd.</i>		
Sales received/receivable	-	(7)
<i>PLY Technology</i>		
Consultancy fees paid/payable	246	267
<i>Profit Hover Limited</i>		
Interest expense paid/payable	502	486
	<u>502</u>	<u>486</u>
	Company	
	2022	2021
	RM'000	RM'000
Received and receivable from subsidiaries		
Management fees	(9,228)	(5,120)
Interest income	(531)	(9,215)
	<u>(9,759)</u>	<u>(14,335)</u>
Paid and payable to subsidiaries		
Interest expense	1,265	575
Administration expenses	1,427	1,079
	<u>2,692</u>	<u>1,654</u>
Paid and payable to a related party		
Interest expense	502	486
	<u>502</u>	<u>486</u>

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)

38. 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	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Directors of the Company				
Executive Directors:				
- salaries, allowances and bonuses	3,485	3,227	2,638	2,383
- other emoluments	421	387	317	284
	3,906	3,614	2,955	2,667
Non-executive Directors:				
- fees	198	177	198	177
- allowances	25	22	25	22
	223	199	223	199
Directors of the subsidiaries				
Executive Directors:				
- fees	54	54	-	-
- salaries, allowances and bonuses	1,037	1,348	-	-
- other emoluments	117	115	-	-
	1,208	1,517	-	-
Total directors' remuneration	5,337	5,330	3,178	2,866
Other key management personnel				
Short-term employee benefits	2,866	2,523	1,641	1,080
Post employment benefits	352	310	200	132
	3,218	2,833	1,841	1,212
	8,555	8,163	5,019	4,078

Notes to the Financial Statements (Cont'd)

39. 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 (Cont'd)

39. SEGMENT INFORMATION (continued)

Group 2022	Note	Tele- communication Network Services RM'000	Green Energy and Power Solutions RM'000	Trading RM'000	M&E Engineering Services RM'000	Investment Holding RM'000	Adjustments and Eliminations RM'000	Consolidated RM'000
Revenue								
External revenue		553,997	50,034	5,825	7,250	-	-	617,106
Inter-segment revenue	a	38,402	4,137	6,872	26	732	(50,169)	-
		592,399	54,171	12,697	7,276	732	(50,169)	617,106
Results								
Interest income	a	(11,915)	(1,165)	(344)	-	(639)	13,854	(209)
Finance costs	a	36,583	2,485	177	330	2,742	(12,274)	30,043
Depreciation and amortisation		97,853	5,885	69	42	-	4,953	108,802
Other non-cash expenses	b	3,851	238	235	338	2,722	(3,663)	3,721
Segment profit/(loss) after tax	c	43,883	4,202	573	(129)	(2,179)	(7,898)	38,452
Segment Assets								
Additions to non- current assets	d	82,682	9,694	52	-	-	-	92,428
Segment assets	e	2,895,084	161,874	21,198	23,999	673,401	(2,126,889)	1,648,667
Segment Liabilities	f	1,442,506	77,505	6,151	18,290	246,499	(867,217)	923,734

Notes to the Financial Statements
(Cont'd)

39. SEGMENT INFORMATION (continued)

	Note	Tele-communication Network Services RM'000	Green Energy and Power Solutions RM'000	Trading RM'000	M&E Engineering Services RM'000	Investment Holding RM'000	Adjustments and Eliminations RM'000	Consolidated RM'000
Group 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	115,029	2,296	208	2,230	-	(1,556)	118,207
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)

39. 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:

	2022 RM'000	2021 RM'000
Bad debts written off	230	850
Inventories written off	-	7
Gain on disposal of subsidiaries	-	(1,061)
Gain on lease modification	(21)	(417)
Impairment loss on goodwill	200	400
Impairment losses on:		
- trade receivables	352	382
- other receivables	-	15
Loss on waiver of debts	-	95
Net fair value (gain)/loss on investment properties	(366)	211
Net loss on disposal of property, plant and equipment	38	173
Net unrealised loss on foreign exchange	2,718	586
Property, plant and equipment written off	77	1,253
Reversal of impairment loss on other receivables	(46)	-
Provision/(Reversal of provision) for post employment benefits	31	(61)
Unwinding effect on provision for site restoration	508	423
	<u>3,721</u>	<u>2,856</u>

(c) Inter-segment transactions eliminated on consolidation.

(d) Additions to non-current assets (excluding financial instruments, intangible assets, right-of-use assets and deferred tax assets) consist of:

	2022 RM'000	2021 RM'000
Property, plant and equipment	92,428	115,977
Investment properties	-	2,230
	<u>92,428</u>	<u>118,207</u>

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

	2022 RM'000	2021 RM'000
Inter-segment assets	<u>(2,126,889)</u>	<u>(1,540,934)</u>

Notes to the Financial Statements

(Cont'd)

39. 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:

	2022 RM'000	2021 RM'000
Deferred tax liabilities	8,872	9,785
Inter-segment liabilities	<u>(876,089)</u>	<u>(962,386)</u>
	<u><u>(867,217)</u></u>	<u><u>(952,601)</u></u>

- (g) Geographical information

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

	Revenue 2022 RM'000	2021 RM'000
Malaysia	363,283	244,800
China	-	2,536
Myanmar	85,947	84,751
Indonesia	99,121	92,473
Singapore	7,222	11,289
Vietnam	<u>61,533</u>	<u>52,334</u>
	<u><u>617,106</u></u>	<u><u>488,183</u></u>

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

	Non-current assets 2022 RM'000	2021 RM'000
Malaysia	299,889	274,265
Myanmar	533,975	486,345
Indonesia	13,545	15,073
Vietnam	292,086	266,397
Thailand	<u>477</u>	<u>469</u>
	<u><u>1,139,972</u></u>	<u><u>1,042,549</u></u>

- (h) Major customers

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

Notes to the Financial Statements (Cont'd)

40. 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
2022			
Financial assets			
Group			
Trade and other receivables, net of GST refundable, advances to sub-contractors and prepayments	209,059	209,059	-
Cash and short-term deposits	70,019	70,019	-
Other investments	2,565	-	2,565
	<u>281,643</u>	<u>279,078</u>	<u>2,565</u>
Company			
Other receivables, net of prepayments	15,533	15,533	-
Cash and short-term deposits	14,678	14,678	-
Other investments	2,447	-	2,447
	<u>32,658</u>	<u>30,211</u>	<u>2,447</u>
Financial liabilities			
Group			
Trade and other payables	116,473	116,473	-
Loans and borrowings	576,275	576,275	-
	<u>692,748</u>	<u>692,748</u>	<u>-</u>
Company			
Other payables	32,488	32,488	-
Loans and borrowings	205,172	205,172	-
	<u>237,660</u>	<u>237,660</u>	<u>-</u>

Notes to the Financial Statements
(Cont'd)**40. 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 (Restated)	AC RM'000 (Restated)	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
	<u>224,068</u>	<u>207,045</u>	<u>17,023</u>
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
	<u>34,374</u>	<u>17,549</u>	<u>16,825</u>
Financial liabilities			
Group			
Trade and other payables, net of GST payable	148,908	148,908	-
Loans and borrowings	442,141	442,141	-
	<u>591,049</u>	<u>591,049</u>	<u>-</u>
Company			
Other payables	<u>36,518</u>	<u>36,518</u>	<u>-</u>

Notes to the Financial Statements (Cont'd)

40. 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 (2021: no transfers between Level 1 and Level 2).

Notes to the Financial Statements
(Cont'd)

40. FINANCIAL INSTRUMENTS (continued)

(b) Fair value of financial instruments (continued)

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

Group 2022	Carrying amount RM'000	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value			Total RM'000
		Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
Financial assets								
Other investments	2,565	2,565	-	-	-	-	-	-
Financial liabilities								
Hire purchase payables	3,130	-	-	-	-	-	3,130	3,130
2021								
Financial assets								
Other investments	17,023	17,023	-	-	-	-	-	-
Financial liabilities								
Hire purchase payables	2,663	-	-	-	-	-	2,663	2,663
Company 2022								
Financial assets								
Other investments	2,447	2,447	-	-	-	-	-	-
Amounts owing by subsidiaries	14,983	-	-	-	-	-	14,983	14,983
2021								
Financial assets								
Other investments	16,825	16,825	-	-	-	-	-	-
Amounts owing by subsidiaries	12,889	-	-	-	-	-	12,889	12,889

Notes to the Financial Statements (Cont'd)

40. 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.

41. 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

(Cont'd)

41. 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 35% (2021: 27%) of the Group trade receivables was due from three (2021: 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
2022			
Contract assets	0%	65,951	-
Trade receivables			
Current	0%	76,642	-
1 to 30 days past due	0%	24,148	-
31 to 60 days past due	0%	22,992	-
61 to 90 days past due	0%	5,487	-
91 to 120 days past due	0%	9,272	-
More than 121 days past due	0%	39,207	-
		<u>177,748</u>	<u>-</u>
Impaired - individually		<u>1,223</u>	<u>1,223</u>
		<u>178,971</u>	<u>1,223</u>
		<u>244,922</u>	<u>1,223</u>

Notes to the Financial Statements (Cont'd)

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(a) Credit risk (continued)

Trade receivables and contract assets (continued)

Credit risk concentration profile (continued)

The information about the credit risk exposure on the Group's trade receivables and contract assets using the provision matrix are as follows: (continued)

	Expected credit loss rate %	Gross carrying amount at default RM'000	Impairment losses RM'000
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

Other receivables and other financial assets

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

Notes to the Financial Statements (Cont'd)

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(a) Credit risk (continued)

Other receivables and other financial assets (continued)

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

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

Some intercompany loans between the entities within the Group are repayable on demand. For loans that are repayable on demand, impairment losses are assessed based on the assumption that repayment of the loan is demanded at the reporting date. If the borrower does not have sufficient highly liquid resources when the loan is demanded, the Group and the Company will consider the expected manner of recovery and recovery period of the intercompany loan.

As at the end of the reporting date, the Group and the Company consider the other receivables and other financial assets as low credit risk and any loss allowance would be negligible. Refer to Note 3.16(a) for the Group's and the Company's other accounting policies for impairment of financial assets.

Financial guarantee contracts

The Company is exposed to credit risk in relation to financial guarantees given to banks in respect of 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 35. As at the reporting date, there was no loss allowance for impairment as determined by the Company for the financial guarantee.

The financial guarantees have not been recognised since the fair value on initial recognition was not material.

Notes to the Financial Statements
(Cont'd)

41. 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
2022					
Group					
Financial liabilities					
Trade and other payables	116,473	116,473	-	-	116,473
Bankers' acceptance	41,712	41,712	-	-	41,712
Revolving projects loan	31,046	29,407	1,639	-	31,046
Revolving credit	31,051	31,051	-	-	31,051
Bank overdrafts	24,429	24,429	-	-	24,429
Lease liabilities	185,115	50,015	114,367	57,931	222,313
Term loans	404,527	78,031	316,407	74,873	469,311
Hire purchase payables	3,130	1,346	2,054	61	3,461
Project financing	40,380	40,380	-	-	40,380
	877,863	412,844	434,467	132,865	980,176
Company					
Financial liabilities					
Other payables	32,488	32,488	-	-	32,488
Revolving credit	10,000	10,000	-	-	10,000
Term loans	195,172	28,216	172,496	52,898	253,610
Financial guarantee contracts	-	313,135	-	-	313,135
	237,660	383,839	172,496	52,898	609,233

Notes to the Financial Statements
(Cont'd)**41. 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
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	17,249	17,249	-	-	17,249
Lease liabilities	160,913	36,641	93,314	65,360	195,315
Term loans	328,711	163,990	161,916	8,160	334,066
Hire purchase payables	2,663	1,297	1,694	-	2,991
Project financing	12,423	12,423	-	-	12,423
	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)**41. 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 RM13,811,313 (2021: RM1,388,453) and RM6,824,883 (2021: RM3,135,528) respectively.

The Group is also exposed to currency translation risk arising from its investments in foreign operations. The Group's investments in Singapore, Indonesia, China, Cambodia, Thailand, Myanmar, British Virgin Islands and Vietnam are not hedged as currency positions in the functional currency of respective countries are considered to be long-term in nature.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's 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	
		2022	2021
		RM'000	RM'000
USD/RM	- strengthen by 5% (2021: 5%)	601	53
	- weaken by 5% (2021: 5%)	(601)	(53)
MMK/RM	- strengthen by 5% (2021: 5%)	1,190	(1,644)
	- weaken by 5% (2021: 5%)	(1,190)	1,644
SGD/RM	- strengthen by 5% (2021: 5%)	79	75
	- weaken by 5% (2021: 5%)	<u>(79)</u>	<u>(75)</u>

Notes to the Financial Statements (Cont'd)

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arises primarily from:

(i) Interest bearing financial assets

Cash deposits are short-term in nature and are not held for speculative purposes.

The Group manages its interest rate yield by prudently placing deposits with varying maturity periods.

(ii) Interest bearing financial liabilities

The Group and the Company manages their interest rate exposure by maintaining a prudent mix of fixed and floating borrowings. The Group and the Company actively reviews its debt portfolio, taking into account the investment holding period and the nature of its assets. This strategy allows it to capitalise on cheaper funding in a low interest rate environment and achieve a certain level of protection against rate hikes.

Sensitivity analysis for interest rate risk

At the end of the financial year, if average interest rates increased/decreased by 1% with all other variable held constant, the Group's profit net of tax for the financial year ended 31 December 2022 will be lower/higher by RM4,119,916(2021: RM3,046,176) as a result of exposure to floating rate borrowings.

42. 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 2022 and 31 December 2021.

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)

42. CAPITAL MANAGEMENT (continued)

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Loan and borrowings	576,275	442,141	205,172	-
Lease liabilities	185,115	160,913	-	-
Trade and other payables	116,473	148,908	32,488	36,518
Contract liabilities	4,115	4,537	-	-
Less: Cash and short-term deposits	(70,019)	(81,880)	(14,678)	(4,142)
Net debt	811,959	674,619	222,982	32,376
Total equity	724,933	673,935	415,067	422,148
	<u>1,536,892</u>	<u>1,348,554</u>	<u>638,049</u>	<u>454,524</u>
Gearing ratio	<u>53%</u>	<u>50%</u>	<u>35%</u>	<u>7%</u>

The Group is not subject to any externally imposed capital requirements other than a subsidiary which is required to maintain a finance service cover ratio of not less than 1.5 times.

43. COMPARATIVE FIGURES

In the previous financial year, computer and software equipment, motor vehicles, engineering equipment, network facilities and plant and machinery under hire purchase arrangement and the related hire purchase payables were classified in right-of-use assets and lease liabilities respectively.

During the financial year, the nature of the hire purchase arrangement was re-assessed, and the computer and software equipment, motor vehicles, engineering equipment, network facilities and plant and machinery and related hire purchase payables were reclassified as property, plant and equipment and loans and borrowings respectively.

The comparative figures have been reclassified to conform with the current year's presentation. The reclassifications have no effect on the profit, cash flows and loss per share of the Group for the current and previous financial years.

Notes to the Financial Statements
(Cont'd)

43. COMPARATIVE FIGURES (continued)

	As previously reported RM'000	Reclassification RM'000	As restated RM'000
Group			
2021			
Statements of Financial Position			
Non-current assets			
Property, plant and equipment	673,626	8,063	681,689
Right-of-use assets	165,388	(8,063)	157,325
Non-current liabilities			
Loans and borrowings	177,060	1,547	178,607
Lease liabilities	133,565	(1,547)	132,018
Current liabilities			
Loans and borrowings	262,418	1,116	263,534
Lease liabilities	30,011	(1,116)	28,895

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 108 to 240 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 2022 and of their financial performance and cash flows for the financial year then ended.

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

.....
OOI CHIN KHOON

Director

.....
ABDUL HALIM BIN ABDUL HAMID

Director

Kuala Lumpur

Date: 20 April 2023

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 108 to 240 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 20 April 2023.

Before me,

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF OCK GROUP BERHAD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of OCK Group Berhad, which comprise the statements of financial position as at 31 December 2022 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 108 to 240.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

Independent Auditors' Report (Cont'd)

Key Audit Matters (continued)

Group

Goodwill (Note 4(a) and Note 14 to the financial statements)

The Group has significant balances of goodwill 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:

- assessing the valuation methodology adopted by the Group;
- comparing the actual results with previous cash flow projections to assess the performance of the business of the respective CGU and reliability of the forecasting process;
- 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 2022. 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 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
- testing the mathematical accuracy 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. Reviews are performed if events indicate that this is necessary. If any such indication exists, the Company makes an estimate of the investment's recoverable amount based on present value of the estimated future cash flows expected to be generated by the subsidiaries.

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

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)

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

Our audit response:

Our audit procedures included, among others:

- understanding the design and implementation of controls associated with monitoring of outstanding amounts by subsidiaries;
- obtaining confirmation of balances from subsidiaries;
- checking subsequent receipts, correspondence and considering explanation on recoverability with significantly past due balances; and
- 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 Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

Independent Auditors' Report (Cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we also report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 16 to the financial statements.

Independent Auditors' Report (Cont'd)

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

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

Kenny Yeoh Khi Khen
No. 03229/09/2024 J
Chartered Accountant

Kuala Lumpur

Date: 20 April 2023

LIST OF PROPERTIES

Registered/ Beneficial Owner	Title/Address	Description/ Existing Use	Tenure	Land Area/ Built-up Area sq ft	Audited Net Book Value as at 31 December 2022 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	14,000	14,000 / December 2022	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 2022	18.08.2008
OCK Setia Engineering Sdn. Bhd.	Title: Geran 46092/M1/21/94, Petak No. 94, Tingkat No.21, Bangunan No. M1, Lot No 70, Seksyen 70, Town and District Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur Address: No 18-02, Q Sentral, 2A, Jalan Stesen Sentral 2, Kuala Lumpur Sentral, 50470 Kuala Lumpur	Office unit/ Rented to third parties	Freehold	1,711	2,150	2,150 / December 2022	14.09.2016

List of Properties (Cont'd)

Registered/ Beneficial Owner	Title/Address	Description/ Existing Use	Tenure	Land Area/ Built-up Area sq ft	Audited Net Book Value as at 31 December 2022 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 / 52,398	17,000	17,000 / December 2022	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 24.11.2107	8,125 / 4,043	2,846	3,000 / December 2022	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) (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 2022	In Progress

List of Properties (Cont'd)

Registered/ Beneficial Owner	Title/Address	Description/ Existing Use	Tenure	Land Area/ Built-up Area sq ft	Audited Net Book Value as at 31 December 2022 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 2022	In Progress
OCK M&E Sdn. Bhd.	Title: P.T. No. 47703 held under Title No. H.S.(M) 28780, No PT 41462, Mukim Dengkil, District of Sepang, State of Selangor Address: H1204A ,Block H, Mutiara Ville, Persiaran Sepang, Cyber 11, 63300 Cyberjaya, Selangor	H1402A (Cyberjaya)	Freehold	839,476 / 935	370	370/ December 2022	30.12.2016
OCK M&E Sdn. Bhd.	Title: P.T. No. 47703 held under Title No. H.S.(M) 28780, No PT 41462, Mukim Dengkil, District of Sepang, State of Selangor Address: J1412, Block J, Mutiara Ville, Persiaran Sepang, Cyber 11, 63300, Cyberjaya, Selangor	J1412 (Cyberjaya)	Freehold	839,476 / 935	375	375 / December 2022	30.12.2016

List of Properties (Cont'd)

Registered/ Beneficial Owner	Title/Address	Description/ Existing Use	Tenure	Land Area/ Built-up Area sq ft	Audited Net Book Value as at 31 December 2022 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 2022	25.11.2013
	P.T. No. 6757 held under Title No. H.S.(M) 1751, Mukim Semarak Pasir Puteh, State of Kelantan		99 years lease expiring 15.4.2094	197,087			
	Address: Kawasan Ltn Semarak, Tok Bali 46400, Pasir Puteh, Kelantan Darul Naim						

ANALYSIS OF SHAREHOLDINGS

Issues and fully paid-up Share Capital	:	RM 314,791,110
Class of Shares	:	Ordinary Share
Voting Rights	:	One (1) vote per shareholder on a show of hands or one vote per ordinary share on poll.
Number of shareholders	:	10,773

ANALYSIS OF SHAREHOLDINGS

Size of Holdings	No. of holders	%	No. of shares	%
1 - 99	137	1.271	5,785	0.000
100 - 1,000	807	7.490	501,046	0.047
1,001 - 10,000	4,976	46.189	30,186,992	2.862
10,001 - 100,000	4,229	39.255	140,631,359	13.333
100,001 - 52,734,191 (*)	620	5.755	434,225,587	41.171
52,734,192 AND ABOVE (**)	4	0.037	449,133,089	42.584
TOTAL :	10,773	100.000	1,054,683,858	100.000

Remark : * - Less Than 5% Of Issued Shares
** - 5% And Above Of Issued Shares

SUBSTANTIAL SHAREHOLDERS

As per the Register of Substantial Shareholders

Name of Shareholders	Direct	Shareholdings %	Indirect	%
AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ALIRAN ARMADA SDN. BHD.	173,918,115	16.490	-	-
LEMBAGA TABUNG ANGKATAN TENTERA	101,473,825	9.621	-	-
HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ALIRAN ARMADA (SIN 45387)SDN BHD	97,196,000	9.215	-	-
CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR ALIRAN ARMADA SDN BHD(PB)	76,545,149	7.257	-	-

Analysis of Shareholdings (Cont'd)

DIRECTORS' INTERESTS IN SHARES As per the Register of Directors Shareholdings

Directors	No. of Shares	Shareholdings		Indirect
		Direct	No. of Shares	
		%		%
Ooi Chin Khoon	409,500	0.039	368,485,839*	34.94
Low Hock Keong	12,100,000	1.148	2,955,500#	0.280
Chang Tan Chin	5,433,610	0.515	–	–
Chong Wai Yew	7,550,000	0.716	–	–
Dato' Indera Syed Norulzaman Bin Syed Kamarulzaman	–	–	–	–
Abdul Halim Bin Abdul Hamid	–	–	–	–
Mahathir bin Mahzan	–	–	–	–
Rear Admiral (R) Dato' Mohd Som Bin Ibrahim	–	–	–	–
Low Ngai Yuen	–	–	–	–
Ong Yee Ling @ Sharon (Appointed on 28 June 2022)	–	–	–	–
Saira Banu Binti Chara Din (Alternate Director to Rear Admiral (R) Dato' Mohd Som Bin Ibrahim)	–	–	–	–

Notes:

* Deemed interested by virtue of his Brothers, Ooi Cheng Wah's direct shareholding in OCK Group Berhad and Deemed interested by virtue of his shareholding in Aliran Armada Sdn Bhd under Section 8 of the Companies Act, 2016

Deemed interested in his Mother, Hoh Moh Ying's direct shareholdings in OCK Group Berhad

Analysis of Shareholdings (Cont'd)

LIST OF TOP 30 HOLDERS AS AT 03/04/2023

No.	Name of Shareholders	No. of Shares Held	%
1.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ALIRAN ARMADA SDN.BHD.	173,918,115	16.490
2.	LEMBAGA TABUNG ANGKATAN TENTERA	101,473,825	9.621
3.	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ALIRAN ARMADA SDN BHD (SIN 45387)	97,196,000	9.215
4.	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR ALIRAN ARMADA SDN BHD (PB)	76,545,149	7.257
5.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD	35,833,740	3.397
6.	PHILLIP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR PHILLIP CAPITAL MANAGEMENT SDN BHD	20,772,731	1.969
7.	PHILLIP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR PHILLIP CAPITAL MANAGEMENT SDN BHD (EPF)	20,693,692	1.962
8.	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ALIRAN ARMADA SDN BHD	19,600,000	1.858
9.	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR ALLIANZ LIFE INSURANCE MALAYSIA BERHAD (MEF)	19,533,000	1.852
10.	HE SWEE HONG	19,080,000	1.809
11.	SONG CHIN YEW	10,236,996	0.970
12.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LOW HOCK KEONG	10,186,800	0.965
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.	PHILLIP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR PHILLIP CAPITAL MANAGEMENT SDN BHD	7,750,600	0.734
16.	AMANAHRAYA TRUSTEES BERHAD ASN EQUITY 2	7,170,130	0.679
17.	LEE ENG HOCK & CO. SENDIRIAN BERHAD	6,004,900	0.569
18.	CARTABAN NOMINEES (TEMPATAN) SDN BHD ICAPITAL.BIZ BERHAD	5,909,900	0.560
19.	TASEC NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR TA INVESTMENT MANAGEMENT BERHAD (CLIENTS)	4,611,000	0.437
20.	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR ALLIANZ LIFE INSURANCE MALAYSIA BERHAD (DGF)	4,385,900	0.415
21.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHEN KHAI VOON	4,004,000	0.379
22.	PHILLIP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR PHILLIP CAPITAL MANAGEMENT SDN BHD	3,689,100	0.349
23.	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHANG TAN CHIN	3,658,610	0.346
24.	NG AH BAH @ NG SEE KAI	3,420,900	0.324
25.	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOW HOCK KEONG	3,310,000	0.313
26.	HOH MOH YING	3,305,500	0.313
27.	QUEK MEU SAN	3,154,880	0.299
28.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (KENANGAESG)	3,039,300	0.288
29.	CITIGROUP NOMINEES (ASING) SDN BHD UBS AG	2,980,800	0.282
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		691,044,653	65.521

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	:	2,244

ANALYSIS OF WARRANTHOLDINGS

Size of Holdings	No. of Warrantholders	%	No. of Warrants	%
1 - 99	55	2.450	2,269	0.002
100 - 1,000	591	26.336	335,787	0.350
1,001 - 10,000	790	35.204	3,507,494	3.659
10,001 - 100,000	636	28.342	24,707,767	25.778
100,001 - 4,792,401 (*)	172	7.664	67,294,729	70.209
4,792,402 AND ABOVE (**)	0	0.000	0	0.000
TOTAL :	2,244	100.000	95,848,046	100.000

Remark : * - Less Than 5% Of Issued Warrants
 ** - 5% And Above Of Issued Warrants

SUBSTANTIAL WARRANTHOLDERS

As per the Register of Substantial Warrantholders

There were no substantial warrantholders as at 3 April 2023.

DIRECTORS' INTEREST IN WARRANTS

As per the Register of Directors Warrantholdings

Name of Directors	Warrantholdings			
	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Ooi Chin Khoon	37,200	0.038	-	-
Low Hock Keong	825,000	0.860	-	-
Chang Tan Chin	510	-	-	-
Chong Wai Yew	-	-	-	-
Dato' Indera Syed Norulzaman Bin Syed Kamarulzaman	-	-	-	-
Abdul Halim Bin Abdul Hamid	-	-	-	-
Mahathir bin Mahzan	-	-	-	-
Rear Admiral (R) Dato' Mohd Som Bin Ibrahim	-	-	-	-
Low Ngai Yuen	-	-	-	-
Ong Yee Ling @ Sharon	-	-	-	-
Saira Banu Binti Chara Din	-	-	-	-

Analysis of Warrants (Cont'd)

LIST OF TOP 30 HOLDERS AS AT 03/04/2023

No.	Name of Warrants	No. of Warrantsholders Held	%
1	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHEN KHAI VOON	3,940,200	4.110
2	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHEN KHAI VOON	3,002,000	3.132
3	LIM KIAN KAK	2,089,500	2.180
4	NEOH GUAN KIE	2,000,000	2.086
5	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR ALIRAN ARMADA SDN BHD (PB)	1,963,549	2.048
6	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ALLAN GAN CHIN YONG (8122098)	1,800,000	1.877
7	GOH KIM KEONG	1,600,000	1.669
8	UNIVERSAL TRUSTEE (MALAYSIA) BERHAD TA DYNAMIC ABSOLUTE MANDATE	1,457,800	1.520
9	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM TEONG ENG (PENANG-CL)	991,100	1.034
10	CHIANG SIONG CHIEW @ CHIONG SIONG CHIEW	953,000	0.994
11	HO CHUN SIONG	950,000	0.991
12	LOW TEONG KEONG	900,000	0.938
13	THAM TZE HUEY	862,000	0.899
14	TAN CHEOW HENG	850,000	0.886
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	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LOW HOCK KEONG	825,000	0.860
19	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR BEH LEE FONG (E-SS2)	805,900	0.840
20	LEE MEI SIANG	764,835	0.797
21	LIM JYH HORNG	725,000	0.756
22	MING KAY HOONG	716,400	0.747
23	LAI KIM LOONG	652,700	0.680
24	THOONG KAM WAH	600,000	0.625
25	LIM KUANG YEE	595,500	0.621
26	LOW YOU SIANG	566,000	0.590
27	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NYONG CHYE SENG (S PETALING-CL)	550,000	0.573
28	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ALIRAN ARMADA SDN BHD	550,000	0.573
29	CHANG GOK LAU	534,800	0.557
30	ONG CHOOI EWE	533,000	0.556
Total		34,297,384	35.783

NOTICE OF THE TWELFTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twelfth Annual General Meeting of **OCK GROUP BERHAD** (Registration No.: 201101027780 (955915-M)) will be conducted at the Topas Room, Saujana Golf & Country Club of Jalan Subang, U 2, 40150 Shah Alam, Selangor on Wednesday, 28 June 2023 at 10.00 a.m. for the following purposes: -

ORDINARY BUSINESS:-

- | | | |
|----|---|-------------------------------|
| 1. | To receive the Audited Financial Statements for the year ended 31 December 2022 together with the Reports of the Directors and Auditors thereon. | <i>Please refer to Note 1</i> |
| 2. | To approve the payment of Directors' fees and benefits amounting to RM236,100 for the financial year ended 31 December 2022. | <i>Resolution 1</i> |
| 3. | To approve the payment of Directors' fees and benefits of up to RM300,000 for the period from 1 January 2023 until the conclusion of the next Annual General Meeting. | <i>Resolution 2</i> |
| 4. | To re-elect the following Directors who retire by rotation pursuant to Clause 97 of the Company's Constitution: - | |
| | a) Encik Abdul Halim Bin Abdul Hamid | <i>Resolution 3</i> |
| | b) Mr. Chang Tan Chin | <i>Resolution 4</i> |
| | c) Mr. Chong Wai Yew | <i>Resolution 5</i> |
| 5. | To re-elect Ms. Ong Yee Ling @ Sharon who retires by casual vacancy pursuant to Clause 104 of the Company's Constitution. | <i>Resolution 6</i> |
| 6. | 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. | <i>Resolution 7</i> |

SPECIAL BUSINESS:-

To consider and, if thought fit, pass with or without modifications, the following Ordinary Resolutions:-

- | | | |
|----|--|---------------------|
| 7. | ORDINARY RESOLUTION | <i>Resolution 8</i> |
| | <ul style="list-style-type: none"> Authority for Directors to allot and issue shares pursuant to Section 75 & 76 of the Companies Act, 2016 and Waiver of Pre-Emptive Rights | |

The ordinary resolution set out below shall be proposed to the Members for approval: -

"THAT pursuant to Section 75 & 76 of the Companies Act, 2016 and subject always to the approvals of the relevant authorities, the Directors be and are hereby authorised to allot and issue shares in the Company from time to time at such price, upon such terms and conditions, for such purposes and to such person or persons whomsoever as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed 10% of the 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."

Notice of the Twelfth Annual General Meeting (Cont'd)

AND FURTHER THAT pursuant to Section 85 of the Companies Act, 2016 read together with Clause 54 of the Company's Constitution, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company and to offer new shares arising from the issuance and allotment of the new shares pursuant to Sections 75 and 76 of the Companies Act 2016 **AND THAT** the Board of Directors of the Company is exempted from the obligation to offer such new shares first to the existing shareholders of the Company".

8. **ORDINARY RESOLUTION**

Resolution 9

• **Proposed Renewal of Shareholders' Mandate for Share Buy-Back of OCK Group Berhad**

"THAT subject to the Companies Act 2016 ("Act"), the Company's Constitution, the Main Market Listing Requirements of Bursa Securities ("MMLR") and all other prevailing laws, rules, regulations and orders issued and/or amended from time to time by the relevant regulatory authorities, the Company be and is hereby authorised to purchase and/or hold up to ten percent (10%) of the total number of issued shares of the Company ("Proposed Share Buy-Back") as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors of the Company may deem fit and expedient in the best interest of the Company and an amount not exceeding the retained profits of the Company, be allocated by the Company for the Proposed Share Buy-Back.

AND THAT upon completion of the purchase by the Company of its own shares, the Directors of the Company be and are hereby authorised to cancel such shares or retain such shares as Treasury Shares or a combination of both. The Directors of the Company are further authorised to resell the Treasury Shares on Bursa Securities or distribute the Treasury Shares as dividends to the shareholders of the Company or subsequently cancel the Treasury Shares or any combination of the three.

AND FURTHER THAT the Directors of the Company be and are hereby authorised to carry out the Proposed Share Buy-Back immediately upon the passing of this resolution until:-

- (a) the conclusion of the next Annual General Meeting of the Company at which time the authority shall lapse, unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to the conditions; or
- (b) the expiration of the period within which the next Annual General Meeting is required by law to be held; or
- (c) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting

whichever occur first but not so as to prejudice to the completion of purchase(s) by the Company before the aforesaid expiry date and to take all steps as are necessary and/or to do all such acts and things as the Directors of the Company deem fit and expedient in the interest of the Company to give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, amendments and/or variations as may be imposed by the relevant authorities."

Notice of the Twelfth Annual General Meeting (Cont'd)

9. **ORDINARY RESOLUTION**

Resolution 10

• **Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**

"THAT the Company and its subsidiaries shall be mandated to enter into the category of recurrent related party transactions of a revenue or trading nature which are necessary for the day to day operations as set out in the Circular to Shareholders dated 28 April 2023 subject to the following :

- (a) the transactions are in the ordinary course of business and are on normal commercial terms which are not more favourable to the related parties than those generally available to the public and not to the detriment of the minority shareholders; and
- (b) disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year including amongst others, the following information :
 - (i) the type of recurrent related party transaction and;
 - (ii) the names of the related parties involved in each recurrent party transaction entered into and their relationship with the Company;

AND THAT such approval shall continue to be in force until :

- (a) the conclusion of the next AGM of the Company; or
- (b) the expiration of the period within which the next AGM is required to be held pursuant to Section 340(2) of the Companies Act, 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act, 2016); or
- (c) revoked or varied by ordinary resolution passed by the shareholders at a General Meeting;

whichever is the earlier,

AND FURTHER THAT the Directors of the Company be authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary or give effect to the transactions contemplated and/or authorised by this ordinary resolution."

ANY OTHER BUSINESS: -

10. To transact any other business for which due notice shall have been given in accordance with the Company's Constitution and the Companies Act, 2016.

BY ORDER OF THE BOARD

WONG YOUN KIM (MAICSA 7018778)
(PRACTISING CERTIFICATE NO. 201918000410)
Company Secretary

Kuala Lumpur
Date: 28 April 2023

Notice of the Twelfth Annual General Meeting (Cont'd)

Notes:-

1. This Agenda item is meant for discussion only as the provision of Section 248(2) of the Companies Act, 2016 does not require a formal approval of the shareholders and hence, is not put forward for voting.
2. A member of the Company shall not be entitled to appoint more than two (2) proxies to attend, participate, speak and vote at the same meeting and where the member appoints two (2) proxies to attend, participate, speak and vote at the same meeting, such appointment shall be invalid unless the member specifies the proportion of his/her holdings to be represented by each proxy.
3. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or executed must be deposited at the Company's Registered Office at Level 5, Tower 8, Avenue 5, Horizon 2, 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 21 June 2023 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his/her behalf.
6. **Explanatory Notes on Special Business**

6.1 Resolution 6 - To re-elect Ms. Ong Yee Ling @ Sharon who retires by casual vacancy pursuant to Clause 104 of the Company's Constitution.

The proposed Resolution 6 under item 5 is to seek the approval for re-election of Ms. Ong Yee Ling @ Sharon, who appointed on 28 June 2022.

The Clause 104 of the Company's Constitution states that the Directors shall have power at any time, and from time to time, to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors, but the total number of Directors shall not at any time exceed the maximum number fixed in accordance with this Constitution. Any Director so appointed shall hold office only until the next following annual general meeting, and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting.

6.2 Resolution 8 - Authority for Directors to allot and issue shares pursuant to Section 75 & 76 of the Companies Act, 2016 and Waiver of Pre-Emptive Rights

The proposed Resolution 8 under item 7 above, if passed, will empower the Directors of the Company, from the date of the above Annual General Meeting, with the authority to issue and allot shares in the Company up to an amount not exceeding 10% of the total number of issued shares of the Company for such purposes as the Directors consider would be in the best interest of the Company. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting.

This general mandate is a renewal of the mandate that was approved by the Shareholders at the Eleventh Annual General Meeting held on 27 June 2022. 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 Eleventh AGM of the Company.

Notice of the Twelfth Annual General Meeting (Cont'd)

6. **Explanatory Notes on Special Business (Cont'd)**

6.2 **Resolution 8 - Authority for Directors to allot and issue shares pursuant to Section 75 & 76 of the Companies Act, 2016 and Waiver of Pre-Emptive Rights (Cont'd)**

The approval of the issuance and allotment of the new shares under Sections 75 and 76 of the Companies Act 2016 shall have the effect of the shareholders having agreed to waive their statutory pre-emptive rights pursuant to Section 85 of the Companies Act, 2016 and Clause 54 of the Constitution of the Company, the shareholders of the Company hereby agree to waive and are deemed to have waived their statutory pre-emptive rights pursuant to Section 85 of the Companies Act, 2016 and Clause 54 of the Constitution of the Company pertaining to the issuance and allotment of new shares under Sections 75 and 76 of the Companies Act 2016, which will result in a dilution to their shareholding percentage in the Company.

6.3 **Resolution 9 - Proposed Renewal of Shareholders' Mandate for Share Buy-Back of OCK Group Berhad**

The proposed Resolution 9 under item 8 above is to seek the authority for the Company to purchase its own shares up to 10% of the total number of issued shares of the Company on Bursa Securities. For further information on the Proposed Renewal of Shareholders' Mandate for Share Buy-Back, please refer to the Part A of Circular to Shareholders dated 28 April 2023.

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 28 April 2023 for further information.

STATEMENT ACCOMPANYING NOTICE OF THE TWELFTH ANNUAL GENERAL MEETING

1. The Directors seeking for re-election/re-appointment at the Twelfth Annual General Meeting of OCK Group Berhad are as follows :

Clause 97 of the Company's Constitution:

Encik Abdul Halim Bin Abdul Hamid
Mr. Chang Tan Chin
Mr. Chong Wai Yew

Clause 104 of the Company's Constitution:

Ms. Ong Yee Ling @ Sharon

The Board of Directors, taking into the recommendation of Nomination Committee, supported the abovementioned Directors of their re-election as Director of the Company.

Based on the assessment and evaluation conducted by the Nomination Committee, the retiring Directors met the performance criteria required of an effective and high performance Board. In addition, all the Independent Non-Executive Directors have also provided annual declaration or confirmation of independence respectively.

The profiles of the Directors who are standing for re-election is set out on pages 19, 20 and 21 of this Annual Report.

2. The details of attendance of the Directors of the Company at Board of Directors' Meetings held during the financial year ended 31 December 2022 are disclosed in the respective profiles of the Directors.
3. The details of the Twelfth Annual General Meeting are as follows:

Date of Meeting	Time of Meeting	Place of Meeting
Wednesday, 28/06/2023	10.00 a.m.	Topas Room, Saujana Golf & Country Club of Jalan Subang, U 2, 40150 Shah Alam, Selangor

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OCK GROUP BERHAD
(Registration No. 201101027780 (955915-M))
(Incorporated in Malaysia)

FORM OF PROXY

*I/We,
(FULL NAME IN BLOCK LETTERS)

of
(ADDRESS)

being a member(s) of OCK GROUP BERHAD, hereby appoint
(FULL NAME)

of
(ADDRESS)

or failing him/her,
(FULL NAME)

.....
(ADDRESS)

or failing him/her, the Chairman of the Meeting as *my/our proxy(ies) to vote for *me/us on *my/our behalf at the Twelfth Annual General Meeting of the Company to be conducted at the Topas Room, Saujana Golf & Country Club of Jalan Subang, U 2, 40150 Shah Alam, Selangor on Wednesday, 28 June 2023 at 10.00 a.m. or at any adjournment thereof and to vote as indicated below:

(*Strike out whichever is not desired)

(Should you desire to direct your Proxy as to how to vote on the Resolution set out in the Notice of Meeting, please indicate an "X" in the appropriate space. Unless otherwise instructed, the proxy may vote or abstain from voting at his discretion.)

Resolutions		For	Against
ORDINARY BUSINESS			
1.	To approve the payment of Directors' fees and benefits amounting to RM236,100 for the financial year ended 31 December 2022		
2.	To approve the payment of Directors' fees and benefits of up to RM300,000 for the period from 1 January 2023 until the conclusion of the next Annual General Meeting		
3.	Re-election of Director - Encik Abdul Halim Bin Abdul Hamid		
4.	Re-election of Director - Mr. Chang Tan Chin		
5.	Re-election of Director - Mr. Chong Wai Yew		
6.	Re-election of Director - Ms. Ong Yee Ling @ Sharon		
7.	To re-appoint Messrs. Baker Tilly Monteiro Heng PLT as the Auditors of the Company and to authorise the Board of Directors to fix their remuneration		
SPECIAL BUSINESS			
8.	Authority to Issue Shares Pursuant to Section 75 & 76 of the Companies Act, 2016 and Waiver of Pre-Emptive Rights		
9.	Proposed Renewal of Share Buy-Back of up to 10% of the 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 _____ 2023

No of Ordinary Shares Held:	
CDS Account No.:	
Tel No. (during office hours):	

Signature/Common Seal of Shareholder
[* Delete if not applicable]

For appointment of two proxies, percentage of shareholding to be represented by the proxies:-

	No. of shares	Percentage
Proxy 1		%
Proxy 2		%
Total		100%



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 5, Tower 8, Avenue 5, Horizon 2, 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 21 June 2023 (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 5, TOWER 8, AVENUE 5,
HORIZON 2, BANGSAR SOUTH CITY
59200 KUALA LUMPUR

2nd Fold Here

Fold This Flap For Sealing